بنك القاهرة عمّان
CairoAmmanBank

2021 ANNUAL REPORT

ANNUAL REPORT

His Majesty
King Abdullah II Ben Al-Hussein

His Royal Highness
Prince Hussein Ben Abdullah II, the Crown Prince


SIGNATURE
BY CAIRO AMMAN BANK
Premium Banking Experience

Signature Overview

Signature is a brand owned by Cairo Amman Bank, concerned with providing pioneering and customized banking products and solutions, through distinguished customer service, innovative electronic channels, and an advanced branch network that meets the needs of distinguished customers, both individuals and companies.

Signature's strategic framework is to create a quality and distinctive banking experience through the creation of dynamic banking products and solutions in addition to targeted programs and benefits designed according to customer behaviours, and in a manner that suits their lifestyles.

There will be 0 branches for Signature to open during 2022 within strategic locations, targeting the places of distinguished clients; whereas such branches will include places dedicated for serving both individual and corporate clients.

Services will also be offered to clients through e-channels such as the bank smart phone application and internet for individuals and companies, in order to raise the level of service quality, facilitate financial procedures and provide digital solutions for the investment products including currency and stock exchange, securities and investment funds.
Signature trademark aims to be the first banking option of the elite clients, based on Cairo Amman Bank strengths in order to enhance expansion and growth in sustainable definition.


LINC
BY CAIRO AMMAN BANK
A BANK FOR YOUTH
بنك للشباب
www.linc.jo

LINC Overview

LINC is the first digital bank in Jordan that is dedicated for serving youth of age category ranging between 18 and 40 years and who like technology; it is a sub-trademark of Cairo Amman Bank that was established in 2019 for serving clients as a unique business unit that aims at providing integrated digital banking solutions for qualifying customers and mainly individuals.

LINC will allow clients of accessing a wide scope of products, services and banking solutions at competitive prices and prominent offers that are appropriate for the youth and technology lovers.

LINC will be serving clients through smart electronic applications and platforms; including bank application and upgraded internet banking services for individuals and companies, in addition to branches of contemporary designs and high-end technologies for serving clients.

LINC will be the pioneer in offering digital banking services in the Jordanian Banking Sector.

LINC will work as partner to the clients and build its own community; as since creation; LINC purpose was sharing with customers. Meaning of LINC is:

- L: Learn, as LINC will be the first assistant to clients for taking the right options from educational, occupational and training aspects.
- I: Inspire, as LINC will be the first assistant to clients for unleashing their imagination and build self-confidence.
- N: Network, LINC will be helping clients expand their own communication network and keep contact with the important persons through the digital pillars and meeting facilities along with the functional communication platforms and meetings.
- C: Create, LINC will help clients establish their own bank and create their own experience through guaranteeing that they have the full control over all aspects of their lives.

Members of the Board of Directors

BOD Chairman

Mr. Yazeed Adnan Mustafa Al-Mufti

BOD Vice-Chairman

Mr. Mohammad Mahmoud Ahmad Al-Atrabi /Vice BOD Chairman (Representative of Banque Misr) – Non independent

Members

Mr. Khaled Sbaih Taher Al-Masri / Member - Non independent (up to 8/2/2021)
Mr. Hisham Zafer Taher Al-Masri / Member - Non independent
Mr. Yaseen Khalil "Mohammad Yaseen" Al-Talhouni / Member - Non independent
Arab Trading and Food Supply Company, represented by Mr. Ghassan Ibrahim Fares Aqeel - Non independent
Social Security Corporation, represented by Mrs. Suzan Yahya Jawdat Abu Al-Rous – Non independent up to 31/8/2021, and represented by Mr. Mazin Hamdi Mohammad Al-Sahsah - Non independent up to 1/9/2021)
Mr. Shareef Mahdi Husni Al-Saifi / Member - Independent
Mr. Hasan Ali Hussein Abu Al-Ragheb / Member - Independent
Mrs. Suha Baseel Andrawos Ennab / Member - Independent
Mr. Sami Issa Eid Smairat / Member - Independent
Mr. Esam Mohammad Farooq Rushdi Al-Muhtadi / Member - Independent

CEO

Mr. Kamal Ghareeb Abdul Raheem Al-Bakri

Auditors

Messrs. Deloitte & Touche – Middle East

Dear Shareholders,

On behalf of my colleagues in the Board of Directors, it is my pleasure to introduce the Annual Report of Cairo Amman Bank for the year 2021; through which we present the most prominent achievements of the bank during the year.

The Jordanian economy recovered during the year 2021 to achieve a growth rate of 2% after a contraction of 1.6% in the year 2020 as a result of the repercussions of the Covide-19 pandemic that the global economy experienced. It is also worth noting that the peg of the Jordanian dinar exchange rate to the dollar is still a strong support for the Jordanian economy, supported by the high levels of the Kingdom's foreign exchange and gold reserves, which the Central Bank succeeded in raising by 1.5 billion dinars, or by nearly 13%, to reach 12.8 billion dinars, compared to 11.3 billion dinars last year. This is despite the pressures on the current account due to the increase in imports and the import bill of oil.
For the year 2020, we expect an improvement in tourism income, which amounted to 1.9 billion dinars in 2021, with an increase of 90% over the year 2020, and a return to normal activity with the removal of most restrictions related to the Covid-19 pandemic, which will positively reflect on the Jordanian economy during the year 2022.
It is worth noting that after keeping interest rates at their low rates during 2021, the Central Bank of Jordan is expected to raise the main interest rates, following the approach of the US Federal Reserve, which is likely to start a cycle of raising interest rates during 2022 to combat the rise in inflation rates in the United States.
As for the Bank's performance, the balance of credit facilities increased during 2021 by 8.8%, accompanied by an increase in net interest and commission income by 7.7%, to reach 136.2 million dinars, compared to 126.5 million dinars for the year 2020. The profit before income tax amounted to 51.3 million dinars, compared to 30.7 million dinars for the previous year, with an increase of 67.1%, while the profit attributable to the Bank's shareholders after tax amounted to 32.8 million dinars, compared to 18.2 million dinars for the previous year. The increase in profits is mainly due to the increase in the Bank's operating income, and the comprehensive profit of the Bank increased by 100%, reaching 42.7 million dinars, compared to 16.7 million dinars for the previous year.
Total assets increased by 7.8% to reach 3,614 million dinars. The balance of customer deposits amounted to 2.438 million dinars, as customer deposits grew by 9.5%, and the balance of the Bank's investments in stocks and bonds amounted to 881 million dinars, compared to 870 million dinars for the previous year. From its investments in financial assets, the Bank aims to achieve a balance in investing funds in instruments with low risks and higher returns in a manner that maintains good liquidity ratios. The Bank maintains liquidity ratios that are in line with international standards and the requirements of regulatory authorities and represent a source of reassurance for all categories that deal with the Bank, as credit facilities constitute 80% of customer deposits. Customers' deposits constitute the main source of funding for the Bank, representing 67.5% of the total sources of funds.
The Bank managed to maintain the quality of the portfolio, whereas the net inactive facilities reached 4.74% of the direct net credit facilities, and this is a low rate in the banking sector.
Total shareholders' equities reached 387 million dinars by the end of 2021 compared to 367 million Dinars at the end of the previous year. Capital Adequacy Ratio reached 15.18%, which is above the minimum limit required by the Central Bank of Jordan which is 14.5%. The shareholders' equities ratio to the total assets (Leverage Ratio), reached 8.7%, which makes the Bank within the first category (Good Capital) as per the solvency degree.
Based on the bank financial results, the Board of Directors decided to recommend the Bank General Assembly of distributing cash profits among shareholders by 9% of the share nominal value which amounting 17.1 million Dinar, in addition to distributing 16,078,984 shares from the share of Al-Safa Bank / Palestine that owned by Cairo Amman Bank to its shareholders proportionally from the shareholders equity in the capital of Cairo Amman Bank.
During 2022, the bank will continue implementing its strategic policies and plans of developing business, through focusing on maintaining high liquidity rate, credit portfolio quality, raising performance efficiency, improving level of customer service and increase number of branches in the area that the Bank was not existing, in addition to contributing in the support to the local community as part of the Bank social responsibility.
In conclusion and on behalf of the Board of Directors; I would like to express my gratitude to all Bank shareholders and dearest clients for their continuous trust and support, with the gratitude to all Bank employees. I would also like to express my thanks and appreciation to the Central Bank of Jordan for its sincere efforts, and we are confident that efforts will continue to provide distinguished banking services and achieve better results in the coming years.

Peace, mercy and blessings of Allah

Yazeed Adnan Al-Mufti

The Jordanian Economy

The Jordanian economy has proven its ability to overcome the deep repercussions of the Covid-19 crisis gradually during the year 2021, as indicators of the Jordanian economy indicate that it achieved a growth rate of 2% for the year 2021, after a contraction of 1.6% at the end of 2020 as a result of the repercussions of the Covid-19 pandemic that the global economy has experienced. As for the inflation rates, they witnessed a remarkable increase during the year 2021 by 1.3% compared to the previous year by 0.3%. The unemployment rate rose to 25% during the first quarter of 2021 and decreased to 23.2% at the end of the year, despite that, unemployment rates are still high compared to their levels in 2019 at 19%.

The balance of payments faced new pressures during the year 2021, most notably the rise in the trade deficit due to the growth in the rate of imports more than the increase in exports, affected by the rise in domestic demand and the rise in global oil prices. On the other hand, the tourism sector faced a slight improvement, as tourism income rose to 1.9 billion dinars at the end of 2021 compared to one billion dinars in 2020, with the tourism income rate remaining lower than the rates before the repercussions of the Covid-19 crisis, knowing that tourism income in 2019 reached 41 billion dinars.

Despite these pressures, the Central Bank of Jordan was able to maintain the Kingdom's foreign exchange and gold reserves levels, which grew by 2 billion US dollars during 2021 to exceed 18 billion US dollars, with a coverage rate of 9.5 months of the Kingdom's imports.

At the level of fiscal policy, the Jordanian economy has proven its ability to improve the level of revenue resulting from tax collections, as it increased by 15%, which reflects the prudent financial management taken by the government to maintain economic stability. The budget deficit also decreased to approximately 5.5% of GDP from 7% in 2020.

As for the level of the Kingdom's public debt, expectations indicate a rise in public debt levels to 113% of GDP at the end of 2021, which is one of the highest levels witnessed by the Hashemite Kingdom of Jordan since its founding, after the ratio reached 109% last year. Note that when excluding the debt owned by the Social Security Investment Fund, the ratio will reach 90% of the GDP.

The pegging of the Jordanian dinar exchange rate to the US dollar remains a strong supporter of the Jordanian economy, and reinforces the stability of the dinar exchange rate, which helps in increasing the levels of the Kingdom's foreign exchange reserves.

Expectations for 2022:

The World Bank expects the growth of the Jordanian economy to accelerate during the year 2022, as growth rates will reach 2.7% by the end of 2022 and 2.3% by the end of 2023, noting the improvement of the tourism sector, which will begin to recover significantly from 2022.

On the other hand, expectations indicate that public debt levels will rise by 2.4 billion dinars, coinciding with the continued dependence on external debt, with continued pressures on the current account and balance of payments due to the rise in imports and the oil import bill, which could affect the levels of foreign currency reserves.

As for monetary policy, it is expected that interest rates will rise in the coming years, as the Central Bank of Jordan will continue to follow the US Federal Reserve's approach to raising interest rates, as it is likely to start a cycle of raising interest rates from 3 to 5 hikes during the year 2022 to combat the rise in inflation rates in the United States.

The economies of the region:

The economic performance varied among the countries of the region due to the difference in the impact of the severity of the pandemic, where the economies of the countries in the region experienced a strong economic recovery in 2021, as the GDP returned to its pre-pandemic levels in some economies.

Oil-exporting Countries:

The oil-exporting countries, especially the Gulf Cooperation Council (GCC), have benefited from the recovery in global demand and the rise in oil prices that helped in the economic recovery, which contributed to a decrease in the fiscal deficit, an increase in oil production, and an increase in vaccination rates that reached 70% at the end of 2021, which was accompanied by the easing of some economic restrictions, which led to an increase in the recovery of the non-oil sectors. Economic forecasts indicate that growth in the GCC countries rose to 2.5% in 2021, when it is expected to reach 4.2% in 2022 after shrinking by 4.8% in 2020. The fiscal deficit decreased after the rise in oil prices to reach 1.8% of GDP, compared to 8.8% at the end of 2020.

Oil Importing Countries:

Expectations indicate that growth in oil importing countries will rise to 3.2% in 2021 and will rise to 4.2% in 2022, compared to a decrease of 0.8% in 2020. The rise in domestic demand with the gradual easing of restrictions on movement and the rise in their income levels from commercial and tourism activities were positively reflected on the economies of the oil-importing countries.

Egypt's economy witnessed faster growth than expected in the fiscal year 2021, due to strong consumption and the increase in remittances of workers abroad. It is expected that the Egyptian economy will continue to grow to reach 5.5% in 2022 due to the improvement in external demand from the main trading partners, the gas extraction sectors, and the gradual improvement of the tourism sector.

But on the other hand, the oil-importing countries have witnessed a rise in indebtedness levels affected by the rise in oil and basic commodities prices globally and the continued disruption of some economic activities due to the pandemic, which negatively reflected on the economic recovery.

Global Economy:

The International Monetary Fund's forecasts indicate that the global economy will grow by 5.9% in 2021 and will witness a sharp slowdown to 4.4% in 2022 in the midst of new risks arising from the mutations of the Corona virus, high levels of inflation, debt and income disparity that it may threaten recovery in emerging and developing economies.

The Covid-19 pandemic continued to affect the growth of the American economy during 2021, but vaccines greatly helped its recovery during this year, and although the American economy is still below pre-pandemic levels according to many measures, in general, it achieved a strong growth rate in 2021. The labor market also witnessed a remarkable improvement, as the unemployment rate reached 3.9% at the end of the year 2021.

The year 2021 was replete with a number of events, the most prominent of which was the change in the Federal Reserve's directives regarding inflation expectations, as the US Federal Reserve president stated that the pressures on inflation rates may not be temporary, as the inflation rate rose by 7% at the end of 2021 to be higher level reached 39 years ago, which led to the Federal Reserve's decision to increase the pace of reducing asset purchases, indicating that raising interest rates in 2022 will exceed previous expectations.

The Eurozone economy grew in 2021 by 5.2%, amid the recovery from the repercussions of the Covid-19 pandemic, which caused a record contraction during the previous year by 6.4%, as the European Central Bank expected that the option to raise the interest rate in the Euro area remains highly unlikely during 2022, but it announced that it will end the emergency asset purchase program to confront the pandemic, and that it is convinced that high inflation rates will continue temporarily, and decrease next year.

As for the United Kingdom, the British economy grew by 7.5% in 2021, rebounding from a historic contraction of 9.4% in 2020 when pandemic restrictions limited economic activity. Where the British Central Bank raised the main interest rate to 0.25% from its historical low of 0.1% to meet the continuing inflation pressures and the tightening of the labor market, defying market expectations waiting for the new year before the start of raising interest rates, to be the first central bank to raise interest rates since the start of the pandemic.

In China, despite the challenges arising from structural reforms, policy changes related to the financial and real estate market, the risks associated with the debt crisis of Evergrande Corporation, which faced the Chinese economy, and the shutdowns caused by the strict non-proliferation policy. However, the Chinese economy grew by 8.1% during the year 2021 compared to 2.3% in 2020, driven by the improvement of domestic and external demand. Like most other central banks around the world, the People's Bank of China is expected to continue its accommodative policy through 2022.

In the end, the global economy accepts different scenarios in 2022, and as the pandemic continues to dominate the global scene, the focus on an effective global health strategy is more prominent than ever before. The emergence of new mutations from the Covid-19 virus could prolong the pandemic and cause renewed economic turmoil.

The Most Significant Financial Indicators and Ratios

Thousand Dinars	2021	2020	Change
Most Significant Clauses of the Financial Position Statement			
Total Assets	3,613,808	3,353,235	7.77%
Net credit facilities	1,951,097	1,793,871	8.76%
Clients' deposits	2,437,900	2,226,430	9.50%
Total shareholders' equity	387,038	366,623	5.57%
Transactions' Results			
Net revenues of interests and commissions	136,231	126,508	7.69%
Income from operational transactions (except for the profits of selling and evaluating financial assets)	150,162	138,604	8.34%
Total income	151,558	137,035	10.60%
Profit before tax	51,308	30,701	67.12%
Profit attributable to shareholders after taxes	32,800	18,161	80.60%
Stock share from net profit (Dinar)	0.173	0,096	80.60%
Most Important Fiscal Ratios			
Ratio of Return on Assets	0.94%	0.56%	
Ratio of Return on Stockholder's Equity	8.70%	5.07%	
Net revenue of profits and commissions to assets' ratio	3.91%	3.90%	
Capital adequacy	15.18%	15.97%	
Net facilities to clients' deposits	80.03%	80.57%	
Net inactive facilities to facilities	4.74%	5.14%	
Allocation coverage of net inactive facilities	75.14%	64.06%	

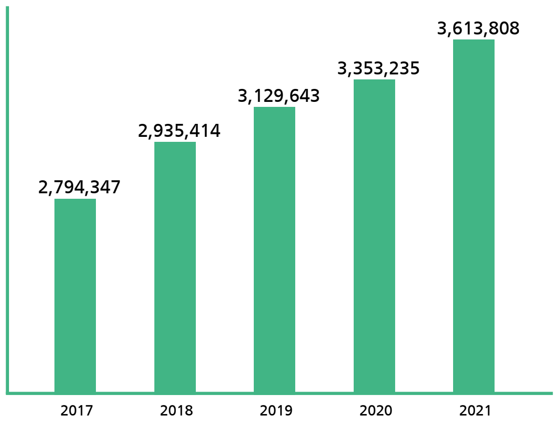
Financial Indicators of the Last Five Years

	2017	2018	2019	2020	2021
Net Profit attributable to shareholders	30,336	30,127	28,095	18,161	32,800
Dividends	21,600	16,200	-	22,.800	17,100*
Distributed shares	-	10,000	-	-	-
Shareholders' equity	336,584	336,397	349,875	366,623	387,038
Issued shares	180,000	180,000	190,000	190,000	190,000
Share rate in the stock market (Dinar)	1,50	1,33	1,03	1,05	1,39

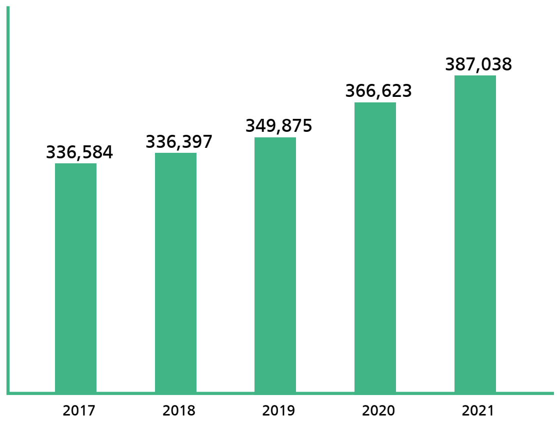
* The recommendation of the Board of Directors to the General Assembly for the year 2021, in addition to distributing 16,078,984 shares of the Al-Safa Bank / Palestine shares owned by Cairo Amman Bank to its shareholders on the basis of the proportionate share of the shareholders' ownership in the capital of Cairo Amman Bank.

(Thousand Dinars)

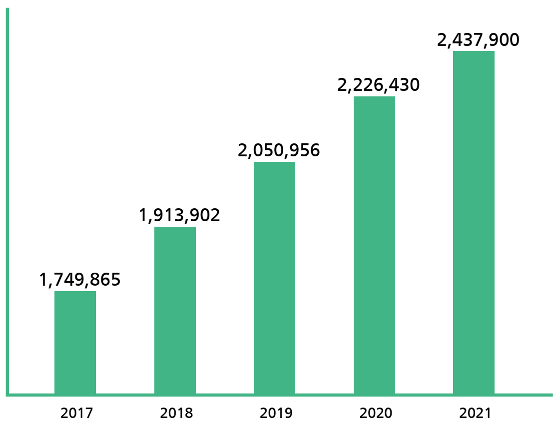
Total Assets



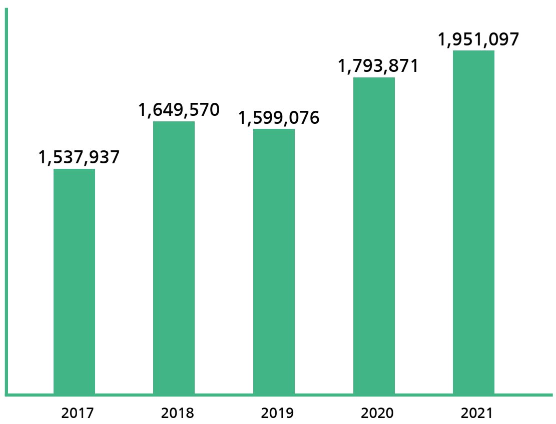
Total Shareholders’ Equity



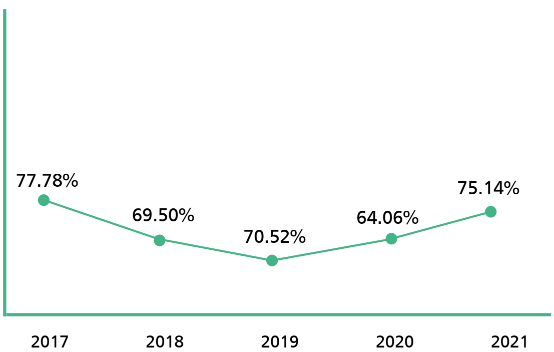
Total Clients’ Deposits



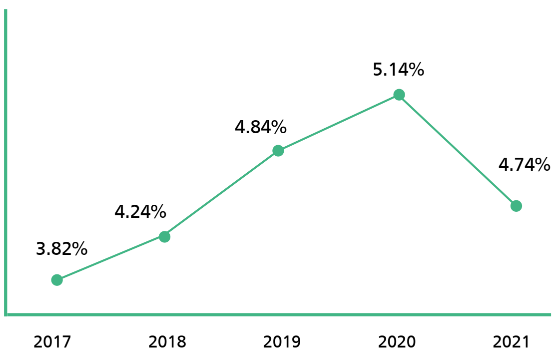
Net Credit Facilities



Percentage of Allocations’ Coverage



Percentage of Net Bad Debts



Financial Position of the Bank

Total assets amounted to 3613.8 million dinars, with an increase of 260.6 million dinars over the end of the previous year, by an increase of 7.77%, while the total credit facilities portfolio witnessed an increase of 168.4 million dinars to reach 2057.3 million dinars, with an increase of 8.92%. The Bank has maintained the quality of the credit facilities portfolio, as the ratio of net non-performing facilities reached 4.74% from the balance of direct credit facilities, compared to 5.14% for the previous year, which is one of the lowest rates in the banking sector. The net credit facilities portfolio amounted to 1951.1 million dinars, compared to 1793.9 million dinars in the previous year, by an increase of 8.76%. The Bank also maintains sufficient provisions against non-performing credit facilities in accordance with the instructions of the Central Bank of Jordan and the financial reporting standard IFRS9, with a balance of JD 72.9 million, bringing the coverage ratio of provisions for net non-performing facilities to 75.14%.

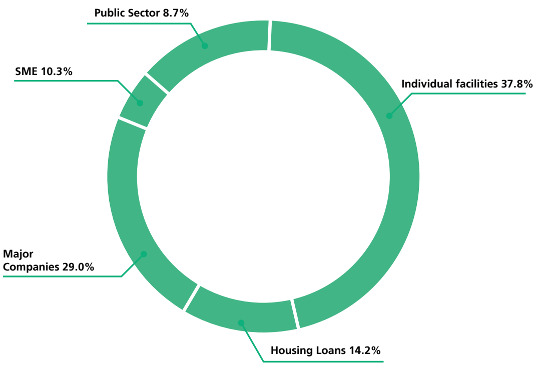
The balance of the Bank's investments in stocks and bonds amounted to 880.6 million dinars, compared to 870 million dinars for the previous year.

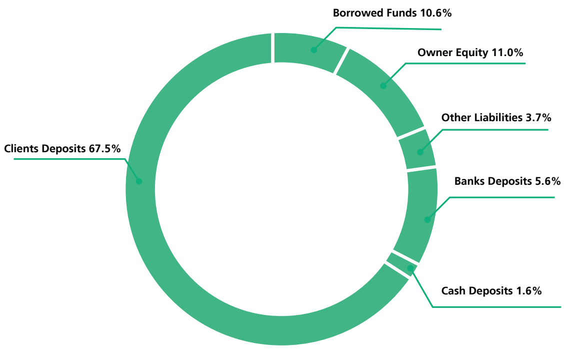
From its investments in financial assets, the Bank aims to achieve a balance in investing funds in instruments with low risks, and higher returns, in a manner that preserves the Bank's liquidity.

On the other hand, balances and deposits with banks decreased by 5.2% to reach 222.6 million dinars compared to 234.7 million dinars for the previous year, while cash and balances with central banks amounted to 413.5 million dinars compared to 313 million dinars for the previous year, by an increase of 32.1.

The Bank maintains liquidity ratios that are in line with international standards and the requirements of regulatory authorities and represent a source of reassurance for all categories that deal with the Bank, as credit facilities constitute 80% of customer deposits. Customers' deposits constitute the main source of funding for the Bank, which represents 67.5% of the total sources of funds.

The Bank's total shareholders' equity amounted to 387 million dinars at the end of 2021, compared to 366.6 million dinars at the end of the previous year. The capital adequacy ratio reached 15. 18% for the year 2021 compared to 15.97% for the previous year, which is higher than the minimum set by the Central Bank of Jordan of 14.5 %. The core capital ratio for risk-weighted assets was 13.59%, compared to 14.28 % for the previous year, and the weighted shareholder's equity to total assets ratio (Leverage Ration) was 8.70%, which puts the bank in the first category (good capital) according to the degree of solvency.



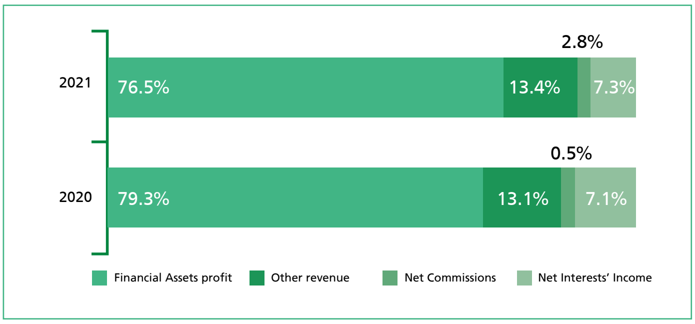


Bank's Business Results

Operationally, the net interest income increased by 6.7% to reach 115.9 million dinars, compared to 108.6 million dinars for the previous year. The net income from commissions amounted to 20.3 million dinars, compared to 17.9 million dinars for the previous year, by an increase of 13.8%, while the Bank's investment income amounted to 4.3 million dinars, compared to 676 thousand dinars for the previous year, and other revenues increased by 12.1% to reach 11 million dinars. As a result, the total income amounted to 151.6 million dinars, compared to 137 million dinars for the previous year, by an increase of 10.6%. The bank's operating income from interests and commissions still constitutes the largest part of the total income, at a rate of 89.9% compared to 92.3% for the previous year.
On the other hand, total expenses, including provision for impairment of credit facilities and other provisions, decreased by 5.7% to reach 100.2 million dinars, as employee expenses increased by 5.1% over the previous year to reach 44.1 million dinars, while other operating expenses decreased by 837 thousand dinars, with a percentage of 2.5%. Moreover, the Bank has reinforced the provisions, as the expected credit loss allowance for credit exposures, which was taken out during the year, amounted to 17.6 million dinars, compared to 18.5 million dinars for the previous year.

The profit before tax amounted to 51.3 million dinars, compared to 30.7 million dinars for the previous year, with an increase of 67.12%, while the net profit after income tax attributable to the Bank's shareholders was 32.8 million dinars, compared with 18.2 million dinars for the previous year, at a rate of 80.6% and the portion of one share of the net profit amounted to 0.173 dinars, compared to 0.096 dinars for the previous year.

The comprehensive income for the year attributable to the Bank's shareholders amounted to 42.7 million dinars, compared to 16.7 million dinars for the previous year, with an increase of 155%.



Dividends

The Board of Directors decided to recommend to the General Assembly of Shareholders the distribution of cash dividends to shareholders at a rate of 9% in addition to distributing 16,078,984 shares of Al-Safa Bank / Palestine owned by Cairo Amman Bank to its shareholders on the basis of the proportionate share of the shareholders' ownership in the capital of Cairo Amman Bank.

Individual Services

Cairo Amman Bank continued during the year 2021 to provide its services and products to support the needs of its customers.

With regard to the loan product, the Bank continued to extend the submission of special offers to encourage the purchase of residential apartments within easy programs and at low and competitive interest rates. In addition to continuing to activate the real estate product for youth branches LINC, and presenting it at low interest rates to encourage the youth category in particular those who are about to buy the house of life to benefit from it.

In the field of car loans, the Bank continued to expand the car loan product by modifying the grant programs and following up and improving the procedures for granting the product to become more quick and easy, in addition to providing offers on specific types of cars within special campaigns and at reduced prices, in addition to continuing to provide a program for financing bicycles and scooters that are directed to the youth category, which are served by LINC branches.

In the field of personal loans, the Bank made offers to reduce the interest rate for a number of sectors and entities to meet the customers' demands and needs.

In the field of easy installment loans, the number of companies participating in the program has been expanded and from various sectors, and several special campaigns for installments have been launched with a number of stores to encourage customers to buy in installments at a zero percent interest rate to support customers who want to buy.

As for cards, bank cards, and in view of the continuing epidemiological situation related to the outbreak of the Covid-19 and applying the principles of public safety and to avoid the possibility of transmission of infection, the Bank continued to launch awareness campaigns to encourage customers to use electronic payment methods, including the use of the mobile payment service "CAB Pay" and the provision of prizes and additional benefits to service users. In addition to launching several marketing campaigns that offer direct discounts to bank card holders to encourage customers to use cards as a means of payment instead of exchanging cash.

In addition, with regard to the instant discounts program, which is one of the programs offered by the Bank to support bank cards, the Bank has intensified its efforts to increase the base of stores participating in the program to provide an instant discount to the Bank's customers as soon as they pay through the bank card.

With regard to prepaid cards, the Bank has signed renewal agreements with a number of universities in exchange for issuing prepaid smart university cards, and adding new universities, bringing the number of universities benefiting from prepaid smart university cards to 16 public and private universities. The Bank also launched awareness campaigns directed at the student category (youth category) about the card's advantages and the mechanism of its use, in addition to launching paid campaigns between the Bank and stores, to encourage the use of the card by charging and paying with it.

Private/Corporate Banking Department

Cairo Amman Bank was keen to provide banking services and products to large, medium and small companies by offering a wide range of financing programs to meet the needs of large, medium and small companies belonging to different sectors, in addition to government institutions. The Bank has been keen to strengthen its relations with its current clients, open channels of communication with them, build distinguished relationships, and intensify field visits to the Bank's clients, due to our sense of high responsibility towards them, which requires us to a high level of professionalism and skill to keep the confidence of our clients high, and we are able to overcome all the obstacles facing different companies and institutions, by finding solutions that help them succeed in their business.

The Central Bank granted loans to banks to support economic sectors by granting them medium-term advances, at low and fixed interest rates for the duration of the loan and for periods of up to ten years to support these sectors, in addition to loans granted to face the Covid-19 crisis to finance working capital and operating expenses at a very low interest rate, to reduce costs of borrowing on companies. The Bank has been proactive in granting its clients these facilities, due to its keenness for its clients to benefit from these loans, in addition to following up on them if there are any obstacles facing companies and institutions in payments, to restructure the installments in line with the current and expected cash flows, as a result of the Covid-19 crisis in line with the instructions of the Central Bank in this regard.

During the year 2021, the Bank continued its approach of opening channels of communication with new customers through conducting field visits to various sectors, whether industrial, commercial and agricultural. Expansion was made by granting facilities to the agricultural sector and the industrial sector, in the belief of the bank that they are among the important sectors that need attention to help them compete to advance our local industries and the development of the agricultural sector, we do not overlook the tourism sector, which needs support, especially that they were directly affected by the Covid-19 pandemic, in addition to supporting the rest of the sectors.

Treasury and Funds Development Resources

The year 2020 brought many challenges, perhaps the most prominent of which was the repercussions of the catastrophic Covid-19 pandemic on the global economy, despite this, the Bank was able to manage its assets and liabilities efficiently and effectively, balancing between maintaining the quality and excellence of assets, improving the return on them and diversifying the sources of funds. As well as maintaining appropriate liquidity ratios, which contributes to enhancing the Bank's profitability and maintaining acceptable risk ratios.

During the year 2021, the Bank worked to enhance its network of relationships with correspondent banks efficiently and effectively, and worked to establish new relationships despite the new surrounding circumstances witnessed in the region and in light of the renewed changes imposed by the regulatory authorities. In addition to consolidating and maintaining banking relations with banks and financial institutions in the Hashemite Kingdom of Jordan and abroad in several areas in terms of trade finance and bank transfers, which contributed to improving the quality of services provided to the Bank's clients.

Cairo Amman Bank continued to provide its clients with innovative investment options, through the electronic trading platform launched by the Bank, which provides clients with options for trading stocks, bonds and investment funds available for trading in various global markets.

Financial Leasing

The Bank, through Tamallak Leasing Company, offers a full range of financial leasing services commensurate with the nature of the lessee's activity and cash flows, and for all economic sectors. The company also seeks to raise the level of interest in the services provided to the target markets to meet their financing needs by spreading the concept of financial leasing because of its economic and financial advantages for the target sectors.

Investment Services

The Bank, through its investment arms, Awraq Investment Company in Jordan and the National Securities Company in Palestine, provides brokerage services in the local, regional and international markets. In addition to asset management services such as managing investment portfolios for clients, establishing and managing investment funds with different purposes, providing financial and investment advice, and preparing studies and research.

Branch Network and Distribution Outlets

In order to achieve the objectives of the corporate identity and the plans of the geographical spread of the Bank, during the year 2021, 3 new branches of Cairo Amman Bank were opened and they were operated by the comprehensive employee system. Also, two branches were updated and transferred to the comprehensive employee system; as for the LINC smart branches, 1 smart branch was opened and the two student offices of two universities were converted into smart branches under the LINC brand with the following details:

- Opening of a new branch of Cairo Amman Bank in Al-Qasr area - Karak (with a comprehensive employee system)
- Opening a new branch of Cairo Amman Bank in the Hosn area-Irbid (with a comprehensive employee system)
- Opening a new branch of Cairo Amman Bank in Al Hussein Medical City (with comprehensive employee system)
- Transfer and modernizing of Cairo Amman Bank branch in Mutah University and transform it to a comprehensive system
- Transfer and modernizing the Cairo Amman Bank branch in Omar Al-Mukhtar Street - Irbid and converting it to the comprehensive system
- Opening a new smart branch at Mutah University "LINC"
- Converting Yarmouk University students' office into a smart branch "LINC"
- Transforming the Science and Technology Students Office into a smart branch "LINC"

All the new and updated sites mentioned are characterized by modern designs that keep pace with modernity, as well as a quiet atmosphere and electronic networks equipped with the latest computers that ensure the provision of banking services to customers easily and achieve confidentiality and privacy, as it aims to accommodate the steady increase in the number of branch customers, in addition to strengthening the presence in vital areas in Jordan, whereas the total number of branches and offices in Jordan (LINC and CAB) until the end of 2021 reached (98) branches and offices. The bank serves its customers through a wide network of ATMs, where 11 new ATMs were installed in different locations during the current year, thus making total number of ATMs is 195 spread across all regions of the Kingdom, of which 22 provide cash deposit service.

Al-Yarmouk University Branch/LINC

Muta University Branch/LINC

Science & Technology University Branch/LINC

Cairo Amman Bank branches that were opened in 2021

Al-Hosn Branch

Omar Al-Mukhtar Street – Irbid Branch

Muta University Branch

Al Hussein Medical City Branch

Al-Qasr Branch / Karak

Signature Bank branches to open in 2022

Zara Centre Branch

Umm Al-Sumaq Branch – Makkah Street

Al-Khalidi Branch

Infrastructure Projects Group

Done during this year

- Granting the PCI certificate to the Bank, which was delayed for three years, as we closed a large group of security vulnerabilities on the majority of systems related to infrastructure, banking applications and databases, and updated the majority of systems
- The implementation of the IBM Power 9 servers project and updating of the storage units, which improved the performance of the T24 banking system in terms of speed and non-stop system
- Implementing the Primera Storage project on Synergy Servers and transferring applications running on new storage units SSDs with high speed and better performance
- Firmware Update work and update all networking switches on servers, where all systems were tested from the site and updated without any impact on banking services
- The new LINC sites have been run with new devices and improvements to the systems they work on
- DDOS has been implemented and all out-of-bank traffic is protected from hacks and suspicious access
- It was contracted with Zain and the purchase of Ripe to allocate an IP group that belongs only to Cairo Amman Bank and is not affected by the disruption of any of the Zain or Orange companies and to keep the banking services operating without interruption
- The PAM Solution has been implemented, which provides access to servers through it, as it provides a secure environment to work on servers and determines access and work on it in a monitored and registered manner
- The ClearPass system has been applied to the management departments so that it prevents any device from outside the system from being connected to the Bank's network and inaccessible to it
- Forti Client has been implemented and protects devices from viruses and suspicious intrusions
- SDWAN technology has been applied to all Bank's tellers, as it is considered one of the techniques that provide availability between lines of communication, which is managed through a central device
- The machines for instant issuance of cards in all the Bank branches were updated, operated and the system working on them was updated. The machines provided the possibility of instant printing of cards with fewer problems and protection, as the ink did not write the card number on it, which provides PCI matching.
- Implementing the SFTP Server system, which provides the possibility of transferring data, files and card numbers between the Bank's sites and external sites such as the Military Credit Fund, Visa and Information Technology in a more secure and protected manner, so as this data is only accessed through authorized persons only.

Cyber and Information Security Projects Group:

- In the framework of strengthening the levels of security and protection for the Bank systems, the continuation of a group of operations, constraints, and security solutions to the match with the requirements of information security and cyber security, which has the effect in reinforcing the security and protections system, and reducing cyber risks in light of the development of cyber-attack methods through the following:

- Development and modernization of the Security Operations Center (CSOC) for 24/7 monitoring.
- Keeping abreast of the technological developments of advanced information and cyber security systems and programs and continuously enhancing their efficiency
- Develop and enhance comprehensive information security and cyber-security policies to comply with the standards of the Central Bank of Jordan and international standards
- Develop a cyber-security program based on the best security standards (NIST and ISO 270001), in addition to IT governance
- Managing security monitoring technology and developing expertise and skills
- The Bank obtained the PCI-DSS certificate for the international card security and safety standards for the year 2020/2021.
- Compliance with SWIFT Financial Network Safety and Security Standards through SWIFT-CSP Assessment.

- The Financial Crimes and Cyber Security Department continued to monitor current and expected cyber risks, and work to manage them, in addition to following up the requirements of security and protection standards and working to provide them to limit the Bank's exposure to these risks. The department's tasks are to educate users of the systems in addition to meeting the Bank's needs and supporting the mission of protecting its assets and properties from intrusions to implement the Bank's vision through the following:

- Protecting the Bank's systems from external and internal intrusions to ensure that stakeholders are not exposed to any potential risks or threats.
- Strengthen systems and networks so that they are able to detect all potential risks and attacks in an effective and dynamic manner and develop their ability to defend themselves.
- Developing and presenting innovative cyber security technologies that are capable of providing high quality solutions.
- Promoting and implementing training and awareness programs related to the concept of cyber security and its practices in the Bank for each of (employees, customers and suppliers)
- Linking IT governance to cyber-security.

Human Resources and Training

Talent Management and Performance Appraisal Department

Bank's Recruitment Policy

Bank continued in its policy of giving priority to filling vacancies internally through a fair competition mechanism that gives employees the right to compete for vacant positions, especially administrative and leadership positions, in order to ensure the employees' progress in their career path and to maintain qualified staff. On the other hand, this ensures Bank continuing to provide opportunities for cognitive development and promotion of practical experience for employees through programs of temporary replacement, training and education. Bank also considers the need to provide its staff with external expertise that promotes innovative and renewable intellect with internal competition among employees by attracting the best personnel who are suitable for the values and environment of the institution and for job requirements.

Total employment turnaround rate reached 3.62% of the year 2021, and the employment turnaround rate is considered within the normal rate as per the best practices of employment turnaround rate.

Remunerations policy

In line with the corporate governance instructions issued by the Central Bank of Jordan, a policy has been developed for distributing financial rewards to Bank employees based on the main principles of institutional governance in applying the principles of fairness and transparency in granting financial rewards to Bank employees.

The remuneration policy aims to set objective, fair and transparent principles and criteria for granting financial rewards to the senior executive management and all Bank employees, whereas the Bank was able to attract, develop and maintain its qualified, skilled and experienced employees and motivate them and improve their performance, while encouraging and motivating employees to achieve Bank goals.

The policy includes the adoption of a reward system that links the profitability and Bank performance in general with the extent of achieving its strategic goals. It also includes principles and standards for the performance of administrations, different departments, and employee performance.

Number of employees at the bank and subsidiaries is 2.207 as per the following qualifications:

	Bank	Bahrain Branch	Awraq Investment	Al-Safa Bank	National Securities	Tamallak Lease Finance	Total
Secondary and lower	245		2	12	2	4	265
Diploma	217		1	8	-	1	227
Bachelor	1478	4	16	97	8	10	1613
Master	72		2	20	1	4	1.99
PhD	3		-	-	-	-	3
Total	2015	4	21	137	11	19	2.207

Most important achievements of the HR Department

Based on the Bank vision and mission and its strategic goals to develop and support investment in the human resources and institutional culture, and its belief in the importance of the human resources, which it considers the key element of its success; the Bank conducted training and development programs during the year 2021 according to the best practices and available and possible options, in an effort to enhance a professional work environment and raise the level of functional satisfaction while creating a positive competitive environment that raises efficiency and productivity in work and service offered to the internal and external clients with high professionalism.

During the year 2021, there was a heavy reliance on technology in training programs and knowledge provision; whereas specialized training courses were prepared and implemented through electronic platforms that allowed training the largest possible number of employees and create qualified leaders for the next stages.

The Human Resources Administration also had a role in contributing to social responsibility by training a group of students and university graduates practically on bank business and helping them qualify for the market.

The Human Resources Administration implemented the Future Bankers' Program, which aims at enhancing their level of knowledge and practically training them in specific banking fields represented in commercial funding, treasury, risks, compliance and credit.

Human Resources Training and Development Plans

During 2021, training programs were held, which included banking regulations, compliance, anti-money laundering, credit facilities, customer service, electronic banking services, payments, management, marketing, behavioral skills, treasury and investment, and such programs were distributed according to the table below.

Bank will also continue during the year 2022 to develop and train employees while creating training curricula on all technical, behavioral and administrative topics, instructions and laws related to work, and internal work procedures to contribute in maintaining the sustainability of development path and increase professionalism among employees.

Training programs conducted by the bank included the following fields:

Field of training	Number of training programs	Number of participants	Number of training hours
Awareness workshops	5	81	122
Banking systems	9	123	82
Compliance & anti-money laundering	25	193	141.5
Credit facilities	15	74	304
Customer service	16	218	489
English language	1	1	3
Basic banking skills and knowledge	4	12	21
Accounting and finance	7	31	126
Information technology	28	152	609.5
Legal	1	1	2
Administration	23	208	287
Legal aspects of work	1	1	12
Risk	4	12	20
Behavioural skills	7	35	85
Trade Finance	5	25	46
Treasury and investment	4	9	62

Bank Competitive Situation

The Bank managed to enhance its position among the other Jordanian banks through the achievements during the current and last years; whereas bank share of the total deposits and facilities in Jordan reached 3.97% and 4.53% respectively, while 5.58% and 5.06% in Palestine and an influential share in Bahrain.

The Bank maintained its credit classification by the international classification agencies as follows:

	Financial position rigidity	Foreign currencies Short / long term	Future insight
Moody's	B1	B1/NP	Stable
Capital Intelligence	B+	B+/B	Stable

Bank Subsidiaries

Below is an overview of the Bank subsidiaries:

	Al-Safa Bank was established as a public joint stock company in Palestine in 2016 and started its business on 22/9/2016 as a banking institution that operates in accordance with the provisions of Islamic Sharia through its branches, and bank owns 74.6% of the bank's capital, amounting to $75 million. Al-Safa Bank seeks to meet the needs of the Palestinian market for Islamic banking services and products, as well as to practice non-finance and investment businesses and develop means of attracting money and savings towards participating in the investment of the product by banking methods and means that do not conflict with the provisions of Islamic law. The bank operates through 9 branches and offices spread in most governorates of Palestine.
	The National Company for Financial Services "Awraq Investments" was established as a limited liability company in the Hashemite Kingdom of Jordan during 1992. Bank owns 100% of the paid-up capital of the company, amounting to 5.5 million dinars. The company provides local, regional and international brokerage services, in addition to asset management services and clients' portfolios for investment, and it also establishes and manages investment funds and provides financial and investment advice. Despite the hard competition, the company managed to achieve a distinguished position in the market, whether in terms of trading volume or in terms of customer base, where the company maintained a good rank among the operating companies in the Amman Stock Exchange
	Al-Wataniah Securities Company was established as a private limited liability joint stock company in Ramallah in Palestine in 1995. The company works as an intermediary in the Palestine Stock Exchange (Palestine Stock Exchange). The company started its work with the beginning of the work of the Muhtasib Souq, and it is a member of the Palestine Stock Exchange and is licensed by the Palestinian Capital Market Authority to provide local, regional and international brokerage services. The bank owns the entire paid-up capital of the company, amounting to 1.6 million dinars, and the head office is located in Ramallah.
	Tamalak Leasing Company was established on 12/11/2013 and registered as a limited liability company with a capital of 5 million Jordanian dinars, and wholly owned by Cairo Amman Bank by 100%. To act as an investment arm in the field of providing a service for financial leasing. The company provides a full range of financial leasing services commensurate with the nature of the lessee's activity and cash flows, and for all economic sectors. The company also seeks to raise a level of interest in the services provided to the target markets to meet their financing needs through the deployment of a financial leasing scheme because of its economic and financial advantages for the targeted sectors, and the company works to serve its customers in the management of a company in Amman and a branch in Irbid.

Bank’s Contribution to Serving Local Community and Environment

Despite the circumstances of the Covid-19 pandemic and the change it imposed on the priorities and strategies of the countries all over the world and major economic institutions, Cairo Amman Bank, based on its high sense of national responsibility, adhered to its role in serving the local community, setting a model in good crisis management, and emphasizing once again that community service is one of its most important priorities, especially under a pandemic that would not have passed in this way without promoting the values of solidarity and cooperation.

Cairo Amman Bank chose to be at the forefront of its goals to support the food basket of Jordan and improve the income of farmers, a sector that had an important role during the Covid-19 pandemic, as the Bank supported the (Green Caravan) program, which aims to strengthen the food basket in Jordan. The Bank directed support to Jordanian small farmers, with the aim of enabling them to find sustainable sources of income for themselves and their families. The Arab Group for the Protection of Nature implementing the program in cooperation with the Madaba Women’s Association, planted a plot of 5 dunums of 200 trees in Al-Fayhaa area - Madaba to support 30 people.

Cairo Amman Bank continued to support the educational sector by strengthening its partnership with the University of Jordan, to which the Bank donated an electric train to alleviate the suffering of its students and transport them inside the university campus safely, thus saving effort and time for students. The train, which consists of a locomotive and four trailers, one of which is for people with special needs, can accommodate (72) people, and is considered environmentally friendly and easy to maintain and use.

Cairo Amman Bank was keen to honor a group of successful employees’ sons in the General Secondary Certificate exam, as it opened saving accounts for students and presented them with symbolic gifts, within the framework of its keenness to enhance the spirit of the one family and provide a safe family environment for its employees, so that each employee feels that he and his family members are within the Bank’s scope of interest, economically and socially.

Cairo Amman Bank translated its keenness to support activities and events that constitute an added value to the national economy and the local community, by contributing to supporting the “first Artificial Intelligence Conference and Exhibition for Defense Technology and Cyber Security”, which was recently hosted by Jordan. Its activities were launched under the patronage of His Highness, Crown Prince Al Hussein bin Abdullah II, at the King Hussein bin Talal Convention Center / Dead Sea, and was held for the first time in the region for two days, with participation of more than 80 local and international companies.

For the fifteenth consecutive year, Cairo Amman Bank maintained the partnership with the King Hussein Cancer Foundation, by signing an agreement to provide the necessary support to carry out the activities of the summer camp for children receiving treatment at the center, with the aim of providing psychological support to children with cancer, as the psychological aspect is one of the most important factors of recovery from cancer. The Director General of the King Hussein Cancer Foundation, Mrs. Nisreen Qatamesh, thanked the Bank, stressing the impact of this support in bringing joy to the hearts of children in a way that improves their response to treatment.

As soon as the government provided Corona vaccines, and based on its belief in the importance of receiving the vaccine in the face of the Corona pandemic, Cairo Amman Bank was keen to play its national role in the vaccination campaign against the emerging virus. So, he allocated a vaccination center in the General Administration building in the capital, Amman, equipped with all medical personnel, logistical equipment and the necessary equipment. He started a vaccination campaign that included all employees, in order to preserve their health and safety and enable them to perform their duties to the fullest extent, and for the Bank’s branches to be safe areas for them and all customers.

Cairo Amman Bank succeeded in achieving the goal it set in 2020, as it managed in 2021 to win the fifth edition of the World Cup for Sustainable Goals competition launched by the United Nations Development Program and aimed at making a better world change, and the Jordanian “Leaf a Mark” team chose to achieve the fifteenth (Life on the Earth). The team committed to planting one million trees by the year 2030 and increasing the percentage of green areas in Jordan by an average of 1%.

Over the past two years, the “Leaf a Mark” team has campaigned for a greener Jordan, by launching awareness campaigns, conducting school visits to educate the younger generation, planting thousands of trees, organizing events for groups of children to plant trees, and organizing crowd funding campaigns to plant fruitful trees for disadvantaged families to create a permanent source of income for them. Cairo Amman Bank has supported the initiative and the team.

In Palestine, Cairo Amman Bank was keen on diversifying forms of support for the local community and enhancing the values of solidarity, as the Bank sponsored a campaign to distribute Eid al-Adha gifts to children in orphanages, centers for autistic children and hospitals in six Palestinian governorates.

The Bank also focused on supporting the youth category in education, technology and sports, as it sponsored a ceremony honoring those who excelled in the General Secondary Certificate Examination in Tulkarm Governorate. And it provided financial support to sponsor the training of creative students to produce 3D glasses modified with optical lenses, either for protection only or to treat vision and protection problems together. The Bank also provided silver sponsorship for the Palestine International Forum for Palestinian Dentists, in which more than 500 dentists participated. This is in addition to providing support to the Palestinian Federation of Muay Thai sport.

Cairo Amman Bank was keen to support and participate in various national, patriotic and religious occasions and celebrations, whether on the blessed Eid al-Adha or birthdays.

The conditions of the Covid-19 pandemic did not prevent the Bank from adhering to its role in promoting national, human and artistic values among various age groups, so Cairo Amman Bank Gallery continued its activities, announcing the twelfth session of the competition for children’s drawings (5-16) years, in which 20 children win its financial prizes. This year, the competition created a cash prize for the outstanding teacher as well.

Within the framework of its support for art and talent, Cairo Amman Bank enabled the public to attend an art exhibition that includes the works of thirty-nine Jordanian and Arab artists, who weighed at the fine level, in the first “online” show experience, using three-dimensional technology. It is the first local experience at the level of the exhibition halls.

Cairo Amman Bank Gallery organized the Arabic Calligraphy Exhibition to display the winning calligraphy works in the Jordanian Forum competition for Arabic Calligraphy and Islamic Decoration, in addition to the works of a group of professional calligraphers from the forum’s members

Globally, Cairo Amman Bank crowned its excellence in the service of personal remittances implemented in the US dollar currency for the year 2020, by obtaining the clearing quality award for the management of remittances in the US dollar currency from “JPMorgan Chase Bank”, becoming the only bank to receive this global award in the region during the previous years.

Donations and Sponsorship

The total number of donations and sponsorships made by the Bank during the year amounted to various events within the following areas:

Description	Amount
Health field	46,203
Educational field	398,404
Social services	2,684
Cultural and artistic field	145,723
National foundations	158,175
Total	751,189

Future Plan

The Bank's vision seeks to perpetuate comprehensive and sustainable development based on economic and social strengths and capabilities, in addition to preserving the achievements made by the Bank during the previous years, preserving the funds of depositors and shareholders in particular, and promoting the concept of financial inclusion. This comes in light of the improvement and development of the institutional culture, the customer experience and the banking ecology for the perpetuation of expansion and sustainable growth in parallel with the developments in the Kingdom's economic performance and the institutional work environment.

The following are the most important items of the Bank's work plan for 2022:

1. Maintaining a profitable capital adequacy ratio and a "good capital" rating in accordance with the requirements of the Central Bank of Jordan, which enables the Bank to continue expanding its business.
2. Maintaining appropriate liquidity ratios to support the Bank's business by working to increase customer deposits of all kinds, focusing on the least expensive deposits and creating incentive programs to promote them.
3. Strengthening the Bank's position among the leading banks in providing banking services and solutions to individuals and companies through development of banking services, products and solutions that meet the desires and needs of different types and segments of customers.
4. Enhancing the expansion and sustainable growth of the credit facilities portfolio and reaching a credit structure that balances the individual and corporate sector in parallel with continuing efforts to settle the non-performing ones in a way that enhances the quality levels of the Bank's assets and raises the rate of reversal of provisions.
5. Enhancing the processes of attracting low-cost sources of financing available from the Central Bank and various international institutions.
6. Digital transformation and the development of information systems and associated technology.
7. Developing preventive protection tools, mechanisms and systems related to cyber and information security, combating financial crimes and compliance, and enhancing their capabilities.
8. Shifting from focusing on the product to focusing on the customer by raising the quality of the services provided and introducing pioneering and diversified products and solutions that meet the needs of the various segments and categories of existing and targeted customers.
9. Strengthening and developing the network of sales outlets, both traditional and electronic, through the establishment of new branches, the optimal distribution of ATMs, and the enhancement of their geographical spread, in addition to the innovation and development of electronic banking services through the banking phone application and digital payment systems.
10. Updating and upgrading the branches to the comprehensive employee concept based on the requirements of the corporate identity.
11. Investing in talent and enabling creativity.
12. Attracting young customers through traditional and digital outlets of LINC brand, which is concerned with serving young people between the age group 18-40 years. Interactive kiosks will be deployed in the places where young people from the university students are located in particular to receive various types of banking services according to their needs.
13. Launching a new brand "Signature" targeting the discerning category of individual and corporate customers by enabling them to access all banking services that meet their desires and needs. The "Signature" brand will start its business in 2022 through branches characterized by global and modern designs and advanced technologies, in addition to electronic channels for distinguished Signature customers, such as the banking phone application and the Internet to provide innovative and customized banking services, products and solutions that suit the target group of customers and meet their needs. Also, Signature is characterized by a distinguished and highly professional staff to provide services with the highest standards of quality and contribute to making the customer's banking journey wonderful and distinctive.

Banking risk management:

The Bank manages its various banking risks through comprehensive risk management policies through which the roles of all parties concerned with the application of these policies are determined, namely the Board of Directors and its committees such as the Risk Management Committee, Compliance Committee, Audit Committee, Corporate Governance Committee, Information Technology Governance Committee, Nomination and Remuneration

Committee, Strategies Committee and Facilities Committee. In addition to the executive management and the committees emanating from it, such as the Assets and Liabilities Committee, the Procurement and Tenders Committee, the Internal Control and Monitoring Systems Development Committee, the Strategy and Branching Committee, the Information Technology Steering Committee and the Facilities Committees. In addition to other specialized departments such as Risk Management, Compliance Department, Internal Audit Department, Financial Crimes and Cyber Security Department

All departments and branches of the Bank are responsible for identifying the risks related to banking operations, adhering to the appropriate monitoring controls, and monitoring the continuity of their effectiveness in line with the internal control system.

The Bank's risk management process includes the activities of identifying, measuring, evaluating and managing risks, whether financial or non-financial, that may adversely affect the Bank's performance and reputation or its objectives in a manner that ensures achieving the optimum return against acceptable risks.

The Bank may be exposed to a number of the following main risks:

Credit Risk

These are the risks that arise from the failure or inability of the other party to fulfill its obligations towards the Bank on time, which leads to losses.

The Bank works to manage credit risks by applying and updating various policies that define and address all aspects of credit granting and maintenance, in addition to setting limits on the amounts of credit facilities granted to customers and the total credit facilities for each sector and each geographical region.

The Bank follows several methods to mitigate risks, including identifying acceptable guarantees and their conditions, and taking into account the absence of correlation between the value of the guarantee and the customer's activity. The Bank also follows the insurance policy on some portfolios and builds additional provisions as one of the methods of risk mitigation.

The Bank has designated several supervisory departments to monitor and follow up on credit and submit reports for any early warning indicators with the aim of follow-up and correction.

Market Risk

These are the risks that the bank may be exposed to as a result of maintaining any financial positions inside or outside the balance sheet as a result of any changes that occur in market prices, such as movements in interest rates, currency exchange rates and stock price fluctuations.

These risks are monitored in accordance with specific policies and procedures and through specialized committees and departments.

Market risk is measured and controlled by several methods, including maturity/re-pricing schedule, Stress Testing, in addition to Stop Loss Limits.

Liquidity Risk

Liquidity risk is represented in the bank's inability to provide the necessary funding to perform its obligations on their due dates or finance its activities without incurring high costs or incurring losses.

To prevent these risks, the Bank's management and the Assets and Liabilities Committee manage liquidity risks by diversifying funding sources and not focusing on funding sources. Administrative procedures are also put in place to provide liquidity in emergency cases, including in the Recovery Plan.

Operational Risk

It is the risk of loss resulting from the inadequacy or failure of internal procedures, personnel, internal systems, or those that may arise as a result of external events.

Since internal control is one of the most important tools used in managing this type of risk, the Bank's management has paid great attention to the continuous development of the control environment over all of the Bank's activities and operations, as an operational risk policy has been adopted to cover all the Bank's departments, internal and external branches, and its subsidiaries.

The general framework of risk management at the Bank is proceeding according to a methodology and basic foundations consistent with the size and concentration of its activities, the nature of its operations and the instructions of the regulatory authorities, in addition to observing the best international practices in this regard. The set of principles are:

BOD Responsibility:

- Adopting the policies, strategies and general framework for risk management, including the limits of the acceptable degree of risk.
- Ensuring the existence of an effective framework for Stress Tests, in addition to adopting their own hypotheses.
- Adopting the Bank policies.
- Adopting the internal assessment methodology for the Bank's capital adequacy, so that this methodology is comprehensive, effective, and able to identify all the risks that the Bank may face and take into account the Bank's strategic plan and capital plan, and review this methodology periodically and verify its application and ensure that the Bank maintains sufficient capital to meet all the risks it faces.

Responsibility of the Risk Management Committee Emanating from BOD:

- Periodic review of the Bank's risk management policies, strategies and procedures, including the acceptable risk limits.
- Keeping abreast of developments affecting the Bank's risk management.
- Developing the internal assessment process for capital adequacy, analyzing current and future capital requirements, in line with the Bank's risk structure and strategic objectives, and taking related actions.
- Ensuring the existence of good systems to assess the types of risks faced by the Bank and developing systems to link these risks to the level of capital required to cover them.
- Reviewing the policies of Stress Tests and placement for the Board of Directors for approval, including:
  - Hypotheses and scenarios used for Stress Tests.
  - Actions to be taken based on these findings.
  - View the reports and results issued by the Central Bank of Jordan.
  - Ensure that stress tests are prepared periodically, and the results are reviewed and evaluated.

Risk Management Responsibility:

- Submitting reports and the risk system to the Risk Management Committee.
- Monitoring compliance of the various departments of the Bank with the limits of acceptable risks to ensure that these risks are within the acceptable limits, Risk Appetite and Risk Tolerance.
- Analyzing all types of risks in addition to developing measurement and control methodologies for each type of risk.
- Applying systems related to evaluating the types of risks faced by the Bank and developing related work procedures.
- Manage and apply the Bank's ICAAP methodology in an adequate and comprehensive manner that is commensurate with the risk profile of the Bank.
- Executing stress tests within the policies and methodologies approved by the Board of Directors.
- Participation in calculating expected credit losses within the International Financial Reporting Standard (IFRS9), using specialized systems by an international company.
- Coordination with the concerned authorities to carry out inspections of business continuity plans and update them periodically.
- Orienting, training and guiding the Bank's employees regarding the culture of risk management in the Bank.
- Implementation and execution of the Central Bank of Jordan's instructions related to risk management.
- Preparing, implementing and reviewing the recovery plan.

Acceptable Risk Limits

The Bank manages its risks by setting acceptable risk limits according to quantitative measurement methods and specifying them in a separate document that includes the most important indicators of risks to which the Bank is exposed, where they are monitored to ensure that the Bank's performance does not deviate from the acceptable limits, in order to ensure that the Bank continues to achieve its strategic objectives and contribute to achieving institutional governance based on the corporate governance instructions issued by the Central Bank of Jordan. The performance reports associated with these limits are a tool to verify that there is no discrepancy between the actual risks taken by the Bank and the acceptable level of risks approved by the Board.

Stress Testing

Stress tests are an essential part of the bank's risk management process at various levels and an important tool used to measure the bank's ability to withstand shocks and the high risks that it may face, and to assess the bank's financial position under severe but possible scenarios.

Scenarios and tests with a future dimension are assumed in evaluating various risks based on historical data, statistical relationships, and the size and nature of the risks to which the Bank is exposed. It is applied to the Bank's financial statements and its impact on the capital adequacy ratio, profits and losses and liquidity is reflected through a set of levels that fall within (moderate, medium and severe).

The stress tests constitute an essential part of the corporate governance system and the culture of risk management by assisting the Board of Directors and the senior executive management in understanding the conditions of the Bank in times of crisis and contributing to making administrative and strategic decisions and using the results of these tests in setting and determining the degree of risk tolerance of the Bank and in capital and liquidity planning process.

Internal Capital Adequacy Assessment Process (ICAAP)

This process represents a set of procedures through which the bank's capital planning is carried out in order to maintain target and acceptable capital adequacy ratios based on expansion and growth plans, in addition to the various risks expected to face it. .

The internal capital adequacy assessment process aims to:

- Identifying the risks that the Bank may be exposed to in order to ensure sufficient capital in proportion to the Bank's risk structure.
- Assessing the Bank's ability within its strategic plans and future expansions to adequately hedge these risks so that the organizational capital sufficiency ratio does not fall below the percentages specified in the instructions of the Central Bank of Jordan.
- It takes into account the requirements of the Central Bank of Jordan to assess the adequacy of capital to the risks facing the Bank within the criteria of the Basel Committee, especially the first and second pillars.

Recovery Plan

The recovery plan includes the most important early warning indicators for the main risks and the most important procedures to be followed in the event that any of these indicators are occurred, which may require activating the recovery plan to ensure that the Bank continues to achieve its strategic goals.

The recovery plan aims to:

- Determining the risks, internal and external threats that the Bank may face, and the measures to be taken if they are occurred.
- Determining the main risk indicators that require activating the recovery plan and defining and clarifying the roles and responsibilities of the various relevant organizational units if these indicators are occurred.
- Ensure that the main frameworks for the implementation of the recovery and salvage plan are available and that it achieves the greatest degree of communication between internal and external parties in the event of crises.
- Preserving the rights of stakeholders including depositors, creditors, shareholders and others.

Business Continuity Management

The Bank is committed to continuously update, develop and check business continuity plans to ensure that the Bank's business continues to serve the interests of customers in emergency situations.

Compliance Management

Compliance Management Department

It is represented by the risks of legal or regulatory penalties, material losses or reputational risks that the Bank may be exposed to as a result of non-compliance with the laws, regulations, instructions, orders, codes of conduct, standards and sound banking practices issued by the local and international supervisory authorities.

The Bank realizes the importance of monitoring compliance, as the Bank applies policies and work procedures approved by the Board of Directors that comply with the Compliance Control Instructions No. 33/2006 issued by the Central Bank of Jordan, and international best practices in this field to manage the compliance risk with which the Bank is exposed. The department also has a monitoring program to monitor compliance with the laws and instructions issued by the regulatory and official authorities that govern the nature of the Bank's work and activity in accordance with the compliance control policy approved by the Bank's BOD, as well as an automated compliance management system so that all the department's operations are implemented through it.

The department, based on the instructions of the internal procedures for dealing with complaints from customers of financial and banking service providers issued by the Central Bank of Jordan and the customer complaints policy approved by the Board of Directors, receives and handles all customer complaints in an effective manner, including communicating with customers and informing them of the efforts and results of follow-up, treatment and documentation of those complaints on the automated system for customer complaints, in a way that is easy to refer to when needed.

The number of complaints during the year 2021 reached a total of 464 complaints received from clients, which were processed in accordance with the approved policies and procedures, based on relevant laws and instructions and duly documented.

The department also monitors and follows up the implementation of the US Tax Compliance Law for Foreign Accounts, or what is known as FATCA, through approved internal policies and procedures to identify the American customer, perform due diligence, and identify and classify American customers and report them in accordance with the requirements of the law and in accordance with the approved FATCA policy and procedures in this regard.

In addition, the department has been provided with trained and qualified compliance staff, and a comprehensive and continuous training program has been implemented on compliance control issues to raise and improve the Bank's employees' competencies in protecting the Bank from the risks of non-compliance.

The department also continued to contribute to the development and review of the corporate governance framework in the Bank, which is based on the instructions issued by the regulatory authorities and the best banking practices in this field.

On the other hand, in order to protect the Bank from the risks of non-compliance, the Bank, during the year 2021, in general, did the following:

- Implementation of compliance control policy and plan.
- Implementing the supervisory program followed by the department at the bank level and supervising the counterpart units in the foreign branches and subsidiaries.
- Follow up on the latest regulatory and official developments
- Assisting the executive management of the Bank in managing the non-compliance risks it faces.
- Compliance Risk Documentation.
- Training the Bank's employees on compliance requirements within an ongoing compliance program.

Anti-Money Laundering Department

With regard to the Bank's work in combating money laundering and terrorist financing operations, the Bank follows policies and work procedures approved by the Board of Directors that comply with the Anti-Money Laundering and Terrorist Financing Law No. 20 of 2021 and the Anti-Money Laundering and Terrorist Financing Instructions No. 14 of 2018 issued by the Central Bank of Jordan and the best International practices issued in this regard, in order to reduce the risks associated with these operations, with the aim of determining the procedures for dealing with financial operations, taking due diligence or special measures to know the customers dealing or intending to deal with them, and to ensure their personal and legal identity, their legal status and the real beneficiary, and to continue to be aware of the operations banking customers throughout their dealings with the Bank.

During the year 2021, the Bank has done the following:

In compliance with the instructions of the Central Bank of Jordan to combat money laundering and terrorist financing No. 14/2018 and in accordance with what is contained in the risk assessment methodology and the policy of combating money laundering and terrorist financing approved for Cairo Amman Bank, the Anti-Money Laundering Department has conducted a comprehensive assessment of the risk of money laundering and terrorist financing at the level of the financial group of Cairo Amman Bank for the purposes of identifying, evaluating and understanding the risks associated with customers, countries, geographic regions, services, products and service delivery channels, so as the evaluation included all branches of the Bank operating in the Kingdom, foreign branches and subsidiaries.

Follow up on the reports issued by the Financial Action Committee FATF related to combating money laundering and terrorist financing, and assessing risks and control procedures within the policies and procedures for combating money laundering and terrorist financing approved in accordance with those reports.

Developing the automated system to combat money laundering and terrorist financing (FCM) in accordance with the instructions of the Central Bank of Jordan to combat money laundering and terrorist financing 14/2018 and the approved risk assessment methodology (Risk Based Approach). In addition to creating the system, updating and developing alerts rules that study the behavior and patterns of financial operations executed on customer accounts, to include the alerts level on (Profile Rules) and the level of a single transaction (Transaction Code) in addition to (Segment & Group configuration).

Continuing to prepare training programs on the topics of combating money laundering, terrorist financing and international sanctions, and through the online training technology, where a program was implemented under the title (money laundering, terrorist financing, international sanctions and global ban lists). The number of participants reached 464 employees, including the employees of the Anti-Money Laundering Department, in addition to the face-to-face training on specialized topics in the field of combating money laundering and terrorist financing, where 20 department managers from various departments and departments of the Bank were trained for a total of 18 training hours.

Continuing to submit reports on the go AML electronic notification and financial analysis system in accordance with the requirements of the Anti-Money Laundering and Terrorist Financing Unit related to operations suspected of being linked to money laundering or terrorist financing operations that are sent through the go AML system, in addition to adopting the submission of other required reports of the type (STR/TFR/SAR/UTR) via XML Upload on go AML system.

Financial Crimes and Cyber Security Department

The Information Security and Cyber Security Department continued to monitor the current and expected cyber risks, and work to manage them, in addition to following up on the requirements of security and protection standards and working to provide them to reduce the Bank's exposure to these risks. The department's tasks are to educate users of the systems in addition to meeting the needs of the Bank and supporting the mission of protecting its assets and properties from intrusions to implement the Bank's vision through the following:

- Protecting the Bank's systems from external and internal intrusions to ensure that stakeholders are not exposed to any potential risks or threats.
- Strengthen systems and networks so that they are able to detect all potential risks and attacks in an effective and dynamic manner and develop their ability to defend themselves.
- Developing and presenting innovative cyber security technologies that are capable of providing high quality solutions.
- Promoting and implementing training and awareness programs related to the concept of cyber security and its practices in the bank for each of the (employees, customers, and suppliers).
- Linking IT governance to cyber security.

It is also considered to include the methodology of information security and cyber security under the framework of the governance and management of information technology in the organization as the focus area, according to the results of the "Design the Enterprise Governance of Information and Technology report" according to the framework of COBIT 2019 and maintaining the main practices and conducting reviews and updates on the objectives related to cyber security in addition to continue providing the main performance indicators so that the objectives are implemented and promoted to the third maturity level according to the instructions of the Central Bank.

Corporate Governance and Disclosure Statements

The Bank is concerned with working on the promotion and development of corporate governance based on the principles of justice, transparency, accountability and responsibility in order to strengthen the confidence of depositors, shareholders and other parties related to the Bank in a manner that ensures continuous monitoring of the Bank's adherence to the approved policies and limits and their compatibility with its drawn objectives in general. The Bank is also committed to applying the highest professional performance standards to all its activities, which are in line with the instructions of the Central Bank of Jordan and the regulatory authorities in the countries in which the Bank is present and international best practices. Accordingly, the Board of Directors decided to adopt the Corporate Governance Manual.

The existence of an effective, professional and independent board of directors is one of the most important requirements for effective corporate governance, as the board of directors is responsible for supervising and monitoring all the work and activities of the Bank and its executive management, and to ensure that activities are aligned with the requirements of the Central Bank of Jordan and all other regulatory authorities, in the interest of shareholders, depositors and all related parties.

The Board of Directors consists of a member elected by the General Assembly of the Bank, and the members of the Board have different and varied experiences and skills that increase the effectiveness and efficiency of the Board. Also, all members of the Board of Directors are non-executive members.

The Bank is committed to implementing what is stated in the Corporate Governance Guide approved by the Bank and published on the Bank's website.

The Bank has a guide for governance, information management and associated technology approved by the Board of Directors and published on the Bank's website.

Several specialized committees emerge from the Board of Directors, each with its own objectives and powers, which work in an integrated manner with the Board of Directors to achieve the Bank's objectives. These committees are:

Corporate Governance Committee

Mr. Hassan Abu Al-Ragheb / Chairman of the Committee - Independent

Mr. Issam Al-Muhtadi / Vice Chairman - Independent

Mr. Yazid Al-Mufti / Member

This committee consists of at least three members, including the chairman of the board, so that the majority of the committee's members are independent members. The chairman of the committee must be one of the independent members. The committee is responsible for several matters, the most important of which are:

- The committee is responsible for directing and supervising the preparation and updating of the corporate governance manual, monitoring its implementation, and submitting its recommendations for any proposals or amendments to the Board of Directors.
- Studying the observations of the relevant regulatory authorities regarding the implementation of corporate governance in the company and following up on what has been done about it.

Risk Management Committee

Mr. Issam Al-Muhtadi / Chairman of the Committee - Independent

Mr. Mohammed Al-Atrabi / Vice Chairman

Mrs. Suha Ennab / Member - Independent

Mr. Sami Smeirat / Independent Member

Mr. Mazen Al-Sahsah / Member

This committee consists of at least three members of the board, provided that one of them is an independent member, at least. The chairman of the committee must be one of the independent members, and members of the senior executive management may participate in its membership. The committee is responsible for several matters, the most important of which are:

- Review of the Bank's risk management framework.
- Review the risk management strategy.
- Verify the compatibility of the actual risks of the Bank and the level of acceptable risks (acceptance of risks) approved by the Board of Directors.
- Keeping abreast of developments affecting risk management in the Bank and submitting periodic reports thereon to the Board.
- Creating appropriate conditions that ensure the identification of risks that have a material impact and any activities undertaken by the Bank that may expose it to risks greater than the level of acceptable risks, and submit reports thereon to the Board and follow up on their treatment.

Audit Committee

Mr. Sami Smeirat / Chairman of the Committee - Independent

Mrs. Suha Ennab / Vice Chairman - Independent

Mr. Ghassan Aqeel – Member

Taking into account what is stated in the instructions and the laws in force, the majority of the members of the committee, including the chairman of the committee must be independent members. Also, all members of the committee must have scientific qualifications and have appropriate practical experience in the fields of accounting, finance, or any of the specializations or similar fields related to the bank's business.

The committee must have the power to obtain any information from the executive management and it has the right to summon any of the staff to attend its meetings, provided that it is in its charter.

The committee meets with the external and internal auditor and compliance officer at least once a year without the presence of any of the senior executive management members.

The work of any other committee may not be combined with the work of this committee.

Subject to the provisions of the Banking Law and its amendments, the Committee shall be responsible for reviewing the following matters:

- The Audit Committee must verify the rotation of the internal audit staff to audit the Bank's activities every 3 years as a maximum.
- The Audit Committee shall verify that the internal audit staff are not assigned any executive tasks.
- The Audit Committee must verify that all the Bank's activities are subject to audit, including those assigned to external parties.
- The Board must verify that the Internal Audit Department is under the direct supervision of the Audit Committee and that it reports directly to the Chairman of the Audit Committee.
- The Audit Committee shall evaluate the performance of the internal audit director and staff and determine their remuneration.
- The scope, results, and adequacy of the Bank's internal and external audit.
- Accounting issues that have a material impact on the Bank's financial statements.
- Monitoring and internal control systems in the Bank.
- The committee recommends to the Board regarding the appointment of the external auditor, termination of their work, their fees and any conditions related to contracting with them, in addition to evaluating their independence annually.
- It shall also be responsible for reviewing and monitoring the confidential reporting procedures for any errors in the financial reports and any other matters, ensuring that the necessary arrangements are in place for the independent investigation and ensuring that the investigation results are followed up and addressed objectively.
- Develop appropriate mechanisms to ensure that the company provides a sufficient number of qualified human cadres to perform internal control tasks so that they are trained and rewarded appropriately.
- Studying and evaluating any additional work outside the scope of audit carried out by the external auditor, such as providing administrative and technical advice, ensuring that it does not affect their independence, and recommending the Board of Directors to take a decision on them.

Nominations and Remunerations Committee

Mrs. Suha Ennab / Chairman of the Committee - Independent

Mr. Hasan Abu Al-Ragheb / Vice President - Independent

Mr. Hisham Al-Masry / Member

This committee consists of at least three members, so that the majority of the members of the committee, including the chairman of the committee, are independent members. The committee is responsible for several matters, the most important of which are:

- Determining the persons qualified to join the membership of the Board based on the capabilities and qualifications of the persons nominated. In case of re-nomination of the member, the number of times he/she attends and the effectiveness of his/her participation in the Board meetings shall also be taken into consideration.

- Nomination of qualified persons to join the senior executive management and key management personnel.
- Ensuring that the members of the Board of Directors attend workshops and seminars on banking topics, especially risk management, corporate governance, and the latest developments in banking.
- Ensure the independence of the independent members and review it annually.
- Evaluate the performance of the Board of Directors, its members, committees, and the CEO through the adopted evaluation system, and inform the Central Bank of Jordan and the Securities Commission of the result of this evaluation.
- Ensuring the existence of a policy for granting the Bank's administrative remuneration, reviewing it periodically, and applying this policy. It is also recommended to determine the salaries of the CEO and the rest of the senior executive management and key management employees, their remuneration and other privileges.
- Providing information and summaries on the background of some important issues to the Bank's Board members upon request and ensuring that they are kept informed about the latest issues related to banking work.

Strategies Committee

Mr. Ghassan Aqeel / Committee Chairman

Mrs. Suha Ennab / Vice President - Independent

Mr. Yazid Al-Mufti / Member

Mr. Issam Al-Muhtadi / Member – Independent

The committee is formed by a decision of the Board of Directors, so that the committee assists the Board in setting strategic goals and assists the executive management in designing the strategy and issuing recommendations to the Board for approval. This committee will assume the following duties and responsibilities:

- Defining strategic objectives in coordination with the executive management and assigning the Board of Directors to approve them.
- Ensure the preparation of strategic and operational plans and ensure that strategic objectives are included within them.
- Follow up on achieving strategic goals through key performance indicators.
- Submit a semi-annual report to the Board of Directors on the work and activities of the Committee.
- Reviewing the committee's charter every 3 years and/or whenever the need arises, and submitting any amendments thereto to the Board of Directors for approval.
- Studying any topic presented to the committee by the Board of Directors or the committee deems necessary to discuss it and express an opinion and recommendation on it to the Board of Directors.

IT Governance Committee

Mr. Hisham Al-Masry / Chairman of the Committee

Mr. Sami Smeirat / Vice President - Independent

Mr. Essam Al-Muhtadi / Independent Member

This committee consists of at least three members, and it is preferable that its membership includes persons with experience or strategic knowledge in information technology, so that this committee assumes the following tasks and responsibilities:

- Adopting the strategic goals of information technology and the appropriate organizational structures, including the steering committees at the level of the senior executive management, and in particular (the information technology steering committee), in a way that ensures the achievement and meeting of the strategic goals of the Bank and achieving the best added value from projects and investments of information technology resources, and the use of tools and standards necessary to monitor and ensure the extent to which this is achieved, such as using the IT Balanced Scorecards system, calculating the rate of return on investment (ROI), and measuring the impact of contributing to increasing financial and operational efficiency.

- Adoption of the general framework for managing, controlling and monitoring information technology resources and projects that simulates the best accepted international practices in this regard, and specifically (COBIT), which complies with and meets the objectives and requirements of governance instructions and the associated information and technology management by sustainably achieving the institutional objectives set forth in the mentioned instructions, achieving the accompanied matrix of information and technology objectives, and covering information technology governance processes.
- Adoption of the matrix of institutional objectives contained in Annex No. 1 of the accompanied IT management and governance instructions and the update contained therein in the Central Bank Circular 10-6-984, and the objectives of information and associated technology contained in Annex No. 2 and the update contained therein in the Central Bank Circular 10-6-984, considering its data as a minimum, and describing the sub-goals necessary to achieve them.
- Adopting a matrix of responsibilities (RACI Chart) towards the main processes of IT governance in Annex No. (3) and the update to them in the Central Bank Circular 10-6-984 and the sub-processes emanating from it in terms of: the entity, entities, person or parties primarily (Responsible), (Accountable), (Consult), and (Informed) towards all operations in the aforementioned facility, guided by the COBIT 2019 standard in this regard.
- Adopting the importance and prioritization of the (Enterprise Goals) and their relationship to the(Alignment Goals) and the (Governance and Management Objectives), in addition to their relation to the rest of the enabling components (Enablers/Components).

This is based on a qualitative and/or quantitative study prepared for this purpose on an annual basis, at least, that takes into consideration the factors affecting formation of the Information Technology Governance Framework (Design Factors – COBIT 2019) in a way that is commensurate with the privacy and strategies of the Bank, provided that topics of cyber security, risk management, privacy and data protection, compliance, monitoring, audit and strategic alignment are included as the Focus Area and of high priority, so that the level of maturity of activities related to the objectives of governance and management and the rest of the seven enabling elements is directly proportional to the degree of importance and priority according to the results of the above-mentioned study, provided that the level of maturity of the goals of high importance and priority is not less than the level 3 Fully Achieved according to the maturity scale contained in the framework COBIT 2019, and it is allowed to consider no more than 26% of the goals mentioned in the sixth above within the goals of the management (with no more than 9 goals as maximum out of 35 goals) as being of lower importance and priority, depending on the results of the aforementioned study.

- Ensuring the existence of a general framework for information technology risk management that is compatible and integrated with the overall general framework for risk management in the Bank and that takes into account and meets all the information technology governance processes mentioned in Annex No. (3).
- Approving the budget of IT resources and projects in line with the strategic objectives of the Bank.
- General supervision and review of the progress of IT operations, resources and projects to ensure their adequacy and their effective contribution to achieving the requirements and business of the Bank.
- Reviewing IT audit reports and taking the necessary actions to address deviations.
- Recommending to the Board to take the necessary measures to correct any deviations.
- Adoption of a Cyber Security Policy.
- Adoption of the Cyber Security Program.
- Compliance check with cyber security policy and program.
- Submit a semi-annual report to the Board of Directors on the work and activities of the Committee.
- Reviewing the committee’s charter every 3 years and/or whenever the need arises, and submitting any amendments thereto to the Board of Directors for approval.
- Studying any topic presented to the committee by the Board of Directors or the committee deems necessary to discuss it and express an opinion and recommendation on it to the Board of Directors.

Facilities Committee

Mr. Yazid Al-Mufti / Chairman of the Committee

Mr. Issam Al-Muhtadi / Vice President - Independent

Mr. Sharif Al-Saifi / Member

Mr. Yaseen Al-Talhouni / Member

Mr. Mazen Al-Sahsah / Member

This committee consists of at least five members, and one of the members of the committee may be independent, provided that he is not a member of the audit committee. The members of the committee, including the chairman and vice-chairman, are appointed by a decision of the Board of Directors. Also, members of the senior executive management may participate in the committee's meetings to present their recommendations. The quorum for the committee's meetings is the presence of at least four members, and its decisions are taken by a majority of its members, regardless of the number of those present.

Higher limits are defined for the powers entrusted to this committee in relation to granting, amending, renewing or structuring credit facilities, so that there are clear powers of the Board in particular. It is also allowed by a decision of the Board of Directors to delegate some or all of the powers of this committee to amend the conditions or structure of facilities to the Executive Management Committee, with the necessity of informing the Facilities Committee of the decisions taken within these powers.

This committee undertakes the following tasks:

- Review the facilities that exceed authority of the highest committee in the executive management.
- Its powers are limited to taking the appropriate decision regarding the facilities that have been recommended for approval by the Executive Management Committee.
- The Committee shall periodically submit to the Board th details of facilities that have been approved by it.
- Reviewing the committee's charter every 3 years and/or whenever the need arises, and submitting any amendments thereto to the Board of Directors for approval.
- Studying any topic presented to the committee by the Board of Directors or the committee deems necessary to discuss it and express an opinion and recommendation on it to the Board of Directors.
- In the event that any of the recommendations of the committee and the decisions of the Board of Directors conflict, the Board of Directors must include in the governance report a statement clearly detailing these recommendations and the reasons for the Board of Directors' disagreement with them.

Compliance Committee

Mr. Sherif Al-Saifi / Chairman of the Committee

Mr. Hassan Abu Ragheb / Vice-Chairman - Independent

Mr. Sami Smeirat / Member - Independent

Mrs. Suha Ennab / Member - Independent

This committee consists of at least three members, whereas the majority of its members are independent. This committee assumes the following tasks:

- Ensure the availability of policies, a framework for compliance management, and the necessary programs and tools, while reviewing them periodically to ensure their effectiveness and amending them if necessary.
- Discussing compliance and anti-money laundering reports.
- Receiving and following up on compliance reports and internal control reports related to compliance management.
- And other tasks under the approved charter of the committee

The table below shows number of meetings of the BOD and its committees, in addition to number of meetings attended by each member during the year 2021

Total number of meetings held during 2021	BOD	Facilities' commit-tee	Audit commit-tee	Corporate gover-nance committee	Nominations & remunera-tion commit-tee	Risk man-agement committees	Strategies commit-tee	IT gover-nance com-mittee	Compliance committee
	6	23	9	2	6	9	3	4	6
Mr. Yazeed Adnan Mustafa Al-Mufti	6(6)	23(23)		2(2)			3(3)		
Mr. Mohammad Mahmoud Ahmad Al-Atrabi (Banque Misr Representative)	6(6)					9(9)			
Mr. Khaled Sbaih Taher Al-Masri (Up to 8/2/2021)	2(2)				1(1)				
Mr. Hisham Zafer Taher Al-Masri (from 7/3/2021)	4(4)				5(5)			4(4)	
Mr. Yaseen Khalil Mohammad Al-Talhouni	4(6)	17(23)							
Mr. Ghassan Ibrahim Fares Aqeel (Representative of the Arab Trade and Foodstuff Company)	6(6)		9(9)				3(3)		
Ms. Suzan Yahya Jawdat Abu Al-Rous (Representative of the Social Security Corporation) up to 31/8/2021	4(4)	14(15)				6(6)			
Mr. Mazin Hamdi Mohammd Al-Sahsah (Representative of Social Security Corporation) from 1/9/2021	2(2)	7(8)				2(2)			
Mr. Shareef Mahdi Husni Al-Saifi	6(6)	22(23)							6(6)
Mr. Hasan Ali Hussein Abu Al-Ragheb	5(6)			2(2)	6(6)				6(6)
Mrs. Suha Baseel Andrawos Ennab	6(6)		9(9)		6(6)	9(9)	3(3)		6(6)
Mr. Sami Issa Eid Smairat	5(6)		9(9)			9(9)		4(4)	6(6)
Mr. Esam Mohammad Farouq Rushdi Al-Mutadi	6(6)	22(23)		2(2)		9(9)	3(3)	4(4)	

The numbers in parentheses represent the number of board/committee meetings held during the member's membership term

BOD Members of Cairo Amman Bank during the Year 2021

Mr. Yazid Adnan Al-Mufti

BOD Chairman

Nature of membership: Non-independent

Nationality	Jordanian
Membership date	1990
Date of birth	27/03/1953
Academic qualifications	Bachelor Degree in BA / American University – Beirut
Practical experience	BOD Chairman of Cairo Amman Bank since 7/10/2012 Cairo Amman Bank Director since 1989 until 10/2004 Banking experience through working at Citibank
Membership in the committees emanating from the Board of Directors of the Bank	Chairman of the Facilities Committee Member of the Corporate Governance Committee Member of the Strategic Committee
Membership in the other companies' BODs	ZARA Investment Holding Company Middle East Insurance Company Middle East Holding Company Al-Watania Financial Services Company (Awraq for Investment) Al-Safa Bank / Palestine
Jobs currently occupied Outside the Bank	——

Mr. Mohammad Mahmoud Ahmad Al-Atrabi

BOD Vice-Chairman

(Representative of Banque Misr)

Nature of membership: Non-independent

Nationality	Egyptian
Membership date	2015
Date of birth	1/1/1955
Academic qualifications	Bachelor Degree in Commerce – Accounting Specialization / Ain Shams University
Practical experience	Banque Misr BOD Chairman Delegate member and CEO of the Egyptian Gulf Bank Vice-chairman of the Arab Egyptian Estate Bank CEO of the Arab Investment Bank BOD Chairman of the Egyptian Estate Bank BOD Chairman of Egypt Lebanon Estate Bank Occupied several leading positions at Egypt International Bank during the period from 1983 until 2005 Worked at the International African Arab Bank along with the Solidarity Bank and International Credit Bank
Membership in the Bank BOD emanating committees	Risk Management Committee Vice-chairman
Membership in the other companies' BODs	Vice-chairman of the Arab Banks Union Vice-chairman of Egypt Banks' Union BOD member of EGOTH Company BOD member of the General Investment Commission BOD member of Ain Shams University BOD member of the Arab Contractors Company
Jobs currently occupied outside the Bank	BOD chairman of Banque Misr

Mr. Khaled Sabeeh Al-Masri

Member

Nature of membership: Non-independent (up to 8/2/2021)

Nationality	Jordanian
Membership date	1995 up to 8/2/2021
Date of birth	19/02/1966
Academic qualifications	Master's degree of management – George Town University / USA Bachelor Degree of Computer Engineering – M.I.T. / USA
Practical experience	BOD Chairman of Cairo Amman Bank from 7/1999 to 7/10/2012 Cairo Amman Bank CEO from 10/2004 to 31/12/2007 Cairo Amman Bank BOD member from 2/1995
Membership in the Bank BOD emanating committees	Head of the IT Governance Committee Member in the Nominations and Remuneration Committee
Membership in the other companies' BODs	ZARA Investment Holding Company Jordan Tourism and Hotels Company Al-Himah Minerals Company
Jobs currently occupied outside the Bank	Chairman of Astra Group BOD Chairman of Ayla Oasis Development Company

Mr. Hisham Zafer Al-Masri

Member

Nature of Membership: Non-independent (From 7/3/2021)

Nationality	Jordanian
Membership date	3/2021
Date of birth	19/2/1981
Academic qualifications	Master's degree in Business Adminisration Essentials – North Eastern University – Rothman Programs for executive management 2014/2015 Bachelor in Economy from Boston University 2003
Practical experience	Administrative partner in Al-Zafer Co. for Investment – Amman / Jordan (2015 – Present) CEO of Technical Co. for Automotive and Spare Parts - Amman / Jordan (9/2006 – Present)
Membership in the Bank BOD emanating committees	Head of the IT Governance Committee Member in the Nominations and Remuneration Committee
Membership in the other companies' BODs	Al-Haj Taher Al-Masri Co. Jordan Express Tourist Transport Co. (JET), Jordan Jordan Express Co. Palestine Co. for Development & Investment Ltd (PADICO Holding) Palestine National Beverage Co. Coca-Cola Palestine Youth Pioneers Organization (YPO) Consultancy Council for International Development
Jobs currently occupied outside the Bank	CEO of Technical Co. for Automotive and Spare Parts Administrative partner in Al-Zafer Co. for Investment Co-Founder of Choice Software Development Company

Mr. Yaseen Khalil Al-Talhouni

Member

Nature of membership: Non-independent

Nationality	Jordanian
Membership date	1998
Date of birth	8/5/1973
Academic qualifications	Bachelor degree of economic sciences / George Town University – USA
Practical experience	Businessman and Manager of Zara Investments Holding Co.
Membership in the Bank BOD emanating committees	Member in the facilities committee
Membership in the other companies' BODs	ZARA Investment Holding Company Jordan Tourism and Hotels' Company Jordan Electricity Company Jordanian Al-Himah Minerals Company
Jobs currently occupied outside the bank	General Director of ZARA Investment Holding Company BOD vice-chairman / delegate member of Jordan Tourism and Hotels' Co.

Mr. Ghassan Ibrahim Fares Aqeel

(Representative of Arab Trading and Food Supply Company)

Nature of membership: Non-independent

Name of the representative of the legal person	Ghassan Ibrahim Fares Aqeel
Nationality	Jordanian
Membership date	2002
Date of birth	2/5/1968
Academic qualifications	Master's degree in administration / Thunderbird University Bachelor degree in accounting / Jordan University Certified Public Auditor / Illinoi University
Practical experience	CEO of Astra Group Experience in auditing through working as an audit manager at Arthur Anderson Company
Membership in the Bank BOD emanating committees	Head of the Strategies' Committee Member in the audit committee
Membership in the other companies' BODs	Astra Industrial Group Company Arab Cooperative Insurance Company Audacia Capital
Jobs currently occupied outside the bank	CEO of the Saudi Astra Company

Mr. Shareef Mahdi Al-Saifi

Member

Nature of membership: Non-independent

Nationality	Jordanian
Membership date	2010
Date of birth	6/6/1972
Academic qualifications	- Master's degree in Financial Development Science – Frankfort University - Germany Master's degree in Maritime Environment protection – Wales University – UK Bachelor degree in political sciences – Georgetown University – USA Credit officer course – Chemical Bank New York Compliance officer course – Frankfurt School of Management and Finance
Practical experience	Partner and vice general manager of Al-Masar Al-Mutaheda Contracting CEO of the Unified Company for Manufacturing Ready-Made Clothes Former Project Manager of Aqaba Aqua Park Operations Director at Al-Masar Al-Mutaheda Contracting
Membership in the Bank BOD emanating committees	Chairman of the compliance committee Member in the facilities committee
Membership in the other companies' BODs	Al-Masar Al-Mutaheda Contracting Vitel Holding Company
Jobs currently occupied outside the Bank	Vice general director of Al-Masar Al-Mutaheda Contracting

Mr. Hasan Ali Abu Al-Ragheb

Member

Nature of membership: Independent

Nationality	Jordanian
Membership date	2016
Date of birth	24/5/1973
Academic qualifications	Bachelor degree in Economics and Business Administration / Tennessee University / USA
Practical experience	General Director of Al-Yarmouk Insurance Company Vice-chairman of Jordan Insurance Federation
Membership in the Bank BOD emanating committees	Head of the corporate governance committee Vice-chairman of the nominations and remuneration committee Vice-chairman of the compliance committee
Membership in the other companies' BODs	Al-Atyaf International Trade Investments Company Al-Eshraq Trade Investments Company First Insurance Company – Solidarity
Jobs currently occupied outside the Bank	Businessman

Mrs. Suha Baseel Andrawos Ennab

Member
Nature of membership: Independent

Nationality	Jordanian
Membership date	2015
Date of birth	4/2/1960
Academic qualifications	Bachelor degree in BA / American University – Beirut
Practical experience	Financial and administrative consultant since 2007 Experience in banking business for more than 26 years whereas she occupied several positions, such as: Vice general manager of Societe General Bank – Jordan from 2003 until 2007 General manager assistant of Cairo Amman Bank from 1992 until 2003 Vice-chairman of Citibank Jordan from 1981 until 1992
Membership in the Bank BOD emanating committees	Chairman of the nominations and remuneration committee Vice Chairman of the audit committee Vice- Chairman of the strategies' committee Member in the risk management committee Member in the compliance committee
Membership in the other companies' BODs	Arab European Insurance Group Company Partners microfinance Company Al-Wataniah Financial Services Company (Awraq for Investments)
Jobs currently occupied outside the bank	Financial and administrative advisor

Mr. Sami Issa Smairat

Member
Nature of membership: Independent

Nationality	Jordanian
Membership date	2018
Date of birth	13/4/1971
Academic qualifications	Master's degree in Business Administration (NYIT) (MBA) Master's degree of telecommunications engineering – University of Jordan Bachelor degree in electrical engineering – University of Jordan
Practical experience	CEO of Wannado Company Jordan Vice-CEO of Siberia Company Jordan Vice CEO and Commercial Manager of Global One Co. Research and Teaching Assistant in University of Jprdan
Membership in the Bank BOD emanating committees	Chairman of the audit committee Vice-chairman of the IT Governance committee Member in the risk management committee Member in the compliance committee
Membership in the other companies' BODs	Chairman of the Board of Directors of Petra Company for Payment Services via Mobile Phones. Vice Chairman of the Jordan Phosphate Mines Company Member of the International Data Center Commission Member of the National Cyber Security Council. Arab Telecommunications and Internet Union Member of the Board of Trustees of Princess Sumaya University for Technology Member in BOD of (Sodetel) Company
Jobs currently occupied outside the bank	CEO of the Jordanian Company for Data Transfer Services. CEO of the Corporate and Institutional Sector (Orange)

Mr. Esam “Mohammad Farooq” Al-Muhtadi

Member

Nature of membership: Independent

Nationality	Jordanian
Membership date	2018
Date of birth	18/11/1968
Academic qualifications	Master’s degree in Business Administration – USA Bachelor degree in Business Administration – Finance /USA
Practical experience	Founding partner in Al-Bayan for Administrative Consultations and Commercial Agencies Company Amman Office manager of Huron Consulting Middle East Amman Office manager of Next Move Company Manager of the Foreign Department at Cairo Amman Bank
Membership in the Bank BOD emanating committees	Chairman of the risk management committee Chairman of the facilities’ committee Vice-chairman of the corporate governance committee Vice-chairman of the IT Governance Committee Member in the strategies’ committee
Membership in the other companies’ BODs	Al-Safa Bank – Palestine Member in the BOD of Tamallak Financing Lease Company
Jobs currently occupied outside the bank	Founding partner of Al-Bayan for Administrative Consultations and Commercial Agencies’ Company

Social Security Corporation

Represented by Mrs. Suzan Yahya Abu Al-Rous

Nature of membership: Non-independent (up to 31/8/2021)

Nationality	Jordanian
Membership date	8/9/2020 to 31/8/2021
Date of birth	3/8/1982
Academic qualifications	Bachelor degree in accounting from University of Jordan / 2004
Practical experience	Head of the operational risks department / risk management and strategic planning directorate at the Social Security Investment Fund (2016- present) Senior analyst – operational risks / risk management and strategic planning directorate at the Social Security Investment Fund (2013-2016) Senior controller of fixed assets / Financial Control Department at the Social Security Investment Fund (2010-2013) Senior specialist in employees’ affairs and salaries / HR Department at the Social Security Investment Fund (2009-2010) HR officer/ HR Department at the Social Security Investment Fund (2005-2009)
Membership in the Bank BOD emanating committees	Member of the facilities committee Member of the risk management committee
Membership in the other companies’ BODs	Social security corporation representative in the BOD of the National Co. for Investment in Infrastructure Projects (9/2021 – present) Social security corporation representative in the BOD of the Kingdom Electricity Company for Energy Investments (3/2020 – 15/9/2020) Social security corporation representative in the Unified Launching Center Company BOD (11/2017-3/2020) Social security corporation representative in the Hotel Transportation Services Company (10/2016-11/2017)
Jobs currently occupied outside the Bank	Head of the operational risks department at the Social security Investment Fund

Social Security Corporation

Represented by Mr. Mazen Hamdi Al-Sahsah

Nature of membership: Non-independent (Starting from 1/9/2021)

Nationality	Jordanian
Membership date (Representation date)	1/9/2021
Date of birth	31/12/1975
Academic qualifications	Bachelor degree in Financial and Banking Science from Al-Yarmouk University / 1997 FMVA Financial Modelling & Valuation Analyst Certificate Certified Valuation Analyst (CVA) Certificate Certified in Financial Management (CFM) Certificate Certified Management Accounting (CMA) Certificate
Practical experience	Head of the Financial Studies & Analysis Division / Special Projects & Contributions Financing Department in the Social Security Investment Fund (2008 – present)
Membership in the Bank BOD emanating committees	Member of the facilities committee Member of the risk management committee
Membership in the other companies' BODs	Social security corporation representative in the BOD of the National Co. for Investment in Infrastructure Projects (11/3/2020 – 1/9/2021) Social security corporation representative in the BOD of the Kingdom Electricity Company (12/5/2019 – 11/3/2020) Social security corporation representative in BOD of Jordan National Bank (1/4/2018 – 30/4/2019) Social security corporation representative in BOD of Aqaba Saraya Company (1/5/2013 – 1/4/2017)
Jobs currently occupied outside the Bank	Head of the Financial Studies &Analysis Division / Special Projects & Contributions Financing Department in the Social Security Investment Fund

Senior Executive Management as at 2021

Names of the Senior Executive Management of Cairo Amman Bank (also resigned) "Updated information for the year 2021" includes the following:

Mr. Kamal Ghareeb Abdulraheem Al-Bakri - CEO

Appointment date	4/1/2003
Date of birth	7/6/1969
Academic qualifications	Master's degree in International Banks and Finance Management from Salford Manchester / UK Holds the title of Professor of Law
Practical experience	Extensive experience in banking field, where he occupied the position of CEO of Cairo Amman Bank since 2008 Former vice general director of CAB Legal department manager and legal advisor of CAB BOD chairman of the Jordan Express Tourist Transport Company (JET) L.L.C, Vice Chairman of BOD of the Loan Guarantee Company L.L.C, BOD chairman of Tamallak Lease Finance Company W.LL, BOD member of the Jordanian Insurance Company L.L.C, BOD chairman of the Real Estate Portfolio Company L.L.C, BOD member of Al-Safa Bank – Palestine L.L.C, Vice Chairman of BOD of Network International for Payment Services - Jordan. Member of the Supreme Council of the Economic and Social Foundation for Military Retirees and Veterans, and a member of the Board of Trustees of the University of Jordan Former board member in many public and private joint stock companies working in different sectors such as tourism, education, industry and real estate development. Former member of the Board of Trustees of the University of Science and Technology, the Association of Banks operating in Jordan, the Institute of Banking Studies, the Jordan Economic Dialogue Committee, BOD of the Scientific Research and Innovation Fund.

Rana Sami Jadallah Al-Sunna' – Chief of Credit Services Group

Appointment date	15/8/1995
Date of birth	12/08/1966
Academic qualifications	Master's Degree in Administrative Science and Financing, Bachelor Degree in Accounting
Practical experience	Vice general director for Banking Business as of 12/2009 Banking experience in the risks' field through working as Risk Department Manager at CAB since 1998. Head of the local facilities' division at CBJ Member of Jordan Real Estate Refinance Company BOD member of Tamallak Lease Finance Company

Khaled Mahmoud Abdullah Qasem – Chief of the Joint Services Group

Appointment date	1/10/2008
Date of birth	22/02/1963
Academic qualifications	PhD. Degree in Business Administration Master's Degree in Business Administration – International Trade Bachelor Degree in Financing
Practical experience	Experience in banking business through working at Al-Jazeera Bank, Arab Bank, Cairo Amman Bank, Jordan National Bank, Bank of Jordan, Kuwait National Bank BOD member of MadfooatCom Company BOD member of Al-Safa Bank

Jan Shawkat Mahmoud Yadj Zakariya - CEO of Central Operations

Appointment date	20/10/1990
Date of birth	20/02/1968
Academic qualifications	Bachelor degree in English Literature
Practical experience	Banking experience since 1990 in the field of operations, branches and supporting work procedures

Reem Younis Mohammad Al-Eses - CEO of Treasury and Investment

Appointment date	01/03/1990
Date of birth	18/05/1964
Academic qualifications	Master's Degree in Economics, Bachelor Degree in Economics
Practical experience	Banking experience in the field of treasury through working in and as the Treasury Department Manager at CAB since 1990 Economics' researcher in the Royal Scientific Society since 1997

Fouad Younis Abdellatif Saleh – CEO of Finance Administration and Shareholders Affairs

Appointment date	11/04/1992
Date of birth	08/01/1960
Academic qualifications	Bachelor degree in accounting
Practical experience	Practical experience in accounting through working at CAB and Income Tax Dept.

Maha Abdullah Abdulhameed Ababneh – CEO of Special Banking Services

Appointment date	01/10/1996
Date of birth	16/11/1973
Academic qualifications	Bachelor degree in finance and banking sciences
Practical experience	She progressed in her position with the Bank, where she held the position of branch manager and currently occupies the position of CEO of private banking services

Azmi Mohammad Hasan Awaidah - CEO of Personal Credit Services

Appointment date	10/09/1996
Date of birth	17/10/1964
Academic qualifications	Bachelor degree in accounting
Practical experience	Banking experience in the field of credit through working at CAB and Jordan Kuwait Bank

Mohammad Ali Mahmoud Al-Qaisi
Executive Manager and Legal Advisor / Legal Affairs and Contract Documentation

Appointment date	16/02/2003
Date of birth	29/04/1974
Academic qualifications	PhD in law
Practical experience	He progressed in his positions at the Bank, where he occupied the position of CEO for Legal Department since appointment

Margaret Muheeb Issa Makhamreh – CEO of Internal Audit

Appointment date	27/07/2004
Date of birth	09/04/1977
Academic qualifications	Bachelor degree in Business Administration
Practical experience	Banking experience through working at Bank ABC from 2002 until 2004

Yousef Abdulfattah Suleiman Abu Al-Haija' - CEO / Risk Management

Appointment date	01/08/2005
Date of birth	01/01/1976
Academic qualifications	Bachelor degree in Public Administration / Banking and financial sciences
Practical experience	Experience in a number of the Jordanian Banks in the field of operational risk management, central operations, treasury operations and commercial funding Experience as a financial manager in one of the investment companies in Jordan

Anton Victor Anton Sabilla - CEO/ Compliance

Appointment date	16/10/2005
Date of birth	02/12/1977
Academic qualifications	Bachelor degree in accounting
Practical experience	Experience in the field of audit and finance through working at Ernst and Young from 2000 until 2005

Yazeed Seetan Yousef Ammari - CEO/Commercial Credit Services

Appointment date	01/06/2006
Date of birth	09/12/1965
Academic qualifications	Master's degree in finance and banking sciences Bachelor degree in finance
Practical experience	Experience in the credit field at banks through working at Jordan National Bank, Amman Investment Bank and Arab Land Bank

Hani Mohammad Rashrash Ahmad Rasheed Khader - CEO / Banking Services & Marketing

Appointment date	02/07/2006
Date of birth	12/12/1976
Academic qualifications	Master's degree in Business Administration
Practical experience	Experience in banking operations and marketing through working at the Bank ABC from 1999 until 2004

Omar Sarhan Ahmad Aqel – (up to 31/12/2021) CEO / Internal Control

Appointment date	15/02/1989
Date of birth	17/05/1963
Academic qualifications	Bachelor degree in accounting
Practical experience	Banking experience in the field of operations, internal audit, credit control and contract documentation at CAB

There are no contracts, projects or commitments concluded by the issuing company with the subsidiaries, affiliates, associates, BOD members, CEO or any employee in the company or their relatives, within the usual scope of the Bank's knowledge.

Below is a summary of transactions with related parties during the year:

	Related Parties	Total			
	BOD members and related persons	Senior executive management	Other*	2021	2020
	Dinar	Dinar	Dinar	Dinar	Dinar
Items within the Statement of Financial Position					
Direct facilities	18,475,111	4,450,927	19,686,363	42,612,401	66,932,582
Deposits with banks	95,712,589	4,159,591	18,331,451	118,203,631	119,.537,989
Cash deposits	661,035	24,076	264,235	949,346	62,628
Items out of the financial position statement					
Indirect facilities	1,933,316	300	264,235	2,197,851	4,252,715
				For the year ended 31 December	
				2021	2020
				Dinar	Dinar
Items of the Statement of Income					
Credit interests and commissions	1,257,717	235,875	1,476,122	2,969,714	3,216,585
Debit interests and commissions	1,975,665	79,240	549,603	2,604,508	1,901,979

Details of Facilities granted to BOD members and related parties as follows:

	Granted to member	Granted to related parties	Total						
	Direct facilities	Indirect facilities	Total	Direct facilities	Indirect facilities	Total	Direct facilities	Indirect facilities	Total
Mr. Yazeed Adnan Mustafa Al-Mufti	1,239,975	-	1,239,975	-	-	-	1,239,975	-	1,239,975
Mr. Yaseen Khalil Mohammad Yaseen Al-Talhouni	773,604	-	773,604	773,605	553,591	199,091	8,548,329	9,122,843	9,321,934
Mrs. Suha Baseel Andrawos Ennab	-	-	-	-	-	-	-	-	-
Mr. Hesham Zafer Taher Al-Masri	598,026	-	-	598,026	7,510,226	1,030,828	8,541,053	8,108,252	9,139,079
Mr. Hasan Ali Hussein Abu Al-Ragheb	-	-	-	-	-	-	-	-	-
Mr. Shareef Mahdi Husni Al-Saifi	-	-	-	-	703,697	703,697	-	703,697	703,697
Mr. Sami Issa Eid Smairat	1,263	-	1,263	-	-	-	1,263	-	1,263
Mr. Ghassan Ibrahim Fares Aqeel	320	-	320	-	-	-	320	-	320
Essam Mohammad Farouq Rushdi Al-Muhtadi	2,459	-	2,459	-	-	-	2,459	-	2,459
Mr. Al-Atrabi									
Mr. Mazen Al-Sahsah									

Shareholdings of BOD Members and Their Relatives

BOD Member's Name	Nationality	2021	2020	Companies controlled by them
Mr. Yazeed Adnan Mustafa Al-Mufti	Jordanian	23,272	23,272	
Relatives' shareholding		-	-	
Mr. Hesham Zafer Taher Al-Masri	Jordanian	1,000	-	Al-Zafer Investment Co.
Relatives' shareholding		-	-	
Banque Misr	Egyptian	18,999,000	18,999,000	Cairo Bank Egypt Capital Co. Egypt Investment Co.
Shareholding of Mr. Mohammad Al-Atrabi	Egyptian	-	-	-
Shareholding of relatives		-	-	
Mr. Yaseen Khalil Al-Talhouni	Jordanian	3,294,675	4,904,317	-
Shareholding of relatives		-	-	
Arab Foodstuff and Trading Company	Saudi	14,866,985	14,866,985	
Shareholding of Mr. Ghassan Ibrahim Aqeel	Jordanian	97,850	97,850	-
Shareholding of relatives		-	-	
Dima Jamal Zuhdi Hamid (wife)	Jordanian	18, 287	18,287	-
Ibrahim Ghasan Ibrahim Aqeel (son)	Jordanian	15,946	15,946	-
Omar Ghassan Ibrahim Aqeel (son)	Jordanian	15,946	15,946	-
Maya Ghasan Ibrahim Aqeel (daughter)	Jordanian	10,555	10,555	-
Shareholding of Mr. Hasan Ali Abu Al-Ragheb	Jordanian	100,000	51,062	-
Shareholding of relatives		-	-	
Social Security Corporation	Jordanian	15,339,760	15,272,025	-
Shareholding of Mazen Hamdi Mohammad Al-Sahsah	Jordanian	-	-	-
Shareholding of relatives	Jordanian	-	-	
Mr. Shareef Mahdi Husni Al-Saifi	Jordanian	423,787	423,787	-
Shareholding of relatives		-	-	
Taimour Shareef Mahdi Al-Saifi (son)	Jordanian	111,342	111,342	-
Kayan Shareef Mahdi Al-Saifi (son)	Jordanian	114,383	114,383	-
Mrs. Suha Baseel Andrawos Ennab	Jordanian	1,520	1,520	-
Shareholding of relatives		-	-	
Mr. Sami Issa Eid Smairat	Jordanian	1,055	1,055	-
Shareholding of relatives		-	-	
Mr. Essam Mohammad Farouq Rushdi Al-Muhtadi	Jordanian	5,327	5,327	-
Shareholding of relatives		-	-	

Shareholdings of Resigned BOD Members and Their Relatives

BOD Member's Name	Nationality	2021	2020
Mr. Khalid Sabeeh Taher Al-Masri	Jordanian	9,500	9,500
Relatives' shareholding		-	-

Noting that the BOD membership period is 4 years ending in April 2022

Shareholding of Senior Management Members, Insiders and Their Relatives

Shareholder name	Occupation	Nationality	2020		2021		Companies controlled by any of them
			Personal	Relatives	Personal	Relatives	
Mr. Kamal Ghareeb Abdulraheem Al-Bakri	CEO	Jordanian	105	-	105	-	-
Mr. Khaled Mahmoud Abdullah Qasem	Chief of the joint services group	Jordanian	31,666	-	31,666	-	-
Mrs. Rana Sami Jadallah Al-Sunna'	Chief of the Credit Services Group	Jordanian	7,600	-	7,600	4,750	-
Mrs. Reem Younis Mohammad Al-Eses	CEO / Treasury and investment		-				-
Ms. Jan Shawkat Mahmoud Yadj	CEO / Central operations	Jordanian	-	-	-	-	-
Maha Abdullah Abdel Hamid Ababneh	CEO / Special Banking Services	Jordanian					-
Mr. Fouad Younis Abdullatif Saleh	CEO / Finance and shareholders' affairs	Jordanian	-	-	-	-	-
Mr. Hani Mohammad Rashrash Ahmed Rashid Khader	CEO / Banking Services & Mrktng	Jordanian	-				-
Mrs. Margret Muheeb Issa Makhamreh	CEO / Internal Audit	Jordanian	-	-	-	-	-
Mr. Anton Victor Anton Sabila	CEO / Compliance	Jordanian	-	-	-	-	-
Mr. Yousef Abdel Fattah Suleiman Abu Al-Haija'	CEO / Risk Management	Jordanian	-	-	-	-	-
Mr. Yazeed Seetan Yousef Ammari	CEO / Commercial Credit Services	Jordanian	-	-	-	-	-
Mr. Azmi Mohammad Hasan Awaidah	CEO / Personal credit services	Jordanian	-	-	-	-	-
Mr. Mohammad Ali Mahmoud Al-Qaisi	CEO & Legal Advisor / legal affairs & contract documentation	Jordanian	-	-	-	-	-
Mr. Omar Sarhan Ahmed Aqel (up to 31/12/2020	CEO / Internal Control	Jordanian	-	-	-	-	-
Total			39,371	-	39,371	4,750	-

Names of the Bank's Major Shareholders 5% or more

Customer's Name	Nationality	Number of Shares as at 31/12/2021	Percentage	Number of Shares as at 31/12/2020	Percentage
Al-Maseerah Investment Co.	Jordanian	21,636,823	11.388%	21,636,823	11.388%
Bnque Misr	Egyptian	18,999,000	9.999%	18,999,000	9.999%
Al-Maseerah International Co.	Bahraini	18,950,000	9.974%	18,950,000	9.974%
Social Security Corporation	Jordanian	15,339,760	8.074%	15,272,025	8.038%
Arab Foodstuff and Trade Company	Saudi	14,866,985	7.825%	14,866,985	7.825%
Palestinian Communications Company	Palestinian	11,167,017	5.877%	11,167,017	5.877%
Total	100,959,585	53.137%	100,891,850	53.101%	

Shareholdings of major shareholders whose shareholding is equal to or greater than 1%

Shareholder's Name	Nationality	Number of Owned Shares	% of Share-holding in Capital	Ultimate Beneficiary / % of ownership	Number of Mortgaged Shares	% of Mortgaged Shares from Total Shareholding	Mortgagee
Al-Maseerah Investment Co.	Jordanian	21,636,823	11.388%	Sabeeh Taher Darwish Al-Masri 37.50%	-	0.00%	-
				Khalid Sabeeh Taher Al-Masri 37.5%			
				Sireen Sabbeh Taher Al-Masri 31.25%			
Banque Misr	Egyptian	18,999,000	9.999%	Itself owned by the Egyptian Government	-	0.00%	-
Al-Maseerah International Co.	Bahraini	18,950,000	9.974%	Sabeeh Taher Darwish Al-Masri 40%	-	0.00%	-
				Khalid Sabeeh Taher Al-Masri 60%			
Social Security Corporation	Jordanian	15,339,760	8.074%	Itself	-	0.00%	-
Arab Foodstuff and Trade Company	Saudi	14,866,985	7.825%	Sabeeh Taher Darwish Al-Masri 9%	-	0.00%	-
			7.825%	Khalid Sabeeh Taher Al-Masri 90%			
			7.825%	Qimmat Al-Sahraa Co. for Trade Services 1%			
Palestine Communication Company	Palestinian	11,167,017	5.877%	Palestine Development & Investment Co. 30.63%	-		-
			5.877%	Major owners			-
			5.877%	Palestinian Communication 16.90%			-
			5.877%	Sabeeh Al-Masri and related parties 12.50%			-
			5.877%	Siraj Palestine Fund 6.5% Bashar Faeq Al-Masri and related parties			-
			5.877%	Masar International Investment Co. 12.4% Bashar Faeq Al-Masri and related parties			-
			5.877%	Muneeb Al-Masri and related parties 5.1%			-
			5.877%	Palestinian Investment Fund 6.74% (Sovereign Wealth Fund of the State of Palestine)			-
			5.877%	% of ultimate beneficiary 1% or more: N/A			-
Al-Zafer Investment Co.	Jordanian	8,135,224	4.282%	Hesham Zafer Taher Al-Masri 30%	-	0.00%	-
			4.282%	Hana Zafer Taher Al-Masri 30%		0.00%	
			4.282%	Maha Zafer Taher Al-Masri 30%		0.00%	
			4.282%	Raghda Zafer Taher Al-Masri 10%		0.00%	
The Congress Foundation	Liechtenstein	7,604,080	4.002%	Mufidah Abdel Rahman Madi Madi	-	0.00%	-
Yassen Khalil Mohammad Al-Talhouni	Jordanian	3,294,675	1.734%	Himself	947,426	28.76%	Jordan Kuwait Bank
					1,583,332	48.6%	Arab Bank
Kuwait Health Holding Ltd	Virgin Islands (British)	3,486,851	1.835%	Fatina Ahmed Jamil Malas 33.33%	-	0.00%	-
			1.835%	Nour Abdel Karim Alawi Al-Kabariti 33.33%		0.00%	
			1.835%	Awn Abdel Karim Alawi Al-Kabariti 33.33%		0.00%	
Lanjin Muneeb Abdel Rahman Madi	Jordanian	2,690,762	1.416%	Herself	2,510,171	93.29%	Jordan Kuwait Bank
Kuwait Projects Prospector LTD	Virgin Islands (British)	2,209,910	1.163%	Abdel Karim Alawi Al-Kabariti 40%	-	0.00%	-
			1.163%	Fatina Ahmed Jamil Malas 20%		0.00%	
			1.163%	Nour Abdel Karim Alawi Al-Kabariti 20%		0.00%	
			1.163%	Awn Abdel Karim Alawi Al-Kabariti 20%		0.00%	
Rula Bent Nafith Ben Saleh Mustafa	Saudi	2,111,105	1.111%	Herself	-	0.00%	-
Zaina Bent Nafith Ben Salen Mustafa	Saudi	2,111,105	1.111%	Herself	-	0.00%	-
Abeer Bent Nafith Ben Salen Mustafa	Saudi	2,111,105	1.111%	Herself	-	0.00%	-
Najwa Bent Nafith Ben Salen Mustafa	Saudi	2,111,105	1.111%	Herself	-	0.00%	-
Middle East Insurance Co.	Jordanian	2,089,033	1.099%	% of the ultimate beneficiary is 1% or more : N/A	-	-	-
Mary Issa Elias Al-Lousi	Jordanian	2,005,549	1.056%	Herself	-	0.00%	-

Shareholding of Mr. Sabeeh Taher Al-Masri Group is 29.657% of the Bank's capital

Shareholding of Mr. Yaseen Khalil Al-Talhouni Group is 4.260% of the Bank's capital

Benefits and Remunerations of the BOD Members during 2021

Name of BOD member	Transportation	Committees Attendance allowance	Remunerations *	Total
Mr. Yazeed Adnan AL-Mufti	-	400,000	48,314	448,314
Mr. Khaled Sabeeh Taher Al-Masri	1,875	1,000	10,198	13,073
Mr. Hesham Zafer Taher Al-Masri	14,661	15,000	-	29,661
Banque Misr	18,000	9,000	10,198	37,198
Arab Foodstuff and Trade Company	18,000	16,500	10,198	44,698
Mr. Hasan Ali Abu Al-Ragheb	18,000	17,000	10,198	45,198
Social Security Corporation	18,000	16,400	10,198	44,598
Mr. Yaseen Khalil Al-Talhouni	18,000	6,800	10,198	34,998
Mrs. Suha Baseel Ennab	18,000	42,000	10,198	70,198
Mr. Shareef Mahdi Al-Saifi	18,000	23,800	10,198	51,998
Mr. Sami Issa Eid Smairat	18,000	41,500	10,198	69,698
Mr. Essam Mohammad Farouq Rushdi Al-Muhtadi	18,000	40,300	10,198	68,498
Total	178,536	629,300	150,292	958,128

* The remunerations item includes performance remunerations of 2020 paid in 2021

A car and driver is provided to the BOD Chairman

Benefits & Remunerations for Senior Executive Management & Key Employees during 2021

Executive Management	Occupation	Salaries and Allowances	Remunera-tions	Total
Kamal Ghareeb Abdelraheem Al-Bakri	CEO	640,512	270,000	91,512
Dr. Khaled Mahmoud Abdullah Qasem	Chief of joint services group	272,922	67,600	340,522
Rana Sami Jadallah Al-Sunna'	Chief of credit services group	220,048	44,700	264,748
Reem Younis Mohammad Al-Eses	CEO / treasury & investment	150,976	35,350	186,326
Jan Shawkat Mahmoud Yadj Zakaria	CEO / Central operations	146,664	22,600	169,264
Maha Abdullah Abdulhameed Ababneh	CEO/special banking services	110,784	34,600	145,384
Fouad Younis Abdullateef Saleh	CEO/finance & shareholders affairs	77,721	46,400	124,121
Hani Mohammad Rashrash Ahmad Rasheed Khader	CEO / Banking & marketing services	94,599	21,500	116,099
Margret Muheeb Issa Makhamreh	CEO / Internal Audit	96,192	21,000	117,192
Anton Victor Anton Sabella	CEO / Compliance	96,816	13,500	110,316
Yousef Abdelfattah Suleiman Abu Al-Haija'	CEO / Risk Management	83,945	13,000	96,945
Yazid Abdel Fattah Yousef Ammari	CEO/Commercial Credit Services	140,893	22,000	162,893
Azmi Mohammad Hasan Awaidah	CEO /personal credit services	118,759	18,500	137,259
Dr. Mohammad Ali Mahmoud Al-Qaisi	CEO & Legal advisor / legal & contract documentation	112,559	17,100	129,659
Omar Sarhan Ahmed Aqel	CEO / Internal control	116,509	141,610	258,119
Total		2,479,899	789,460	3,269,359

A car and driver is provided to the CEO

There is no dependence on major local or foreign suppliers or customers who make up 10% or more of the total purchases and/or revenues.

There is no governmental protection or privileges that the Bank has, nor products under laws and regulations or others.

There are no patents or franchise obtained by the Bank.

There are no decisions issued by the government, international organizations or others having tangible impact on Bank work, products or competitive potential.

The Bank applies quality standards and best international practices for all banking activities.

There is no financial impact for operations of a non-recurring nature that occurred during the financial year and do not fall within the main activity of the Bank.

Capital investment of the Bank during 2021 reached the amount of 9,021,537 Dinars.

The fees for the auditors of the Bank and its subsidiaries for the year 2021 amounted to an amount in addition to sales tax, distributed as follows:

Details	Fees without VAT
Cairo Amman Bank	232,231
Tamallak Financial Leasing Company	6.000
Awraq Company	6.500
National Securities Company Palestine	3.000
Al-Safab Bank	19,559
Total	267,290

Other consultations' fees were paid to the auditors amounting 105,718 Jordanian dinars.

There are no contracts concluded with subsidiaries, BOD chairman or members of the Board or the general director, except for the regular banking transactions disclosed in note 40 on the financial statements, which are subject to the related CBJ instructions.

The Board of Directors Chairman, CEO, Executive Manager/Finance and Shareholder Affairs acknowledge correctness, accuracy and completeness of the information and data contained in this report.

BOD Chairman	CEO	Executive Manager/Finance and Shareholder Affairs
Yazeed Adnan Mustafa Al-Mufti	Kamal Ghareeb Abdelraheem Al-Bakri	Fouad Younis Abdellateef Saleh

Board of Directors Acknowledgment

The Board acknowledges its responsibility for the preparation, accuracy and adequacy of the financial statements and the information contained in the report, and for the provision and adequacy of the Bank's internal control and control systems.

The Board of Directors acknowledges, to the best of its knowledge and belief, that there are no material matters that may affect the continuity of the Bank during the year 2022.

Each of the members of the Board of Directors acknowledges that he/she did not receive any benefits during the year 2021 through his/her work in the Bank and did not disclose them, whether these benefits were material or in kind, and whether they were for him/her personally or for any of those related to him/her.

BOD Chairman
Yazeed Adnan Mustafa Al-Mufti

BOD Vice Chairman
Mohammad Mahmoud Al-Atrabi

Hesham Taher Al-Masri
(Signature)

Sami Issa Eid Smairat

Yaseen Khalil Mohammad Al-Talhouni

Ghassan Ibrahim Fares Aqeel

Hasan Ali Hussein Abu Al-Ragheb

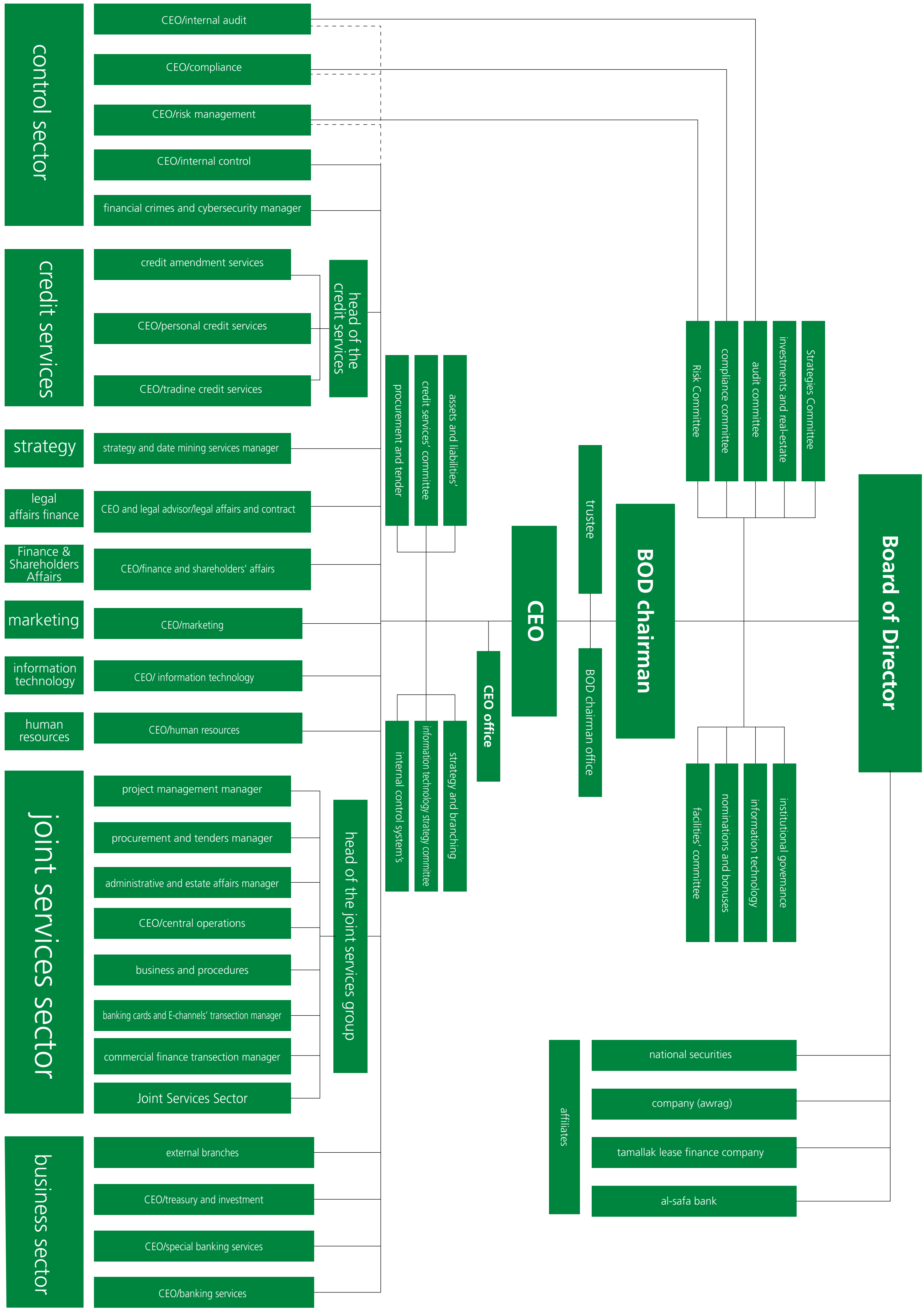
Shareef Mahdi Husni Al-Saifi

Suha Baseel Andaws Ennab

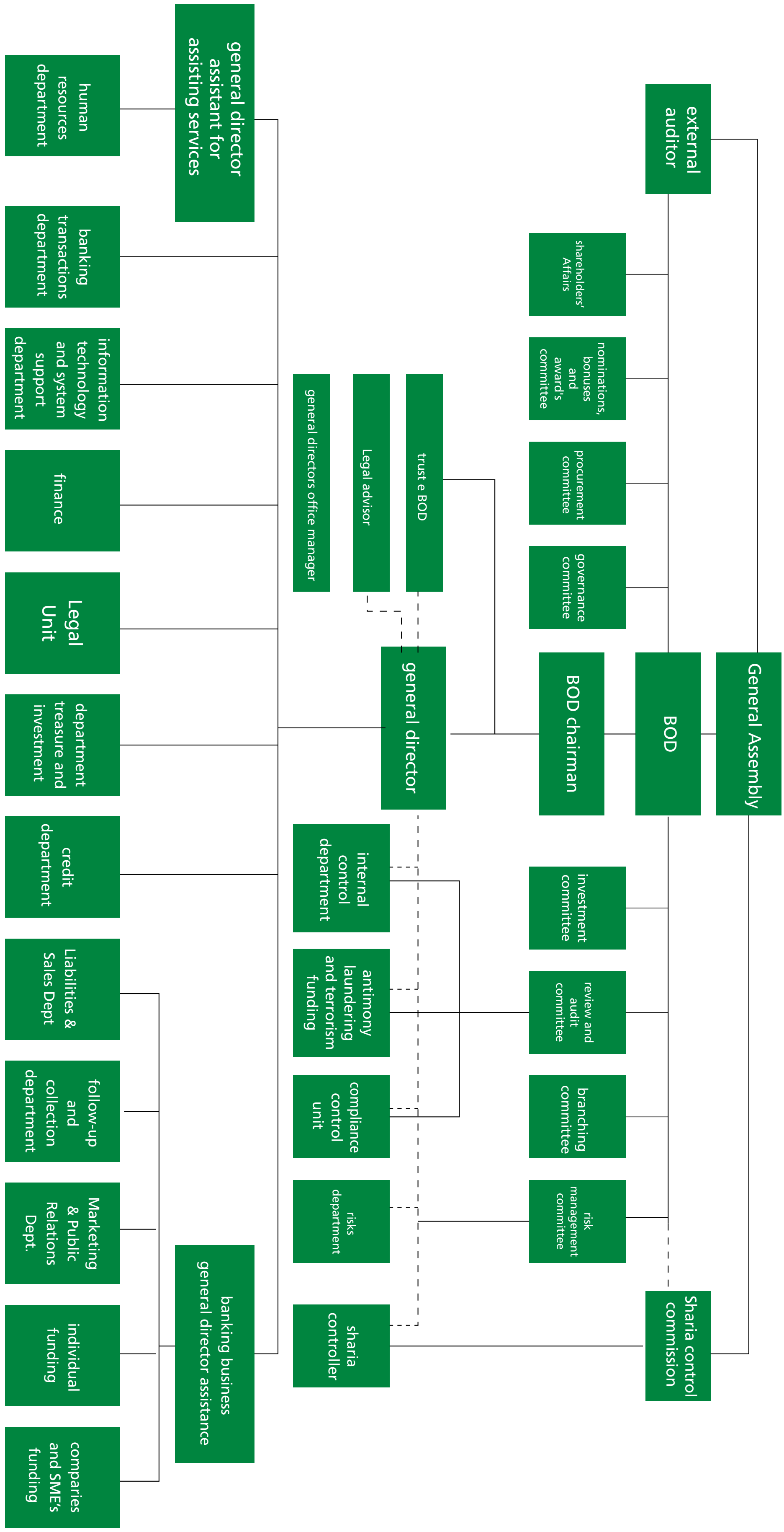
Esam Mohammad Farouq Rushdi Al-Muhtadi

Mazen Hamdi Al-Sahsah

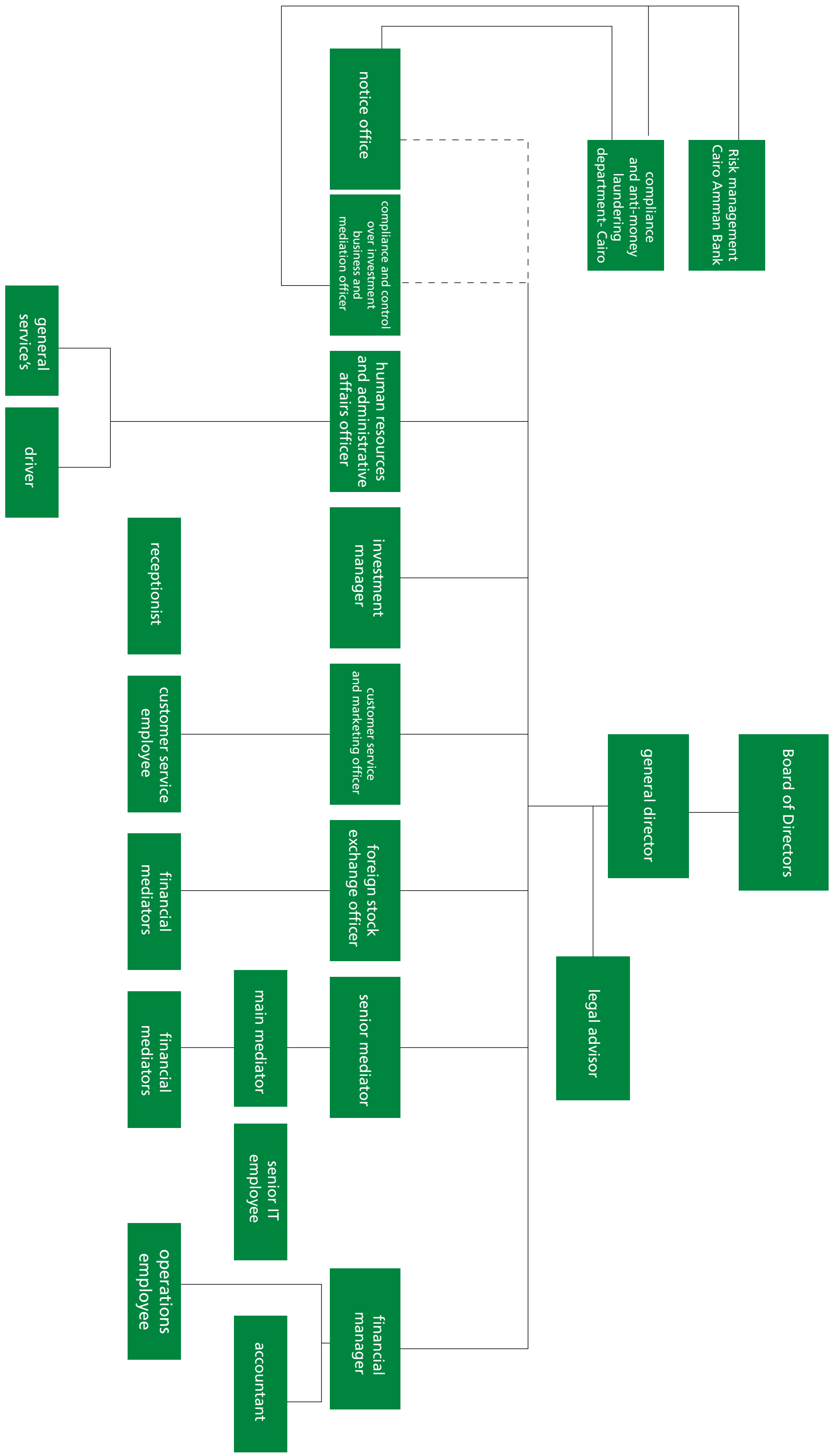
Organizational Structure of Cairo Amman Bank



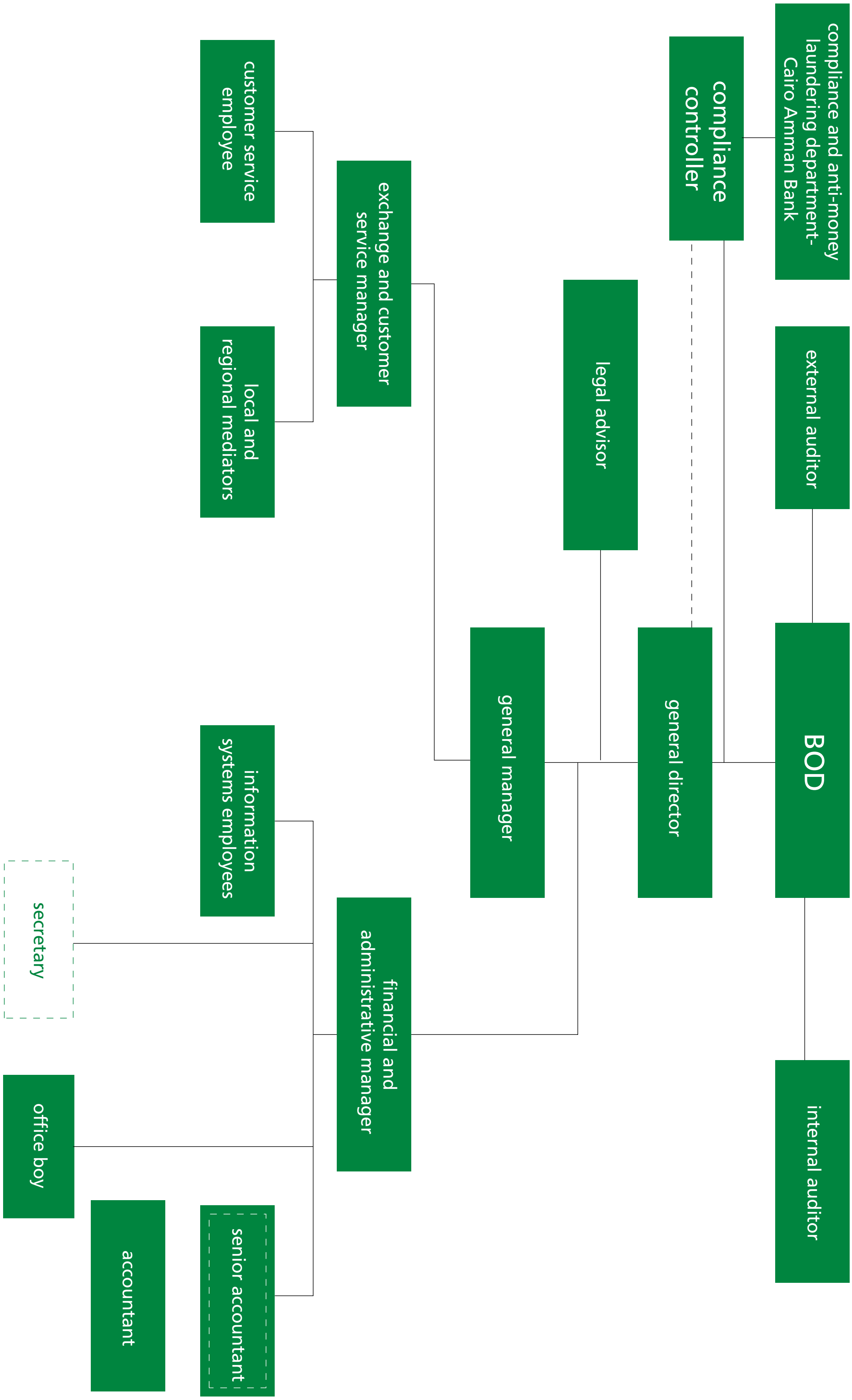
Al-Safa Bank Organizational Bank



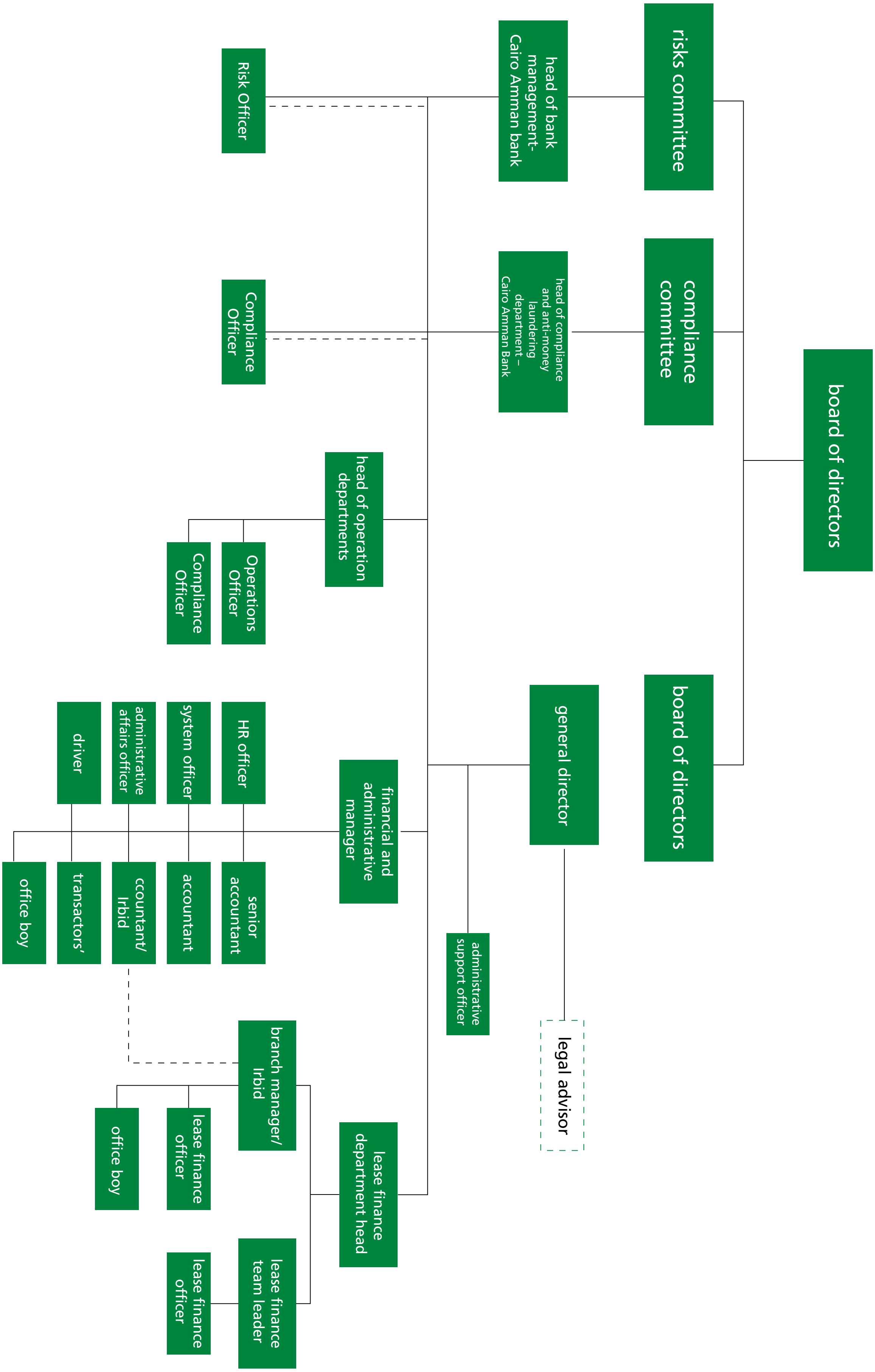
Organizational Structure of Awraq Investment



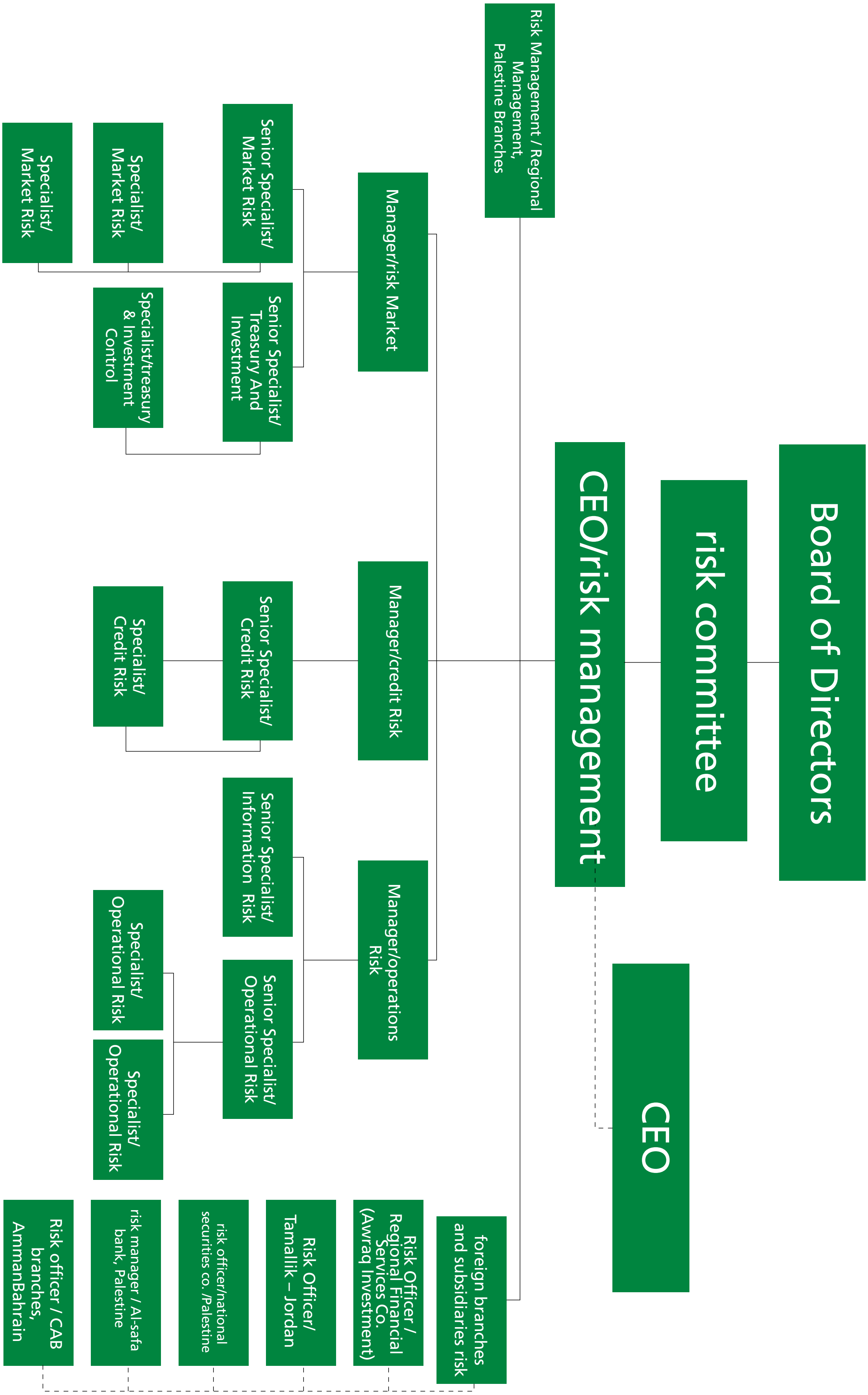
Organizational Structure of National Securities Company



Organizational Structure of Tamallak Financial Leasing Company



Risk Organizational Structure



Consolidated Financial Statements

Deloitte.

Deloitte & Touche (ME) – Jordan
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Amman 11118, Jordan

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www.deloitte.com

Independent Auditor's Report

AM/009489

To the Shareholders of
Cairo Amman Bank
(A Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cairo Amman Bank (the "Bank") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of December 31, 2021, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for 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 Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the 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 of the consolidated financial statements for the year ended. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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We have fulfilled the responsibilities described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. Accordingly, our audit includes performing the procedures designed to respond to our assessment of the risks regarding the material errors in the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Description of the manner of examine of each item below is provided within the audit procedures:

	Key Audit Matters	How our audit addressed the key audit matter
1.	**Allowance for Credit Losses on Credit Facilities** As described in Notes 11 and 22 to the consolidated financial statements, the Bank had direct credit facilities of JD 1,951 million as at 31 December 2021 representing 54% of total assets, in addition to indirect credit facilities that amounted to JD 454 million as off- Statement of Financial position items, with related expected credit losses of approximately JD 95.5 million and JD 3.5 million respectively. The Bank's expected credit losses are recognized against credit exposures, according to the higher value of the requirements of International Financial Reporting Standard 9 Financial Instruments ('IFRS 9') as adopted by the CBJ or the value that is determined based on the instructions of the Central Bank of Jordan and the provisions stipulated in the instructions with regards to evaluating credit facilities and calculating the provisions against it. Credit exposures granted directly to the Jordanian Government as well as credit exposures guaranteed by the Jordanian Government are excluded from the determination of the allowance for expected credit losses. In addition, expected credit losses are also adjusted to take into consideration any special arrangements with the Central Bank of Jordan. The recognition of ECL under IFRS 9, as adopted by the CBJ, is a complex accounting policy, which requires considerable judgement in its implementation and consequently we have considered this to be a key audit matter. ECL is dependent on management's judgement in assessing significant increase in credit risk (SICR), credit-impairment status (default) and classification of credit facilities into various stages, development of models for assessing the probability of default of customers and estimating cash flows from recovery procedures.	We established an audit approach which includes both testing the design and operating effectiveness of internal controls over the determination of expected credit losses and risk-based substantive audit procedures. Our procedures over internal controls focused on the governance over the process controls around the ECL methodology, completeness and accuracy of credit facilities data used in the expected loss models, management review of outcomes, management validation and approval processes, the assignment of borrowers' risk classification, consistency of application of accounting policies and the process for calculating allowances. The primary substantive procedures which we performed to address this key audit matter included, but were not limited to, the following: • For a risk-based sample of individual loans, we performed a detailed credit review, assessed the appropriateness of information for evaluating the credit-worthiness and staging classification of individual borrowers and challenged the assumptions underlying the expected credit loss allowance calculations, such as estimated future cash flows, collateral valuations and estimates of recovery as well as considered the consistency of the Bank's application of its impairment policy. Further, we evaluated controls over approval, accuracy and completeness of impairment allowances and governance controls, including assessing key management and committee meetings that form part of the approval process for credit impairment allowances;

Key Audit Matters	How our audit addressed the key audit matter
The recognition of specific provisions on impaired facilities under the CBJ instructions is based on the rules prescribed by the CBJ on the minimum provisions to be recognised together with any additional provisions to be recognised based on management's estimate of expected cash flows related to those credit facilities. In calculating expected credit losses, the Bank considered credit quality indicators for each loan and portfolios, stratifies credit facilities by risk grades and estimates losses for each facility based upon their nature and risk profile. Auditing these complex judgements and assumptions involves especially challenging auditor judgement due to the nature and extent of audit evidence and effort required to address these matters. For further information on this key audit matter refer to Note 41 to the consolidated financial statements.	• For credit facilities not tested individually, we evaluated controls over the modelling process, including model monitoring, validation and approval. We tested controls over model outputs and the mathematical accuracy and computation of the expected credit losses by re-performing or independently calculating elements of the expected credit losses based on relevant source documents with the involvement of our modelling specialists. We challenged key assumptions, inspected the calculation methodology and traced a sample back to source data. We evaluated key assumptions such as thresholds used to determine SICR and including the related weighting; • We evaluated post model adjustments and management overlays in the context of key model and data limitations identified by the Bank in order to assess the reasonableness of these adjustments, focusing on PD and LGD used for corporate loans, and challenged their rationale; • We determined if the amount recorded as the allowance for expected credit losses was determined in accordance with the instructions of the Central Bank of Jordan; • We tested, utilizing our internal IT specialists, the IT application used in the credit impairment process and verified the integrity of data used as input to the models including the transfer of data between source systems and the impairment models; • We evaluated system-based and manual controls over the recognition and measurement of impairment allowances;

Key Audit Matters	How our audit addressed the key audit matter
2. U.S Lawsuit and Legal Claim The recognition and measurement of provisions relating to the U.S lawsuit and the measurement and disclosure of legal cases in respect of legal claims requires significant judgement to be applied by the directors and as a result is considered to be a key audit matter. Refer to note 47 for details about lawsuits.	The primary substantive procedures which we performed to address this key audit matter included, but were not limited to, the following: We obtained an understanding of the procedure adopted by management to determine the measurement and disclosure of these matters. We reviewed the design and implementation of controls in this area. We discussed and obtained an opinion from the bank's external legal consultant about the existence and valuation relating to lawsuits and legal claims and the related possible liability to the bank as a result of these matters. We assessed the qualifications, reputation, competence and skills of management's external legal consultant. We assessed the disclosures relating to this area in the consolidated financial statements to determine if they are in compliance with IFRSs.
3. IT systems and controls over financial reporting We identified IT systems and controls over the Bank's financial reporting as an area of focus due to the extensive volume and variety of transactions which are processed daily by the Bank and rely on the effective operation of automated and IT dependent manual controls. There is a risk that automated accounting procedures and related internal controls are not accurately designed and operating effectively. In particular, the incorporated relevant controls are essential to limit the potential for fraud and error as a result of change to an application or underlying data.	Our audit approach relies on automated controls and therefore the following procedures were designed to test access and control over IT systems: - We obtained an understanding of the applications relevant to financial reporting and the infrastructure supporting these applications. - We tested IT general controls relevant to automated controls and computer-generated information covering access security, program changes, data center and network operations. - We examined computer generated information used in financial reports from relevant applications and key controls over their report logics. - We performed testing on the key automated controls on significant IT systems relevant to business processes.

Other Matter
The accompanying consolidated financial statements are a translation of the original consolidated financial statements, which are in the Arabic language, to which reference should be made.

Other Information
Management is responsible for other information. The other information comprises the other information in the annual report, excluding the consolidated financial statements and the independent auditors' report thereon. We expect that the annual report will 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 identified above when it becomes available 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 IFRSs as adopted by the CBJ, 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 Group'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 exist. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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 effectiveness of the Bank's 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 exist, 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.

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 period, and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes 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 reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
The Bank maintains proper books of accounts which are in agreement with the consolidated financial statements and we recommend that the General Assembly of the Shareholders to approve these consolidated financial statements.

Amman – Jordan
22 February 2022

Deloitte & Touche (M.E) - Jordan

CAIRO AMMAN BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		December 31,	
	Notes	2021	2020
		JD	JD
Assets			
Cash and balances at Central Banks-Net	5	413,494,719	312,961,419
Balances at banks and financial institutions-Net	6	121,528,244	154,796,630
Deposits at banks and financial institutions-Net	7	101,054,720	79,864,376
Financial assets at fair value through profit or loss	8	8,164,615	7,406,964
Financial assets at fair value through other comprehensive income-Net	9	65,792,741	49,648,977
Financial assets at amortized cost-net	10/A	732,404,799	739,784,106
Financial assets at amortized cost - pledged as collaterals	10/B	74,203,000	73,141,000
Direct credit facilities-net	11	1,951,096,855	1,793,871,484
Property and equipment-net	12	43,770,756	42,602,959
Intangible assets - net	13	5,159,688	5,193,184
Right of use assets - net	48/A	24,154,362	27,432,242
Deferred tax assets	21	12,227,606	13,316,167
Other assets	14	60,756,128	53,215,969
Total Assets		**3,613,808,233**	**3,353,235,477**
Liabilities And Shareholders› Equity			
Liabilities:			
Banks and financial institutions’ deposits	15	202,284,537	234,181,337
Customers, deposits	16	2,437,899,526	2,226,430,437
Margin Accounts	17	59,546,408	56,958,241
Borrowed funds	18	363,909,865	314,384,118
Subordinated Loans	19	18,540,350	18,540,350
Sundry provisions	20	12,313,994	12,894,571
Income tax provision	21	19,810,355	16,002,794
Lease Liabilities	48/B	23,325,341	26,266,292
Deferred tax liabilities	21	865,668	808,967
Other liabilities	22	77,913,234	71,479,421
Total Liabilities		**3,216,409,278**	**2,977,946,528**
Shareholders, Equity			
BANK’S SHAREHOLDERS’ EQUITY			
Authorized and paid up capital	23	190,000,000	190,000,000
Statutory reserve	24	86,711,919	82,047,879
General banking risk reserve	24	4,341,429	3,897,183
Cyclical fluctuations reserve	24	10,894,653	10,894,653
Fair value reserve-net	26	3,797,698	(5,988,630)
Foreign Currencies Translation Reserve		(3,188,744)	(3,188,744)
Retained earnings	27	94,481,206	88,960,274
Total Bank’s Shareholders’ Equity		387,038,161	366,622,615
Non-controlling interest		10,360,794	8,666,334
Total Shareholders, Equity		**397,398,955**	**375,288,949**
Total Liabilities and Shareholders, Equity		**3,613,808,233**	**3,353,235,477**

The Accompanying Notes Constitute An Integral Part Of These Consolidated Financial Statements And Should Be Read With Them And With The Accompanying Independent Auditor’s Report.

CAIRO AMMAN BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the Year Ended December 31,	
	Notes	2021	2020
		JD	JD
Interest income	28	171,998,285	171,021,988
Less: Interest expense	29	(56,111,893)	(62,398,051)
Net interest income		115,886,392	108,623,937
Net commission income	30	20,344,244	17,884,367
Net interest and commission income		136,230,636	126,508,304
Gain from foreign currencies	31	4,416,809	4,532,786
(Loss) Gain from financial assets at fair value through profit or loss	32	1,682,897	(1,476,391)
Dividends from financial assets at fair value through other comprehensive income	33 & 9	2,603,330	2,152,730
Other income	34	6,624,306	5,317,220
Gross profit		**151,557,978**	**137,034,649**
Employees’ costs	35	44,066,237	41,942,021
Depreciation and amortization	12 & 13	7,858,388	9,169,642
Other expenses	36	33,230,790	34,067,645
Expected credit loss	37	17,628,435	18,520,647
Impairment of seized assets	14	514,759	26,281
(Released from) Provision for impairment of financial assets at fair value			
through other comprehensive income		(4,158,000)	-
Sundry provisions	20	1,109,195	2,607,481
Total expenses		**100,249,804**	**106,333,717**
Profit for the year before tax		**51,308,174**	**30,700,932**
Income tax expense	21	(18,619,877)	(13,227,675)
Profit for the year-List (C) and (D)		**32,688,297**	**17,473,257**
Allocated to:			
Bank’s shareholders		32,799,711	18,161,180
Non-controlling interests		(111,414)	(687,923)
Profit for the year-List		**32,688,297**	**17,473,257**
		JD/ Fils	JD/ Fils
Basic and diluted earnings per share (Bank›s shareholders)	38	0/173	0/096

The Accompanying Notes Constitute An Integral Part Of These Consolidated Financial Statements And Should Be Read With Them And With The Independent Auditor’s Report.

CAIRO AMMAN BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the Year Ended December 31,	
	2021	2020
	JD	JD
Profit for the year	32,688,297	17,473,257
Add: Other comprehensive income items after tax		
which will not be reclassified subsequently		
to the consolidated statement of income:		
Net change in fair value reserve	9,896,189	1,775,070
Translation of foreign currency reserve	-	(3,188,744)
Total Comprehensive income for the year	**42,584,486**	**16,059,583**
Total Comprehensive income for the year attributable to:		
Bank's shareholders	42,695,900	16,747,506
Non-controlling interests	(111,414)	(687,923)
Total Comprehensive income for the year	**42,584,486**	**16,059,583**

The Accompanying Notes Constitute An Integral Part Of These Consolidated Financial Statements And Should Be Read With Them And With The Independent Auditor's Report.

CAIRO AMMAN BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY

For the Year Ended December 31, 2021	Authorized and Paid up Capital	Statutory Reserve	General Banking Risk Reserve *	Cyclical Fluctuations Reserve	Fair Value Reserve - Net	Foreign Currencies Translation Re-serve	Retained Earnings	Total Bank Shareholders’ Equity	Non-con-trolling Interests	Total Shareholders’ Equity
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	190,000,000	82,047,879	3,897,183	10,894,653	(5,988,630)	(3,188,744)	88,960,274	366,622,615	8,666,334	375,288,949
Profit for the year	-	-	-	-	-	-	32,799,711	32,799,711	(111,414)	32,688,297
Net change in fair value reserve	-	-	-	-	9,896,189	-	-	9,896,189	-	9,896,189
Total comprehensive income for the year	-	-	-	-	-	-	32,799,711	42,695,900	(111,414)	42,584,486
Transferred from reserves	-	4,664,040	444,246	-	-	-	(5,108,286)	-	-	-
Distributed cash dividends **	-	-	-	-	-	-	(22,800,000)	(22,800,000)	-	(22,800,000)
Net change in Non-controlling interest	-	-	-	-	-	-	519,646	519,646	1,805,874	2,325,520
Gain from sale of financial assets at fair value through Other										
Comprehensive Income	-	-	-	-	(109,861)	-	109,861	-	-	-
Balance at End of the year	190,000,000	86,711,919	4,341,429	10,894,653	3,797,698	(3,188,744)	94,481,206	387,038,161	10,360,794	397,398,955
For the Year Ended December 31, 2020										
Balance at the beginning of the year	190,000,000	79,007,427	3,854,197	10,894,653	(7,848,900)	-	73,967,732	349,875,109	9,354,257	359,229,366
Profit for the year	-	-	-	-	-	-	18,161,180	18,161,180	(687,923)	17,473,257
Net change in fair value reserve	-	-	-	-	1,775,070	-	-	1,775,070	-	1,775,070
Foreign currency translation differences	-	-	-	-	-	(3,188,744)	-	(3,188,744)		(3,188,744)
Total comprehensive income for the year	-	-	-	-	1,775,070	(3,188,744)	18,161,180	16,747,506	(687,923)	16,059,583
Transferred from reserves	-	3,040,452	42,986	-	-	-	(3,083,438)	-	-	-
Loss arising from the sale of financial assets at fair value through										
other comprehensive income	-	-	-	-	85,200	-	(85,200)	-	-	-
Balance at December 31, 2020	190,000,000	82,047,879	3,897,183	10,894,653	(5,988,630)	(3,188,744)	88,960,274	366,622,615	8,666,334	375,288,949

* The general banking risk reserve and the negative balance of the fair value reserve are restricted from use without a prior approval from the Central Bank of Jordan.

** In accordance with the Ordinary General Assembly meeting held on 29 April 2021, the bank has decided to distribute Cash dividends amounting to JOD 22,800,000equivalent to 12% (the bank has decided to not to distribute dividends to the Bank’s shareholders as decide through the Ordinary general Assembly meeting in June 10, 2020.

- As of December 31, 2021, the restricted retained earnings balance resulting from the early implementation of IFRS 9 amounted to JD13,051,148.
- The retained earnings balance includes deferred tax assets amounting to JD 12,227,606 and is restricted from use in accordance with the instructions of the Central Bank of Jordan.
- The Bank cannot use the negative balance of the fair value reserve in accordance with the instructions of the Central Bank of Jordan and the Jordanian Securities Commission.
- The Bank cannot use a restricted amount of JD 1,155,916 which represents the remaining balance of the general banking risk reserve included in retained earnings in accordance with the instructions of the Central Bank of Jordan.

Distributable profits amounted to JD 64,857,792 as of December 31, 2021.THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR’S REPORT

CAIRO AMMAN BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN

CONSOLIDATED STATEMENT OF CASH FLOWS

Operating Activities	Notes	For the Year Ended December 31, 2021	2020
		JD	JD
Profit before tax for the year		51,308,174	30,700,932
Adjustments for:			
Depreciation and amortization	12 & 13	7,858,388	9,169,642
Expected credit loss	37	17,628,435	18,520,647
Sundry provisions	20	1,109,195	2,607,481
Impairment of seized assets	14	514,759	26,281
(Released from) Provision for impairment of financial assets at fair value through other comprehensive income		(4,158,000)	-
(Profits) losses on valuing financial assets at fair value through profit or loss	32	(1,126,633)	1,911,241
(Profit) Losses from sale of property and equipment	34	(87,520)	165,290
(Gain) from sale of repossessed assets	34	(780,188)	(182)
Effect of exchange rate changes on cash and cash equivalents		(4,181,722)	(4,306,409)
Cash flow from operating activities before changes in Assets & Liabilities		**68,084,888**	**58,794,923**
(Decrease) in Assets			
(Increase) Decrease in deposits at banks and financial institutions		(21,064,328)	8,072,663
Decrease in financial assets at fair value through profit or loss		368,982	87,064
(Increase) Decrease in direct credit facilities		(174,563,806)	(212,342,437)
(Increase) Decrease in other assets		(3,996,850)	2,250,514
Increase in Liabilities			
(Decrease) in banks and financial institution deposits (maturing after more than three months)		(3,877,300)	(8,941,150)
Increase in customer deposits		211,469,089	175,474,442
Increase (Decrease) in Margin Accounts		2,588,167	(1,746,111)
Increase in other liabilities		2,842,156	6,133,835
Net cash flows from operating activities before income tax and sundry provision		**81,850,998**	**27,783,743**
Income tax paid	21	(15,571,667)	(17,454,437)
sundry provision paid	20	(1,689,772)	(624,367)
Net cash flows from operating activities		**64,589,559**	**9,704,939**
Investing Activities			
(Purchase) of financial assets at fair value through other comprehensive income		(1,376,827)	(519,546)
Sale of financial assets at fair value through other comprehensive income		1,187,529	-
(Purchase) of other financial assets at amortized cost		(202,069,895)	(158,301,261)
Maturity and sale of other financial assets at amortized cost		208,583,755	94,568,092
Proceeds from the sale of an investment in a subsidiary		2,325,520	-
(Purchase) of property and equipment	12	(7,180,307)	(6,606,111)
Sale of property and equipment - net		116,368	126,210
(Purchase) of intangible assets	13	(1,841,230)	(2,044,140)
Net (used in) investing activities		**(255,087)**	**(72,776,756)**
Financing Activities			
Increase in borrowed funds		172,415,099	469,016,135
Borrowed funds settled		(122,889,352)	(408,998,709)
Increase in subordinated loans	19		-
Dividends distributed to shareholders		(22,800,000)	-
Capital increase related expenses			-
Net cash flows from financing activities		**26,725,747**	**60,017,426**
Effect of exchange rate changes on cash and cash equivalents		4,181,722	4,306,409
Net Increase in cash and cash equivalents		95,241,941	1,252,018
Cash and cash equivalents, beginning of the year		324,193,573	322,941,555
Cash and cash equivalents, end of the year	39	**419,435,514**	**324,193,573**

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

1.General Information

Cairo Amman Bank was established as a public shareholding limited company registered and incorporated in Jordan in 1960 in accordance with the Jordanian Companies Laws and Regulations No. (12) For the year 1964. Its registered head office is in Amman, the Hashemite Kingdom of Jordan.

The Bank provides its banking and financial services through its head office located in Amman and 98 branches located in Jordan, and 22 branches in Palestine and 1 in Bahrain, and its subsidiaries.

The Bank's shares are listed on the Amman Stock Exchange.

The consolidated financial statements were authorized for issue by the bank's Board of Directors in their meeting held on 14 February 2022 and are subject to the approval of the General Assembly of the shareholders and the Central Bank of Jordan.

2. Significant Accounting Policies

Basis of Preparation of Consolidated Financial Statement

The accompanying consolidated financial statements for the Bank have been prepared in accordance with the standards issued by the International Accounting Standards Board, and interpretations of the International Financial Reporting Interpretation Committee arising from the International Accounting Standards Committee, as adopted by Central Bank of Jordan.

The key differences between International Financial Reporting Standards that should be applied and what adopted by the Central Bank of Jordan are as follows:

A. Provisions for expected credit losses 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:

- Exclusion of the Debt instruments issued or guaranteed by the Jordanian Government, 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 calculation as per the instructions of the Central Bank of Jordan No. (47/2009) dated December 10, 2009 for each stage separately and the stricter results are recorded.

- The provision for expected credit loss is adjusted to take into account the special arrangements with the Central Bank (if any).

B. 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.

C. Assets seized by the Bank are shown in the consolidated statement of financial position among other assets at their current value when seized by the Bank or at fair value, whichever is lower, and are individually reassessed on the date of the consolidated financial statements. Any impairment loss is recorded in the consolidated statement of profit or loss while any increase in the value is not recorded as revenue. Subsequent increase is taken to the consolidated statement of profit or loss to the extent of not exceeding the previously recorded impairment. In addition, based on the instructions of the Central Bank of Jordan a gradual provision is recorded against real estate that has become owned by the bank, and in violations of article (48) of the banks law, at a rate of (5%) of the total book values until the required percentage of 50% is reached by the end of 2030.

- Based on the two circulars of Central Bank of Jordan to operating banks in Jordan no. 10/3/4375 and 10/3/14960 issued on March 15,2020 and November 22,2020 respectively, it is allowed for the bank to postpone the due installments or to be due from some customers without considering this structing, and without also affecting the customer's credit classification.

- The consolidated financial statements have been prepared under the historical cost, with the exception of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income and financial derivatives that are stated at fair value at the date of the consolidated financial statements. As shown at fair value of financial assets and liabilities that are hedged for the risk of change in their fair value.

- The reporting currency of the consolidated financial statements is the Jordanian Dinar, which is the functional currency of the Bank.

- Disclosures about the consolidated financial statements of the group have been presented according to the instructions issued and the required forms required by the Central Bank of Jordan.

- The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those applied in the year ended December 31, 2020, except for the impact of adopting the new and revised International Financial Reporting Standards, which became effective for the financial period started on or after the 1st of January 2020 and mentioned in Note (3-A). In addition to the improvements that are made on the models for calculating expected credit loss which are shown in the notes of the consolidated financial statements.

Basis of Consolidation of Financial Statements

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries where the Bank holds control over the subsidiaries. The control exists when the Bank controls the subsidiaries significant and relevant activities and is exposed, or has rights, to variable returns from its involvement with the subsidiaries. All balances, transactions, income and expenses between the Bank and subsidiaries are eliminated.

- The consolidated financial statements include the financial statements of the bank and its subsidiaries that are under their control, and control is achieved when the company has control over the investee company and the company is exposed to variable returns or has rights in exchange for its participation in the investee company and the bank can use its power over the investee company in a way that affects Its revenue.

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

- When the Bank has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

- In this regard, the Bank considers all relevant facts and circumstances in assessing whether or not the Bank's voting rights in an investee are sufficient to give it power, including:

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

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

- The differences between the policies and frameworks of the subsidiary companies that follow the International Financial Reporting Standards were shown without taking into account the amendment of the Central Bank of Jordan and were tracked in the consolidated financial statements, as well as the differences between the framework used by the Group and the framework used by the Al-Safa Bank according to the Islamic standards issued by Accounting and Auditing Organization for Islamic Financial Institutions, and there were no fundamental differences.

The Bank owns the following subsidiaries as of 31 December 2021:

Company's Name	Paid-up Capital	Ownership Percentage	Nature of Operation	Country of Operation	Ownership Date
	JD	%			
Al-Watanieh for Financial Services Company	5,500,000	100	Brokerage and investment management	Jordan	1992
Al-Watanieh Securities Company	1,600,000	100	Brokerage	Palestine	1995
Tamallak for Financial Leasing	5,000,000	100	Finance Leasing	Jordan	2013
Safa Bank	53,175,000	74.64	Islamic Banking	Palestine	2016

The important financial information for the subsidiaries as of December 31, 2021 are as follows:

	Al-Watanieh Financial Services Company (Awraq)		Al-Watanieh Securities Company	
	December 31,		December 31,	
	2021	2020	2021	2020
	JD	JD	JD	JD
Total Assets	20,905,042	21,942,637	2,475,905	3,260,604
Total Liabilities	10,375,598	12,468,139	1,344,450	2,129,460
Net Assets	10,529,444	9,474,498	1,131,455	1,131,144

	For the Year Ended December 31,		For the Year Ended December 31,	
	2021	2020	2021	2020
	JD	JD	JD	JD
Total Revenue	2,293,230	1,507,400	265,760	173,478
Total Expenses	865,574	742,209	265,449	303,765

	Tamallak for Financial Leasing		Safa Bank	
	December 31,		December 31,	
	2021	2020	2021	2020
	JD	JD	JD	JD
Total Assets	44,163,409	39,007,713	276,452,739	227,655,276
Total Liabilities	37,796,159	33,402,365	235,599,196	186,362,418
Net Assets	6,367,250	5,605,348	40,853,543	41,292,858

	For the Year Ended December 31,		For the Year Ended December 31,	
	2021	2020	2021	2020
	JD	JD	JD	JD
Total Revenue	2,050,319	1,526,743	7,193,179	3,539,221
Total Expenses	982,552	2,897,085	7,483,604	6,816,996

* During the year ending December 31,2021, the bank sold 3,280,000 shares of the shares invested in Al-Safa Bank at the nominal value of $1/share (0.709 Dinar/ share), this transaction resulted in a decrease in the banks

ownership percentage in the bank to reach 74.6% as of December 2021 (79% as of December 2020).

The results of the subsidiaries' operations in the consolidated statement of profit or loss effective from their acquisition date, which is the date on which control over the subsidiaries is effectively transferred to the Bank. Furthermore, the results of the disposed-of subsidiaries are consolidated in the consolidated statement of profit or loss up to the date of their disposal, which is the date on which the Bank loses control over the subsidiaries.

Control is achieved when the Bank:

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

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

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

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

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

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the book value of any non-controlling interests.
- Derecognizes the cumulative conversion difference recorded in Owners' Equity.
- Derecognizes the fair value of the consideration received by the controlling party.
- Derecognizes the fair value of any investment retained.
- Derecognizes any surplus or deficit in the statement of profit or loss.
- Reclassification of the Bank's equity previously accrued in other comprehensive income to the statement of profit or loss, or retained earnings as appropriate.

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

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

Segmental Reporting

- Business sectors represent a group of assets and operations that jointly provide products or services subject to risks and returns different from those of other business sectors which are measured in accordance with the reports sent to the operations management and decision makers in the Bank.

- The geographical sector relates to providing products or services in a specific economic environment subject to risk and returns different from those of sectors functioning in 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 consolidated statement of profit or loss, are recognized in 'Net Interest Income' as 'Interest Income' and 'Interest Expense' in the consolidated statement of profit or loss using the effective interest method. Interest on financial instruments measured at fair value through the consolidated statement of profit or loss is included within the fair value movement during the period.

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 that were created or acquired while they are at low cost the effective interest rate reflects the expected credit loss in determining the future cashflows expected to be received from the financial assets.

Interest income and expense in the Bank's consolidated statement of profit or loss 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 against the lease contract liabilities.

Net 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 profit or loss 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 calculated for as the services are received.

Contracts with customers that results in a recognition of financial instrument may be partially related to of IFRS 9 or IFRS 15. In this case, the commission related to IFRS 9 portion is recognized, and the remaining portion is recognized as per IFRS 15.

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 the Statement of 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 profit or loss. 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 consolidated statement of profit or loss 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 consolidated statement of profit or loss, are presented in the same line as the hedged item that affects the consolidated statement of profit or loss.

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 distribution of dividends in the consolidated statement of profit or loss depends on the classification and measurement of the investment in shares i.e:

- For equity instruments which are held for trading, dividend income is presented in the statement of profit or loss in gain (loss) from financial assets through the statement of profit or loss;
- For equity instruments classified at fair value through other comprehensive income, dividends are included in the consolidated statement of profit or loss under the item of cash distribution from financial assets at fair value through other comprehensive income; and
- 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 profit or loss.

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 advances to customers are recognized when they are recorded in 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 profit or loss are recognized immediately in the statement of profit or loss.

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 profit or loss on initial recognition (i.e. day 1 gain or loss);

- In all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 gain or loss 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 released to the consolidated statement of profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability or when derecognizing the instruments.

Financial Assets

Initial Recognition

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

- 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 profit or loss, 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 SPPI 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 SPPI 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 SPPI. 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 evaluated based on collective level and not on an instrument-by-instrument bases.

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.

- The method of 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

- The method 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 consolidated statement of profit or loss. In contrast, for an equity investment designated as measured at fair value through other comprehensive income, the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to consolidated statement of profit or loss 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 at fair Value through the Profit or Loss

Financial assets at fair value through the statement of profit or loss are:

- Assets with contractual cash flows that are not SPPI; 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 the statement of 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. During the current financial year and previous accounting period, there was no change in the business model under which the Bank holds financial assets; and therefore, no reclassifications were made. 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 consolidated statement of profit or loss; and
- 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 consolidated statement of profit or loss. Other exchange differences are recognized in other

comprehensive income in the investment's revaluation reserve.

- For financial assets measured at fair value through the consolidated statement of profit and loss that are not part of a designated hedge accounting relationship, exchange differences are recognized in the consolidated statement of profit or loss ;
- For equity instruments measured at fair value through other comprehensive income, exchange differences are recognized in consolidated statement of other comprehensive income in the investments revaluation reserve.

Fair Value Option

A financial instrument with a fair value that can be reliably measured at fair value through consolidated profit or loss statement (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 mismatching of the accounting standards.

- 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; or

- 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 the statement of profit or loss while retained or issued. Financial assets at fair value through the income statement 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 profit or loss:

- 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 consolidated statement of financial position exposure 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), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL 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 ECL, i.e. lifetime ECL 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 ECL 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, ECLs are measured at an amount equal to the 12-month ECL.

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; and

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.

Provisions for expected credit losses are created in accordance with the instructions of CBJ No. (13/2018). Implementation of IFRS9 dated June 6th 2018 in accordance with the instructions of the regulatory authorities in the countries in which the Bank operates, whichever is more severe, the essential differences are as follows:

- Debt instruments issued or guaranteed by the Jordanian Government are excluded so that credit exposures are dealt with by the Jordanian Government and guaranteed without credit losses.

- When calculating the credit losses against credit exposures, a calculation comparison according to IFRS 9 with Central Bank of Jordan instructions No. (2009/47) dated December 10, 2009 for each stage individual, the stronger results is taken.

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 Bank, 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; or
- 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

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

Definition of Default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs 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; or

- 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 ECL.

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 PD by comparing:

- The remaining lifetime PD at the reporting date; with

- The remaining lifetime PD 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 is considered 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 PD 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 PD will be more significant for a financial instrument with a lower initial PD than for a financial instrument with a higher PD.

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 ECL.

Modification and De-recognition 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, then;
- 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 ECL 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 ECL 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 per mount 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 PD estimated based on data at initial recognition and the original contractual terms; with

- The remaining lifetime PD 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 PD 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 ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL 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 ECL allowance). Then the Bank measures ECL 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 OCI and accumulated in equity is recognized in consolidated statement of profit or loss, with the exception of equity investment designated as measured at fair value through other comprehensive income, where the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to the consolidated 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 Group's enforcement activities will result in impairment gains in the consolidated statement of profit or loss.

Presentation of Allowance for ECL in the Consolidated Statement of Financial Position

Loss allowances for ECL 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 consolidated 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 investments revaluation reserve.

- For loan commitments and financial guarantee contracts: as a provision; and

- Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL 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 Group's own equity instruments related to the Bank.

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 profit or loss on the purchase, sale, issue or cancellation of the Bank own equity instruments related to the Bank.

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 Company'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 an amortized 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 the statement of 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 profit or loss when the financial liability is (i) held for trading, or (ii) it is designated as at fair value through the statement of profit or 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; or
- 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; or
- 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 statement of profit or loss.

Financial liabilities at fair value through the statement of profit or loss are stated at fair value, with any gains/losses arising on re-measurement recognized in the consolidated statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/loss recognized in the consolidated statement of profit or loss incorporates any interest paid on the financial liability and is included in the 'net income from other financial instruments at fair value through the statement of profit or loss line item in the statement of profit or 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 OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in the statement of profit or loss. The remaining amount of change in the fair value of liability is recognized in the consolidated statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in OCI are not subsequently reclassified to consolidated 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 statement of profit or loss.

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

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 profit 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 percent 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 profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss 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 as a non-current asset or a non-current 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 as current assets or current 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 current assets or current 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; and
- The amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the Bank’s revenue recognition policies.

Financial guarantee contracts 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 financial guarantee contracts as at fair value through profit or loss statement.

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 the statement of profit or loss, are subsequently measured at the higher of:

- The amount of the loss allowance determined in accordance with IFRS 9; and

- The amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the Bank's revenue recognition policies, which is higher.

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.

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; and
- 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 OCI, over the term of the hedge, to the extent that it relates to the hedged item and is reclassified from equity to profit or loss 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 profit or loss 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 OCI.

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 consolidated statement of profit or loss except when the hedging instrument hedges an equity instrument designated at fair value through other comprehensive income in which case it is recognized in OCI. 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 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 profit or loss instead of OCI. 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 consolidated statement of profit or loss, 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 EIR 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 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 OCI, limited to the cumulative change in fair value of the hedged item from inception of the hedge less any amounts recycled to profit or loss consolidated statement.

Amounts previously recognized in OCI and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, 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 profit or loss consolidated statement.

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 OCI and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain/loss accumulated in equity is reclassified and recognized immediately in profit or loss consolidated statement.

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 OCI 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 profit or loss 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 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.

Managed Accounts for the Benefit of Clients

The accounts that are managed by the Bank on behalf of clients and at their own risk, are not considered assets of the Bank, and a provision is prepared against the decrease in the value of the capital – guaranteed portfolios managed in favor of clients for their capital.

Management fees and commission are shown in the consolidated statement of profit or loss.

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 (1) inputs: inputs derived from quoted (unadjusted) prices of identical assets or liabilities in active markets that an enterprise can obtain on the measurement date;

Level (2) inputs: inputs derived from data other than quoted prices used at level 1 and observable for assets or liabilities, either directly or indirectly;

Level (3) inputs: are inputs to assets or liabilities that are not based on observable market prices.

Provisions

Provisions are recognized when the Bank has an obligation at 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.

End-of-Service Indemnity

The basis for the computation of the provision for end of service indemnity is one month for each year of service for employees not covered by social security law regulations.

Compensation to employees is recorded in the provision for end of service indemnity when paid, and the obligation provision incurred by the Bank for the end of service indemnity for employees is recorded in the consolidated statement of profit or loss.

Income Tax

- Tax expense comprises accrued tax and deferred taxes.

- Accrued tax is based on taxable profits, which may differ from accounting profits published in the consolidated financial statements. Accounting profits may include non-taxable profits or tax non- deductible expenses which may be exempted in the current or subsequent financial years, or accumulated losses that are tax acceptable or items not subject to deduction for tax purposes.

- Tax is calculated based on tax rates and laws that are applicable in the country of operation.

- Deferred tax is the tax expected to be paid or recovered due to temporary differences between the tax bases of assets and liabilities in the consolidated financial statements and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates expected to be applied in the period when the asset is realized or the liability is settled, based on the laws enacted or substantially enacted at the date of the consolidated statement of financial position.

- The carrying values of deferred tax assets are reviewed at the date of the consolidated financial statement and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

- The Bank calculated deferred taxes according to the requirements of IFRS (12).

Assets owned by the Bank in fulfillment of outstanding debts

Assets owned by the Bank appear in the consolidated statement of financial position under the item "other assets" at the value they acquired to the Bank of the fair value, whichever is lower, and re-valued on the date of the consolidated financial statements at fair value individually, and any impairment in their value is recorded in the profit or loss consolidated statement and the increase is not recorded in the revenue. The subsequent increase is recorded in the consolidate statement of profit or loss to the extent that it does not exceed the impairment value that was recorded previously. Also, according to the instructions of CBJ, gradual provision is recorded against real estate that has become owned by the Bank and in violations of the provisions of article (48) of the Bank's law at the rate of (5%) of its book value annually, so that the required percentage of (50%) of the book value is reached for these properties by the end of 2030.

Mortgaged Financial Assets

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

Repurchase and Resale Agreements

Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) will continue to be recognized in the Bank's consolidated financial statements. This is due to the Bank's continuing control of these assets and the fact that exposure to the risks and rewards of these assets remains with the Bank. These assets continue to be evaluated in accordance with the applied accounting policies (where the buyer has the right to use these assets (sell or re-lien), they are reclassified as lined 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 measured at cost less accumulated depreciation and any impairment. Property and equipment (except land) are depreciated when ready for use using the straight-line method over their expected useful life.

The depreciation rates used are as follows:

	%
Buildings	2
Equipment, furniture and fixtures	9-15
Vehicles	15
Computers	20

If such indication exists and when the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount, and the impairment is charged to consolidated statement of profit or loss. The useful life of property and equipment is reviewed at each year end, and changes in the expected useful life are treated as changes in accounting estimates.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

Intangible Assets

Intangible assets acquired through a 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 on the basis of their useful life as definite and indefinite useful lives. Intangible assets with finite lives are amortized over the useful economic life and the amortized amount will be reported in the consolidated statement of profit or loss, while intangible assets with indefinite useful lives are assessed for impairment amount at each consolidated financial statement reporting date and the amortization amount will be reported in 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 in the same period.

Indications of impairment of intangible assets are reviewed for and their useful economic lives are reassessed at each reporting date of the consolidated financial statements. Adjustments are reflected in the current and subsequent periods.

Computer's software and applications are amortized according to the straight-line method over their estimated economic useful lives at an annual amortization rate of 20%.

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 Group 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 consolidated financial position 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 consolidated statement and reclassified from equity to the profit or loss consolidated 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 consolidated 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 shareholders are reclassified to the consolidated statement of profit or loss.

In addition, in respect of the partial disposal of a subsidiary involving foreign operations that do not result in the Bank losing control of the subsidiary, its share of the accumulated exchange differences is credited to net comprehensive income at a rate that is derecognized and not recognized in the consolidated statement of profit or loss. For all other partial liquidation (such as partial liquidation of associates or joint ventures that do not result in the Bank losing significant influence or joint control), the share of accumulated exchange differences is reclassified to the consolidated statement of profit or loss.

Cash and Cash Equivalents

Cash and cash balances that mature within a period of three months, including cash and balances with central banks and balances at banks and financial, less banks and financial institutions deposits that mature within three months and restricted balances.

Leases

The Bank as a lessee

The Bank should be evaluating whether the leasing contract included while starting the contract. The right of use assets and leasing obligations should be recognized by the bank regarding all leasing obligations, except for short-term leasing contracts (12 months or less) and the leasing contracts with low value, in regards to these contracts the bank should recognized to these leases as operating expense using the straight-line method over the life of the lease. The initial direct costs incurred in the discussion and arrangement of the operating contract are added to the carrying amount of the leased assets and recognized in accordance with the straight-line method over the lease term.

Leases are classified as finance leases when the terms of the lease provide for substantially all the risks and rewards of ownership of the lessee. All other leases are classified as operating leases.

Leasing payments included in the rental obligation measurement include:

- Fixed leasing payments (essentially included on fixed payments), minus lease incentives receivable;
- Variable rental payments based on an indicator or rate, initially measured using the index or rate at the start date of the contract;
- The amount expected to be paid by the lessor under the remaining value guarantees;
- The price of buying options, if the lessor is reasonably sure of practicing the options; and
- Pay termination fines, if the leasing contract was reflected the terminating the lease.

Leasing obligations has to be presented as separate item to the consolidated statement of financial position.

Lease obligations are subsequently measured by increasing the book value to reflect interest on rental obligations (using the effective interest method) and by reducing the book value to reflect rental payments.

Lease obligations are premeasured (and a similar adjustment to the relevant right of use assets) whenever:

- he period of lease has been changed or there has been an event or change in circumstances that lead to a change in the evaluation of the practice of purchase, in which case the lease obligations are re-assessed by the way adjusted rental payments are deducted using the adjusted discount rate.

- Rental payments change due to changes in index, rate or change in expected payments under the guaranteed remaining value, in which case the rental obligation is remeasured by deducting adjusted rental payments using a non-variable discount rate (unless rental payments change due to change in the floating interest rate, in which case the adjusted discount rate is used).

- The lease contract is adjusted and the lease adjustment is not accounted for as a separate lease, in which case the lease obligation is remeasured based on the duration of the adjusted lease by deducting adjusted rental payments using the adjusted rate discount rate at the actual rate on the date of the amendment.

The assets of the right of use are consumed over the duration of the lease or the productive life of the asset (which is shorter). If the lease transfers ownership of the underlying asset or the cost of the right of use, which reflects that the bank expects to exercise the purchase option, the value of the relevant right of use is consumed over the productive life of the asset.

Right of use assets has to be presented as separate item to the consolidated statement of financial position.

The Bank applies IAS No. (36) To determine whether the value of the right of use has depreciated and calculates any impairment losses as described in the "Property and Equipment" policy.

Variable rents that do not rely on an indicator or rate are not included in the measurement of rental obligations and right-of-use assets. Related payments are listed as an expense in the period in which the event or condition that leads to these payments occurs and is included in the "Other Expenses" list in the profit or loss consolidated statement.

The Bank as a lessor

The Bank enters into lease contracts as a lessor in regard with some investment properties.
Leases in which the bank is leased are classified as financing or operating leases. If the terms of the lease transfer all the risks and benefits of the property to the tenant, the contract is classified as a financing lease and all other leases are classified as operating leases.

When the Bank is an intermediate, it represents the main lease and subcontract as separate contracts. The sub-lease is classified as financing or an operating lease by reference to the origin of the right of use arising from the main lease.

Lease income from operating leases is recognized on a straight-line basis over the relevant lease period. The initial direct costs incurred in the negotiation and arrangement of an operating lease are added to the book value of the leased asset and are recognized on straight-line basis over the lease period.

The amounts that dues by lessors under the leases are recognized as dues by the amount of the company's net investment in leases. The income of the financing leases is allocated to the accounting periods to reflect a fixed periodic return rate on the bank's existing net investment in relation to leases.

When the contract includes leasing components and components other than leasing, the Bank applies IFRS 15 to distribute the amounts received or received under the contract for component.

3. Adoption of New and Revised Standards

The accounting policies used in the preparation of these consolidated financial statements are consistent with those used in the previous year except for the following new and amended IASB Standards during the year.

a. New and amended IFRS Standards that are effective for the current year

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2021, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Interest Rate Benchmark Reform

In the prior year, the Group adopted the Phase 1 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9/IAS 39 and IFRS 7. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In the current year, the Group adopted the Phase 2 amendments Interest Rate Benchmark Reform—Amendments to

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Group to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk-free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of consolidated financial statements.

The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.

During 2021, the Group's has identified the financial instruments which may be affected by the transition, performed the needed changes on banking systems and conduct discussion with several stakeholders to meet the new requirements.

As per phase 2 amendments, changes to the basis for determining contractual cash flows as a result of interest rate benchmark reform are required as practical expedient to be treated as changes to floating interest rate, provided that, for the financial instruments, the takes place on an automatically equivalent basis
.
The Group's strategy regarding fair value hedge will not change and the impact of the amendments on such hedge relationship is not material.

The value of derivatives financial instruments on which the reference rate is expected to be changed in future is around JD 110 million and the value of non-derivatives financial instruments on which the reference rate is expected to be changed is around JD 564 million as of December 31, 2021.

There is no material impact on the Group's financial statements as a result of the phase 1 and phase 2 amendments.

COVID-19-Related Rent Concessions beyond June 30, 2021 - Amendment to IFRS 16

In the prior year, the Group early adopted Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before June 30, 2021.

In March 2021, the Board issued Covid-19-Related Rent Concessions beyond June 30, 2021 (Amendment to IFRS 16) that extends the practical expedient to apply to reduction in lease payments originally due on or before June 30, 2022.

The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:
- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before 30 June 2022 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022).
- There is no substantive change to other terms and conditions of the lease.

Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements as the Group did not have any leases impacted by the amendment.

b. Standards issued but not effective

At the date of authorization of these consoildated financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised IFRSs	Effective date
IFRS 17 Insurance Contracts (including the June 2020 amendments to IFRS 17) IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023. For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.	The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.	The effective date is yet to be set. Earlier application is permitted.
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.
Amendments to IFRS 3 – Reference to the Conceptual Framework The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.	The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references.

New and revised IFRSs	Effective date
Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.	January 1, 2022, with early application permitted.
Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.	January 1, 2022, with early application permitted.
IFRS 1 First-time Adoption of International Financial Reporting Standards The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16 (a).	January 1, 2022, with early application permitted.
IFRS 9 Financial Instruments The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.	The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

New and revised IFRSs	Effective date
IFRS 16 Leases The amendment removes the illustration of the reimbursement of leasehold improvements.	As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.
IAS 41 Agriculture The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.	January 1, 2022, with early application permitted.
Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term ‘significant accounting policies’ with ‘material accounting policy information’. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Board has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2.	January 1, 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.
Amendments to IAS 8 - Definition of Accounting Estimates The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications: A change in accounting estimate that results from new information or new developments is not the correction of an error The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.	January 1, 2023, with earlier application permitted

New and revised IFRSs	Effective date
Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises: A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with: Right-of-use assets and lease liabilities Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.	January 1, 2023, with earlier application permitted

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

4. Significant Accounting Judgments and Key Sources of Estimates Uncertainty

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.
The details are as follows:

Critical judgements in applying the group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are disclosed below), that the managements have made in the process of applying the Bank's accounting policies and that have the most significant effect on the amounts recognized in consolidated financial statements:

Business Model Evaluation

The classification and measurement of financial assets depends on the results of the principal and interest payments test results and business model testing. The Bank defines a business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment that reflects all relevant evidence including how the asset's performance is evaluated and measured, the risks that affect the performance of the assets and how they are managed and how asset managers are compensated. The Bank monitors financial assets measured at amortized cost or FVOCI that are derecognized prior to maturity to understand why they have been derecognized and whether the reasons are consistent with the objective of the business being retained. Monitoring is part of the Group's ongoing assessment of whether the business model under which the remaining financial assets are held is appropriate and, if not, whether there has been a change in the business model and therefore a future change to the classification of those assets is introduced.

Significant increase in credit risk

The expected credit loss is measured as a provision equal to the expected credit loss for a period of (12) months for the assets of the first stage, or the credit loss over the life of the assets of the second stage or the third stage. The asset moves to stage 2 if the credit risk has increased 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 of the assets has increased significantly, the Bank considers quantitative and qualitative information that is reasonable and supportable. The estimates used by the bank's management related to the significant change in credit risk that lead to a change in rating within the three stages
(1, 2 and 3) are detailed in the notes to the consolidated financial statements.

Establish groups of assets with similar credit risk characteristics

When the expected credit losses are measured on a collective basis, the financial instruments are grouped on the basis of common risk characteristics (e.g. instrument type, credit risk, collateral type, initial recognition date, remaining maturity period, industry, borrower's geographic location, etc.). The Bank monitors the appropriateness of credit risk characteristics on an ongoing basis to assess whether they are still similar. This is required to ensure that, in the event of a change in the credit risk characteristics, the asset is properly reallocated. This may result in the creation of new portfolios or the transfer of assets to an existing portfolio that better reflects the credit risk characteristics of 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 the notes to the consolidated financial statements. 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 consolidated 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 Level 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 Management's judgment may be required where the counterparty's ability to repay the instrument in accordance with contractual terms is in doubt; and

- 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, Management also considers the need to make adjustments for a number of factors, such as bid differences, credit status, portfolio service costs, and uncertainty about the model.

Determining the duration of the lease

When determining the duration of the lease, management takes into account all the facts and circumstances that create an economic incentive for the extension option, or no termination option. Extension options (or periods following termination options) are included only in the lease term if the lease is reasonably certain to be extended (or not terminated). The evaluation is reviewed in the event of a significant event or significant change in the circumstances affecting this assessment that are under the control of the tenant.

The main sources of uncertainty estimates

The following are the key estimates made by management in the process of applying the Bank's accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements:

Key Sources of Uncertain 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.

Provision 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 the notes to the consolidated financial statements.

Decline in the value of owned property
The decline in the value of owned property is recorded based on recent real estate appraisals approved by accredited appraisers for the purposes of calculating the decline in the value of the asset, and this decline is reviewed periodically.

Productive lifespan of tangible assets and intangible assets
The Bank's management periodically recalculates the useful lives of tangible assets and intangible assets for calculating annual depreciation and amortization based on the general condition of those assets and estimated future useful lives. The impairment loss is recognized in the consolidated statement of profit or loss for the year.

Income tax
The fiscal year is charged with the income tax expense in accordance with the accounting regulations, laws and standards. Moreover, deferred tax assets and liabilities and the required tax provision are recognized.

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.

Assets and liabilities at cost
Management periodically reviews the assets and liabilities at cost for estimating any impairment in value, which is recognized in the consolidated statement of profit or loss for the year.

Extension and termination options in leases
Extension and termination options are included in a number of leases. These terms are used to increase operational flexibility in terms of contract management, and most of the retained extension and termination options are renewable by both the bank and the lessor.

Discounting of lease payments
Leasing payments are deducted using the Bank's additional borrowing rate ("IBR"). The Administration applied the provisions and estimates to determine the additional borrowing rate at the start of the lease.

5. Cash and balances at Central Banks-Net

The details of this balance is as follow:

	December 31,	
	2021	2020
	JD	JD
Cash on hand	165,436,466	110,015,206
Balances at Central Banks:		
Time and notice deposits	50,227,537	34,385,870
Time and notice deposits	79,135,000	63,918,998
Statutory cash reserve	118,710,023	104,658,821
Total Balances at Central Bank	248,072,560	202,963,689
Provision for expected credit losses (Central Banks)	(14,307)	(17,476)
Balances at Central Banks - Net	248,058,253	202,946,213
Total	413,494,719	312,961,419

- Restricted balances amounted to JD10,635,000 as of December 31, 2021 (JD 10,635,000 as of December 31, 2020). In addition to the statutory cash reserve as stated above.
- There are no balances that mature in a period more than three months as of December 31, 2021 and 2020. - All balances at the Central Bank of Jordan are classified within stage 1 in accordance with the requirements of IFRS (9) and there are no transfers between stages 1, 2, and 3 or any written of balances as of December 31, 2021.
- Disclosure of the allocation of total balances at central banks according to the Bank's internal credit rating categories is as follows:

As on December 31, 2021	2021			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy				
From (Caa3) to (Ba1)	248,072,560	-	-	248,072,560
Total	248,072,560	-	-	248,072,560
As on December 31, 2020	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy				
From (Caa3) to (Ba1)	202,963,689	-	-	202,963,689
Total	202,963,689	-	-	202,963,689

The movement on balances at central banks are as the following:

For the year ending December 31, 2021	2021			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	202,963,689	-	-	202,963,689
New balances during the year	60,987,962	-	-	60,987,962
Settled balances	(15,879,091)	-	-	(15,879,091)
Total Balance at the End of the Year	248,072,560	-	-	248,072,560
For the year ending December 31, 2020	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	191,817,329	-	-	191,817,329
New balances during the year	25,291,783	-	-	25,291,783
Settled balances	(14,145,423)	-	-	(14,145,423)
Total Balance at the End of the Year	202,963,689	-	-	202,963,689

Movement on the provision for expected credit losses:

For the year ending December 31, 2021	2021			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	17,476	-	-	17,476
New balances during the year	10,727	-	-	10,727
Settled balances	(13,896)	-	-	(13,896)
Total Balance at the End of the Year	14,307	-	-	14,307
	2020			
For the year ending December 31, 2020	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	3,979	-	-	3,979
New balances during the year	29,670	-	-	29,670
Settled balances	(16,173)	-	-	(16,173)
Total Balance at the End of the Year	17,476	-	-	17,476

6. Balances at banks and financial institutions-Net

The details of this balance is as follow:

	December 31,	
	2021	2020
	JD	JD
Local Banks and Financial Institutions:		
Current and demand accounts	2,870,179	862,998
Deposits maturing within 3 months or less	48,539,000	54,012,296
Total	51,409,179	54,875,294
Foreign Banks and Financial Institutions:		
Current and demand accounts	59,180,520	70,867,991
Deposits maturing within 3 months or less	10,984,776	29,138,880
Total	70,165,296	100,006,871
Total	121,574,475	154,882,165
Less: provision for expected credit losses (balances at banks)	(46,231)	(85,535)
Total	121,528,244	154,796,630

- Non-interest bearing balances at banks and financial institutions amounted to JD 77,385,789 as of December 31, 2021 (JD 71,730,989 as of December 31, 2020).
- There are no restricted balances as of December 31, 2021 and 2020.

Disclosure of the allocation of total balances at banks and financial institutions according to the bank's internal rating categories:

As on December 31, 2021	2021			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy				
From (Aaa) to (Baa3)	81,134,491	-	-	81,134,491
From (Ba1) to (Caa3)	39,086,552	-	-	39,086,552
From (1) to (6)	1,353,432	-	-	1,353,432
Total	121,574,475	-	-	121,574,475
As on December 31, 2020	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy				
From (Aaa) to (Baa3)	131,097,596	-	-	131,097,596
From (Ba1) to (Caa3)	22,150,997	-	-	22,150,997
From (1) to (6)	1,633,572	-	-	1,633,572
Total	154,882,165	-	-	154,882,165

The movement on balances at banks and financial institutions is as follows:

For the year ending December 31, 2021	2021			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the year	154,882,165	-	-	154,882,165
New balances during the year	13,927,391	-	-	13,927,391
Mattured balances	(47,235,081)	-	-	(47,235,081)
Gross Balance at the End of the Year	121,574,475	-	-	121,574,475

For the year ending December 31, 2020	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the year	158,836,624	-	-	158,836,624
New balances during the year	146,686,743	-	-	146,686,743
Mattured balances	(150,641,202)	-	-	(150,641,202)
Gross Balance at the End of the Year	154,882,165	-	-	154,882,165

Disclosure of the movement on the provision for expected credit losses:

For the year ending December 31, 2021	2021			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the year	85,535	-	-	85,535
Expected credit loss on balances and new deposits for the year	43,840	-	-	43,840
Reversed credit loss on balances and settled amounts	(83,144)	-	-	(83,144)
Balance at the End of the Year	46,231	-	-	46,231

For the year ending December 31, 2020	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the year	51,367	-	-	51,367
Expected credit loss on balances and new deposits for the year	156,307	-	-	156,307
Reversed credit loss on balances and settled amounts	(122,139)	-	-	(122,139)
Balance at the End of the Year	85,535	-	-	85,535

7. Deposits at banks and financial institutions-Net

The details of this item are as follows:

	December 31,	
	2021	2020
	JD	JD
Deposit maturing within:		
More than 3 to 6 months	33,069,913	31,750,001
More than 6 to 9 months	7,832,565	6,029,926
More than 9 to 12 months	17,368,277	-
More than 12 months	43,000,000	42,426,500
Total	101,270,755	80,206,427
Less: provision for expected credit losses		
(deposits at banks)	(216,035)	(342,051)
Total	101,054,720	79,864,376

- There are no restricted deposits as of December 31, 2021 and 2020.
  Disclosure of the allocation of total deposits at banks and financial institutions according to the bank's internal policy.

	2021			
As on December 31, 2021	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the				
Bank's internal policy				
From (Aaa) to (Baa3)	72,368,276	-	-	72,368,276
From (Ba1) to (Caa3)	28,902,479	-	-	28,902,479
Total	101,270,755	-	-	101,270,755
	2020			
As on December 31, 2020	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the				
Bank's internal policy				
From (Aaa) to (Baa3)	52,694,192	-	-	52,694,192
From (Ba1) to (Caa3)	27,512,235	-	-	27,512,235
Total	80,206,427	-	-	80,206,427

the movement on deposits at banks and financial institutions is as follows:

For the year ending December 31, 2021	2021			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the year	80,206,427	-	-	80,206,427
New balances during the year	24,448,220	-	-	24,448,220
Matured balances	(3,383,892)	-	-	(3,383,892)
Gross Balance at the End of the Year	101,270,755	-	-	101,270,755

For the year ending December 31, 2020	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the year	88,279,090	-	-	88,279,090
New balances during the year	5,546,992	-	-	5,546,992
Matured balances	(13,619,655)	-	-	(13,619,655)
Gross Balance at the End of the Year	80,206,427	-	-	80,206,427

Movement on the provision for expected credit losses:

For the year ending December 31, 2021	2021			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	342,051	-	-	342,051
Expected credit loss on balances and new deposits for the year	15,942	-	-	15,942
Reversed credit loss on balances and settled amounts	(5,789)	-	-	(5,789)
Changes resulting from adjustments	(136,169)	-	-	(136,169)
Balance at the End of the Year	216,035	-	-	216,035
For the year ending December 31, 2020	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	239,076	-	-	239,076
Expected credit loss on balances and new deposits for the year	6,393	-	-	6,393
Reversed credit loss on balances and settled amounts	(11,581)	-	-	(11,581)
Changes resulting from adjustments	108,163	-	-	108,163
Balance at the End of the Year	342,051	-	-	342,051

8. Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

	December 31,	
	2021	2020
	JD	JD
Corporate shares	8,164,615	7,406,964
	8,164,615	7,406,964

9. Financial Assets at Fair Value through Other Comprehensive Income - Net

The details of this item are as follows:

	December 31,	
	2021	2020
	JD	JD
Stocks with market prices available	58,284,132	43,528,787
Shares not available with market prices	7,303,740	6,120,190
Bonds that have market prices are available	209,205	-
	65,797,077	49,648,977
Less: Provision for expected credit losses (Bonds)	(4,336)	-
Total	65,792,741	49,648,977

* Fair value calculation for unquoted investments are based on the most recent financial data available.

- Cash dividends on investments amounted to JD 2,603,330 for the year ended December 31, 2021 (JD 2,152,730 for the year ended December 31, 2020).

During the period, the bank released the restricted impairment allowance against one of its investments in one of the neighboring countries, which amounted to JD 4,158,000 as on December 31, 2020 due to the improvement in the fair value and indicators related to the investment

10/A. Financial Assets at Amortized Cost - Net

The details of this item are as follows:

	December 31,	
	2021	2020
	JD	JD
Financial assets available for market prices:		
Governmental treasury bills	6,069,503	-
Foreign government treasury bonds	14,007,499	2,916,349
Bonds and corporate loan bonds	22,037,086	24,450,252
Total of Financial assets available for market prices	42,114,088	27,366,601
Financial assets that are not available with market prices:		
Governmental treasury bills	40,257,102	9,770,801
Governmental / government guaranteed debt securities	585,972,667	640,782,315
Corporate debt securities	65,000,000	63,000,000
Total unquoted investments	691,229,769	713,553,116
Total	733,343,857	740,919,717
Less: Provision for expected credit losses (financial assets at amortized cost)	(939,058)	(1,135,611)
	732,404,799	739,784,106
Analysis of bonds:		
Fixed rate	733,343,857	740,919,717
Total	733,343,857	740,919,717

10/B. Financial assets pledged as collaterals

The details of this item are as follows:

	December 31,	
	2021	2020
	JD	JD
Governmental treasury bonds	74,203,000	73,141,000
Associated financial liabilities	77,018,278	77,175,195

The assets are pledged as collateral against borrowed funds from the Central Bank of Jordan relating to repurchase agreements
and small and medium sized entities lending arrangements.

Disclosure of the allocation of total financial assets at amortized cost according to the bank's internal rating categories:

As on December 31, 2021	2021			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy				
From (Aaa) to (Baa3)	596,530,386	-	-	596,530,386
From (Ba1) to (Caa3)	124,559,271	-	-	124,559,271
From (1) to (6)	86,457,200	-	-	86,457,200
Total	807,546,857			807,546,857

As on December 31, 2020	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy				
From (Aaa) to (Baa3)	1,903,689	-	-	1,903,689
From (Ba1) to (Caa3)	726,144,628	-	-	726,144,628
From (1) to (6)	86,012,400	-	-	86,012,400
Total	814,060,717	-	-	814,060,717

The movement on financial assets at amortized cost is as follows:

For the year ending December 31, 2021	2021			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the year	814,060,717	-	-	814,060,717
New investments during the year	202,087,060	-	-	202,087,060
Accrued investments	(208,600,920)	-	-	(208,600,920)
Total Balance at the End of the Year	807,546,857	-	-	807,546,857
For the year ending December 31, 2020	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the year	750,327,548	-	-	750,327,548
New investments during the year	158,301,261	-	-	158,301,261
Accrued investments	(94,568,092)	-	-	(94,568,092)
Total Balance at the End of the Year	814,060,717	-	-	814,060,717

The movement on the provision for expected credit losses for financial assets at amortized cost is as follows:

For the year ending December 31, 2021	2021			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the year	1,135,611	-	-	1,135,611
Credit losses on new investments during the year	365,650	-	-	365,650
Reversed from credit loss on Accrued Investment	(160,407)	-	-	(160,407)
Changes resulting from adjustments	(401,796)	-	-	(401,796)
Balance at the End of the Year	939,058	-	-	939,058

For the year ending December 31, 2020	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the year	760,286	-	-	760,286
Credit losses on new investments during the year	461,808	-	-	461,808
Reversed from credit loss on Accrued Investment	(288,163)	-	-	(288,163)
Changes resulting from adjustments	201,680	-	-	201,680
Balance at the End of the Year	1,135,611	-	-	1,135,611

11. Direct Credit Facilities - Net

The details of this item are as follows:

	December 31,	
	2021	2020
	JD	JD
Consumer lending		
Overdrafts	11,352,113	13,865,546
Loans and bills *	742,776,330	688,937,832
Credit cards	15,918,091	15,145,311
Others	7,334,987	7,184,597
Real-estate mortgages	292,037,120	249,897,163
Corporate lending		
debit current accounts	76,804,352	63,466,034
loans and promissory notes *	519,538,033	461,375,204
Small and medium enterprises lending "SMEs"		
Overdrafts	21,329,174	18,432,092
Loans and bills *	190,553,826	166,356,629
Lending to public and governmental sectors	179,626,656	204,171,887
Total	2,057,270,682	1,888,832,295
Less: Suspended interest	(10,625,131)	(13,082,278)
Less: Provision for expected credit loss	(95,548,696)	(81,878,533)
Net- Direct Credit Facilities	1,951,096,855	1,793,871,484

* Net of interest and commissions received in advance amounting to JD 3,654,883 as of December 31, 2021 (JD 4,132,557 as of December 31, 2020).

- Non-performing credit facilities, in accordance with the instructions of the Central Bank of Jordan, amounted to JD 107,568,549 as of December 31, 2021 (JD 109,313,840 as of December 31, 2020) representing 5.23% (2020: 5.79%) of gross direct credit facilities granted.
- Non-performing credit facilities, net of suspended interest, amounted to JD 97,015,679 as of December 31, 2021 (JD 96,423,451 as of December 31, 20120), representing 4.74% (2020: 5.14%) of gross direct credit facilities granted after excluding the suspended interest.
- Credit facilities granted to the Government of Jordan amounted to JD 25,783,194 as of December 31, 2021 (JD 55,167,746 as of December 31, 2020), representing 1.25% (2020: 2.92%) of gross direct credit facilities granted.
- Credit facilities granted to the public sector in Palestine amounted to JD 79,649,701 as of December 31, 2021 (JD 87,151,326 as of December 31, 2020), representing 4.61% (2020: 4.61%) of gross direct credit facilities granted.

Disclosure on the movement of facilities at a collective level at the end of the year:

For the year ending December 31, 2021	2021					
	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	677,476,471	848,232,031	164,739,542	82,096,387	116,287,864	1,888,832,295
New facilities during the year	242,729,382	224,228,397	48,229,131	25,891,920	6,348,327	547,427,157
Settled facilities	(172,280,794)	(134,682,552)	(38,139,950)	(11,899,484)	(14,420,153)	(371,422,933)
Transferred to stage 1	4,273,038	29,254,976	(2,617,002)	(22,036,026)	(8,874,986)	-
Transferred to stage 2	(80,067,655)	(31,924,917)	82,991,726	37,608,614	(8,607,768)	-
Transferred to stage 3	(1,697,760)	(14,271,666)	(3,450,543)	(12,695,413)	32,115,382	-
Changes resulting from adjustments	-	-	-	-	-	-
Written off facilities	-	-	-	-	(7,565,837)	(7,565,837)
Gross Balance at the End of the Year	670,432,682	920,836,269	251,752,904	98,965,998	115,282,829	2,057,270,682

For the year ending December 31, 2020	2020					
	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	618,846,992	778,154,885	137,059,430	44,161,632	99,176,293	1,677,399,232
New facilities during the year	297,656,333	209,859,393	42,563,641	17,329,856	8,697,720	576,106,943
Settled facilities	(218,203,806)	(105,482,876)	(22,124,370)	(8,135,875)	(7,218,564)	(361,165,491)
Transferred to stage 1	29,368,389	29,343,319	(25,897,610)	(19,469,727)	(13,344,371)	-
Transferred to stage 2	(46,049,887)	(51,483,589)	50,304,134	56,402,893	(9,173,551)	-
Transferred to stage 3	(4,141,550)	(12,159,101)	(17,165,683)	(8,192,392)	41,658,726	-
Changes resulting from adjustments	-	-	-	-	-	-
Written off facilities	-	-	-	-	(3,508,389)	(3,508,389)
Gross Balance at the End of the Year	677,476,471	848,232,031	164,739,542	82,096,387	116,287,864	1,888,832,295

The movement on the provision for expected credit losses is as follows:

For the Year Ended December 31, 2021		Residential	Corporates		Government and	
	Consumer	Loans	Corporates	SMEs	Public Sector	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	40,334,148	9,136,154	18,537,650	13,186,398	684,183	81,878,533
Credit loss on new facilities during the year	4,399,728	2,239,975	3,890,962	1,459,085	453,756	12,443,506
Reversed from credit losses on settled facilities	(3,823,275)	(1,116,180)	(3,292,064)	(3,134,627)	(232,160)	(11,598,306)
Transferred to stage 1	3,117,789	482,557	2,967,480	890,287	(318,696)	7,139,417
Transferred to stage 2	1,159,348	344,727	(2,359,700)	678,735	318,696	141,806
Transferred to stage 3	(4,277,137)	(827,284)	(607,780)	(1,569,022)	-	(7,281,223)
Effect on the provision at the end of the year - resulting from						-
the reclassification between the three stages during the year	3,323,033	896,285	(1,679,000.00)	(245,063)	1,670,009	3,965,264
Changes resulting from adjustments	5,389,367	167,044	5,809,307	1,162,253	-	12,527,971
Written off facilities	(2,417,091)	(323,871)	(962,382)	(128,185)	-	(3,831,529)
Valuation differences	63,005	-	100,252	-	-	163,257
Balance at the End of the Year	47,268,915	10,999,407	22,404,725	12,299,861	2,575,788	95,548,696

For the Year Ended December 31, 2020						
Balance at the beginning of the year	38,795,804	6,648,056	9,294,100	9,485,381	3,011,508	67,234,849
Credit loss on new facilities during the year	6,531,796	2,434,479	3,158,768	3,170,245	302,256	15,597,544
Reversed from credit losses on settled facilities	(1,445,653)	(628,716)	(1,511,048)	(1,857,983)	(102,005)	5,545,405-
Transferred to stage 1	5,703,439	862,710	1,023,097	262,069	4,111	7,855,426
Transferred to stage 2	1,669,907	327,479	(602,141)	85,470	1,544,104	3,024,819
Transferred to stage 3	(7,373,346)	(1,190,189)	(420,956)	(347,539)	(1,548,215)	10,880,245-
Effect on the provision at the end of the year - resulting from						-
the reclassification between the three stages during the year	(466,651)	955,034	5,532,326	2,435,990	(1,382,754)	7,073,945
Changes resulting from adjustments	179,769	(291,971)	1,835,071	(157,600)	(1,144,822)	420,447
Written off facilities	(3,395,729)	(24,787)	-	(10,760)	-	(3,431,276)
Valuation differences	134,812	44,059	228,433	121,125	-	528,429
Balance at the End of the Year	40,334,148	9,136,154	18,537,650	13,186,398	684,183	81,878,533

Suspended Interest

The movement on suspended interest is as follows:

For the year ending December 31, 2021	2021					
	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	-	59,899	27,700	51,269	12,943,410	13,082,278
Suspended interest on new exposures during the year	-	910	-	903	1,913,368	1,915,181
Suspended interest on settled exposures transferred to						
revenue during the year	(31,240)	(102,799)	(56,130)	(64,021)	(383,830)	(638,020)
Transferred to stage 1	31,026	53,115	77	(194)	(84,024)	-
Transferred to stage 2	214	(85)	56,053	80,591	(136,773)	-
Transferred to stage 3	-	5,204	(27,700)	(43,638)	66,134	-
Effect on suspended revenue at the end of the year - resulting from the						-
reclassification between the three stages during the year	31,240	58,234	28,430	36,759	(154,663)	-
Suspended interest on written off exposures	-	-	-		(3,734,308)	(3,734,308)
Gross Balance at the End of the Year	-	16,244	-	24,910	10,583,977	10,625,131

For the year ending December 31, 2020	2020					
	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	-	20,347	24,088	22,351	11,022,019	11,088,805
Suspended interest on new exposures during the year	59	39,257	19,227	52,765	2,876,568	2,987,876
Suspended interest on settled exposures transferred to	(664)	(136,092)	(231,318)	(87,929)	(461,288)	(917,291)
revenue during the year	605	136,900	-	(1,670)	(135,835)	-
Transferred to stage 1	-	(345)	231,318	66,948	(297,921)	-
Transferred to stage 2	-	(168)	(15,615)	(1,196)	16,979	-
Transferred to stage 3	-	-	-	-	-	-
Effect on suspended revenue at the end of the year - resulting from the						-
reclassification between the three stages during the year	605	136,387	215,703	64,082	(416,777)	-
Suspended interest on written off exposures	-	-	-	-	(77,112)	(77,112)
Gross Balance at the End of the Year	-	59,899	27,700	51,269	12,943,410	13,082,278

The movement on suspended interest is as follows:

		Residential	Corporates		Government and	
	Consumer	Loans	Corporates	SMEs	Public Sector	Total
	JD	JD	JD	JD	JD	JD
For the year ended December 31, 2021						
Balance at the beginning of the year	2,331,972	621,534	7,949,234	2,179,538	-	13,082,278
Suspended interest on new exposures during the year	530,510	279,978	843,555	261,138	-	1,915,181
Suspended interest on settled exposures transferred to						-
revenue during the year	(279,455)	(102,619)	(145,478)	(110,468)	-	(638,020)
Transferred to stage 1	44,039	12,992	4,763	27,681	-	89,475
Transferred to stage 2	32,111	2,180	33,757	(2,859)	-	65,189
Transferred to stage 3	(76,150)	(15,172)	38,520-	(24,822)	-	(154,664)
Effect on suspended revenue at the end of the year - resulting from the						
reclassification between the three stages during the year	-	-	-	-	-	-
Suspended interest on written off exposures	(37,087)	(17,571)	(3,675,986)	(3,664)	-	(3,734,308)
Balance at the End of the Year	2,545,940	781,322	4,971,325	2,326,544	-	10,625,131

For the year ended December 31, 2020						
Balance at the beginning of the year	2,149,457	411,444	6,606,420	1,722,329	199,155	11,088,805
Suspended interest on new exposures during the year	513,021	258,208	1,458,881	757,766	-	2,987,876
Suspended interest on settled exposures transferred to	(255,492)	(46,239)	(116,067)	(300,338)	(199,155)	(917,291)
revenue during the year	124,810	11,565	-	618	-	136,993
Transferred to stage 1	39,953	23,377	(24,075)	41,375	199,155	279,785
Transferred to stage 2	(164,763)	(34,942)	24,075	(41,993)	(199,155)	(416,778)
Transferred to stage 3						-
Effect on suspended revenue at the end of the year - resulting from						-
the reclassification between the three stages during the year	(75,014)	(1,879)	-	(219)	-	(77,112)
Balance at the End of the Year	2,331,972	621,534	7,949,234	2,179,538	-	13,082,278

Credit exposures according to IFRS (9) are as follows:
As of December 31, 2021

	In accordance with IFRS (9) as adopted by the central bank of Jordan											
	Stage 1			Stage 2			Stage 3			Total		
	Total	Expected Credit Losses	Suspended Interest	Total	Expected Credit Losses	Suspended Interest	Total	Expected Credit Losses	Suspended Interest	Total	Expected Credit Losses	Suspended Interest
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Individuals	677,656,398	5,762,898	16,202	54,041,125	2,290,321	2,282	45,683,998	39,215,696	2,527,456	777,381,521	47,268,915	2,545,940
Realestate Mortgages	231,933,829	3,147,152	42	44,313,910	2,111,231	22,628	15,789,381	5,741,024	758,652	292,037,120	10,999,407	781,322
Corporates	436,855,572	1,655,572	-	128,898,145	3,348,290	-	30,588,668	17,400,863	4,971,325	596,342,385	22,404,725	4,971,325
SMEs	142,141,546	736,539	-	46,520,672	1,019,068	-	23,220,782	10,544,254	2,326,544	211,883,000	12,299,861	2,326,544
Government and Public Sector	102,681,606	443,763	-	76,945,050	2,132,025	-	-	-	-	179,626,656	2,575,788	-
	1,591,268,951	11,745,924	16,244	350,718,902	10,900,935	24,910	115,282,829	72,901,837	10,583,977	2,057,270,682	95,548,696	10,625,131
As of December 31, 2020												
	In accordance with IFRS (9) as adopted by the central bank of Jordan											
	Stage 1			Stage 2			Stage 3			Total		
	Total	Expected Credit Losses	Suspended Interest	Total	Expected Credit Losses	Suspended Interest	Total	Expected Credit Losses	Suspended Interest	Total	Expected Credit Losses	Suspended Interest
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Individuals	636,160,092	6,689,840	57,876	48,957,926	1,626,590	1,835	40,015,268	32,017,718	2,272,261	725,133,286	40,334,148	2,331,972
Realestate Mortgages	203,921,585	2,759,327	2,023	32,439,800	1,207,376	49,434	13,535,778	5,169,451	570,077	249,897,163	9,136,154	621,534
Corporates	375,100,943	458,049	-	112,154,586	4,372,730	-	37,585,709	13,706,871	7,949,234	524,841,238	18,537,650	7,949,234
SMEs	111,650,324	346,694	-	47,987,288	1,965,379	27,700	25,151,109	10,874,325	2,151,838	184,788,721	13,186,398	2,179,538
Government and Public Sector	198,875,558	516,324	-	5,296,329	167,859	-	-	-	-	204,171,887	684,183	-
	1,525,708,502	10,770,234	59,899	246,835,929	9,339,934	78,969	116,287,864	61,768,365	12,943,410	1,888,832,295	81,878,533	13,082,278

Disclosure on the allocation of gross facilities according to the Bank's internal rating categories for corporates:

	2021			
As on December 31, 2021	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:				
From (1) to (6)	436,855,572	104,728,181	1,245,278	542,829,031
(7)	-	24,169,964	2,331,740	26,501,704
From (8) to (10)	-	-	27,011,650	27,011,650
Total	436,855,572	128,898,145	30,588,668	596,342,385

	2020			
As on December 31, 2020	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:				
From (1) to (6)	375,100,943	74,269,483	-	449,370,426
(7)	-	37,885,103	-	37,885,103
From (8) to (10)	-	-	37,585,709	37,585,709
Total	375,100,943	112,154,586	37,585,709	524,841,238

The disclosure on the movement of facilities for corporates is as follows:

	2021			
For the year ending December 31, 2021	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Gross balance as of the beginning of the year	375,100,943	112,154,586	37,585,709	524,841,238
New facilities during the year	157,226,559	33,348,035	1,254,905	191,829,499
Settled facilities	(94,529,408)	(16,911,928)	(4,248,647)	(115,689,983)
Transferred to stage 1	49,142,550	(48,774,432)	(368,118)	-
Transferred to stage 2	(49,818,741)	50,613,393	(794,652)	-
Transferred to stage 3	(266,331)	(1,531,509)	1,797,840	-
Written off facilities	-	-	(4,638,369)	(4,638,369)
Balance at the end of the year	436,855,572	128,898,145	30,588,668	596,342,385

	2020			
For the year ending December 31, 2020	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Gross balance as of the beginning of the year	334,497,633	100,820,405	23,717,373	459,035,411
New facilities during the year	144,035,710	23,854,730	2,821,154	170,711,594
Settled facilities	(89,780,162)	(13,751,943)	(1,373,662)	(104,905,767)
Transferred to stage 1	15,644,762	(12,229,507)	(3,415,255)	-
Transferred to stage 2	(26,761,290)	26,761,293	(3)	-
Transferred to stage 3	(2,535,710)	(13,300,392)	15,836,102	-
Balance at the end of the year	375,100,943	112,154,586	37,585,709	524,841,238

The disclosure on the movement of the provision for expected credit losses for facilities relating to corporates is as follows:

For the year ending December 31, 2021	2021 Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	458,049	4,372,730	13,706,871	18,537,650
Credit loss on new facilities during the year	1,009,259	1,724,842	1,156,861	3,890,962
Reversed from credit loss on accrued facilities	(211,688)	(523,326)	(2,557,050)	(3,292,064)
Transferred to stage 1	3,018,688	(2,896,383)	(122,305)	-
Transferred to stage 2	(50,462)	537,118	(486,656)	-
Transferred to stage 3	(746)	(435)	1,181	-
Effect on the provision at the end of the year - resulting from the				-
reclassification between the three stages during the year	(2,568,294)	133,744	755,550	(1,679,000)
Changes resulting from adjustments	766	-	5,808,541	5,809,307
Written off facilities	-	-	(962,382)	(962,382)
Adjustments resulting from changes in exchange rates	-	-	100,252	100,252
Gross Balance at the End of the Year	1,655,572	3,348,290	17,400,863	22,404,725

For the year ending December 31, 2020	2020 Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	317,872	2,420,044	6,556,184	9,294,100
Credit loss on new facilities during the year	307,452	715,806	2,135,510	3,158,768
Reversed from credit loss on accrued facilities	(157,540)	(674,000)	(679,508)	(1,511,048)
Transferred to stage 1	1,100,335	(62,039)	(1,038,296)	-
Transferred to stage 2	(69,497)	69,499	(2)	-
Transferred to stage 3	(7,741)	(609,601)	617,342	-
Effect on the provision at the end of the year - resulting from the				-
reclassification between the three stages during the year	(1,085,676)	2,489,433	4,128,569	5,532,326
Changes resulting from adjustments	-	-	1,835,071	1,835,071
Adjustments resulting from changes in exchange rates	52,844	23,588	152,001	228,433
Gross Balance at the End of the Year	458,049	4,372,730	13,706,871	18,537,650

Disclosure on the allocation of gross facilities according to the Bank's internal rating categories for SMEs:

	2021					
As on December 31, 2021	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:						
From (1) to (6)	130,895,504	-	35,452,983	-	311,423	166,659,910
(7)	-	-	10,456,726	-	297,395	10,754,121
From (8) to (10)	-	-	-	-	20,822,907	20,822,907
Uncategorized	-	11,246,042	-	610,963	1,789,057	13,646,062
Total	130,895,504	11,246,042	45,909,709	610,963	23,220,782	211,883,000

	2020					
As on December 31, 2020	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:						
From (1) to (6)	103,499,970	-	32,286,081	-	-	135,786,051
(7)	-	-	15,002,546	-	-	15,002,546
From (8) to (10)	-	-	-	-	23,495,713	23,495,713
Uncategorized	-	8,150,354	-	698,661	1,655,396	10,504,411
Total	103,499,970	8,150,354	47,288,627	698,661	25,151,109	184,788,721

The disclosure on the movement of facilities for SMEs is as follows:

For the year ending December 31, 2021	2021					
	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	103,499,970	8,150,354	47,288,627	698,661	25,151,109	184,788,721
New facilities during the year	61,652,558	4,345,411	10,869,464	89,201	1,019,611	77,976,245
Settled facilities	(38,406,134)	(894,621)	(8,166,146)	(153,578)	(3,129,638)	(50,750,117)
Transferred to stage 1	16,483,048	181,635	(15,195,130)	(143,584)	(1,325,969)	-
Transferred to stage 2	(10,902,509)	(237,502)	13,031,928	477,718	(2,369,635)	-
Transferred to stage 3	(1,431,429)	(299,235)	(1,919,034)	(357,455)	4,007,153	-
Written off facilities	-	-	-	-	(131,849)	(131,849)
Gross Balance at the End of the Year	130,895,504	11,246,042	45,909,709	610,963	23,220,782	211,883,000

	2020					
	Stage 1		Stage 2			
For the year ending December 31, 2020	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	94,107,419	2,443,154	32,002,182	758,214	20,728,147	150,039,116
New facilities during the year	60,883,009	6,898,388	16,311,502	93,759	1,497,765	85,684,423
Settled facilities	(40,082,806)	(563,574)	(8,370,290)	(358,271)	(1,548,898)	(50,923,839)
Transferred to stage 1	9,486,785	79,256	(9,431,261)	(73,748)	(61,032)	-
Transferred to stage 2	(19,288,597)	(484,750)	20,641,785	530,581	(1,399,019)	-
Transferred to stage 3	(1,605,840)	(222,120)	(3,865,291)	(251,874)	5,945,125	-
Written off facilities	-	-	-	-	(10,979)	(10,979)
Gross Balance at the End of the Year	103,499,970	8,150,354	47,288,627	698,661	25,151,109	184,788,721

The disclosure on the movement of the provision for expected credit losses for facilities relating to SMEs is as follows:

For the year ending December 31, 2021	2021					
	Stage 1		Stage 2			
	Individual	Collec-tive	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	333,905	12,789	1,958,773	6,606	10,874,325	13,186,398
Credit loss on new facilities during the year	495,418	34,746	293,689	7,666	627,566	1,459,085
Reversed from credit loss on accrued facilities	(138,599)	(1,105)	(882,326)	(317)	(2,112,280)	(3,134,627)
Transferred to stage 1	917,337	23,809	(632,529)	(2,253)	(306,364)	-
Transferred to stage 2	(45,559)	(229)	1,243,749	135,112	(1,333,073)	-
Transferred to stage 3	(4,306)	(765)	(61,583)	(3,761)	70,415	-
Effect on the provision at the end of the year - resulting from the						
reclassification between the three stages during the year	(864,385)	(23,129)	(934,345)	(109,413)	1,686,209	(245,063)
Changes resulting from adjustments	(6,104)	2,716	-	-	1,165,641	1,162,253
Written off facilities	-	-	-	-	(128,185)	(128,185)
Adjustments resulting from changes in exchange rates						-
Gross Balance at the End of the Year	687,707	48,832	985,428	33,640	10,544,254	12,299,861

For the year ending December 31, 2020	2020					
	Stage 1		Stage 2			
	Individual	Collec-tive	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	162,987	69,225	929,176	41,052	8,282,941	9,485,381
Credit loss on new facilities during the year	292,622	9,978	935,980	1,656	1,930,009	3,170,245
Reversed from credit loss on accrued facilities	(166,370)	(47,995)	(194,560)	(27,322)	(1,421,736)	(1,857,983)
Transferred to stage 1	308,298	6,192	(281,873)	(3,713)	(28,904)	-
Transferred to stage 2	(31,194)	(12,190)	474,827	34,500	(465,943)	-
Transferred to stage 3	(2,648)	(6,389)	(128,788)	(9,483)	147,308	-
Effect on the provision at the end of the year - resulting from the						
reclassification between the three stages during the year	(257,089)	(6,032)	208,759	(30,084)	2,520,436	2,435,990
Changes resulting from adjustments	7,047	-	-	-	(164,647)	(157,600)
Written off facilities	-	-	-	-	(10,760)	(10,760)
Adjustments resulting from changes in exchange rates	20,252	-	15,252	-	85,621	121,125
Gross Balance at the End of the Year	333,905	12,789	1,958,773	6,606	10,874,325	13,186,398

Disclosure on the allocation of gross facilities according to the Bank's internal rating categories for individuals:

	2021			
As on December 31, 2021	**Stage 1 Collective**	**Stage 2 Collective**	**Stage 3**	**Total**
	JD	**JD**	**JD**	**JD**
Credit rating categories according to the Bank's internal policy:				
Uncategorized	677,656,398	54,041,125	45,683,998	777,381,521
Total	677,656,398	54,041,125	45,683,998	777,381,521

	2020			
As on December 31, 2020	**Stage 1 Collective**	**Stage 2 Collective**	**Stage 3**	**Total**
	JD	**JD**	**JD**	**JD**
Credit rating categories according to the Bank's internal policy:				
Uncategorized	636,160,092	48,957,926	40,015,268	725,133,286
Total	636,160,092	48,957,926	40,015,268	725,133,286

The disclosure on the movement of facilities for individuals is as follows:

	2021			
For the year ending December 31, 2021	**Stage 1 Collective**	**Stage 2 Collective**	**Stage 3**	**Total**
	JD	**JD**	**JD**	**JD**
Gross balance at the beginning of the year	636,160,092	48,957,926	40,015,268	725,133,286
New facilities during the year	162,354,749	10,298,194	2,550,377	175,203,320
Settled facilities	(108,483,171)	(7,720,519)	(4,297,219)	(120,500,909)
Transferred to stage 1	21,182,559	(15,684,586)	(5,497,973)	-
Transferred to stage 2	(21,809,374)	24,963,915	(3,154,541)	-
Transferred to stage 3	(11,748,457)	(6,773,805)	18,522,262	-
Changes resulting from adjustments	-	-	-	-
Written off facilities	-	-	(2,454,176)	(2,454,176)
Gross Balance at the End of the Year	677,656,398	54,041,125	45,683,998	777,381,521

				2020
For the year ending December 31, 2020	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Gross balance at the beginning of the year	586,536,050	23,250,595	40,702,585	650,489,230
New facilities during the year	157,173,723	10,210,522	3,196,243	170,580,488
Settled facilities	(84,934,204)	(4,857,183)	(2,674,301)	(92,465,688)
Transferred to stage 1	19,681,278	(11,182,711)	(8,498,567)	-
Transferred to stage 2	(33,354,661)	36,765,254	(3,410,593)	-
Transferred to stage 3	(8,942,094)	(5,228,551)	14,170,645	-
Changes resulting from adjustments	-	-	-	-
Written off facilities	-	-	(3,470,744)	(3,470,744)
Gross Balance at the End of the Year	636,160,092	48,957,926	40,015,268	725,133,286

The disclosure on the movement of the provision for expected credit losses for facilities relating to individuals is as follows:

For the year ending December 31, 2021	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	6,689,840	1,626,590	32,017,718	40,334,148
Credit loss on new facilities during the year	1,643,467	590,378	2,165,883	4,399,728
Reversed from credit loss on accrued facilities	(2,249,906)	(185,457)	(1,387,912)	(3,823,275)
Transferred to stage 1	3,707,506	(496,407)	(3,211,099)	-
Transferred to stage 2	(396,443)	2,024,970	(1,628,527)	-
Transferred to stage 3	(193,274)	(369,215)	562,489	-
Effect on the provision at the end of the year - resulting from the				
reclassification between the three stages during the year	(3,438,298)	(900,538)	7,661,869	3,323,033
Changes resulting from adjustments	6	-	5,389,361	5,389,367
Written off facilities	-	-	(2,417,091)	(2,417,091)
Adjustments resulting from changes in exchange rates	-	-	63,005	63,005
Gross Balance at the End of the Year	5,762,898	2,290,321	39,215,696	47,268,915
For the year ending December 31, 2020	2020			

	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	3,870,742	738,826	34,186,236	38,795,804
Credit loss on new facilities during the year	3,504,405	372,931	2,654,460	6,531,796
Reversed from credit loss on accrued facilities	(677,745)	(112,490)	(655,418)	(1,445,653)
Transferred to stage 1	6,055,228	(319,701)	(5,735,527)	-
Transferred to stage 2	(257,626)	2,197,327	(1,939,701)	-
Transferred to stage 3	(94,163)	(207,719)	301,882	-
Effect on the provision at the end of the year - resulting from the				-
reclassification between the three stages during the year	(5,787,799)	(1,055,106)	6,376,254	(466,651)
Changes resulting from adjustments	(11,969)	-	191,738	179,769
Written off facilities	-	-	(3,395,729)	(3,395,729)
Adjustments resulting from changes in exchange rates	88,767	12,522	33,523	134,812
Gross Balance at the End of the Year	6,689,840	1,626,590	32,017,718	40,334,148

Disclosure on the allocation of gross facilities according to the Bank’s internal rating categories for residential loans:

2021				
As on December 31, 2021	Stage 1 Collective JD	Stage 2 Collective JD	Stage 3 JD	Total JD
Credit rating categories according to the Bank›s internal policy:				
Uncategorized	231,933,829	44,313,910	15,789,381	292,037,120
Total	231,933,829	44,313,910	15,789,381	292,037,120

2020				
As on December 31, 2020	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank›s internal policy:				
Uncategorized	203,921,585	32,439,800	13,535,778	249,897,163
Total	203,921,585	32,439,800	13,535,778	249,897,163

The disclosure on the movement of facilities for residential loans is as follows:

2021				
For the year ending December 31, 2021	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Gross balance at the beginning of the year	203,921,585	32,439,800	13,535,778	249,897,163
New facilities during the year	57,528,237	15,504,525	1,523,434	74,556,196
Settled facilities	(25,304,760)	(4,025,387)	(2,744,649)	(32,074,796)
Transferred to stage 1	7,890,782	(6,207,856)	(1,682,926)	-
Transferred to stage 2	(9,878,041)	12,166,981	(2,288,940)	-
Transferred to stage 3	(2,223,974)	(5,564,153)	7,788,127	-
Written Off Facilities	-	-	(341,443)	(341,443)
Gross Balance at the End of the Year	231,933,829	44,313,910	15,789,381	292,037,120

2020				
For the year ending December 31, 2020	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Gross balance at the beginning of the year	189,175,681	20,152,823	11,127,132	220,455,636
New facilities during the year	45,787,282	7,025,575	1,182,558	53,995,415
Settled facilities	(19,985,098)	(2,920,421)	(1,621,703)	(24,527,222)
Transferred to stage 1	9,582,785	(8,213,268)	(1,369,517)	-
Transferred to stage 2	(17,644,178)	19,107,058	(1,462,880)	-
Transferred to stage 3	(2,994,887)	(2,711,967)	5,706,854	-
Written Off Facilities	-	-	(26,666)	(26,666)
Gross Balance at the End of the Year	203,921,585	32,439,800	13,535,778	249,897,163

The disclosure on the movement of the provision for expected credit losses for facilities relating to Real-estate Mortgages is as follows:

2021				
For the year ending December 31, 2021	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Gross balance at the beginning of the year	2,759,327	1,207,376	5,169,451	9,136,154
Credit loss on new facilities during the year	969,867	920,337	349,771	2,239,975
Reversed from credit loss on accrued facilities	(503,458)	(125,532)	(487,190)	(1,116,180)
Transferred to stage 1	710,090	(298,430)	(411,660)	-
Transferred to stage 2	(176,260)	972,583	(796,323)	-
Transferred to stage 3	(51,273)	(329,426)	380,699	-
Effect on the provision at the end of the year - resulting from the				-
reclassification between the three stages during the year	(561,273)	(235,677)	1,693,235	896,285
Changes resulting from adjustments	132	-	166,912	167,044
Written Off Facilities	-	-	(323,871)	(323,871)
Adjustments resulting from changes in exchange rates	-	-	-	-
Gross Balance at the End of the Year	3,147,152	2,111,231	5,741,024	10,999,407

2020				
For the year ending December 31, 2020	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Gross balance at the beginning of the year	988,598	520,603	5,138,855	6,648,056
Credit loss on new facilities during the year	1,712,578	379,492	342,409	2,434,479
Reversed from credit loss on accrued facilities	(62,406)	(51,822)	(514,488)	(628,716)
Transferred to stage 1	943,704	(200,014)	(743,690)	-
Transferred to stage 2	(64,611)	612,263	(547,652)	-
Transferred to stage 3	(16,383)	(84,770)	101,153	-
Effect on the provision at the end of the year - resulting from the				
reclassification between the three stages during the year	(772,405)	19,069	1,708,370	955,034
Changes resulting from adjustments	-	-	(291,971)	(291,971)
Written Off Facilities	-	-	(24,787)	(24,787)
Adjustments resulting from changes in exchange rates	30,252	12,555	1,252	44,059
Gross Balance at the End of the Year	2,759,327	1,207,376	5,169,451	9,136,154

Disclosure on the allocation of gross facilities according to the Bank›s internal rating categories for the government and public sector:

2021				
As on December 31, 2021	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank›s internal policy:				
From (1) to (6)	102,681,606	69,875,549	-	172,557,155
(7)		7,069,501	-	7,069,501
Total	102,681,606	76,945,050	-	179,626,656

2020				
As on December 31, 2020	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank›s internal policy:				
From (1) to (6)	198,875,558	5,289,601	-	204,165,159
(7)	-	6,728	-	6,728
Total	198,875,558	5,296,329	-	204,171,887

The disclosure on the movement of facilities for the government and public sector loans is as follows:

2021				
For the year ending December 31, 2021	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Gross balance at the beginning of the year	198,875,558	5,296,329	-	204,171,887
New facilities during the year	23,850,265	4,011,632	-	27,861,897
Settled facilities	(39,345,252)	(13,061,876)	-	(52,407,128)
Transferred to stage 1	(61,352,560)	61,352,560	-	-
Transferred to stage 2	(19,346,405)	19,346,405	-	-
Transferred to stage 3	-	-	-	-
Gross Balance at the End of the Year	102,681,606	76,945,050	-	179,626,656

2020				
For the year ending December 31, 2020	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Gross balance at the beginning of the year	190,241,940	4,236,843	2,901,056	197,379,839
New facilities during the year	92,737,614	2,397,409	-	95,135,023
Settled facilities	(88,340,838)	(2,137)	-	(88,342,975)
Transferred to stage 1	4,236,842	(4,236,842)	-	-
Transferred to stage 2	-	2,901,056	(2,901,056)	-
Transferred to stage 3	-	-	-	-
Gross Balance at the End of the Year	198,875,558	5,296,329	-	204,171,887

The disclosure on the movement of the provision for expected credit losses for facilities relating to the government and public sector is as follows:

For the year ending December 31, 2021	2021			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	516,324	167,859	-	684,183
Credit loss on new facilities during the year	382,986	70,770	-	453,756
Reversed from credit loss on accrued facilities	(136,851)	(95,309)	-	(232,160)
Transferred to stage 1	(176,476)	176,476	-	-
Transferred to stage 2	(142,220)	142,220	-	-
Transferred to stage 3	-	-	-	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	-	1,670,009	-	1,670,009
Changes resulting from adjustments	-	-	-	-
Gross Balance at the End of the Year	443,763	2,132,025	-	2,575,788

For the year ending December 31, 2020	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	314,360	4,111	2,693,037	3,011,508
Credit loss on new facilities during the year	302,256	-	-	302,256
Reversed from credit loss on accrued facilities	(102,005)	-	-	(102,005)
Transferred to stage 1	4,111	(4,111)	-	-
Transferred to stage 2	-	1,548,215	(1,548,215)	-
Transferred to stage 3	-	-	-	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	(2,398)	(1,380,356)	-	(1,382,754)
Changes resulting from adjustments		-	(1,144,822)	(1,144,822)
Gross Balance at the End of the Year	516,324	167,859	-	684,183

12. Property and Equipment - Net

The details of this item are as follows:

	Land	Buildings	Tools, Furniture & Fixtures	Vehicles	Computers	Projects in Progress	Total
For the year ended December 31, 2021	JD	JD	JD	JD	JD	JD	JD
Cost:							
Balance at the beginning of the year	4,879,584	25,496,094	47,011,280	1,585,957	31,225,132	1,417,294	111,615,341
Additions	-	7,931	983,288	130,500	3,696,592	2,361,996	7,180,307
Transfers	-	-	289,217	-	282,974	(572,191)	-
Disposals	-	-	(789,480)	(220,086)	(407,767)	-	(1,417,333)
Balance at the End of the Year	4,879,584	25,504,025	47,494,305	1,496,371	34,796,931	3,207,099	117,378,315
Accumulated Depreciation:							
Balance at the beginning of the year	-	6,040,892	37,331,910	1,466,144	24,173,436	-	69,012,382
Depreciation for the year	-	581,804	2,351,943	87,713	2,962,202	-	5,983,662
Disposals	-	-	(761,859)	(220,076)	(406,550)	-	(1,388,485)
Balance at the End of the Year	-	6,622,696	38,921,994	1,333,781	26,729,088	-	73,607,559
Net Book Value at the End of the Year	4,879,584	18,881,329	8,572,311	162,590	8,067,843	3,207,099	43,770,756

For the year ended December 31, 2020	JD	JD	JD	JD	JD	JD	JD
Cost:							
Balance at the beginning of the year	3,649,204	24,367,957	44,027,718	1,718,209	28,813,747	3,232,534	105,809,369
Additions	1,230,380	913,386	1,581,990	-	1,820,876	1,059,479	6,606,111
Transfers	-	214,751	1,783,780	-	876,188	(2,874,719)	-
Disposals	-	-	(382,208)	(132,252)	(285,679)	-	(800,139)
Balance at the End of the Year	4,879,584	25,496,094	47,011,280	1,585,957	31,225,132	1,417,294	111,615,341
Accumulated Depreciation:							
Balance at the beginning of the year	-	5,468,046	35,082,414	1,440,483	21,296,955	-	63,287,898
Depreciation for the year	-	572,846	2,620,990	110,483	3,094,573	-	6,398,892
Disposals	-	-	(371,494)	(84,822)	(218,092)	-	(674,408)
Balance at the End of the Year	-	6,040,892	37,331,910	1,466,144	24,173,436	-	69,012,382
Net Book Value at the End of the Year	4,879,584	19,455,202	9,679,370	119,813	7,051,696	1,417,294	42,602,959
Annual Depreciation Rate %	-	2	9 - 15	15	20	-	

- Fully depreciated property and equipment amounted to JD 55,071,457 as of December 31, 2021 (JD 43,276,563 as of December 31, 2020) and are still being used by the Bank.
- The estimated cost to complete of the projects under construction amounted to JD 2,471,528 as of December 31, 2021 (JD 1,592,859 as of December 31, 2020).

13. Intangible Assets - Net

The details of this item are as follows:

	Computer Software	
	2021	2020
	JD	JD
Balance at the beginning of the year	5,193,184	6,085,563
Additions	1,841,230	1,878,371
Amortization for the year	(1,874,726)	(2,770,750)
Balance at the End of the Year	5,159,688	5,193,184
Annual Amortization Rate	20%	20%

14. Other Assets

The details of this item are as follows:

	December 31,	
	2021	2020
	JD	JD
Accrued income	17,148,232	18,892,012
Prepaid expenses	8,411,098	7,448,232
Repossessed Assets – net *	14,401,475	10,844,136
Accounts receivable – net	4,443,816	4,627,668
Clearing checks	10,920,101	6,318,939
Settlement guarantee fund	39,000	25,000
Refundable deposits	609,971	609,531
Deposits at Visa International	3,062,901	2,559,511
Others	1,719,534	1,890,940
Total	60,756,128	53,215,969

* The instruction of the Central Bank of Jordan require the Bank to dispose the assets it seizes during a maximum period of two years from the acquisition date, the Central Bank of Jordan might provide an exceptional exemption for an additional period of 2 years.

Movement on repossessed assets as a settlment against defaulted facilities details during the year is as follows:

	2021	2020
	JD	JD
Balance - beginning of the year	12,556,317	13,624,736
Additions	5,349,503	502,086
Transferred to bank property	-	(1,522,176)
Disposals	(1,277,405)	(1,570,505)
Total	16,628,415	12,556,317
Impairment of repossessed assets	(541,265)	(496,275)
Impairment of repossessed assets as per the Central Bank of Jordan instructions	(1,685,675)	(1,215,906)
Balance - End of the Year	14,401,475	10,844,136
A summary of the movement on repossessed assets previous:		
Balance-beginning of the year	1,712,181	1,685,900
Additions	514,759	26,281
Balance - End of the Year	2,226,940	1,712,181

15. Banks and financial institutions' deposits

The details of this item are as follows:

	2021			2020		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Current and call accounts	1,118,210	4,632,490	5,750,700	161,794	3,157,604	3,319,398
Deposits maturing within 3 months or less	62,899,158	36,363,129	99,262,287	74,671,680	55,041,409	129,713,089
Deposits maturing within more than 3 months to 6 months	30,000,000	30,000,000	60,000,000	30,000,000	-	30,000,000
Deposits maturing within more than 6 months to 9 months	21,000,000	15,598,000	36,598,000	3,000,000	19,143,000	22,143,000
Deposits maturing within more than a year	-	673,550	673,550	15,000,000	34,005,850	49,005,850
Total	115,017,368	87,267,169	202,284,537	122,833,474	111,347,863	234,181,337

16. Customers' Deposits

The details of this item are as follows:

	Consumer	Corporates	SMEs	Government and Public Sector	Total
	JD	JD	JD	JD	JD
For December 31, 2021					
Current and demand accounts	371,868,503	139,086,704	70,417,626	135,953,491	717,326,324
Saving deposits	603,705,970	10,293,976	10,555,649	200,117	624,755,712
Time and notice deposits	513,703,740	322,091,429	42,362,723	217,659,598	1,095,817,490
Total	1,489,278,213	471,472,109	123,335,998	353,813,206	2,437,899,526
For December 31, 2020					
Current and demand accounts	295,750,303	148,362,038	56,281,437	112,418,781	612,812,559
Saving deposits	546,490,517	8,063,786	7,735,971	170,587	562,460,861
Time and notice deposits	468,675,648	306,320,584	38,999,870	237,160,915	1,051,157,017
Total	1,310,916,468	462,746,408	103,017,278	349,750,283	2,226,430,437

- The Government of Jordan and the public sector deposits inside the Kingdom amounted to JD 341,267,864 equivalent to 14 % of total deposits as of December 31, 2021
- (JD 338,093,612, equivalent to 15.19% of total deposits of December 31, 2019).
- There are no restricted deposits as of December 31, 2021 and 2020.
- Non-interest bearing deposits amounted to JD 599,643,817 equivalent to 24.55% of total deposits as of December 31, 2021 (JD 496,395,865 equivalent to 22.3 %
- of total deposits as of December 31, 2020).
- Dormant accounts amounted to JD 58,323,012 as of December 31, 2021 (JD 58,140,668 as of December 31, 2020).

17. Margin Accounts

The details of this item are as follows:

	December 31,	
	2021	2020
	JD	JD
Margins on direct credit facilities	23,864,583	28,205,251
Margins on indirect credit facilities	25,096,399	18,854,312
Deposits against brokerage margin accounts	3,074,854	2,672,492
Other margin amount	7,510,572	7,226,186
Total	59,546,408	56,958,241

18. Borrowed Funds

A. Borrowed Funds

The details of this item are as follows:

		No. of Installments		Payment	Maturity		
	Amount	Total	Out-standing	frequency	Date	Collater-als	Interest Rate
	JD						
December 31, 2021							
Amounts borrowed from overseas investment company (OPIC)	15,598,000	1	1	At maturity	2034	None	4.845٪-4.895٪
Amounts borrowed from French Development Agency	1,240,750	20	7	Semi- annually	2025	None	3.358%
Amounts borrowed from Central Bank of Jordan*	5,700,000	10	4	Annually	2028	None	2.700%
Amounts borrowed from Central Bank of Jordan**	85,560,776	437	437	At maturity / per Loan	2022-2035	Treasury Bills	0.5٪ - 1.75٪
Amounts borrowed from Central Bank of Jordan**	32,539,540	391	391	At maturity / per Loan	2024 - 2022	None	0.000%
Amounts borrowed from Central Bank of Jordan*	888,000	14	5	Semi- annually	2024	None	2.500%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	14,180,000	3	2	Semi- annually	2022	None	2.020%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	6,077,143	7	3	Semi- annually	2023	None	5.500%
Amounts borrowed from Central Bank of Jordan*	3,485,000	20	16	Semi- annually	2030	None	2.8٪
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2024	None	5.000%
Jordan Mortgage Refinance Company ***	30,000,000	1	1	At maturity	2024	None	5.750%
Amounts borrowed from Central Bank of Jordan	3,941,315	34	34	Semi- annually	2039	None	3.000%
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2022	None	5.350%
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2026	None	4.750%
Jordan Mortgage Refinance Company ***	4,000,000	1	1	At maturity	2028	None	4.650%
Amounts borrowed from Central Bank of Jordan	12,658,228	1	1	At maturity	2022	Treasury Bills	2.000%
Amounts borrowed from Central Bank of Jordan	6,250,000	1	1	At maturity	2022	Treasury Bills	2.000%
Amounts borrowed from Central Bank of Jordan	34,188,034	1	1	At maturity	2022	Treasury Bills	2.000%
Amounts borrowed from Central Bank of Jordan	14,662,757	1	1	At maturity	2022	Treasury Bills	2.000%
Amounts borrowed from Central Bank of Jordan	9,259,259	1	1	At maturity	2022	Treasury Bills	2.000%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	1,519,286	7	3	Semi- annually	2023	None	2.200%
Amounts borrowed from French Development Agency	9,948,638	20	19	Semi- annually	2031	None	1.273%
Palestine Monetary Authority	4,263,488	1	1	-	None	None	0.500%
Etihad Bank	6,000,000	8	8	Quarterly	2024	None	3.750%
Housing Bank for Trade and Finance	30,815,178	1	1	Overdraft	2022	None	3.500%
Arab Jordan Investment Bank	60,249	1	1	Overdraft	2022	None	5.750%
Amounts borrowed from International Financial Markets (FMI)	1,074,224	1	1	-	None	None	-
Total	**363,909,865**						
December 31, 2020							
Amounts borrowed from overseas investment company (OPIC)	15,598,000	1	1	At maturity	2034	None	4.845٪-4.895٪
Amounts borrowed from French Development Agency	1,595,250	20	9	Semi- annually	2025	None	3.358%
Amounts borrowed from Central Bank of Jordan*	6,650,000	10	6	Annually	2028	None	2.700%
Amounts borrowed from Central Bank of Jordan**	64,397,097	263	263	At maturity / per Loan	2021-2035	Treasury Bills	0.5٪ - 1.75٪
Amounts borrowed from Central Bank of Jordan**	34,536,095	243	243	At maturity / per Loan	2024 - 2022	None	0.000%
Amounts borrowed from Central Bank of Jordan*	1,223,952	14	7	Semi- annually	2028	None	2.500%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	1,011,429	7	1	Semi- annually	2021	None	4.750%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	10,128,571	7	5	Semi- annually	2025	None	5.500%
Amounts borrowed from Central Bank of Jordan*	3,895,000	20	18	Semi- annually	2030	None	2.8٪
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2024	None	5.000%
Jordan Mortgage Refinance Company ***	30,000,000	1	1	At maturity	2024	None	5.750%
Amounts borrowed from Central Bank of Jordan	3,941,315	34	34	Semi- annually	2039	None	3.000%
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2022	None	5.350%
Amounts borrowed from Central Bank of Jordan	8,333,333	1	1	At maturity	2021	Treasury Bills	2.000%
Amounts borrowed from Central Bank of Jordan	12,613,636	1	1	At maturity	2021	Treasury Bills	2.000%
Amounts borrowed from Central Bank of Jordan	6,250,000	1	1	At maturity	2021	Treasury Bills	2.000%
Amounts borrowed from Central Bank of Jordan	33,582,090	1	1	At maturity	2021	Treasury Bills	2.000%
Amounts borrowed from Central Bank of Jordan	13,550,136	1	1	At maturity	2021	Treasury Bills	2.000%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	2,532,143	7	5	Semi- annually	2023	None	2.240%
Amounts borrowed from French Development Agency	7,823,929	20	20	Semi- annually	2031	None	1.273%
Palestine Monetary Authority	3,652,748	1	1	-	None	None	0.500%
Etihad Bank	1,300,000	8	8	Quarterly	2024	None	3.750%
Societe Generale de Banque Jordanie	177,778	45	8	Monthly	2021	None	5.250%
Housing Bank for Trade and Finance	30,468,727	1	1	Overdraft	2021	None	3.500%
Arab Jordan Investment Bank	48,665	1	1	Overdraft	2021	None	6.500%
Amounts borrowed from International Financial Markets (FMI)	1,074,224	1	1	-	None	None	-
Total	314,384,118						

* The borrowed funds from Central Bank of Jordan for SMEs loans were re-lent on an average interest rate of 8.5%.

**The borrowed funds from Central Bank of Jordan for industrial, energy, agriculture and tourism financing loans were re-lent on an average interest rate of 3.5% to4%.

* Residential loans acquired from Jordan Mortgage Refinance Company amounted to JD 47,777,150 as of December 31, 2021 at a fixed rate of 5.84%.

19. Subordinated loans

The details of this item are as follows:		No. of Installments		Payment	Maturity		
	Amount	Total	Outstanding	frequency	Date	Collaterals	Interest Rate
December 31, 2021	JD						
Green for Growth Fund	7,905,350	1	1	At maturity	2026	None	6.00%
Sanad fund for MSME	10,635,000	1	1	At maturity	2027	None	6.30%
Total	18,540,350						
December 31, 2020	JD						
Green for Growth Fund	7,905,350	1	1	At maturity	2026	None	6.00%
Sanad fund for MSME	10,635,000	1	1	At maturity	2027	None	6.30%
Total	18,540,350						

20. Sundry Provisions

The details of this item are as follows:

	Balance - Beginning of the Year	Additions during the Year	Utilized during the Year	Balance - End of the Year
	JD	JD	JD	JD
For the year ending December 31, 2021				
Provision for lawsuits against the Bank	2,746,501	200,000	(1,070,220)	1,876,281
Provision for end of service indemnity	10,131,832	901,865	(618,918)	10,414,779
Provision for other obligations	16,238	7,330	(634)	22,934
Total	12,894,571	1,109,195	(1,689,772)	12,313,994
For the year ending December 31, 2020				
Provision for lawsuits against the Bank	1,354,397	1,418,000	(25,896)	2,746,501
Provision for end of service indemnity	9,543,302	1,186,998	(598,468)	10,131,832
Provision for other obligations	13,758	2,483	(3)	16,238
Total	10,911,457	2,607,481	(624,367)	12,894,571

21. Income Tax

A- Income Tax Provision

The movement on income tax provision during the year is as follows:

	2021	2020
	JD	JD
Balance - beginning of the year	16,002,794	16,954,411
Income tax paid	(15,571,667)	(17,454,437)
Income tax payable	19,379,228	16,502,820
Balance - End of the Year	19,810,355	16,002,794

B- Income tax disclosed in the income statement represents the following:

	2021	2020
	JD	JD
Income tax for the year	19,379,228	16,502,820
Deferred Tax liabilities	(32,377)	(8,382)
Deferred Tax Assets	(726,974)	(3,266,763)
Income Tax for the Year's Profits	18,619,877	13,227,675

- The statutory tax rate on banks in Jordan is 38% starting from January 1, 2019 ,and the statutory tax rate on foreign branches and subsidiaries range

- between 0%-31% (income tax rate for banks in Palestine is 15% plus VAT of 16%).
- The Bank reached a final settlement with the Income and Sales Tax Department for the year ended December 31, 2018 for the branches in Jordan & have
- nor reviewed the files for the year 2019 & 2020
- A final settlement was reached with the tax authorities for Palestine branches for the year ended December 31, 2017, and the department has not
- reviewed the accounts for the year 2019 and 2020 .
- Al-Watanieh Financial Services Company reached a final settlement with the Income and Sales Tax Department up to the year 2014. The Income and
- Sales Tax Department has reviewed the years 2015,2016, 2017 and 2018 records and estimated the tax payable for these years at JD1,361,990 for the
- amounts paid. This decision was objected by the Company to the tax court of appeal. The Income and Sales Tax Department accepted the self assessment
- return submitted by the company for the years 2020 and 2019. and the income & sales department has not reviewed the accounts for the year 2020.
- Al-Watanieh Securities Company – Palestine reached a final settlement with the income tax Department till the end of the year 2020.
- Tamallak for leasing Company financial statements has reached a final settlement with the Income and Sales tax Department for the year 2018.
- The records of the company were not reviewed for the years 2019 and 2020.
- In the opinion of the Bank's management, income tax provisions as of December 31, 2021 are sufficient to face any future tax liabilities.

C - Deferred Tax Assets and Liabilities

The details of this item are as follows:	2021				2020	
	Bal-ance-be-ginning of the Year	Released Amounts	Added Amounts	Balance - End of the Year	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
Deferred tax assets						
Provision for expected credit losses	23,338,748	-	859,620	24,198,368	8,780,591	8,477,624
Interest in suspense	703,930	-	163,168	867,098	242,787	197,100
Sundry provisions	1,187,023	(3,300)	350,000	1,533,723	582,815	451,069
Impairment on repossessed assets	1,685,900	-	500,000	2,185,900	830,642	640,642
Unrealized Losses – financial assets at FVTOCI	11,029,423	(10,859,095)	780,867	951,195	1,436,466	3,195,427
Foreign currency translation effects	3,543,049	-	-	3,543,049	354,305	354,305
	41,488,073	(10,862,395)	2,653,655	33,279,333	12,227,606	13,316,167
Deferred tax liabilities						
Unrealized Gain – financial assets at FVTOCI	2,069,840	(198,317)	1,754,456	3,625,979	313,552	224,474
Unrealized gain – financial assets at FVTPL						
(early IFRS 9 implementation)	5,442,830	(296,205)	-	5,146,625	552,116	584,493
	7,512,670	(494,522)	1,754,456	8,772,604	865,668	808,967

The movement on deferred tax assets / liabilities is as follows:

	December 31, 2021		December 31, 2020	
	JD	JD	JD	JD
	Assets	Liabilities	Assets	Liabilities
Balance - beginning of the year	13,316,167	808,967	9,325,649	804,942
Additions	835,415	104,804	5,848,544	34,961
Disposal	(1,923,976)	(48,103)	(1,858,026)	(30,936)
Balance - End of the Year	12,227,606	865,668	13,316,167	808,967

- Deferred tax is calculated using the tax rates that are expected to be applied when the deferred tax asset will be realized or the deferred tax liability will be settled.

D- Summary of Reconciliation between Accounting Profits and Taxable Profits:

	2021	2020
	JD	JD
Accounting profit	51,308,174	30,700,932
Non-taxable profit	(9,408,334)	(4,490,120)
Non-deductible expenses	9,801,123	10,055,579
Taxable profit	51,700,963	36,266,391
Effective rate of income tax	36.29%	43.09%

22. Other Liabilities

The details of this item are as follows:	December 31, 2021	December 31, 2020
	JD	JD
Accrued interest	10,688,461	10,134,602
Accrued income	406,018	374,106
Accounts payable	9,039,589	10,984,966
Accrued expenses	9,968,439	8,445,873
Temporary deposits	30,022,864	27,312,979
Checks and withdrawals	9,862,144	6,523,346
Others	4,452,134	4,880,670
	74,439,649	68,656,542
Provision for expected credit losses (other liabilities)	3,473,585	2,822,879
	77,913,234	71,479,421

Disclosure on the movement of indirect credit facilities at a collective level at the end of the year:

For the year ending December 31, 2021	2020					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	22,180,289	286,385,560	1,165,564	42,163,336	436,827	352,331,576
New exposures during the year	3,739,256	183,001,677	534,942	14,524,477	239,767	202,040,119
Accrued exposures	(5,084,500)	(83,846,844)	(394,446)	(10,627,527)	(187,555)	(100,140,872)
Transferred to stage 1	307,414	2,725,857	(266,529)	(2,593,357)	(173,385)	-
Transferred to stage 2	(764,663)	(9,583,690)	822,375	9,586,690	(60,712)	-
Transferred to stage 3	(275,756)	(94,500)	(61,733)	(264,685)	696,674	-
Gross Balance at the End of the Year	20,102,040	378,588,060	1,800,173	52,788,934	951,616	454,230,823

For the year ending December 31, 2020	2021					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	16,520,798	209,272,556	316,428	49,021,275	550,026	275,681,083
New exposures during the year	9,140,868	108,050,821	373,479	9,603,825	47,611	127,216,604
Accrued exposures	(2,685,540)	(33,234,008)	(263,469)	(14,170,853)	(212,241)	(50,566,111)
Transferred to stage 1	120,329	7,387,095	(74,939)	(7,360,095)	(72,390)	-
Transferred to stage 2	(827,724)	(5,079,184)	846,999	5,085,684	(25,775)	-
Transferred to stage 3	(88,442)	(11,720)	(32,934)	(16,500)	149,596	-
Gross Balance at the End of the Year	22,180,289	286,385,560	1,165,564	42,163,336	436,827	352,331,576

The disclosure on the movement of the provision for expected credit losses for indirect facilities at a collective level is as follows:

	2021					
For the year ending December 31, 2021	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	671,283	816,885	70,446	1,040,909	223,356	2,822,879
Credit loss on new exposures during the year	298,763	553,703	76,905	394,874	40,638	1,364,883
Credit loss on accrued exposures	(165,678)	(495,421)	(29,123)	(445,507)	(26,152)	(1,161,881)
Transferred to stage 1	32,880	111,802	(21,217)	(22,866)	(100,599)	-
Transferred to stage 2	(42,814)	(7,993)	59,507	9,768	(18,468)	-
Transferred to stage 3	(11,161)	(404)	(5,154)	(12,257)	28,976	-
Effect on the provision at the end of the year - resulting from the						
reclassification between the three stages at the end of the year	(14,842)	(108,798)	15,049	245,161	240,783	377,353
Changes resulting from adjustments	28,374	31,240	2,744	11,117	(3,124)	70,351
Gross Balance at the End of the Year	796,805	901,014	169,157	1,221,199	385,410	3,473,585

	2020					
For the year ending December 31, 2020	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	452,094	291,651	14,813	1,348,041	268,129	2,374,728
Credit loss on new exposures during the year	419,368	597,371	23,698	282,495	33,457	1,356,389
Credit loss on accrued exposures	(177,506)	(97,994)	(7,786)	(622,895)	(119,851)	(1,026,032)
Transferred to stage 1	22,109	172,711	(3,316)	(169,441)	(22,063)	-
Transferred to stage 2	(24,137)	(5,596)	31,510	6,245	(8,022)	-
Transferred to stage 3	(2,463)	(34)	(914)	(676)	4,087	-
Effect on the provision at the end of the year - resulting from the						
reclassification between the three stages at the end of the year	(17,505)	(156,850)	12,663	220,629	47,322	106,259
Changes resulting from adjustments	(677)	15,626	(222)	(23,489)	20,297	11,535
Gross Balance at the End of the Year	671,283	816,885	70,446	1,040,909	223,356	2,822,879

Disclosure on the allocation of letters of credit and acceptances according to the Bank's internal rating policy:

As on December 31, 2021	2021					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:						
From (Aaa) to (Baa3)	-	-	-	-	-	-
From (Ba1) to (Caa3)	-	22,569,289	-	-	-	22,569,289
From (1) to (6)	-	70,221,278	-	1,586,761	-	71,808,039
(7)	-	-	-	401,508	-	401,508
Total	-	92,790,567	-	1,988,269	-	94,778,836

As on December 31, 2020	2020					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:						
From (Aaa) to (Baa3)	-	-	-	-	-	-
From (Ba1) to (Caa3)	-	16,023,491	-	-	-	16,023,491
From (1) to (6)	-	40,526,163	-	629,654	-	41,155,817
(7)	-	-	-	512,334	-	512,334
Total	-	56,549,654	-	1,141,988	-	57,691,642

Disclosure on the movement of indirect facilities relating to letters of credit and acceptances:

For the year ending December 31, 2021	2021					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	-	56,549,654	-	1,141,988	-	57,691,642
New exposures during the year	-	74,348,695	-	1,297,714	-	75,646,409
Accrued exposures	-	(38,052,784)	-	(506,431)	-	(38,559,215)
Transferred to stage 1	-	-	-	-	-	-
Transferred to stage 2	-	(54,998)	-	54,998	-	-
Gross Balance at the End of the Year	-	92,790,567	-	1,988,269	-	94,778,836

For the year ending December 31, 2020	2020					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	-	35,453,727	-	1,723,784	-	37,177,511
New exposures during the year	-	32,126,927	-	351,352	-	32,478,279
Accrued exposures	-	(11,220,974)	-	(743,174)	-	(11,964,148)
Transferred to stage 1	-	373,460	-	(373,460)	-	-
Transferred to stage 2	-	(183,486)	-	183,486	-	-
Gross Balance at the End of the Year	-	56,549,654	-	1,141,988	-	57,691,642

The disclosure on the movement of the provision for expected credit losses is as follows:

For the year ending December 31, 2021	2021					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	-	440,812	-	31,780	-	472,592
Credit loss on new exposures during the year	-	388,500	-	8,205	-	396,705
Credit loss on accrued exposures	-	(295,518)	-	(22,129)	-	(317,647)
Transferred to stage 1	-	-	-	-	-	-
Transferred to stage 2	-	(81)	-	81	-	-
Transferred to stage 3	-	-	-	-	-	-
Effect on the provision at the end of the year - resulting from the						
reclassification between the three stages at the end of the year	-	-	-	511	-	511
Changes resulting from adjustments	-	-	-	-	-	-
Gross Balance at the End of the Year	-	533,713	-	18,448	-	552,161

For the year ending December 31, 2020	2020					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	-	67,337	-	38,132	-	105,469
Credit loss on new exposures during the year	-	376,719	-	16,489	-	393,208
Credit loss on accrued exposures	-	(2,515)	-	(20,097)	-	(22,612)
Transferred to stage 1	-	2,853	-	(2,853)	-	-
Transferred to stage 2	-	(1,095)	-	1,095	-	-
Transferred to stage 3	-	-	-	-	-	-
Effect on the provision at the end of the year - resulting from the						
reclassification between the three stages at the end of the year	-	(2,487)	-	(139)	-	(2,626)
Changes resulting from adjustments	-	-	-	(847)	-	(847)
Gross Balance at the End of the Year	-	440,812	-	31,780	-	472,592

Disclosure on the allocation of letters of guarantee according to the Bank's internal rating policis:

	2021					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:						
From (Aaa) to (Baa3)	-	7,830,361	-	-	-	7,830,361
From (Ba1) to (Caa3)	-	855,884	-	-	-	855,884
From (Ca) to (C)	-	-	-	-	-	-
From (1) to (6)	-	42,523,839	-	9,052,177	-	51,576,016
(7)	-	-	-	2,250,349	-	2,250,349
From (8) to (10)	-	-	-	-	411,961	411,961
Total	-	51,210,084	-	11,302,526	411,961	62,924,571
	2020					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:						
From (Aaa) to (Baa3)	-	7,077,683	-	-	-	7,077,683
From (Ba1) to (Caa3)	-	1,541,312	-	-	-	1,541,312
From (Ca) to (C)	-	-	-	-	-	-
From (1) to (6)	-	42,106,253	-	6,526,260	-	48,632,513
(7)	-	-	-	1,001,820	-	1,001,820
From (8) to (10)	-	-	-	-	258,213	258,213
Total	-	50,725,248	-	7,528,080	258,213	58,511,541

Disclosure on the movement of indirect facilities:

	2020					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	-	50,725,248	-	7,528,080	258,213	58,511,541
New exposures during the year	-	10,485,823	-	2,884,123	24,895	13,394,841
Accrued exposures	-	(7,598,633)	-	(1,345,346)	(37,832)	(8,981,811)
Transferred to stage 1	-	458,297	-	(325,797)	(132,500)	-
Transferred to stage 2	-	(2,826,151)	-	2,826,151	-	-
Transferred to stage 3	-	(34,500)	-	(264,685)	299,185	-
Gross Balance at the End of the Year	-	51,210,084	-	11,302,526	411,961	62,924,571
	2020					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	-	42,064,421	-	10,146,698	319,221	52,530,340
New exposures during the year	-	19,577,779	-	864,882	1,060	20,443,721
Accrued exposures	-	(12,060,042)	-	(2,349,690)	(52,788)	(14,462,520)
Transferred to stage 1	-	2,890,037	-	(2,863,037)	(27,000)	-
Transferred to stage 2	-	(1,735,227)	-	1,741,727	(6,500)	-
Transferred to stage 3	-	(11,720)	-	(12,500)	24,220	-
Gross Balance at the End of the Year	-	50,725,248	-	7,528,080	258,213	58,511,541

The disclosure on the movement of the provision for expected credit losses is as follows:

For the year ending December 31, 2021	2021					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	-	115,330	-	191,619	171,812	478,761
Credit loss on new exposures during the year	-	97,759	-	114,814	10,913	223,486
Credit loss on accrued exposures	-	(30,585)	-	(79,558)	(9,825)	(119,968)
Transferred to stage 1	-	99,211	-	(10,275)	(88,936)	-
Transferred to stage 2	-	(2,549)	-	2,549	-	-
Transferred to stage 3	-	(77)	-	(12,257)	12,334	-
Effect on the provision at the end of the year - resulting from the						
reclassification between the three stages at the end of the year	-	(97,525)	-	44,765	84,870	32,110
Changes resulting from adjustments	-	33,235	-	(5,445)	(3,124)	24,666
Gross Balance at the End of the Year	-	214,799	-	246,212	178,044	639,055

	2021					
For the year ending December 31, 2020	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	-	83,057	-	255,319	165,493	503,869
Credit loss on new exposures during the year	-	61,060	-	33,210	15,044	109,314
Credit loss on accrued exposures	-	(46,093)	-	(71,388)	(41,374)	(158,855)
Transferred to stage 1	-	79,301	-	(76,031)	(3,270)	-
Transferred to stage 2	-	(2,266)	-	2,916	(650)	-
Transferred to stage 3	-	(34)	-	(627)	661	-
Effect on the provision at the end of the year - resulting from the						
reclassification between the three stages at the end of the year	-	(73,484)	-	70,398	15,611	12,525
Changes resulting from adjustments	-	13,789	-	(22,178)	20,297	11,908
Gross Balance at the End of the Year	-	115,330	-	191,619	171,812	478,761

Disclosure on the allocation of unutilized ceilings according to the Bank's internal rating policy:

	2021					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:						
From (1) to (6)	-	234,587,409	-	33,026,739	-	267,614,148
(7)	-	-	-	6,471,400	-	6,471,400
From (8) to (10)	-	-	-	-	48,056	48,056
Uncategorized	20,102,040	-	1,800,173	-	491,599	22,393,812
Total	20,102,040	234,587,409	1,800,173	39,498,139	539,655	296,527,416
	2020					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:						
From (1) to (6)	-	179,110,658	-	30,973,472	-	210,084,130
(7)	-	-	-	2,519,797	-	2,519,797
From (8) to (10)	-	-	-	-	9,800	9,800
Uncategorized	22,180,289	-	1,165,564	-	168,814	23,514,667
Total	22,180,289	179,110,658	1,165,564	33,493,269	178,614	236,128,394

Disclosure on the movement of indirect facilities relating to unutilized limits:

For the year ending December 31, 2021	2021					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	22,180,289	179,110,658	1,165,564	33,493,268	178,614	236,128,393
New exposures during the year	3,739,256	98,167,159	534,942	10,342,640	214,872	112,998,869
Accrued exposures	(5,084,500)	(38,195,427)	(394,446)	(8,775,750)	(149,723)	(52,599,846)
Transferred to stage 1	307,414	2,267,560	(266,529)	(2,267,560)	(40,885)	-
Transferred to stage 2	(764,663)	(6,702,541)	822,375	6,705,541	(60,712)	-
Transferred to stage 3	(275,756)	(60,000)	(61,733)	-	397,489	-
Gross Balance at the End of the Year	20,102,040	234,587,409	1,800,173	39,498,139	539,655	296,527,416
For the year ending December 31, 2020	2020					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	16,520,798	131,754,408	316,428	37,150,793	230,805	185,973,232
New exposures during the year	9,140,868	56,346,115	373,479	8,387,591	46,551	74,294,604
Accrued exposures	(2,685,540)	(9,952,992)	(263,469)	(11,077,989)	(159,453)	(24,139,443)
Transferred to stage 1	120,329	4,123,598	(74,939)	(4,123,598)	(45,390)	-
Transferred to stage 2	(827,724)	(3,160,471)	846,999	3,160,471	(19,275)	-
Transferred to stage 3	(88,442)		(32,934)	(4,000)	125,376	-
Gross Balance at the End of the Year	22,180,289	179,110,658	1,165,564	33,493,268	178,614	236,128,393

The disclosure on the movement of the provision for expected credit losses is as follows:

For the year ending December 31, 2021	2021					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	671,283	260,743	70,446	817,510	51,544	1,871,526
Credit loss on new exposures during the year	298,763	67,444	76,905	271,855	29,725	744,692
Credit loss on accrued exposures	(165,678)	(169,318)	(29,123)	(343,820)	(16,327)	(724,266)
Transferred to stage 1	32,880	12,591	(21,217)	(12,591)	(11,663)	-
Transferred to stage 2	(42,814)	(5,363)	59,507	7,138	(18,468)	-
Transferred to stage 3	(11,161)	(327)	(5,154)	-	16,642	-
Effect on the provision at the end of the year - resulting from the						
reclassification between the three stages at the end of the year	(14,842)	(11,273)	15,049	199,885	155,913	344,732
Changes resulting from adjustments	28,374	(1,995)	2,744	16,562	-	45,685
Gross Balance at the End of the Year	796,805	152,502	169,157	956,539	207,366	2,282,369

For the year ending December 31, 2020	2020					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	452,094	141,257	14,813	1,054,590	102,636	1,765,390
Credit loss on new exposures during the year	419,368	159,592	23,698	232,796	18,413	853,867
Credit loss on accrued exposures	(177,506)	(49,386)	(7,786)	(531,410)	(78,477)	(844,565)
Transferred to stage 1	22,109	90,557	(3,316)	(90,557)	(18,793)	-
Transferred to stage 2	(24,137)	(2,235)	31,510	2,234	(7,372)	-
Transferred to stage 3	(2,463)	-	(914)	(49)	3,426	-
Effect on the provision at the end of the year - resulting from the						
reclassification between the three stages at the end of the year	(17,505)	(80,879)	12,663	150,370	31,711	96,360
Changes resulting from adjustments	(677)	1,837	(222)	(464)	-	474
Gross Balance at the End of the Year	671,283	260,743	70,446	817,510	51,544	1,871,526

23. Authorized Paid-up Capital

Authorized and paid-in capital amounted to JD 190 million divided into 190 million shares at a par value of JD 1 per share as of December 31, 2021 and JD 190 million divided into 190 million shares as of December 31, 2020.

24. Reserves

Statutory Reserve

This reserve represents amounts transferred from income before tax at the rates that applies in the areas where the bank operates during the year and the previous year's according to the Bank's Law and company's Law. The statutory reserve may not be distributed to shareholders.

General Banking Risk Reserve

This reserve represents the general banking risks reserve according to the regulations of the Central Bank of Jordan.

Cyclical Fluctuations Reserve

This item represents what has been transferred from the annual net profits for the Palestine branches and Al Safa Bank in accordance with the instructions of the Palestinian Monetary Authority.

Restricted reserves are as follows:

Regulation	Amount	Reserve
	JD	
Banking law and corporate law	86,711,919	Statutory
Palestinian Monetary Authority instructions	4,341,429	General banking risk
Palestinian Monetary Authority instructions	10,894,653	Cyclical fluctuations

25. Suggested Dividends to be distributed

In its ordinary meeting held on February 14, 2022 the board of directors has recommended the approval by the general assembly on the distribution of 9% cash dividends amounting to JOD 17.100.000 million dinar, in addition to distributing 16,078,984 shares of Al-Safa Bank / Palestine shares owned by Cairo Amman Bank to its shareholders in proportion to the shareholders' ownership in the bank's capital, this recommendation is subject to the approval of the Central Bank of Jordan, Palestinian Monetary Authority, other regulators and General Assembly of the shareholders.

26. Fair Value Reserve - Net

The details of this item are as follows:

	December 31	
	2021	2020
	JD	JD
Beginning balance	(5,988,630)	(7,848,900)
Unrealized gains	11,744,228	1,418,027
Loss from sale of financial assets at fair value through other comprehensive income	(109,861)	85,200
Deferred tax assets	(1,758,961)	369,450
Deferred tax liability	(89,078)	(12,407)
Ending balance	3,797,698	(5,988,630)

- The fair value reserve is presented net of deferred tax assets in the amount of JD 1,436,466 and net of deferred
- tax liabilities in the amount of JD 313,552 .
-

27. Retained Earnings

The details of this item are as follows:

	December 31	
	2021	2020
	JD	JD
Beginning balance	88,960,274	73,967,732
Profit for the year	32,799,711	18,161,180
Transferred to statutory reserve	(4,664,040)	(3,040,452)
Transferred from (to) general banking risk reserve	(444,246)	(42,986)
Cash dividends	(22,800,000)	-
Net change in non-controlling interest	519,646	-
Net gain from sale of financial assets at fair value through other comprehensive income	109,861	(85,200)
Ending Balance	94,481,206	88,960,274

- Retained earnings balance include amounting of JD 13,051,148 resulting from the early implementation of IFRS 9. This amount is not available for distribution in accordance with the Securities Commission instructions, except for the amounts realized through the sale transactions.
- Retained earnings include deferred tax assets amounted to JD 12,227,606 as of December 31, 2021 which is not available for distribution in accordance with the Central Bank of Jordan instructions (JD 13,316,167 as of December 31, 2020).
- The amount JD 1,155,916 represents the remaining balance of the general banking risk reserve included within the retained earning restricted from use a per the Central Bank of Jordan instructions.

28. Interest Income

The details of this item are as follows:

Direct Credit Facilities:	2021	2020
	JD	JD
Consumer lending		
Overdrafts	1,751,368	1,763,245
Loans and bills	56,482,391	58,169,703
Credit cards	2,841,390	2,676,690
Margin accounts – financial services	909,847	369,933
Residential mortgages	13,958,062	13,894,830
Corporate lending		
Large Corporate		
Overdrafts	6,771,899	7,030,913
Loans and bills	26,931,154	24,468,791
Small and medium enterprises lending		
Overdrafts	1,547,420	1,632,050
Loans and bills	7,404,659	6,733,722
Public and governmental sectors	12,503,043	11,778,597
Balances at Central Banks	55,705	208,224
Balances and deposits at banks and financial institutions	2,752,876	3,250,666
Financial assets at amortized cost	38,088,471	39,044,624
Total	171,998,285	171,021,988

29. Interest Expense

The details of this item are as follows:

	2021	2020
	JD	JD
Banks and financial institution deposits	6,052,314	8,035,479
Customers' deposits:		
Current and demand accounts	2,102,527	2,084,118
Saving accounts	1,272,913	237,481
Time and notice placements	34,482,146	39,307,470
Deposit Certificates		-
Margin accounts	422,968	746,947
Borrowed funds	8,952,019	8,934,208
Deposit guarantee fees	2,827,006	3,052,348
Total	56,111,893	62,398,051

30. Net Commission

The details of this item are as follows:

	2021	2020
	JD	JD
Direct credit facilities commission	5,060,164	5,014,116
Indirect credit facilities commission	2,459,476	1,749,588
Other commissions	12,980,172	11,275,165
Less: commission expense	(155,568)	(154,502)
Total Net Commission	20,344,244	17,884,367

31. Gain from Foreign Currencies

The details of this item are as follows:

	2021	2020
	JD	JD
Trading/ operations in foreign currencies	235,087	226,377
Revaluation of foreign currencies	4,181,722	4,306,409
Total	4,416,809	4,532,786

32. Gains (Losses) from Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

	Realized Gains (Losses)	Unrealized (Losses)	Stock Dividends	Total
	JD	JD	JD	JD
For the year ended December 31, 2021				
corporate stocks	268,983	1,126,633	287,281	1,682,897
Total	268,983	1,126,633	287,281	1,682,897
For the year ended December 31, 2020				
corporate stocks	(154,358)	(1,911,241)	93,164	(1,972,435)
bonds	496,044	-	-	496,044
Total	341,686	(1,911,241)	93,164	(1,476,391)

33. Dividends Income from Financial Assets at Fair Value through Other Comprehensive Income

The details of this item are as follows:

	2021	2020
	JD	JD
Dividend income from companies shares	2,603,330	2,152,730

34. Other Income - Net

The details of this item are as follows:

	2021	2020
	JD	JD
Suspended interest transferred to revenue	447,445	858,912
Box rental income	126,137	132,525
Revenues from selling check books	42,255	34,448
Collections of debts previously written off	1,513,163	1,356,087
Income from ATM and credit cards	2,284,738	2,125,424
(Losses) from sale of property and equipment	87,520	(165,290)
Gains from sale of assets repossessed by the Bank	780,188	182
Buildings rent revenue	26,257	1,334
Brokerage commission	1,148,557	785,861
Others	168,046	187,737
Total	6,624,306	5,317,220

35. Employees' Costs

The details of this item are as follows:

	2021	2020
	JD	JD
Employees' salaries, benefits and remuneration	36,689,877	35,800,198
Bank's contribution to social security	2,758,392	2,729,603
Bank's contribution to savings fund	487,392	490,128
End of service indemnity	744,658	41,121
Medical expenses	2,881,456	2,710,703
Employees' training	164,473	97,084
Employees' uniforms	283,193	39,823
Others employees expenses	56,796	33,361
Total	44,066,237	41,942,021

36. Other Expenses

The details of this item are as follows:

	2021	2020
	JD	JD
Rent	5,273,431	5,165,934
Cleaning and maintenance	2,053,310	2,194,714
Water, heat and electricity	2,624,961	2,571,922
License and governmental fees	1,269,485	1,347,385
Printings and stationery	621,717	573,587
Donations and subvention	751,189	2,078,247
Insurance expenses	1,501,833	1,220,932
Subscriptions	825,347	785,751
Telephone and telex	608,897	542,302
Legal fees and expenses	858,455	544,899
Professional fees	1,165,958	1,136,054
Mail and money transfer	788,594	736,996
Advertising expense	3,072,189	2,965,486
Board of directors expenses and remuneration	1,137,093	987,143
Information systems expenses and compensation	7,900,112	8,343,853
Travel and transportation	495,995	447,602
Consultation expenses	419,348	367,752
Safeguarding expenses	821,507	763,196
External expenses	402,769	738,514
Other expenses	638,600	555,376
Total	33,230,790	34,067,645

37. Provision for Expected Credit Losses

The details of this item are as follows:

	2021	2020
	JD	JD
Balances at central banks	(3,169)	13,497
Balances at banks and financial institutions	(39,304)	34,168
Deposits at banks and financial institutions	(126,016)	102,975
Financial assets at fair value through OCI	4,336	-
Financial assets at amortized cost	(196,553)	375,325
Direct credit facilities	17,338,435	17,546,531
Indirect credit facilities	650,706	448,151
Total	17,628,435	18,520,647

38. Earnings per Share

The details of this item are as follows:

	2021	2020
	JD	JD
Profit for the year attributable to bank's shareholders (JD)	32,799,711	18,161,180
Weighted average number of shares (share)	190,000,000	190,000,000
	Fils/JD	Fils/JD
Basic and diluted earnings per		
share (Bank's Shareholders)	0/173	0/096

The weighted average for earnings per shares was calculated from the basic and diluted profit attributable to the shareholders of the bank based on the number of shares authorized for the years ended December 31, 2021 and 2020, according to the requirements of International Accounting Standard (33).

39. Cash and Cash Equivalents

The details of this item are as follows:

	2021	2020
	JD	JD
Cash and balances with Central Banks maturing within 3 months	413,509,026	312,978,895
Add: Balances at banks and financial institutions' maturing within 3 months	121,574,475	154,882,165
Less: Banks and financial institutions' deposits maturing within 3 months	105,012,987	133,032,487
Restricted cash balances	10,635,000	10,635,000
Total	419,435,514	324,193,573

40. Balances and Transactions with Related Parties

The accompanying consolidated financial statements of the Bank include the following subsidiaries:

Company Name	Ownership	Paid in Capital	
		2021	2020
	%	JD	JD
Al-Watanieh Financial Services Company Limited Liability	100	5,500,000	5,500,000
Al-Watanieh Securities Company private shareholding	100	1,600,000	1,600,000
Tamallak for Financial Leasing Company	100	5,000,000	5,000,000
Safa Bank	74.64	53,175,000	53,175,000

The Bank entered into transactions with subsidiaries, major shareholders, directors, senior management and their related concerns in the ordinary course
of business at commercial interest and commission rates. All the credit facilities to related parties are performing facilities and are free of any provision.

The following related party transactions took place during the year:

	Related Parties			Total	
	Board of Directors and Relatives	Executive Manage-ment	Other *	2021	2020
	JD	JD	JD	JD	JD
Statement of Financial Position Items:					
Direct credit facilities	18,475,111	4,450,927	19,686,363	42,612,401	66,932,582
Deposits at the Bank	95,712,589	4,159,591	18,331,451	118,203,631	119,537,989
Margin accounts	661,035	24,076	264,235	949,346	62,628
Off Statement of Financial Position Items:					
Indirect credit facilities	1,933,316	300	264,235	2,197,851	4,252,715

Income Statements Items:				For the Year Ended December 31,	
				2021	2020
				JD	JD
Interest and commission income	1,257,717	235,875	1,476,122	2,969,714	1,982,960
Interest and commission expense	1,975,665	79,240	549,603	2,604,508	2,171,359

*	Others include the rest of bank employees and their relatives up to the third degree.

- Credit interest rates on credit facilities in Jordanian Dinar range between 3.75% 13.54%
- Credit interest rates on credit facilities in foreign currency range between 4% 4.75%
- Debit interest rates on deposits in Jordanian Dinar range between zero% 4.25%
- Debit interest rates on deposits in foreign currency range between zero% 2.1% Salaries, wages and bonuses of executive management amounted to JD 3,269,359 as of December 31, 2021 (JD 3,223,772 as of December 31, 2020).

41. Risk Management

IFRS (9) Disclosures

First: Descriptive Disclosures:

1. The Bank's definition of default and default handling mechanism.

Definition of default:

The bank has adopted the definition of default according to the instructions for applying the International Financial Reporting Standard 9 No. 13/2018 in addition to the Central Bank's instructions No. 47/2009, whereby any debt instrument was considered among the bad debts if there is evidence / evidence that it has become non-performing (irregular), In the event that one or more of the qualitative indicators below are achieved, it is considered evidence of a debt instrument default:

- The debtor party is facing significant financial difficulties (severe weakness in the financial statements).
- Failure to comply with contractual conditions, such as having dues equal to or greater than (90) days.
- The bank extinguishes part of the debtor's obligations.
- The presence of clear external indicators indicating the imminent bankruptcy of the debtor party.
- The absence of an active external market for a financial instrument due to financial difficulties faced by the debtor party (the source of credit exposure / debt instrument) and its inability to fulfill its obligations.
- The acquisition (purchase or creation of) a debt instrument at a significant discount that represents a credit loss.

- **Default handling mechanism:**

The Bank monitors accounts before they reach the non-performance stage through designated departments and when accounts are classified as non-performing, they are monitored through the credit department before the initiation of legal procedures in case no final settlement with the customer has been reached. The Bank takes adequate provisions for those accounts in accordance with the instructions of the Central Bank of Jordan and the control authorities.

2. The bank's internal credit rating system and its working mechanism:

- Corporate portfolio:

It is an internal rating system for comprehensively assessing and measuring the risks of banks, financial institutions, sovereign investments, and clients of large and medium companies.

The Bank uses the (Creditlens) Systems developed by (Moody's) to measure the risk rating of customers within (7) grades for the performing accounts and (3) grades for the non-performing accounts in accordance with the instructions of the Central Bank od Jordan. The probability of default (PD) increases as risk rating increases. Three segments are adopted at each grade for performing loans - with the exception of grade (1) where grade (1) is the best and grade (10) is the worst, Where the client's risk degree linked to the client's probability of default (PD) is extracted based on financial and objective data, and the probability of default is extracted for the client's facilities through (Facility Rating).

- Individual portfolio:

The portfolio of individuals is classified by adopting programs with common characteristics for the clients granted through each program according to the nature of the purpose of the product (personal, housing, cars, etc.), according to the employer (Public sector, private sector) and according to the nature of the terms are set based on historical performance in terms of granting, default and collection. The scoring is periodically reviewed, and the terms are updated based on performance.

3. The approved mechanism for calculating expected credit losses (ECL).

The Bank has adopted (Moody's) system for calculating expected credit losses where the calculation is made by specialized systems for the corporate and retail portfolios after taking into consideration the client's level of risk and probability of default and assessment of collaterals for Jordan branches, foreign branches and the subsidiaries.

The calculation for each stage is as follows:

- **Stage (1):** the expected credit losses are calculated within the next 12 months from the date of preparing the financial statements for debt instruments within this phase and in which there has not been a significant or significant increase in its credit risk since the initial recognition of the exposure / instrument, or that it has a low credit risk at the date of preparing the financial statements.
- **Stage (2):** Expected credit losses are calculated for the entire life of the debt instrument during the remaining period of the life of the debt instrument for debt instruments that fall within this stage and for which there has been a significant or significant increase in its credit risk since its initial recognition, but it has not reached the default stage.

Several determinants have been adopted as an indicator of the increase in credit risk to move the financial instrument from the first stage to the second stage, taking into account many indicators, including:

- The client's rating has been revised down by specific degrees from the initial rating, or he has obtained a high-risk rating.
- Appearance of any negative indicators on the account (it is in the Blacklist of returned checks in the portfolio of individuals for Jordan branches, or its classification is 3 in the money laundering list - Risk Level according to the classification of the Palestinian Monetary Authority for the portfolio of individuals in Al-Safa Bank and Palestine branches).
- There are more than 30 days of dues and less than 90 days.
- Classification of the client within the debt under control.

- **Stage (3):** Expected credit losses are computed for the entire life of the debt instrument for debt instruments that fall within this stage and for which there is evidence / evidence that they have become non-performing (irregular).

The following debt instruments are included in the calculation:

- Loans and direct and indirect credit facilities.
- Debt instruments at amortized cost.
- Financial guarantees specified according to IFRS 9.
- Receivable balances associated with leasing contracts according to IAS (17) and IFRS (16).
- Credit exposures on banks and financial institutions.

4. Governance of applying the requirements of the IFRS (9).

Roles and responsibilities:

The Board of Directors:

- Adopting the policy of calculating expected credit losses as per IFRS 9.
- Providing an appropriate governance structure and procedures that ensure the proper application of the standard by defining the roles of committees, departments and work units in the bank, and ensuring the integrity of work.
- Provide the appropriate infrastructure for the application.
- Ensuring that the supervisory units of the bank represented in risk management and the audit department carry out all necessary work to verify the correctness and integrity of the methodologies and systems used in the application of Standard 9 and provide the necessary support for them.

Risk Management Committee:

- Review the policies for implementing IFRS 9.
- Viewing the results of calculating the expected credit losses in the financial statements.

Facilities Committee:

- Reviewing and approving the recommendations for making any exceptions to the calculation results submitted by the Steering Committee for the implementation of Standard 9.

The Audit Committee:

- Verifying the adequacy of the expected credit losses appropriated by the bank and ensuring their adequacy on all financial statements.

IFRS 9 Steering Committee:

The committee comprises the vice credit and treasury general manager, chief treasury officer, chief financial officer, chief risk management officer, chief corporate credit and SME loans and bank pooling officer and chief credit risk officer. Its most important objectives include:

Coordinating and giving directions to application officials in foreign branches, subsidiaries and departments of the bank.

- Coordination with central banks and external and internal supervisory bodies.
- Taking decisions regarding implementation of the standard and giving directions for its implementation
- Reviewing the calculation results to assess the exposures within the different stages and ensure that they are in line with the risks of customers and direct them to the concerned authorities.
- Recommending to the Facilitation Committee emanating from the Board of Directors the exceptional amendments to the calculation results
- Make recommendations to the concerned authorities, where necessary, regarding modification of policies or exceptions Supervising the periodic review of calculation methodologies.

Risk Management:

- Preparing the policies for implementing the IFRS 9
- Contributing to the process of calculating expected credit losses within Standard 9 at the level of Cairo Amman Bank Group in accordance with the requirements of the International Financial Reporting Standard 9 and the instructions of the Central Bank of Jordan and the supervisory authorities in the host countries.
- Reviewing and updating the calculation methodologies periodically and whenever necessary.
- Coordinate with the executive management to take appropriate measures to verify the soundness of the methodologies and systems used in calculating the expected credit losses.
- Send the results of the calculation to all concerned parties.

Financial management and shareholder affairs:

- Contributing to the calculation process with the relevant departments and reviewing the calculation results.
- Making the necessary accounting adjustments and restrictions after approving the results and verifying that all financial assets have been subject to the calculation process.
- Calculate the allocations according to the instructions of the Central Bank of Jordan No. 47/2009 and approve the most severe provisions with the provisions of Standard 9.
- Preparing the necessary disclosures in cooperation with the concerned departments in the bank and the group in accordance with the requirements of the standard and the instructions of the Central Bank.
- Preparing the statements required from the Central Bank in cooperation with the relevant departments.
- Presenting the financial statements, including the results of calculating the provisions, to the audit committee to ensure the adequacy of the expected credit loss

Credit Management:

- Classifying clients within the internal rating classification on a periodic basis to measure clients' risk based on the rating classification
- Periodically updating data for credit facilities and guarantees within the classification system.
- Updating and evaluating the negative quantitative and qualitative indicators resulting from the high risks of customers and recommending their inclusion within the appropriate credit rating stages.

- Contribute to the review of the methodologies used and the results of calculating the credit allocations for the corporate portfolio.
- Submitting the necessary recommendations to the Steering Committee to implement Standard 9 in the event of any exception.

Internal Audit Management:

- Verifying the adequacy of methodologies and systems used in the calculation of ECL.
- Ensure that there are work procedures that include the distribution of roles and responsibilities for the General Administration, foreign branches, and subsidiary companies.

5. Definition and mechanism for computing and monitoring probability of default (PD), exposure at default (EAD), and loss given default (LGD).

1. Probability of Default (PD):

- **Individual portfolio:**

The probability of default has been computed using the Bank's historical default information for the retail loans and housing loans portfolio. These rates are calculated using independent variables which affect the probability of default rate (salary, sector, age, gender, interest rate, loan duration).

- **Corporate portfolio:**

Risk rating is calculated based on Moody's Credit rating and then mapped to the relevant assigned PD. The ECL model then converts the probity of default (PP) from a TTC into PTC based on each instrument's data taking into consideration the risk of economical and geographical segments associated with the customers.

2. Exposure at Default (EAD):

- One time debt instruments (direct and indirect): the balance as of the date of the financial statements is considered as the balance at the date of default after subtracting suspended interest and the actual due date of the financial instrument is assumed.

- Renewing debt instruments (direct and indirect): the balance or the ceiling as of the date of the financial statements is considered as the balance at the date of default after subtracting suspended interest and the actual due date of the financial instrument plus three years is assumed.

3. Loss Given Default (LGD):

- **Retail portfolio:**

The probability of default has been computed using the Bank's historical default information for the retail loans and housing loans portfolio. Both rates have approved at the account level for the retail portfolio.

- **Corporate portfolio:**

The loss ratio is calculated assuming default at the account level and after taking into account several factors and data, the most important of which are (guarantees, the economic sector, the possibility of default) The haircut rates were adopted on the guarantees according to the ratios approved by the Central Bank of Jordan, in addition to the adoption of a minimum ratio that is not less than 10%.

6. The Bank's policy for determining common elements (criteria) that credit risk and expected credit losses on a (Collective Basis) have been measured with.

Credit risk and expected credit losses for retail have been calculated at an individual level for each account separately and not at a collective level.

7. Economic indicators used by the Bank in calculating expected credit losses (PD).

A group of economic indicators have been reviewed such as (gross domestic product, equities, interest rates, unemployment, and inflation) and the following approved indicators have shown a strong correlation between the indicator value and the default rate for each portfolio using historical information:

- Corporate portfolio: gross domestic product and shares prices.
- Individual portfolio: gross domestic product, real gross domestic product, domestic product deflator and shares prices.

The following weights for scenarios were adopted by the Bank to as a response to the spread of COVID-19 and as follows:

Upturn Scenario	Downturn Scenario	Baseline Scenario
10%	60%	30%

The Bank manages its risks through a comprehensive strategy for risk management by which the roles and responsibilities of all parties concerned are identified. These include the Board of Directors and subcommittees such as the Risk Committee, the Investment Committee and Audit and Compliance Management Committee, in addition to the executive management and its subcommittees, such as Assets and Liabilities Committee, Procedures Development Committee, Credit committees and other specialized Departments such as the Risk Management Department, Compliance Department and the Audit Department. Furthermore, all of the Bank's business units are considered responsible for identifying the risks associated within their banking operations and committed to applying the appropriate controls and monitoring their effectiveness and maintaining integrity within the internal control system.

The process of managing the risks within the Bank's activities include the identification, measurement, assessment and monitoring of financial and non-financial risks which could negatively affect the bank's performance and reputation or its goals ensuring that the bank achieves optimum yield in return for the risks taken.

The general framework of risk management at the Bank is in line with the size, complexity and nature of its operations, and in harmony with local regulations as well as taking into account the best international practices in this regard. The Bank's set of principles include the following:

Responsibility of the board of directors:

- Adopting the policies, strategies, and general framework for risk management, including the limits of the acceptable degree of risk.

- Ensuring the existence of an effective framework for stress testing situations, in addition to adopting their own hypotheses.

Adopting the bank's policies.

- Adopting the internal assessment methodology for the bank's capital adequacy, so that this methodology is comprehensive, effective and able to identify all the risks that the bank may face and takes into account the bank's strategic plan and capital plan, reviewing this methodology periodically and verifying its application and ensuring that the bank maintains With sufficient capital to meet all the risks it faces.

Responsibility of the Risk Management Committee emanating from the Board of Directors:

- Periodic review of policies, strategies, and risk management procedures of the bank, including setting acceptable risk limits.

- Keeping abreast of developments affecting the bank's risk management.

- Develop the process of internal assessment of capital adequacy, analyze current and future capital requirements, in line with the bank's risk structure and strategic objectives, and take measures related to this.

- Ensuring the existence of good systems to assess the types of risks faced by the bank and developing systems to link these risks to the level of capital required to cover them.

- Reviewing the policies of stress tests and placement for the Board of Directors for approval, including:

- Hypotheses and scenarios used for stress tests.
- Actions to be taken based on these findings.
- View the reports and results issued by the Central Bank of Jordan.
- Ensure that stress tests are prepared periodically and review and evaluate the results.

Risk Management Responsibility:

- Submitting reports and the risk system to the Risk Management Committee.
- Monitoring the compliance of the various departments of the bank with the limits of acceptable risks to ensure that these risks are within the acceptable limits Risk Appetite, Risk Tolerance.
- Analyzing all types of risks, in addition to developing methodologies for measuring and controlling each type of risk.
- Implementing systems related to evaluating the types of risks faced by the bank and developing related work procedures.
- Managing and applying the Bank's ICAAP methodology in an adequate and comprehensive manner commensurate with the risk structure faced by the Bank.
- Executing stressful situations tests within the policies and methodologies approved by the Board of Directors.
- Participation in the calculation of expected credit losses within the (IFRS 9), using specialized systems by an international company.
- Coordination with the concerned authorities to carry out examinations of business continuity plans and update them periodically.
- Orienting, training and guiding the bank's employees regarding the culture of risk management in the bank.
- Implementation and implementation of the Central Bank of Jordan's instructions related to risk management.
- Preparing, implementing and reviewing the (Recovery Plan).

Acceptable risk limits

The bank manages its risks by setting acceptable risk limits according to quantitative measurement methods and specifying them in a separate document that includes the most important indicators of risks to which the bank is exposed, where they are monitored to ensure that the bank's performance does not deviate from the acceptable limits, in order to ensure that the bank continues to achieve its strategic objectives. Contributing to achieving corporate governance based on the corporate governance instructions issued by the Central Bank of Jordan. The performance reports associated with these limits are a tool to verify that there is no discrepancy between the actual risks taken by the Bank and the acceptable level of risks approved by the Board.

Compression Tests

Stress tests are an essential part of the bank's risk management process at various levels and an important tool used to measure the bank's ability to withstand shocks and the high risks that it may face, and to assess the bank's financial position under severe but possible scenarios. The Bank adopts a methodology for calculating stressful conditions tests within an approved policy.

Scenarios and tests with a future dimension are assumed in evaluating various risks based on historical data, statistical relationships, the size and nature of the risks to which the bank is exposed, and they are applied to the bank's financial statements and their impact is reflected on the capital adequacy ratio, profits, losses and liquidity through a set of levels that fall within (moderate, medium and severe).

The stress tests constitute an essential part of the corporate governance system and the culture of risk management by assisting the board of directors and senior executive management in understanding the bank's conditions in times of crisis and contributing to making administrative and strategic decisions and using the results of these tests in setting and determining the degree of risk tolerance at the bank and in the planning process for the bank's head money and cash.

The bank is exposed to many risks, the following are the main risk categories:

- Credit Risk
- Market Risk
- Liquidity Risk
- Operational Risk
- Compliance Risk

Credit Risks:

Credit risk is the risk that may result from a lack of commitment or the inability of the other party of the financial instrument to fulfil its obligations to the Bank, leading to a financial loss. The bank manages its credit risk through the design and development of various policies that identify and address all aspects of granting and maintenance of credit in addition to determining the limits of credit facilities granted to clients and/or related groups as well as diversifying total credit facilities across sectors and geographical regions. The Bank also works continuously to evaluate the credit worthiness of customers, in addition to having appropriate collaterals.

The general framework for Credit Risk Management includes:

Credit Policies:

The Bank manages its credit risk through the annual policies set by the board of Directors in their credit policy including credit ceilings and various credit conditions, which are renewed annually, according to several changing factors and the results of the analysis, and studies which are approved by the board of directors, which includes mainly on principles of granting in the bank, stating authorities, collaterals and credit monitoring department the main frame of the Credit Risk Management. Moreover, these policies define maximum credit limits given to any customer and / or group of related customers in addition to the distribution of credit according to geographical regions and different economic sectors. The Bank considers the diversification of portfolios as an important risk mitigation factor.

Customer Rating:

In order to develop credit risk Management at the bank, credit risks are performed internally which consists of customer credit risk rating; customers are rated according to their creditworthiness and ability to pay, in addition to assessing the quality of the facilities granted to clients, in terms of account activity and regularity of payment of principal and interest. The collaterals are classified according to type and percentage coverage of risk of granted facilities. Moreover, the Bank periodically monitors the portfolios and their diversification, according to several classifications.

Mitigation Methodologies:

The Bank follows different procedures to mitigate risks, including determining the acceptable types of collaterals and their conditions, whereby good collaterals that can be liquidated at a reasonable time and value are accepted by the bank taking into consideration that the value of the collateral is not related to the business of the customer. Moreover, the Bank requires insurance policies on certain properties as a means of mitigating risks. The values of the collaterals are monitored on a regular basis and in the event of decrease in its value, additional collaterals are required.

Credit Granting:

The Bank adopts the principle of segregation of functions related to Risk Management in the Bank in line with best practices in this regard, clarifying the roles and responsibilities between each of the different credit functions (sales, credit approvals , credit administration, credit operations), to ensure a strong control and monitor over credit granting operations.

Credit decisions are checked against the credit policies and authority limits according to credit size and the collaterals against it, all documentations and contracts are reviewed before executing the credit to make sure of the segregation of functions.

Prior to granting facilities, legal documentation is done on the credit contracts and other documents related to the facilities, collaterals are checked against the credit condition agreed on and legal condition which retain the Bank rights.

Maintenance and Follow-up of Credit:

The performance of the credit portfolio is continuously monitored to make sure it is within the acceptable risk limits and economic sector limits which identified by the board of directors to identify any increasing risk levels.

The Bank continuously monitors its non performing portfolios to identify any need for additional provisions.

There are specialized and independent departments responsible for managing irregular credit facilities and handle the task of their administration and collection. The Bank has allocated several monitoring departments to monitor and follow up credit and report any early warning indicators for follow-up and correction.

1- Reclassified credit exposures

A- Gross reclassified credit exposures

Item	2021					
	Stage 2		Stage 3			
	Gross exposure amount	Reclassified exposures	Gross exposure amount	Reclassified exposures	Gross reclassified exposures	Percentage of reclassified exposures
	JD	JD	JD	JD	JD	%
Direct credit facilities	350,718,905	120,600,341	115,282,830	32,115,381	186,243,737	%9.05
Total	350,718,905	120,600,341	115,282,830	32,115,381	186,243,737	
Financial guarantees	11,302,526	2,826,151	411,961	299,185	3,583,633	%5.70
Letters of credit	1,988,269	54,998	-	-	54,998	%0.06
Other liabilities	41,298,313	7,527,916	539,655	397,489	10,500,379	%3.54
Total	405,308,013	131,009,406	116,234,446	32,812,055	200,382,747	

Item	2020					
	Stage 2		Stage 3			
	Gross exposure amount	Reclassified exposures	Gross exposure amount	Reclassified exposures	Gross reclassified exposures	Percentage of reclassified exposures
	JD	JD	JD	JD	JD	%
Direct credit facilities	246,835,930	106,707,026	116,287,863	41,658,727	207,077,459	%10.96
Total	246,835,930	106,707,026	116,287,863	41,658,727	207,077,459	
Financial guarantees	7,528,080	1,741,727	258,213	24,220	4,655,984	%7.96
Letters of credit	1,141,988	183,486	-	-	556,946	%0.97
Other liabilities	34,658,833	4,007,470	178,614	125,376	8,376,773	%3.55
Total	290,164,831	112,639,709	116,724,690	41,808,323	220,667,162	

B- Expected credit losses of reclassified exposures:

Item	2021							
	Reclassified Exposures			Expected Credit Losses of Reclassified Exposures				
				Stage 2		Stage 3		
	Gross exposures reclassified to stage 2	Gross exposures reclassified to stage 3	Gross reclassified exposures	Individual	Collective	Individual	Collective	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Direct credit facilities	120,600,341	32,115,381	186,243,737	1,923,092	3,132,660	1,014,784	-	6,070,536
Total	120,600,341	32,115,381	186,243,737	1,923,092	3,132,660	1,014,784	-	6,070,536
Financial guarantees	2,826,151	299,185	3,583,633	2,549	-	12,334	-	14,883
Letters of credit	54,998	-	54,998	81	-	-	-	81
Other liabilities	7,527,916	397,489	10,500,379	7,138	59,507	16,642	-	83,287
Total	131,009,406	32,812,055	200,382,747	1,932,860	3,192,167	1,043,760	-	6,168,787

Item	2020							
	Reclassified Exposures			Expected Credit Losses of Reclassified Exposures				
				Stage 2		Stage 3		
	Gross exposures reclassified to stage 2	Gross exposures reclassified to stage 3	Gross reclassified exposures	Individual	Collective	Individual	Collective	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Direct credit facilities	106,707,026	41,658,727	207,077,459	2,092,598	2,844,034	1,167,686	-	6,104,318
Total	106,707,026	41,658,727	207,077,459	2,092,598	2,844,034	1,167,686	-	6,104,318
Financial guarantees	1,741,727	24,220	4,655,984	2,916	-	661	-	3,577
Letters of credit	183,486	-	556,946	1,095	-	-	-	1,095
Other liabilities	4,007,470	125,376	8,376,773	2,234	31,510	3,426	-	37,170
Total	112,639,709	41,808,323	220,667,162	2,098,843	2,875,544	1,171,773	-	6,146,160

2- Allocation of exposures according to industrial sectors:

A- Allocation of exposures according to financial instruments - net

	Financial	Industrial	Commer-cial	Real Estate*	Agricul-tural	Trading	Consumer	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	-	-	-	-	-	-	-	248,058,253	248,058,253
Balances at banks and financial institutions	121,528,244	-	-	-	-	-	-	-	121,528,244
Deposits at banks and financial institutions	101,054,720	-	-	-	-	-	-	-	101,054,720
Direct credit facilities	96,866,271	132,586,532	411,223,642	264,353,939	19,115,239	29,022,357	703,815,024	294,113,851	1,951,096,855
Financial assets at amortized cost	65,259,304	-	20,951,917	-	-	-	-	720,396,578	806,607,799
Other assets	8,692,751	3,570,699	12,615,585	179,287	665,423	451,058	2,190,450	7,209,797	35,575,050
Total	393,401,290	136,157,231	444,791,144	264,533,226	19,780,662	29,473,415	706,005,474	1,269,778,479	3,263,920,921
Financial guarantees	13,191,308	10,073,255	22,513,790	14,624,098	574,789	-	-	1,308,276	62,285,516
Letters of credit	22,227,303	16,974,094	50,423,154	-	-	-	-	4,602,124	94,226,675
Other liabilities	26,380,298	36,560,713	146,686,171	10,892,932	1,430,292	-	24,237,288	48,057,353	294,245,047
Total	455,200,199	199,765,293	664,414,259	290,050,256	21,785,743	29,473,415	730,242,762	1,323,746,232	3,714,678,159

b. Allocation of exposures according stage categories of IFRS (9):

As of December 31 ,2021	2021					
	Stage 1		Stage 2			
Item	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Financial	440,702,709	4,924,490	7,362,307	-	2,210,693	455,200,199
Industrial and mining	157,124,449	5,378,383	34,635,507	66,874	2,560,080	199,765,293
General Commercial	486,023,898	40,391,810	128,876,278	2,565,164	6,557,109	664,414,259
Real estate purchase financing	92,430,890	139,245,503	23,232,222	25,427,552	9,714,089	290,050,256
Agricultural	12,900,336	910,243	7,614,618	19,497	341,049	21,785,743
Trading	10,944,638	5,527,366	12,705,377	21,323	274,711	29,473,415
Consumer	1,352,087	661,093,946	1,070,093	56,095,486	10,631,150	730,242,762
Government and public sector	1,121,109,904	109,269,476	81,352,083	11,941,016	73,753	1,323,746,232
Total	2,322,588,911	966,741,217	296,848,485	96,136,912	32,362,634	3,714,678,159

	2020					
As of December 31 ,2020	Stage 1		Stage 2			
Item	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Financial	369,686,663	17,042,781	2,326,309	-	1,653,828	390,709,581
Industrial and mining	109,664,048	3,722,820	24,953,451	173,183	9,719,645	148,233,147
General Commercial	393,866,200	65,728,724	141,787,937	1,162,371	6,416,575	608,961,807
Real estate purchase financing	100,017,855	173,705,256	8,868,577	17,772,847	11,060,078	311,424,613
Agricultural	14,113,658	413,859	3,971,578	16,522	260,117	18,775,734
Trading	16,298,119	4,921,888	-	19,907	673,428	21,913,342
Consumer	20,441,504	619,501,040	12,298,585	61,156,908	12,005,749	725,403,786
Government and public sector	1,188,179,146	7,581,010	5,128,470	-	-	1,200,888,626
Total	2,212,267,193	892,617,378	199,334,907	80,301,738	41,789,420	3,426,310,636

3- Allocation of exposures according to geographical locations:

a. Allocation of exposures according to geographical regions - net

As of December 31 ,2021	Inside Jordan	Other Middle Eastern Countries	Europe	Asia *	Americas	Other Countries	Total
	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	145,940,892	102,117,361	-	-	-	-	248,058,253
Balances at banks and financial institutions	51,409,179	16,705,096	34,827,705	636,468	17,722,674	227,122	121,528,244
Deposits at banks and financial institutions	99,752,487	1,302,233		-		-	101,054,720
Direct credit facilities	1,384,704,029	553,463,646	12,405,474	-	523,706	-	1,951,096,855
Financial assets at amortized cost	763,132,105	42,898,788	576,906	-	-	-	806,607,799
Other assets	25,886,399	6,453,889	3,171,071	-	63,691	-	35,575,050
Gross assets	2,470,825,091	722,941,013	50,981,156	636,468	18,310,071	227,122	3,263,920,921
Financial guarantees	44,597,237	13,734,314	3,414,688	298,702	240,575	-	62,285,516
Letters of credit and acceptances	65,707,333	28,519,342	-	-	-	-	94,226,675
Other liabilities	249,697,785	44,547,262	-	-	-	-	294,245,047
Total	2,830,827,446	809,741,931	54,395,844	935,170	18,550,646	227,122	3,714,678,159

b. Allocation of exposures according stage categories of IFRS (9) as adopted by the Central Bank of Jordan:

As of December 31 ,2021	2021					
	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Inside Jordan	1,759,460,506	786,260,138	192,347,495	67,233,956	25,525,351	2,830,827,446
Other Middle Eastern Countries	492,082,524	177,418,178	104,500,990	28,902,956	6,837,283	809,741,931
Europe	51,332,943	3,062,901	-	-	-	54,395,844
Asia	935,170	-	-	-	-	935,170
Americas	18,550,646	-	-	-	-	18,550,646
Other Countries	227,122	-	-	-	-	227,122
Total	2,322,588,911	966,741,217	296,848,485	96,136,912	32,362,634	3,714,678,159

As of December 31 ,2020	2020					
	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Inside Jordan	1,604,838,575	729,105,538	169,168,742	56,184,185	33,866,368	2,593,163,408
Other Middle Eastern Countries	524,521,345	160,832,074	30,166,165	24,117,553	7,923,052	747,560,189
Europe	67,090,620	2,637,572	-	-	-	69,728,192
Asia	896,892	-	-	-	-	896,892
Americas	14,692,639	42,194	-	-	-	14,734,833
Other Countries	227,122	-	-	-	-	227,122
Total	2,212,267,193	892,617,378	199,334,907	80,301,738	41,789,420	3,426,310,636

4- Credit risk after net of allowances for impairment and suspended interest and before the effect of risk mitigates and collaterals:

	December 31,	
	2021	2020
	JD	JD
On- Consolidated Statement of Financial Position Items		
Balances at Central Banks	248,058,253	202,946,213
Balances at banks and financial institutions	121,528,244	154,796,630
Deposits at banks and financial institutions	101,054,720	79,864,376
Direct credit facilities:		
Consumer lending	727,566,666	682,467,166
Residential mortgages	280,256,391	240,139,475
Large corporations	568,966,335	498,354,354
Small and medium enterprises	197,256,595	169,422,785
Lending to governmental and public sectors	177,050,868	203,487,704
Financial assets held at amortized cost, net	806,607,799	812,925,106
Other assets	35,575,050	32,398,130
Total on- Consolidated Statement of Financial Position Items	3,263,920,921	3,076,801,939
Off-Statement of Financial Position Items		
Letters of credit & Acceptances	94,226,675	57,219,050
Letters of guarantee	62,285,516	58,032,780
Irrevocable commitments to extend credit	294,245,047	234,256,867
Total off- Consolidated Statement of Financial Position Items	450,757,238	349,508,697
Total on & off- Consolidated Statement of Financial Position Items	3,714,678,159	3,426,310,636

- The above table represents the maximum credit risk for the bank as of December 31, 2021 and 2020 without
- taking the collaterals or effect of mitigation into consideration.
- The exposure mentioned above for on-statement of financial position items is based on the balance shown in
- the statement of financial position.
- Types of collaterals against loans and credit facilities are as follows:
- Real estate properties.
- Financial instruments (equities and bonds).
- Bank guarantees.
- Cash collateral
- Government guarantees.

The management monitors the market value of these guarantees periodically and if the value of collateral decreased the
bank requests additional collateral to cover the deficit, in addition, the bank assesses the collateral against non-performing
credit facilities periodically.

Rescheduled Loans:

These represent loans previously classified as non-performing loans and reclassified as other than non-performing loans according to proper scheduling to watch list during the year 2021. Moreover, it amounted to JD 20,887,637 as of the current year against JD 27,856,882 as of the previous year.

The scheduled debt balance represents the debt that was scheduled whether classified under watch list or transferred to performing.

Restructured Loans:
Restructuring means rearranging the status of operating credit facilities in terms of adjusting premiums, prolonging the life of credit facilities, postponing some instalments, or extending the grace period, based on customer cash flows and helping them meet their obligations towards the Bank. The value of these loans amounted to about JD 18,514,268 as of December 31, 2021 against JD 25,281,932 as of December 31, 2020.

5. Debt Securities and Treasury Bills
The schedule below shows the distribution of bonds and bills according to the international agencies classification:

Rating grade	Rating Agency	Financial Assets at Amortized Cost or Financial Assets Pledged as Collateral
		JD
BAA3	Moody's	579,886
B2	Moody's	9,743,333
Ba3	Moody's	13,637,036
Un-rated		86,457,200
Governmental		697,129,402
Total		807,546,857

Development of Credit Risk Measurement and Management System
It is established by being up to date on the best practices for credit management specifically relating to risk measurement and the required capital evaluation implementing the instructions of the Central Bank of Jordan relating to implementing Basel III.

Market Risk
Market risk is defined as the risk of fluctuation in fair value or cash flows of financial assets arising from changes in market prices such as interest rate risks, foreign currency risks, and commodities risks. Market risks arise as a result of the existence of open positions in interest rates, currencies and investment in stocks. These risks are monitored according to specific policies and procedures and through specialized committees and work centers concerned, which include market risks, interest rates, exchange rate risks and the risks of changes in stock prices.

Market risk is measured and monitored through sensitivity analysis, Stress Testing and Stoploss Limits.

Interest Rate Risk
Interest rate risk arises from the possibility that changes in interest rates will affect the Bank's profits or the value of financial instruments. The bank is exposed to interest rate risk as a result of inconsistency or a gap in the amounts of assets and liabilities according to multiple time periods or a review of interest rates in a specific time period and the Bank managing these risks by reviewing interest rates on assets and liabilities through the risk management strategy.

The Asset and Liability Committee (ALCO) reviews interest rate sensitivity gaps through its periodic meetings and studies the extent to which the bank's profitability is affected in light of the existing gaps with any changes in interest rates.

Interest Rate Risk Management
The Bank seeks to obtain long-term financing to fund long-term investments at fixed rates whenever possible. Furthermore, the Bank uses hedging instruments such as interest rate swaps to reduce any negative effects.

The following table demonstrates the sensitivity analysis of interest rates:

2021				
Currency	**Increase in interest rate**	**Sensitivity of net interest income (profit or loss)**	**Change (decrease) in interest rate**	**Sensitivity of net interest income (profit or loss)**
	Basis points	JD	Basis points	JD
USD	100	1,201,099	100	(1,201,099)
EURO	100	3,077	100	(3,077)
GBP	100	18,273	100	(18,273)
JPY	100	-	100	-
Other Currencies	100	113,118	100	(113,118)

2020				
Currency	**Increase in interest rate**	**Sensitivity of net interest income (profit or loss)**	**Change (decrease) in interest rate**	**Sensitivity of net interest income (profit or loss)**
	Basis points	**JD**	**Basis points**	**JD**
USD	100	91,666	100	(91,666)
EURO	100	59,179	100	(59,179)
GBP	100	(9,286)	100	9,286
JPY	100	36,549	100	(36,549)
Other Currencies	100	152,813	100	(152,813)

Interest Rate Re-Pricing Gap

The classification is based on the interest repricing periods or maturities whichever is earlier.

As of December 31, 2021	Less than 1 Month	1 - 3 Months	3 - 6 Months	6 - 12 Months	1 - 3 Years	More than 3 Years	Non-Interest Bearing	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Assets								
Cash and balances at Central Bank of Jordan	67,635,000	-	-	-	-	-	345,859,719	413,494,719
Balances at banks and financial institutions	29,697,834	14,444,621	-	-	-	-	77,385,789	121,528,244
Deposits at banks and financial institutions	-	-	67,891,830	23,162,890	10,000,000	-	-	101,054,720
Financial assets at fair value through profit or loss	-	-	-	-	-	-	8,164,615	8,164,615
Financial assets at fair value through OCI	-	-	-	-	-	209,205	65,583,536	65,792,741
Financial assets at amortized cost	10,789,781	31,215,598	133,922,458	41,752,179	321,626,250	267,301,533	-	806,607,799
Direct credit facilities - Net	512,676,635	833,476,411	121,895,273	185,879,200	148,245,699	148,923,637	-	1,951,096,855
Property and equipment	-	-	-	-	-	-	43,770,756	43,770,756
Intangible assets	0	-	-	-	-	-	5,159,688	5,159,688
Deferred tax assets	-	-	-	-	-	-	12,227,606	12,227,606
Other assets	-	-	-	-	-	-	84,910,490	84,910,490
Total Assets	620,799,250	879,136,630	323,709,561	250,794,269	479,871,949	416,434,375	643,062,199	3,613,808,233
Liabilities								
Banks and financial institutions' deposits	69,715,122	24,815,000	60,000,000	36,598,000	-	-	11,156,415	202,284,537
Customers' deposits	634,916,138	320,751,496	265,213,240	394,928,022	160,738,101	61,708,712	599,643,817	2,437,899,526
Margin accounts	2,570,395	3,131,327	4,472,985	5,948,493	4,632,612	4,655,671	34,134,925	59,546,408
Borrowed funds	100,007,051	21,372,175	29,871,756	39,800,112	82,556,219	89,228,328	1,074,224	363,909,865
Subordinated Loans	-	-	-	-	-	18,540,350	-	18,540,350
Sundry provisions	-	-	-	-	-	-	12,313,994	12,313,994
Income tax provision	-	-	-	-	-	-	19,810,355	19,810,355
Deferred tax liabilities	-	-	-	-	-	-	865,668	865,668
Other liabilities	-	-	-	-	-	-	101,238,575	101,238,575
Total Liabilities	807,208,706	370,069,998	359,557,981	477,274,627	247,926,932	174,133,061	780,237,973	3,216,409,278
Interest Rate Re-Pricing Gap	(186,409,456)	509,066,632	(35,848,420)	(226,480,358)	231,945,017	242,301,314	(137,175,774)	397,398,955
As of December 31, 2020								
Total Assets	632,442,786	727,432,637	235,454,302	283,051,174	520,078,222	532,152,522	422,623,834	3,353,235,477
Total Liabilities	736,274,816	395,608,597	303,106,006	446,663,867	237,382,353	168,536,590	690,374,299	2,977,946,528
Interest Rate Re-Pricing Gap	(103,832,030)	331,824,040	(67,651,704)	(163,612,693)	282,695,869	363,615,932	(267,750,465)	375,288,949

Currency Risk:

Foreign currency risk is the risk of change in value of financial instruments due to the change in the foreign currency prices. The Bank's functional currency is the Jordanian Dinar. The Board of Directors identifies the set of currencies in which it is acceptable to take positions in and the limits of these positions for each currency annually. Foreign currencies positions are monitored on a daily basis to make sure that the Bank will not exceed those acceptable levels. Strategic policies are followed to maintain the position in the acceptable level.

The following table shows the effect of the possible change in the Jordanian dinar's exchange against foreign currencies on the income statement, with all other variables remaining constant:

	2021			2020		
	Increase in Exchange Rate	Effect on Profit or Loss	Sensitivity on Equity	Increase in Exchange Rate	Effect on Profit or Loss	Sensitivity on Equity
	%	JD	JD	%	JD	JD
EURO	+1	342	-	+1	745	-
GBP	+1	(3,040)	-	+1	(1,430)	-
YEN	+1	5	-	+1	97	-
Other Currency	+1	234,949	-	+1	188,971	-

The effect on negative change in interest price is equal to the change shown above with changing the sign.

Concentration in foreign currency risk:

As of December 31, 2021	US Dollar	Sterling Pound	Japanese Yen	Euro	Other Currencies	Total
	JD	JD	JD	JD	JD	JD
Assets						
Cash and balances at Central Banks	69,305,519	1,370,173	-	29,072,387	125,086,502	224,834,581
Balances at banks and financial institutions	86,115,401	9,151,497	535,383	6,384,455	16,768,205	118,954,941
Deposits at banks and financial institutions	-	-	-	16,060,300	1,302,233	17,362,533
Financial assets at fair value through profit or loss	-	-	-	-	-	-
Direct credit facilities - net	274,294,998		13,133,502	6,717,106	280,970,053	575,115,659
Financial assets at fair value through OCI	1,154,989	-	-	53,485	14,779,834	15,988,308
Financial assets at amortized cost	143,047,851	-	-	1,661,607	5,843,314	150,552,772
Intangible assets	480,754	-	-	-	-	480,754
Property and equipment - net	9,678,113	-	-	-	-	9,678,113
Right of use Assets - Net	-	-	-	-	-	-
Other assets	9,889,603	4,360	-	34,639	3,097,819	13,026,421
Total Assets	593,967,228	10,526,030	13,668,885	59,983,979	447,847,960	1,125,994,082
Liabilities						
Banks and financial institution deposits	45,663,270	117	-	3,275,922	8,076,092	57,015,401
Customers' deposits	493,549,055	5,576,443	535,468	37,317,241	325,224,122	862,202,329
Cash margins	18,531,398	13	-	8,915,590	6,079,157	33,526,158
Borrowed funds	37,897,904	-	-	9,948,638	-	47,846,542
Subordinated loans	18,540,350	-	-	-	-	18,540,350
Sundry provisions	811,053	-	-	-	-	811,053
Income tax liability	148,890	-	-	-	-	148,890
Lease liabilities	-	-	-	-	3,657,532	3,657,532
Other liabilities	12,378,965	136,312	-	88,378	5,302,589	17,906,244
Total Liabilities	627,520,885	5,712,885	535,468	59,545,769	348,339,492	1,041,654,499
Net concentration on consolidated statement of financial position	(33,553,657)	4,813,145	13,133,417	438,210	99,508,468	84,339,583
Contingent liabilities off consolidated statement of financial position	105,535,013	99,407	-	29,958,907	25,891,171	161,484,498
As of December 31, 2020						
Total Assets	532,242,402	9,354,042	4,285,654	51,274,245	412,615,414	1,009,771,757
Total Liabilities	564,585,327	9,276,626	584,326	53,110,192	323,495,731	951,052,202
Net concentration on consolidated statement of financial position	(32,342,925)	77,416	3,701,328	(1,835,947)	89,119,683	58,719,555
Contingent liabilities off the consolidated statement of financial position	55,230,211	246,044	17,313	44,513,242	15,674,225	115,681,035

Change in Equity Price Risk

Equity price risk arise from changes in fair values of investments in equities. The Bank manages this risk through diversification of investments in terms of geographical distribution and industry concentration. The majority of the Bank's investments are quoted on Amman Stock Exchange and the Palestine Securities Exchange.

Market Indices	2021			2020		
	Change in Equity Price	Effect on Profit or Loss	Effect on Equity	Change in Equity Price	Effect on Profit or Loss	Effect on Equity
	%	JD	JD	%	JD	JD
Amman Stock Exchange	5+	251,031	435,885	5+	200,485	390,385
Palestine Stock Exchange Exchange	5+	-	1,300,652	5+	27,531	878,798
New York Stock Exchange	5+	-	-	5+	13,764	-
Others Markets	5+	4,237	665,093	5+	951	497,468

In case of negative change in index the effect will be the same with a change in the sign.

Liquidity Risk

Liquidity risk is the risk that the Bank will be unable to meet its payment obligations when they fall due under normal and stress circumstances, without incurring high costs or loss, the Bank adopts the following principles for the management of liquidity risk.

Diversification of funding sources

Bank's management seeks to diversify sources of funding and prevent the concentration in the funding sources. In addition to the capital base and customer deposits the bank also borrows from institutions and local and foreign banks which would provide sources of funding at appropriate costs and maturities.

The bank had also established a Liquidity Contingency Plan, which provides the basic framework for the management of liquidity in crisis time and keep it from deteriorating. This includes defining an effective mechanism to manage liquidity during times of crisis, within reasonable costs and preserving the rights of depositors, borrowers, and shareholders.

The Liquidity Contingency Plan is regularly reviewed and updated by the Assets and Liabilities Committee (ALCO).

Analyzing and monitoring the maturities of assets and liabilities

The Bank studies the liquidity of its assets and liabilities and monitors the major liquidity ratios as well as any changes that occur on them on a daily basis, The Bank, seeks through the Assets and Liabilities Committee to match between the maturities of its assets and liabilities and control the liquidity gaps within the limits defined in the Bank's policies.

Measure and manage market risk according to the standard requirements of Basel II and Basel III

Based on best practices in managing market risk and liquidity risk, the Bank is pursuing a policy to manage these risks as approved by the board of directors and that by relying on several methodologies and techniques and models to measure and assess and monitor these risks on an ongoing basis, In addition to estimating the required capital for market risk and other applications with the instructions of the Central Bank of Jordan and the standard for the application of Basel II. The Bank takes into account the implementation the best practice and techniques which applied by Basel III.

Cash reserves with Central Banks
The Bank maintains statutory cash reserve with the Central Banks amounting to JD 118,710,023.
First: The table below summarizes the maturity profile of the Bank's financial liabilities based on contractual

(undiscounted) repayment obligations as of the date of the financial statements:

As of December 31, 2021	Less than 1 Month	1 - 3 Months	3 - 6 Months	6 - 12 Months	1 - 3 Years	More than 3 Years	No Fixed Maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities								
Banks and financial institution deposits	80,999,079	24,951,197	60,658,622	37,401,475	-	-	-	204,010,373
Customers' deposits	864,312,949	425,533,124	353,004,639	472,524,180	280,284,870	62,564,031	-	2,458,223,793
Cash margins	5,205,309	7,591,520	12,916,532	17,300,666	11,966,014	4,813,697	-	59,793,738
Borrowed funds	100,036,253	21,448,041	30,260,076	39,823,546	89,545,898	99,771,371	1,074,224	381,959,409
Subordinated loans	-	-	-	-	-	22,656,022	-	22,656,022
Sundry provisions	35,968	104,258	390,256	1,479,049	2,062,598	8,241,865	-	12,313,994
Income tax liabilities	5,665,471	1,468,867	10,685,551	200,000	1,790,466	-	-	19,810,355
Deferred tax liabilities	-	-	-	-	-	-	865,668	865,668
Other liabilities	31,267,740	13,357,115	10,875,990	21,076,407	8,485,801		20,013,031	105,076,084
Total Liabilities	1,087,522,769	494,454,122	478,791,666	589,805,323	394,135,647	198,046,986	21,952,923	3,264,709,436
Total Assets (as per their expected maturities)	655,866,724	172,316,602	319,638,967	319,936,163	851,012,025	1,161,722,600	133,315,152	3,613,808,233
As of December 31, 2020								
Liabilities								
Banks and financial institution deposits	117,061,485	20,343,944	30,391,252	38,111,819	31,565,009	-	-	237,473,509
Customers' deposits	759,705,382	409,630,109	318,596,471	452,303,543	249,630,838	57,782,781	-	2,247,649,124
Cash margins	7,641,450	11,044,650	8,910,414	7,265,239	16,128,405	6,614,557	-	57,604,715
Borrowed funds	82,534,858	48,327,891	23,280,024	20,176,804	55,098,588	111,322,789	1,074,224	341,815,178
Subordinated loans	-	-	-	-	-	24,617,508	-	24,617,508
Sundry provisions	52,531	148,735	374,826	1,285,746	1,534,643	8,078,090	1,420,000	12,894,571
Income tax liabilities	3,150,000	100,000	6,300,000	5,183,476	1,269,318	-	-	16,002,794
Deferred tax liabilities	-	-	-	-	-	-	808,967	808,967
Other liabilities	34,737,580	14,864,039	9,336,611	9,408,093	11,089,343	18,310,047	-	97,745,713
Total Liabilities	1,004,883,286	504,459,368	397,189,598	533,734,720	366,316,144	226,725,772	3,303,191	3,036,612,079
Total Assets (as per their expected maturities)	570,449,631	152,953,269	217,792,394	322,767,737	867,494,880	1,106,290,482	115,487,084	3,353,235,477

Second: The table below summarizes the maturities of financial derivatives as of the date of the financial statements:

As of December 31, 2021	Up to 1 Year	1 - 5 Years	More than 5 Years	Total
	JD	JD	JD	JD
Acceptances and letters of credit	94,778,836	-	-	94,778,836
Letters of guarantee	58,906,200	4,018,371	-	62,924,571
Unutilized limits	246,203,611	-	-	246,203,611
Total	399,888,647	4,018,371	-	403,907,018
As of December 31, 2020				
Acceptances and letters of credit	57,679,057	-	-	57,679,057
Letters of guarantee	54,139,815	4,371,726	-	58,511,541
Unutilized limits	171,498,249	-	-	171,498,249
Total	283,317,121	4,371,726	-	287,688,847

Operational Risk

Operational risk is the risk of loss arising from system failure, human error, fraud or external events.

The general framework for the operational risk management:

Managing operational risk is the responsibility of all employees in the bank through the proper application of internal policies and procedures that would curb these risks and exposures that arise during daily operations.

As a result of the willingness of the bank management to keep pace with technology in internal policies and procedures continuously the general framework for the operational risk management is implemented by a dedicated staff that aims to facilitate and support all the Bank's departments to carry out their duties in managing these risks.

The Bank implements several operational risk measurement methodologies aimed at identifying and assessing the risks to which the Bank may be exposed, in order to take appropriate control measures that facilitate the decision making process in reducing these risks, the most important of which are self-assessment of risks and control measures, review the actual and potential losses resulting from ongoing operations, monitor and follow up key risk indicators to develop control and avoid future losses.

Compliance Risk

Pursuant to Central Bank of Jordan instruction and in line with the international directions and updates as well as Basel's regulations, with the aim to ensure compliance of the bank and its internal policies and procedures with all applicable laws, regulations, international banking standards and best practices as well as safe and sound banking practices disseminated by local and international regulatory and supervisory competent authorities, this Compliance and AML/CFT Policy is issued with the approval of the Board of Directors in addition to the internal AML/CFT Manual. In addition, the Compliance and AML/CFT Division was restructured to consist of two departments; Compliance Department and AML/CFT Department to monitor the bank's compliance with applicable laws and regulations and best practices issued by regulatory competent authorities through well devised monitoring programs and internal procedures oriented toward a Risk Based Approach.

The main objectives of the compliance department are as follows:

- Identify, assess and manage compliance risks.
- Prepare and make available applicable laws and regulation files governing the nature and scope of work of all relevant divisions and departments on the bank intranet and update these regularly to stay current with legal and regulatory updates; support and assist executive management to manage compliance risks.
- Advise and assist the bank's management with all laws and regulations in relation to compliance.
- Advice and guidance to the bank's management on the applicable laws, regulations and standards and any amendments thereto.
- Monitor compliance risks through regulatory databases, which contain all laws and regulations issued by regulatory and competent authorities and which is updated and amended regularly in accordance with the latest regulatory updates that should be adhered to.
- Review and assess all preexisting and new banking products and services as well as internal policies and procedures to ensure that they are in strict compliance with applicable laws and regulations.
- Submit reports directly to the compliance committee, formed by the board of directors, regarding the scope and level of compliance the bank and its international branches and subsidiaries.

With regards to Anti-Money Laundering, an independent AML Department was formed and restructured within the Compliance and AML/CFT Division. The division recruited highly qualified and trained staff along with the automated AML/CFT Systems and Software Solutions to perform its work in accordance with policies and procedures approved by the board of directors and in accordance with Anti-Money Laundering Law No.46/2007 and its amendments, together with AML/CFT instructions issued by Central Bank of Jordan and international best practice in this regard to lessen and mitigate the risks involved with those transactions; the aim of which is to identify the procedures applicable and appropriate to financial transactions and to apply due diligence measures to identify pre-existing and potential customers and to understand their legal and personal capacity and status and the ultimate beneficial owner and the ongoing monitoring and reviewing of such transactions during the period of the banking relationship.

The main objectives of the AML Department are as follows:

1. Ensure the bank's compliance with all AML/CFT Policies and procedures as approved by the competent authority within the bank.
2. Ensure the bank's compliance with all applicable laws and regulations issued by competent authorities.
3. Prohibit and protect the bank's reputation and image from any allegation of involvement with money laundering and terrorist financing.
4. Prohibit the use of banking products and services in money laundering and terrorist financing transactions.
5. Participate in national and international efforts and initiatives relevant to anti-money laundering and combating terrorism financing.
6. Protect the bank and its employees from being exposed to AML/CFT risks which might lead to material financial losses or regulatory, legal, administrative, civil and criminal sanctions and liability.

42. Segment Information

a. Information on the Bank's Segments:

For management purposes the Bank is organized into three major business segments which are measured according to reports used by the general manager and key decision makers at the Bank, through the following major sectors:

- Retail banking: Principally handling individual customers' deposits, and providing consumer type loans, overdrafts, credit cards facilities and funds transfer facilities;

- Corporate banking: Principally handling loans and other credit facilities and deposit and current accounts for corporate and institutional customers;
- Treasury: Principally providing money market, trading and treasury services, as well as the management of the Bank's funding operations

Following is the Bank's segment information:

					Total For the Year Ended December 31,	
	Retail Banking	Corporate Banking	Treasury	Other	2021	2020
	JD	JD	JD	JD	JD	JD
Total revenues	94,434,054	59,803,819	49,627,352	3,804,646	207,669,871	199,432,700
Provision for expected credit losses	11,475,977	6,513,164	(360,706)	-	17,628,435	18,520,647
(Released from) Provision for impairment of financial	-	-	-	-	-	-
assets at fair value through comprehensive income	-	-	(4,158,000)	-	(4,158,000)	-
Sundry provisions	-	-	-	1,109,195	1,109,195	2,607,481
Impairment on reposessed assets	-	-	-	514,759	514,759	26,281
Segmental results	63,318,417	35,471,003	35,493,477	2,180,692	136,463,589	115,880,240
Unallocated expenses					85,155,415	85,179,308
Profit before tax					51,308,174	30,700,932
Income tax					(18,619,877)	(13,227,675)
Net profit					32,688,297	17,473,257
Other information						
Segmental Total Assets	1,007,823,057	943,273,798	1,528,870,444	133,840,934	3,613,808,233	3,353,235,477
Segmental Total Liabilities	1,072,435,163	1,181,418,637	829,192,554	133,362,924	3,216,409,278	2,977,946,528
Capital expenditures					9,021,537	8,650,251
Depreciation and amortization					7,858,388	9,169,642

As follows, the Bank's segment information:

B- Geographical Information:

The following table represents the geographical segments of the bank's business. The bank practices its activities mainly in the Kingdom, which represent businesses inside the Kingdom, and the bank practices activities in Palestine Below is the distribution of the revenues, assets and capital expenditures as per the geographical information:

	Inside Jordan		Outside Jordan		Total	
	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD
Total revenue	162,146,378	160,354,503	45,523,493	39,078,197	207,669,871	199,432,700
Capital expenditures	6,881,401	4,559,327	2,140,136	4,090,924	9,021,537	8,650,251

	Inside Jordan		Outside Jordan		Total	
	December 31		December 31		December 31	
	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD
Total assets	2,741,752,016	2,534,322,286	872,056,217	818,913,191	3,613,808,233	3,353,235,477

43. Capital Management

The Bank maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision ("BIS rules/ratios") and adopted by the Central Bank of Jordan.

According to Central Bank of Jordan regulation (52/2010), the minimum paid in capital of Jordanian banks should be JD 100 million before the end of 2011. In addition, the regulation requires a minimum leverage ratio of 4%.

As per the Central Bank of Jordan the adequate capital adequacy ratio must not be less than 14.5%.

The Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. No changes were made in the objectives, policies and processes from previous years.

Description of what is considered capital

As per Central Bank of Jordan regulations capital consists of Tier 1 capital, which comprises share capital, share premium, reserves, declared reserves, retained earnings, Non-Controlling interest allowed to be recognized, other comprehensive income items less proposed dividends, goodwill, cost of treasury stocks, deficit in requested provisions, deferred tax assets related to non-performing loans and any other restricted amounts. The other component of regulatory capital is Tier 2 capital, which includes subordinated long term debt that may be transferred to shares, preference shares not accrued interest and non-controlling allowed to be recognized. The third component of capital is Tier 3 (which is aid to Tier 2 capital) which is used against market risk. Investments in the capital of banks and other financial institutions are deducted from regulatory capital if not consolidated in addition to investments in the capital of insurance companies. Also, excess over 10% of the Bank's capital if invested in an individual company investee as per the Central Bank of Jordan regulations.

On November 31, 2016 The Central Bank of Jordan issued instructions regarding capital adequacy in accordance with Basel III and canceled the instructions of regulatory capital adequacy according to Basel II.

The capital adequacy percentage is calculated in accordance with the Central Bank of Jordan according to Basel committee decision. Below is the capital adequacy as per Basel III:

	December 31	
	2021	2020
	JD	JD
Ordinary Share Rights		
Paid up capital	190,000,000	190,000,000
Retained earnings after subtracting the expected accumulated distributions	65,981,207	66,160,274
Accumulated change in fair value reserve in total	3,797,698	(5,988,630)
Statutory reserve	86,711,919	82,047,879
Other reserves approved by the Central Bank	10,894,653	10,894,653
Foreign Currencies Translation Reserve	(3,188,744)	(3,188,744)
Minority rights allowed to be recognized	10,052,233	3,379,941
Total ordinary share capital	364,248,966	343,305,373
Regulatory Adjustments (Capital deductible)		
Intangible assets	5,159,688	5,193,184
Deferred tax assets that should be deducted	12,174,930	13,288,293
Deferred provisions approved by the Central Bank of Jordan	-	5,244,185
Net ordinary shareholders' equity	346,914,348	319,579,711
Additional capital		
Minority rights allowed to be recognized		
Net primary capital (Tier I)		
Tier II Capital		
Subordinated loans	16,959,280	18,540,350
General banking risk reserve	4,341,429	3,897,183
Required provisions against debt instruments for stage 1 according to IFRS (9)	14,663,713	13,839,086
Minority rights allowed to be recognized	4,467,659	1,502,196
Tier II Capital	40,432,081	37,778,815
Adjustment (deducted from capital)		
Net Tier II	40,432,081	37,778,815
Regulatory capital	387,346,429	357,358,526
Total risk weighted assets	2,552,300,954	2,237,707,255
Capital adequacy (%)	15.18%	15.97%
Capital adequacy (primary capital) (%)	13.59%	14.28%
Subordinated capital (%)	1.58%	1.69%

44. Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled:

December 31, 2021	Up to 1 Year	More than 1 Year	Total
	JD	JD	JD
Assets			
Cash and balances at Central Banks- Net	413,494,719	-	413,494,719
Balances at banks and financial institutions - Net	121,528,244	-	121,528,244
Deposits at banks and financial institutions - Net	66,254,363	34,800,357	101,054,720
Financial assets at fair value through profit or loss	8,164,615	-	8,164,615
Financial assets at fair value through other comprehensive income	-	65,792,741	65,792,741
Financial assets at amortized cost- Net	217,680,016	588,927,783	806,607,799
Direct credit facilities- Net	606,814,982	1,344,281,873	1,951,096,855
Property and equipment- Net	6,194,000	37,576,756	43,770,756
Intangible assets- Net	2,000,000	3,159,688	5,159,688
Deferred tax assets	3,385,066	8,842,540	12,227,606
Other assets	49,237,623	35,672,867	84,910,490
Total Assets	1,494,753,628	2,119,054,605	3,613,808,233
Liabilities			
Banks and financial institution deposits	202,284,537	-	202,284,537
Customers' deposits	2,062,291,624	375,607,902	2,437,899,526
Cash margins	42,952,764	16,593,644	59,546,408
Borrowed funds	153,741,396	210,168,469	363,909,865
Subordinated loans	-	18,540,350	18,540,350
Sundry provisions	2,009,531	10,304,463	12,313,994
Income tax liabilities	18,019,889	1,790,466	19,810,355
Deferred tax liabilities	865,668	-	865,668
Other liabilities	75,796,958	25,441,617	101,238,575
Total Liabilities	2,557,962,367	658,446,911	3,216,409,278
Net	(1,063,208,739)	1,460,607,694	397,398,955

December 31, 2020	Up to 1 Year	More than 1 Year	Total
	JD	JD	JD
Assets			
Cash and balances at Central Banks - Net	312,961,419	-	312,961,419
Balances at banks and financial institutions- Net	154,796,630	-	154,796,630
Deposits at banks and financial institutions- Net	37,774,561	42,089,815	79,864,376
Financial assets at fair value through profit or loss- Net	7,406,964	-	7,406,964
Financial assets at fair value through other comprehensive income	-	49,648,977	49,648,977
Financial assets at amortized cost- Net	207,580,582	605,344,524	812,925,106
Direct credit facilities- Net	518,613,582	1,275,257,902	1,793,871,484
Property and equipment- Net	6,382,226	36,220,733	42,602,959
Intangible assets- Net	3,100,000	2,093,184	5,193,184
Deferred tax assets	3,273,054	10,043,113	13,316,167
Other assets	39,598,203	41,050,008	80,648,211
Total Assets	1,291,487,221	2,061,748,256	3,353,235,477
Liabilities			
Banks and financial institution deposits	189,181,337	45,000,000	234,181,337
Customers' deposits	1,886,374,923	340,055,514	2,226,430,437
Cash margins	34,773,957	22,184,284	56,958,241
Borrowed funds	124,923,619	189,460,499	314,384,118
Subordinated loans	-	18,540,350	18,540,350
Sundry provisions	3,281,838	9,612,733	12,894,571
Income tax liabilities	14,733,476	1,269,318	16,002,794
Deferred tax liabilities	808,967	-	808,967
Other liabilities	68,346,323	29,399,390	97,745,713
Total Liabilities	2,322,424,440	655,522,088	2,977,946,528
Net	(1,030,937,219)	1,406,226,168	375,288,949

45. Fiduciary Accounts

Fiduciary accounts amounted to JD 479,949 as of 31 December 2021 (JD 434,342 as of December 31, 2020). Such assets or liabilities are not included in the Bank's statement of financial position.

46. Contingent Liabilities and Commitments

a. The total outstanding commitments and contingent liabilities are as follows:

	2021	2020
	JD	JD
Letters of credit:		
Issued	70,742,768	46,987,960
Acceptances	24,036,068	10,691,097
Letters of guarantee:		
Payments	27,079,626	26,079,007
Performance	19,156,735	16,346,471
Other	16,688,210	16,086,063
Unutilized direct credit facilities	246,203,611	171,498,249
	403,907,018	287,688,847

b.The contractual commitments of the Bank are as follows:

	2021	2020
	JD	JD
Contracts to purchase property and equipment	2,471,528	1,592,859

47. Lawsuits raised against the Bank

In the normal course of business, the Bank appears as a defendant in a number of lawsuits amounting to JD 20,060,128 as of December 31, 2021 (JD 39,211,662 as of December 31, 2020). Provision for possible legal obligations amounted to JD 1,876,281 and JD 2,746,501 as of December 31, 2021 and 2020.

During the period ending on December 31, 2021, cases filed with the group related to one of the bank's branches in the State of Palestine were settled for an amount of 18.8 million Jordanian dinars.

In the management and attorneys estimates, the bank will not have any obligations to meet against these lawsuits that might fall above the amount of provision booked.

On January 1, 2019 multiple civil lawsuits have been filed at US courts against multiple banks and financial institutions claiming financial compensation using the US antiterrorism law for damages allegedly resulting from attacks by groups listed under the US sanctions list in 2001. These lawsuits have been filed at courts hours before their filing deadline and have been filed by an attorney office which has filed several similar complaints against other banking institutions on behalf of the same plaintiffs claiming the damages. Cairo Amman Bank is one of the banks the aforementioned lawsuit has been filed against. The lawsuit is still in the preliminary and discussion phases.

In the opinion of the group's management, no provisions should be recorded for the lawsuits filed at US courts against the Bank as of December 31, 2021 as the Bank has consulted with legal consultants specialized in US courts and concluded that the legal status of the lawsuits is in favor of the Bank and that there is no legal or judicial grounds for the lawsuits. As there are no legal basis and the position of Cairo Amman Bank Group is strong.

In the opinion of the legal consultant, the legal position of the lawsuit falls with the bank based on the suggestion of admisal of all the complaints raised for the aforementioned reasons above. Also, based on the opinion of the legal consultant the amount of the complaint cannot be estimated as no specific amount was set against the bank.

48. Leases

a.Right of use assets

The bank leases many assets, including lands and buildings, the average lease term is 7 years, and the following is the movement over the right to use assets during the year:

	For the Year Ended December 31,	
	2021	2020
	JD	JD
Beginning balance	27,432,242	27,979,663
Add: additions during the year	514,409	3,587,091
Less: Depreciation for the year	(3,469,181)	(3,896,233)
Cancelled contracts	(323,108)	(238,279)
Balance – End of the Year	24,154,362	27,432,242

Amounts that were recorded in the statement of profits or losses:

	For the Year Ended December 31,	
	2021	2020
	JD	JD
Depreciation for the year	4,022,447	3,894,672
Interest for the year	1,049,037	1,051,915
Lease expense during the year	5,071,484	4,946,587

b. lease liabilities	For the Year Ended December 31,	
	2021	2020
	JD	JD
Beginning balance	26,266,292	25,927,574
Add: Additions during the year	999,818	4,347,474
Interest during the year	1,049,037	1,027,316
Less: paid during the period	(4,538,767)	(4,064,457)
Amortization of prepaid expenses	-	-
Cancelled contracts	(451,107)	(971,587)
Exchange difference	68	(28)
Balance – End of the Year	23,325,341	26,266,292

Maturity of lease liabilities analysis:	For the Year Ended December 31,	
	2021	2020
	JD	JD
Up to a year	3,688,931	3,733,596
From one to five years	14,326,277	12,633,644
More than five years	5,310,133	9,899,644
	23,325,341	26,266,292

The value of the undiscounted lease obligations amounted to JD 27,162,851 as of December 31, 2021 and the following is a maturity analysis:

Undiscounted lease liabilities analysis:	For the Year Ended December 31,	
	2021	2020
	JD	JD
Up to a year	4,469,225	4,365,674
From one to five years	15,573,098	15,317,913
More than five years	7,120,528	10,905,547
	27,162,851	30,589,134

49. Fair Value Hierarchy

A. The fair value of financial assets and financial liabilities of the Company specified at fair value on an ongoing basis: Some financial assets and liabilities of the Company are measured at fair value at the end of each fiscal period. The following table shows information about how the fair value of these financial assets and liabilities is determined (valuation methods and inputs used).

Financial Assets / Financial Liabilities	Fair Value December 31		The Level of Fair Value	Valuation Method and Inputs Used	Important Intangible Inputs	Relation between Fair Value and Significant Intangible Inputs
	2021	2020				
	JD	JD				
Financial Assets at Fair Value through Profit or Loss						
Equity Securities	8,164,615	7,406,964	Level I	Prices listed in stock exchanges	Not Applicable	Not Applicable
Total	8,164,615	7,406,964				
Financial Assets at Fair Value through Other Comprehensive Income						
Quoted shares	58,284,132	43,528,787	Level I	Prices listed in stock exchanges	Not Applicable	Not Applicable
Unquoted shares	7,303,740	6,120,190	Level II	Comparing the market value with a similar financial instrument	Not Applicable	Not Applicable
Quoted bonds	204,869	-				
Total	65,792,741	49,648,977				
Gross Financial Assets at Fair Value	73,957,356	57,055,941				

There were no transfers between the first level and second level during 2021.

50. Liquidity Coverage Ratio (LCR)

The details of the Bank's Liquidity Coverage Ratio were as follows:

	As of December 31,	
	2021	2020
	JD	JD
Gross high quality liquid assets	1,120,360,489	979,013,926
Gross high quality liquid assets after deduction	1,120,360,489	979,013,926
Net cash outflow	461,531,452	460,699,531
Liquidity coverage Ratio (LCR)	242.7%	212.5%

- The average liquidity coverage ratio reached 221.45%.

51. The impact of the Coronavirus ("Covid-19")

The new Corona epidemic ("Covid-19") has spread across different geographic regions around the world, causing disruption of commercial and economic activities. The Coronavirus ("Covid-19") created a state of uncertainty in the global economic environment.

The Bank is closely monitoring the situation and has activated its business continuity plan and other risk management practices to manage the potential disruptions that the Coronavirus ("Covid-19") outbreak may cause to the Bank's business, operations and financial performance.

The Bank conducted an assessment of the impact of the Coronavirus ("Covid-19") pandemic, which led to the following changes in the ECL methodology and valuation estimates and judgments as on and for the year ending December 31, 2021:

A. expected credit losses

The uncertainty caused by the Coronavirus ("Covid-19") necessitated the bank to update the inputs and assumptions used to determine the expected credit losses as of December 31, 2021. The expected credit losses were estimated based on a range of expected economic conditions at that date, and in view of the rapid developments in the situation, the bank took into account the impact of high volatility on future macroeconomic factors when determining the severity and likelihood of economic scenarios for determining expected credit losses.

This volatility has been reversed by modifying the scenarios construction methods, the basic weights assigned to these scenarios, and the forward-looking factors (credit index) used from the historical observed credit index. The credit index is used to predict the likelihood of projected hypothetical situations in a bank's credit portfolio.

In addition to the above assumptions, the bank has paid special attention to the impact of Coronavirus ("Covid-19") on the qualitative and quantitative factors when determining the large increase in credit risk, and evaluating indicators of impairment of risks in the sectors likely to be affected. The bank also reflected the bank's (Management Overlay) in assessing the impact on certain sectors or specific customers based on the study of each sector or customer separately.

B. Valuation estimates and judgments

The bank's management has studied the potential effects of the current economic fluctuations in determining the declared amounts of the group's financial and non-financial assets, which represent management's best estimates based on observable information.

C. Deferred installments

Based on the instructions of the supervisory authorities to the operating banks, during the year 2021 the bank postponed the installments due or that would be due on some customers without considering this as a structuring, and without affecting also the customers' credit rating.

1- Introduction

Historical Overview

Cairo Amman Bank adopted the Corporate Governance Guide that was published on Bank's website along with the annual report in order to enable shareholders and stakeholders of reading it and recognizing extent of the Bank commitment to applying its contents, then some amendments were caused to it under the instructions issued by the Central Bank of Jordan (CBJ) and related control bodies along with any amendments due to be in compatible with the best leading practices in the field. It determined duties and responsibilities of Board of Directors (BOD) members and the emanating committees, as well as the executive administration, in consideration of protecting shareholders and stakeholders' rights and relation between them.

Corporate Governance

Corporate Governance, according to the instructions of the CBJ, is defined as the system by which the Bank is directed and managed, which aims to define and achieve the Bank's institutional objectives, securely manage the Bank's operations, protect the interests of depositors, adhere to the responsibility due towards shareholders and other stakeholders, and the Bank's commitment to the Bank's internal legislation and policies.

CBJ issued the instructions of Corporate Governance for Banks, which included the following main aspects:

1. Governance guide and publishing it
2. Formation of the BOD, its meetings, tasks and responsibilities.
3. Responsibility and liability limits
4. Board committees
5. Suitability of BOD member and senior executive administrative
6. Evaluating staff's performance
7. Staff financial rewards
8. Conflict of interest
9. Internal and external audit
10. Risk management
11. Compliance management
12. Stakeholders' rights
13. Disclosure and transparency

Guide objectives

The Corporate Governance guide (the "Guide") aims at documenting the framework of Bank corporate governance in order to achieve the highest corporate governance standards based on the appropriate leading practices and the applicable laws and regulations.

This guide discusses the way in which the corporate governance framework guides and controls abidance and compliance to the instructions issued by the CBJ with regards to corporate governance. Accordingly, the guide discusses the following:

Bank organizational structure.

BOD roles and responsibilities, executive management and employees.

Role of BOD committees required to be formed based on the stipulated in the official and control related bodies, which are the audit committee, risk management committee, nominations and remunerations committee, corporate governance committee, compliance committee, facilities committee, IT governance committee and any other committees formed by the Board.

Delegate BOD powers to the CEO and executive management.

Relationship between BOD and executive management with Bank's shareholders and the means enabling shareholders to practice their rights.

Bank policies and mechanisms for reducing and dealing with conflicts of interest cases.

Disclosure commitments due upon the Bank; whether its commitment of continuous disclosure to the CBJ or any other control bodies

Bank internal control system, including the rules related to selecting and appointing external auditors, which were prepared in order to guarantee the Bank performance and prepare the financial reports to be correctly directed and managed.

Risk management and compliance general framework.

General policies of relations with stakeholders.

The corporate governance framework of the bank is subject to the regulations and requirements of the Central Bank of Jordan and the relevant applicable laws and legislations, and therefore the policies in this guide should be read in conjunction with the instructions of the Central Bank of Jordan and the amendments and updates that occur in this regard.

Legal Framework

The Bank is committed to ensuring compliance and full obedience with the instructions of the CBJ and any other instructions regarding corporate governance, in addition to applying appropriate leading practices in this field in a manner that does not violate the instructions of the CBJ. In addition to all applicable and binding instructions and rules for the Bank in the Hashemite Kingdom of Jordan and all countries in which the Bank is present. In addition to all applicable rules and instructions in the Hashemite Kingdom of Jordan and all countries in which the Bank is existed.

The instructions of CBJ with regard to corporate governance shall be applied, and in the event of a conflict with any other instructions, to clarify and illuminate that conflict and obtain the approval of the CBJ to address it.

Definitions

Abbreviation	Definition
Board	Bank's Board of Directors
Corporate Governance	The system by which the bank is directed and managed, which aims to define and achieve the bank's institutional objectives, securely manage the bank's operations, protect the interests of depositors, abide by the responsibilities due towards shareholders and other stakeholders, and the bank's commitment to the bank's internal legislation and policies.
Executive Member	A member of the BOD who participates, for a charge, in managing the daily work of the bank.
Senior Executive Management	Includes the Bank's General Manager or Regional Manager, Deputy General Manager or Deputy Regional Manager, Assistant General Manager or Assistant Regional Manager, Finance Manager, Operations Manager, Risk Management Manager, Internal Audit Manager, Treasury Manager (investment) and Compliance Manager, as well as any employee who has executive authority in the Bank parallel to any of the powers of any of the aforementioned and directly linked to the general manager.
Independent Member	A board member who is not subject to any influences that limit his ability to take objective decisions in favor of the Bank, and who fulfills the conditions set forth in the independent member, item No. (1-5) of this guide.
Adequacy	Availability of certain requirements in the members of the Bank's board of directors and its senior executive management.
Stakeholders	Any interested party in the bank such as depositors, shareholders, employees, creditors, customers or the concerned regulatory authorities.
Major Shareholder	A person who directly or indirectly owns 5% or more of the Bank's capital.

Organizational structure and Corporate Governance relations

Organizational structure

BOD shall accredit the organizational structure that is compatible with the nature and activities of the Bank, while guaranteeing having adequate organizational procedures for implementing the strategies accredited by it, which indicates administrative hierarchy, BOD emanating committees and executive administration, while insuring the following:

Identifying the objectives determined for each unit.

Determining the functional duties and responsibilities for all Bank departments and administrations.

Determining powers and communication channels for all jobs in the different administrative levels in order to achieve effective control / monitoring and separation of duties.

Accredit a functional description for all levels as indicated in the organizational structure, including determining the required expertise and qualifications for occupying such positions.

BOD seeks ensuring abidance by the organizational structure and continuously ensuring comprehensiveness of the following control levels:

2Existence of separate administrations for risk management, compliance and audit, which do not fulfill executive works, and BOD shall ensure their independence.

Existence of units/ employees not participating in Bank daily operations (such as Credit Control and Middle Office employees).

On bank level, BOD shall abide by the following:

Accredit the administrative structures, strategies and policies of the Bank and entire group, while accrediting the corporate governance guide on group level in line with the CBJ instructions to be applied over the entire group, and ensure that the policies of the subsidiaries to the Bank are in line with these instructions. Bank shall take into consideration the instructions issued by the central banks or control bodies of the group countries, along with those applicable to the Bank and entire group without breaching CBJ instructions

Debriefing Bank structure, especially the complicated ones, through recognizing relations between the Bank and entire group, extent of corporate governance as part of the group, with adaptation between the corporate governance strategies and policies of the Bank and CBJ instructions, along with any other instructions issued by the CBJ or other related control bodies, and in case of contradiction, CBJ approval shall be obtained in order to address such contradiction.

Board of Directors

Board Formation

BOD currently consists of 11 members, based on the statute, and membership period is 4 years.

All BOD members are non-executive, including four independent members.

Board shall set and accredit BOD covenant in line with the requirements of corporate governance issued by the CBJ provided to include the following:

- Accountability limits
- Duties and responsibilities
- BOD chairman duties and responsibilities
- BOD Secretary's duties and responsibilities
- BOD formation
- Nomination and election conditions
- Meetings an d legal quorum
- Powers and authorizations
- Confidentiality, conflict of interest and disclosure.

BOD Duties and Responsibilities

Accredit bank Corporate Governance Guide along with the governance report to be included in the Bank Annual Report.

Supervise the senior executive management and follow-up on its performance while ensuring the Bank's sound financial conditions and solvency. Accordingly, BOD accredited appropriate policies and procedures for supervising and controlling Bank performance

Determine the bank strategic objectives, and directing the executive management for preparing a strategy for achieving such objectives and accredit such strategy, while accrediting action plans that are compatible with this strategy

Accredit a policy for control and reviewing performance of the executive management through setting Key Performance Indicators in order to determine, measure and observe performance and progress towards the institutional objectives.

Ensure having policies, plans and procedures for the Bank, inclusive of all activities compatible with the related legislations, and being circularized on all administrative levels, while being regularly reviewed

Determine Bank institutional values and drawing clear lines for responsibility and accountability for all Bank activities, while promoting high culture for the moral standards, transparency and professional conduct of the Bank staff.

The Board shall be responsible for all Bank operations including financial conditions, responsibility of implementing CBJ requirements, and requirements of the other regulative and control bodies related to Bank work, consideration of stakeholders, that the bank is being managed within its internal policies and legislations, and that the effective control is continuously available over Bank activities including the outsourced ones

Each of the CEO and executive manager / internal audit and executive manager / risk management and executive manager / compliance shall be appointed and resign based on the recommendation of the concerned committee provided obtaining CBJ approval over the resignation or dismissal or either of them, and the CBJ may call any of the staff at the bank to verify reason of resignation or dismissal.

In consideration of the mentioned in clause 3.2.8 above, BOD approval shall be obtained upon appointing or approving resignation or dismissal or any of the senior executive management members and key management staff.

Accredit internal control systems for the Bank and reviewing them annually while ensuring that the internal and external auditor review structure of such systems at least once annually, and BOD shall include confirmation of systems' adequacy within Bank annual report

Guarantee independence of external auditor first hand and continuously.

Accredit a risk management strategy and controlling its implementation in a way that includes level of the accepted risks, while guaranteeing Bank non-exposure to high risks, while BOD shall be aware of the Bank operational working environment along with the related risks, and ensuring having infrastructure and tools for risk management at the Bank that are capable of determining and measuring all types of risks affecting the Bank.

Guarantee having and adequate and trusted MIS covering all Bank activities.

Ensure that the Bank credit policy include evaluating quality of the corporate governance of Bank clients of companies, especially the public shareholding ones, whereas customers' risks are evaluated through weaknesses and strengths according to practicing field of governance.

Ensure that the Bank adopts appropriate social initiatives in the field of environment protection, health and education, while considering offering funding to the SMEs with appropriate rates and terms.

Undertake the procedures that clearly separate between shareholders' powers having influential interest on one hand and the executive management on the other, in order to enhance sound corporate governance, thus finding appropriate mechanisms for reducing influence of shareholders having influential interest, which is done through, for example but not limited to, the following:

Shareholders having influential interest shall not occupy any position in the higher executive management.

Higher executive management shall acquire power from the BOD only, while working in the scope of authorization provided by it

Presence of committees emanating from the Board of Directors does not relieve the Board as a whole of its responsibilities.

The Board shall form seven continuous or permanent committees: Audit Committee, Risk Management Committee, Corporate Governance Committee, Nomination and Remuneration Committee, Information Technology Governance Committee, Compliance Committee and Facilities Committee.

The Board may also form other committees, which are the strategies committee, and this committee is emanating from the BOD and works in accordance with its working charter approved by the BOD.

The Board may form other committees to assist it in carrying out its tasks, and the Board may also delegate some of its powers to one or more of those committees. Delegating some of the Board's powers to these committees does not eliminate the joint responsibility of all members thereof. The Board also has the right to restore and withdraw those powers at any time.

Adopt an internal audit charter that includes the tasks and powers of an audit department and circulate it within the Bank.

Verify that the internal audit department is under the direct supervision of an audit committee and that it reports directly to the chair of audit committee.

Verify that violations of the acceptable risk levels are addressed, including accountability of the concerned higher executive management for such violations

BOD Chairman Duties and Responsibilities

Ensure having a constructive relationship between the Board and the executive management.

Encourage constructive criticism regarding the issues that have been discussed in general and those about which there is a difference in views among members, and encourage discussions and voting for such issues.

Ensure all Board members receiving minutes of previous meetings and signing them, and that they have received the agenda of any meeting well in advance of its convening, provided that the agenda includes sufficient written information about the topics to be discussed in the meeting and to be delivered by the secretary of the Board.

Ensure having a charter regulating and defining Board's work

Discussion of strategic and important issues in the Board's meetings extensively

Provide each member of the Board when elected with texts of laws related to the work of banks and Central Bank instructions related to the work of the Board, along with a handbook explaining the rights, responsibilities and duties of the member, in addition to the tasks and duties of the Secretary of the Board.

Provide each member with an adequate summary of Bank business upon appointment or request

Negotiate with any new member with the help of the Bank's legal advisor on the duties and responsibilities of the Board, especially with regards to the legal and regulatory requirements to clarify the tasks, powers and other matters related to membership, including membership period, dates for meetings, committees' tasks, value of remunerations, and possibility of obtaining independent specialized technical advice when necessary.

Fulfill the needs of the members of the Board with regards to developing their expertise and continuous learning, and to allow the new member to attend the Orientation Program, taking into account the member's banking background, provided that this program contains, as a minimum, the following topics:

- The Bank's organizational structure, corporate governance, code of professional conduct.
- Corporate goals and bank strategic plan and approved policies
- The financial position of the Bank.
- Bank's risk structure and risk management framework.

Chairman of the Board shall ensure that the Central Bank is informed of any material information that may adversely affect the suitability of any of its members.

BOD's Secretary Duties and Responsibilities

Attend all Board meetings and record all negotiations, suggestions, objections, reservations, and method of voting Board draft decisions.

Determining the dates of the Board's meetings, in coordination with the Chairman of the Board.

Ensure that the members of the Board of Directors sign minutes of meetings and decisions.

Follow up on the implementation of the decisions taken by the Board of Directors and follow up on discussing any issues that were postponed from a previous meeting.

Keep records and documents of Board meetings.

Take the necessary measures to ensure that the draft decisions intended to be issued by the Board are in accordance with the legislations.

Preparing for the general assembly meetings and cooperating with the committees emanating from the Board

Providing the Central Bank with the adequacy acknowledgments to be signed by the members of the Board

Members' Qualifications and Nominations

The Board of Directors shall adopt a policy for nominations and compatibility for its members, members of the senior executive management, and key management staff, which includes the standards, requirements, and conditions that must be fulfilled by the nominated and appointed member based on the applicable instructions of corporate governance issued by the Central Bank of Jordan and the laws of the supervisory authorities in force.

Board of Directors Committees

Board Committees' objectives

Assist the Board in carrying out some of its tasks and responsibilities under the charter of each committee, provided that it does not relieve the Board of its responsibilities as a whole.

Help to highlight important issues facing the Bank in a more intuitive and appropriate way.

Optimal use of the competencies and qualifications of the Board members through their participation in committees, whose nature of work is consistent with these qualifications.

Facilitating and strengthening effective lines of communication between the concerned departments and the Board through the concerned committee.

Common Principles of the Board Committees

Each committee has clear and independent powers and authorities, but all committees share general and common principles that are summarized as follows:

- Membership and no formation

Each committee has a minimum number of its members based on the corporate governance instructions issued by the related regulatory authorities.

- Quorum and voting:

a. A meeting is considered to be held in the presence of the majority of the members, including the committee chairman or his deputy in his absence, and if the committee is composed of only three members, then the legal quorum for a committee meeting is in the presence of all its members.

b. The decisions of the committee are taken by the majority of the members present. In the event of equal votes, the chairman of the committee shall give precedence to the prevailing opinion.

c. Attendance shall be in person, and in the event that it is not possible to attend in person, a member of the committee can express his point of view through video or telephone after the approval of the chairman of the committee, and he has the right to vote and sign minutes of the meeting, provided that-

    - Documenting that duly
    - The in-person attendance of the member should not be less than 50% of the committee's meetings within a year.
    - The number of members present in person shall not be less than two-thirds of the committee's members.

d. Notwithstanding what was mentioned in item (c) above, the committee may, in cases of emergency with high risks that require preventive and precautionary measures, to hold its meetings via video, telephone, or electronic communication programs, after the approval of the committee chairman, whereas members of the committee who attended meeting have the right to express their point of view, vote on decisions and sign the minutes of the meeting, provided that this is duly documented in the minutes of the meeting.

- Meetings:

The committees meet periodically and/or whenever the need arises, according to the charters of committees approved by the Board of Directors.

- Minutes of meetings:

Minutes of meetings are documented by a secretary of the concerned committee, so that the minutes include all deliberations, discussions, recommendations and decisions taken in this regard.

- Powers and Authorities:

The committees exercise their powers and authorities in accordance with the charter of each of them.

- Reporting to the Board of Directors:

Each committee prepares and submits a semi-annual report to the Board of Directors on a regular basis on the activities and powers it undertakes.

- Annual Evaluation:

The Nomination and Remuneration Committee evaluates the performance of the committees emanating from the Board of Directors.

Each committee must review the charter, guide or instructions of work every 3 years or whenever necessary, and submit a report on any proposed amendments to the board for approval.

It is prohibited for any member of the Board to chair more than one of the following committees (corporate governance, audit, nominations and remunerations, risk management) and it is prohibited to chair more than two of all committees emanating from the Board.

Current committees emanating from the BOD include:

Audit Committee:

Taking into account the stated in the instructions and laws in force, the majority of the members of the committee, including the chair of the committee, must be independent members, and the chairman of the board should not be the chairman of the committee or a member thereof, while may not be the head of any other committee emanating from the board. All members of the committee shall have academic qualifications and have appropriate practical experience in the fields of accounting, finance, or any of the specialties or similar fields related to the bank business.

The committee must have the authority to obtain any information from the executive management and it has the right to summon any of the staff to attend its meetings, provided that this is stipulated in its charter.

The committee shall meet with the external and internal auditor and the compliance officer at least once a year without the presence of any of the members of the senior executive management.

The work of any other committee may not be combined with the work of this committee.

Taking into account the stated in the Banks' Law and its amendments, the committee shall be responsible for reviewing the following matters:

- Audit committee must verify that internal audit employees rotate to audit Bank activities every 3 years, as a maximum.
- Audit committee to verify that internal audit employees have not been assigned any executive tasks.
- Audit committee should verify that all activities of the Bank are subject to audit, including those assigned to external parties.
- Board must verify that the internal audit department is under the direct supervision of the audit committee and that it reports directly to the head of the audit committee.
- Audit committee should evaluate the performance of the internal audit manager and employees and determine their remuneration.
- Scope, results and adequacy of the Bank's internal and external audit.
- Accounting issues that have a material impact on the Bank's financial statements.
- Bank internal control and monitoring systems
- Committee recommends to the Board regarding the appointment of the external auditor, termination of their work, their fees and any conditions related to contracting with them, in addition to evaluating their independency annually
- It is also responsible for reviewing and monitoring the confidential reporting procedures for any errors in the financial reports and any other matters, ensuring that there are no necessary arrangements for the independent investigation and ensuring that the results of the investigation are followed up and treated objectively.
- Set appropriate mechanisms to ensure that company provides the sufficient number of qualified human personnel to perform internal control tasks so that they are trained and rewarded appropriately.
- Study and evaluate any additional work outside the scope of the audit carried out by the external auditor, such as providing administrative and technical advice, and making sure that it does not affect its independence while recommending the Board of Directors to take a decision with that regard

Risk Management Committee:

This committee consists of at least three members of the Board, provided that one of them is an independent member at a minimum, and the chairman of the committee must be from among the independent members, and members of the executive management may participate in its membership.

The committee is responsible for several issues, the most important of which are:

- Review Bank's risk management framework.
- Review risk management strategy.
- Verify compatibility of the actual risks of the Bank with the level of acceptable risks (risk appetite) approved by the Board of Directors.
- Keeping pace with developments that affect the risk management of Bank and submitting periodic reports about them to the Board.
- Creating appropriate conditions to ensure that the risks of material impact are well known and any activities carried out by the Bank may expose it to greater risks than the level of the acceptable risks, and submit reports thereon to the Board and follow up on their treatment.

Nomination and Remuneration Committee:

This committee consists of at least three members, so that the majority of the members of the committee, including the head of the committee, are independent members. The committee is responsible for several matters, the most important of which are:

- Determining the persons qualified to join the membership of the Board based on the capabilities and qualifications of the persons nominated. In case of re-nomination of a member, the times of his/her attendance and the effectiveness of his/her participation in the meetings of the board shall be taken into consideration.
- Nomination of qualified persons to join the senior executive management and senior management staff.
- Ensure that the members of the Board of Directors attend workshops and seminars on banking issues, especially risk management, corporate governance, and the latest developments in banking.
- Verify independency of the independent members and review that annually.
- Evaluate performance of the Board of Directors, its members, committees and CEO through an approved evaluation system, and informing the Central Bank of Jordan and the Securities Commission of the result of such evaluation.
- Make sure that there is a policy of granting remunerations to Bank staff and review them periodically and apply this policy. It also recommends to determine the salaries of CEO and the rest of the senior executive management and key management employees, their remunerations and other privileges.
- Providing information and abstracts about the background of some topics that are relevant to the Bank for members of the board when they request and make sure that they are constantly informed about the latest topics related to banking.

Corporate Governance Committee:

This committee consists of at least three members, including the chairman of the board, whereas the majority of the committee's members are independent members, and the committee chairman must be an independent member.

The committee is responsible for several matters, the most important of which are:

- The committee undertakes to direct and supervise the preparation and update of the Corporate Governance Guide, monitor its implementation, and submit its recommendations for any suggestions or amendments to the Board of Directors.
- Review the remarks of the supervisory authorities related to the implementation of corporate governance in the company and following up on what has been done about it.

5.3.4. IT Governance Committee:

This committee consists of at least three members, and it is preferable that its membership includes persons with experience or strategic knowledge in information technology, so that this committee assumes the following tasks and responsibilities:

Adopting the strategic objectives of the information technology and the appropriate organizational structures, including for the steering committees at the level of the senior executive management and in particular (information technology steering committee) in a way that ensures the achievement and fulfillment of the objectives of the Bank's strategy and achieving the best added value from projects and investments of the information technology resources, while using the necessary tools and standards to monitor and verify the extent to which this is achieved, such as using the IT Balanced Scorecards system, calculating a rate of return on investment (ROI), and measuring the impact of contribution in increasing the financial and operational efficiency.

- Adopting a framework for public management, control and monitoring of information technology resources and projects that simulates the best international practices in this regard and specifically (COBIT), which is consistent and meets the objectives and requirements of governance instructions, information management and the accompanied technology through sustainable achievement of the institutional goals and objectives set out in the mentioned instructions, and achieving the accompanying Information Technology Objectives Matrix, while covering information technology governance processes.
- Adoption of the matrix of institutional objectives in Annex No. (1) of the instructions of governance, information management and technology, and their update of the Central Bank circular no. 10-6-984, along with the objectives of information and associated technology in Annex No. (2) and their update of the Central Bank circular no. 10-6-984, considering the data as a minimum, and describing the sub-objectives necessary to achieve them.
- Adopting a matrix of responsibilities (RACI Chart) towards the principal operations of information technology governance in Annex No. (3) and their update of the Central Bank circular no. 10-6-984, along with the sub-operations emanating from it in terms of: the entity, entities, persons or parties that are primarily (Responsible), those who are irrevocably (Accountable), those who are (Consulted), and those who are (Informed) towards all operations in the aforementioned facility, guided by the COBIT 2019 standard in this regard.
- Adopting the importance and order of priority of the Enterprise's Goals and the extent to which they are related to Alignment Goals and the Governance and Management Objectives in addition to their connection with the rest of the Enablers/Components.

Based on a qualitative and/or quantitative study considered for this purpose at least annually, which takes into account the factors affecting the formation of information technology framework of governance (Design Factors – COBIT 2019) in compatible with the privacy and strategies of the Bank. Provided that the topics of cyber security, risk management, privacy and data protection, compliance, monitoring, auditing, and strategic consensus are included as Focus Area and of high priority and importance, and provided that the level of maturity of the activities related to the objectives of governance and management and the rest of the seven elements of empowerment are compatible with the degree of importance and priority according to the results of the study mentioned above, and that the level of maturity of the goals of high importance and priority are not less than the level of Fully Achieved 3 according to scale for the maturity mentioned in the framework of COBIT 2019. It is allowed to consider no more than 26% of the targets mentioned in clause sixth above within the objectives of the management (no more than 9 goals as a maximum from 35 goals) as being of lower priority and importance, depending on the results of the aforementioned study.

- Ensure that there is a general framework for information technology risk management that is compatible and integrated with the entire general framework of risk management in the Bank and so that it takes into account and meets all processes of information technology governance listed in annex No. (3).
- Adopting the budget of resources and information technology projects in line with the objectives of the Bank's strategy.
- General supervision and reviewing the progress of information technology operations, resources and projects to ensure their adequacy and effective contribution in achieving the Bank requirements and business.
- Reviewing information technology audit reports and taking the necessary measures to address the deviations.
- Recommending the Board to take the necessary measures to correct any deviations.
- Adopting a Cyber Security Policy
- Adopting the Cyber Security Program
- Check for compliance with the Cyber Security Policy and Program
- Submit a semi-annual report to the Board of Directors on the work and activities of the committee.
- Revising the charter of the committee every 3 years and/or whenever the need arises, and submitting any amendments thereto to the Board of Directors for approval.
- Reviewing any topic presented to the committee by the board of directors, or that the committee deems necessary to discuss it and express its opinion or recommendation on it to the board of directors.

Strategy Committee:

The committee is formed by a decision of the BOD so that the committee assists the board in setting strategic goals and assists the executive management in designing the strategy and issuing recommendations to the Board for approval, thus the committee assumes the following tasks and responsibilities:

- Determining strategic goals in coordination with the executive management and recommending the Board of Directors for approval.
- Ensure preparation of strategic and operational plans and ensure that strategic objectives are included therein.
- Follow-up on the achievement of strategic goals through key performance indicators.
- Submit a semi-annual report to the Board of Directors on the work and activities of the Committee.
- Revising the charter of the committee every 3 years and/or whenever the need arises, and submitting any amendments thereto to the Board of Directors for approval.
- Reviewing any topic presented to the committee by the board of directors, or that the committee deems necessary to discuss it and express its opinion or recommendation on it to the board of directors.

Facilities' Committee:

This committee consists of at least five members, and one of the members of the committee may be independent, provided that not being a member of an audit committee. Members of the committee, including the chief and deputy chief, are appointed under a decision of the BOD, and members of the senior executive management may participate in committee meetings to present their recommendations. The legal quorum for meetings of the committee is fulfilled in the presence of at least four members, and decisions are taken by a majority of its members regardless of the number of attending members.

Maximum limits are determined for the powers entrusted to this committee in relation to granting, amending, renewing or structuring the credit facilities, so that there are clear powers for the Board in this regard. It is allowed under a decision issued by the BOD to authorize some or all powers of the committee in amending the conditions or restructuring the facilities to the executive management committee, with the necessity of informing the facilities' committee of the decisions taken within these powers.

This committee assumes the following tasks:

- Consider the facilities that exceed the authority of the highest committee in the executive administration.
- Its powers are limited to taking the appropriate decisions regarding facilities that were recommended for approval by the executive management committee.
- To submit to the Board periodically details of the facilities that have been approved by it.
- Revise the charter of the committee every 3 years and/or whenever the need arises, and submit any amendments thereto to the Board of Directors for approval.
- Reviewing any topic presented to the committee by the BOD, or that the committee deems necessary to discuss it and express its opinion or recommendation on it to the BOD.
- In the event of conflict of any of the recommendations of the committee and the decisions of the Board of Directors, the Board of Directors must include in the Governance Report a statement that is clearly detailing these recommendations and the reasons for the Board's non-compliance with them.

Compliance committee:

This committee consists of at least three members, whereas the majority of its members are independent. This committee assumes the following tasks:

- Ensure the availability of policies, a framework for compliance management, and the necessary programs and tools, while reviewing them periodically to ensure their effectiveness and amending them if necessary.
- Discussing compliance and anti-money laundering reports.
- Receiving and following up on compliance reports and internal control reports related to compliance management.
- And other tasks under the approved charter of the committee.

Adequacy, Evaluation and Remunerations

Adequacy of BOD Members, Senior Executive Management and Key Management Personnel

The members of the Board of Directors, the Senior Executive Management, and the key management staff must have integrity, experience, the required qualifications, and the ability to perform their duties, devote and fit to bank work, and meet the conditions of adequacy for the positions they occupy. The member of the Board of Directors must allocate an adequate time for fulfilling his/her duties.

The Board of Directors and the Nominations and Remunerations Committee are responsible for ensuring that the members of the Board of Directors, executive management and key management personnel meet the requirements of integrity, experience, qualifications and capabilities necessary to carry out the tasks and responsibilities required in accordance with the corporate governance instructions issued by the Central Bank of Jordan and other applicable regulations and instructions along with the internal policies adopted in this regard.

Conditions of adequacy for the Chairman and Members of the Board of Directors:

- Shall be at least 25 years old.
- Shall not be a member of the BOD of any other bank in the Kingdom, its general manager, regional director, or an employee there, unless the other bank is a subsidiary of this Bank.
- Shall not be a lawyer, legal advisor, or auditor for the Bank.
- Shall have a first university degree, as a minimum, in economics, finance, accounting, business administration, or any of the similar disciplines. The Nominations and Remunerations Committee may consider adding other disciplines if they are associated with experience related to Banks' business.
- Shall not be an employee of the government or any public official institution unless he/she is a representative thereof.
- Shall not be a member of the boards of directors of more than five public joint stock companies inside the Kingdom, whether personally or as a representative of a corporate body.
- Shall have at least five years of experience in banking, finance, or similar fields.
- Shall not combine his/her position with any administrative, executive or advisory position in the Bank.
- Shall be of good reputation and manners.

Conditions for the independence of the members of the Board of Directors:

- Shall not have been an executive member of the Board during the three years prior to his election.
- Shall not have worked as an employee in the Bank or of any of its subsidiary or affiliate companies during the three years prior to his election.
- Shall not be a relative to any of the other members of the Board, or any member of the BOD of companies affiliate to the Bank, or one of the main shareholders of the Bank up to a second degree.
- Shall not be a relative to any of the members of the executive management of the Bank or to any of the members of the executive management of Bank subsidiaries up to a second degree.
- Shall not be a partner or employee of the Bank's external auditor, and he/she shall not have been a partner or employee during the three years prior to the date of his election as a member of the Board, and he/she shall not be a relative to the partner responsible for the audit process.
- Shall not be a major shareholder in the Bank or a representative of a major shareholder or an ally of a major shareholder in the Bank, or whose shareholding with the ally constitutes the amount of the shareholding of a major shareholder or a major shareholder in one of the subsidiaries of the Bank or a major shareholder in the group that owns the Bank.
- Shall not have been as a member of a BOD of the Bank or one of its subsidiaries, or a member of its management committee for more than eight consecutive years
- Shall not have obtained, or any company he/she is a member of its board of directors, owner or major shareholder, a credit from the bank in excess of (5%) of the bank's subscribed capital, and shall not be a guarantor of credit from the Bank with value exceeding the same percentage.
- Shall have high financial or banking experience and qualifications

Conditions of Adequacy for CEO and members of the Senior Executive Management and Key Management Personnel:

- For the purposes of reading guide; the general manager defined in the Corporate Governance instructions is the same CEO mentioned in the approved organizational structure of the Bank.
- Shall not be a member of the board of directors of any other bank inside the Kingdom, unless the other bank is a subsidiary of the Bank.
- Shall be available to manage Bank business
- Shall have a first university degree as a minimum in economics, finance, accounting, business administration, or any of the similar disciplines that are related to bank business, with the exception of key management staff, who must fulfill the conditions and requirements of the job as accredited by the Bank according to the job description and qualifications.
- Shall have experience in the field of bank business or related businesses of not less than five years, except for the position of the CEO or regional manager, whose experience in the field of bank business must not be less than ten years, with the exception of key management staff, who must have experience in the field of business of his/her management or related business by not less than five years.
- Shall obtain a certificate of non-objection issued by the Central Bank of Jordan before appointing any member of the senior executive management in accordance with the instructions of the corporate governance in effect.
- His/her appointment shall not constitute a conflict of interest arising from a relationship with the Chairman of the Board of Directors or any member of it or any major shareholder, including being a relative up to the third degree in the case of CEO and first degree in the case of the occupants of the senior executive management
- Despite the stipulated in the Companies Law, it is not permissible to combine the positions of the chairman of the board and CEO, and the chairman of the board, or any of the members of the board or the shareholders, must not be relatives of fourth degree to the CEO.

The Nominations and Remunerations Committee shall find a clear methodology to verify the allocation of a member of the Board of Directors adequate timing to fulfill his/her duties as a member, including the extent to which a member is related to the membership of other boards / bodies / forums.

The approval of the Board of Directors must be obtained when appointing, accepting the resignation or dismissal of any members of the senior Executive Management and Key Management Personnel.

The Board of Directors shall adopt a policy for nominations and adequacy, which is implemented and updated every 3 years or whenever the need arises, in order to ensure compliance with the requirements of the Central Bank and all relevant instructions of the supervisory authorities.

The Board of Directors shall adopt a comprehensive functional replacement plan that shall be updated on an ongoing basis.

Performance Evaluation

The Board of Directors shall adopt a general framework to evaluate the performance of each of the Board of Directors, its members and its committees independently. This framework includes:

- Setting specific goals and defining the Board’s role in achieving these goals in a measurable manner.
- Defining key performance indicators (KPIs) to evaluate the performance of the Board.
- Methodology of communication between the BOD and shareholders, and periodicity of such communication.
- Periodic meetings between the BOD and the senior executive management.
- The role of a member in the meetings of the BOD, in addition to comparing his/her performance with the performance of other members, and feedback must be obtained from the concerned member in order to improve the evaluation process

The Nominations and Remunerations Committee shall annually evaluate the work of the Board as a whole, its members and all Board committees, and inform the Central Bank of the results of this evaluation.

The Board of Directors shall approve the performance evaluation of CEO annually in accordance with an approved evaluation system prepared on the basis of key performance indicators (KPIs), so that the criteria for evaluating the performance of CEO include both the financial and administrative performance of the Bank and the extent to which strategies and action plans of the Bank are achieved in both medium and long terms, while notifying the Central Bank of the results.

The Board of Directors adopts a system for measuring Bank's staff performance who are not a member of the BOD nor CEO.

Based on approved KPIs, this regulation includes the following:

- To be given an appropriate weighting to measure the performance of compliance with a risk management framework and to assess the extent of compliance with internal control procedures and the requirements of regulatory authorities.
- Total income or profit shall not be the sole element for evaluating the performance, as it should take into account the main risks related to basic operations, customer satisfaction and other applicable elements.
- Not exploiting powers and avoiding conflict of interest.

General Rules for Financial Remunerations

The Bank has independent policies and procedures that are objective and transparent for granting remunerations to members of the Board of Directors, senior executive management and key management staff, based on the approved evaluation system. This policy is enforced by the Nominations and Remunerations Committee.

The objective of the financial remunerations policy includes:

- Maintaining staff with competencies, skills and experience, attracting and motivating them, and improving their performance.
- Take into consideration the risks, liquidity conditions, the profits and their timing in a way that does not affect the solvency and reputation of the Bank.
- The element of awarding remunerations shall not be based only on the performance of the current year, but should also be based on the performance in the medium and long terms (from three to five) years.
- Determining the form of remuneration in accordance with the approved remuneration policy and in line with instructions.
- Express Bank's goals, values, and strategy.
- The possibility of postponing the payment of a reasonable percentage of the remunerations, so that this percentage and the period of postponement are determined on the basis of the nature of the work, its risks and the activities of the concerned member of staff.
- Not granting financial rewards to staff of supervisory departments (risk management, auditing, compliance and anti-money laundering) based on the business results of the departments they monitor.

Delegation of authority to Executive Management

Delegation of Authority to the CEO

The Board shall specify the legal, financial, and administrative powers to the CEO and the executive management to the extent that enables them to carry out their work efficiently and effectively, through CEO and executive management submitting the necessary recommendations to the Board regarding the allocation of a schedule of powers which includes legal, financial and administrative powers, and that the schedule be approved by the Board of Directors.

The Board should also specify the banking operations that require its approval, provided that they do not expand in a way that violates the supervisory role of the Board and that it does not grant executive powers, including the powers to grant credit to a member of the Board individually, including the Chairman, through a schedule of powers approved by the Board

Shareholders' Rights

Shareholders' rights

The Bank shall guarantee the rights of the shareholders based on the instructions of the Central Bank and the instructions of the supervisory authorities as follows:

Ensure that the shareholders enjoy all their rights related to obtaining their share of the profits allocated for distribution, attend public meetings, actively participate in the deliberations, voting public decisions, obtain bank statements and financial reports, and exercise all rights stipulated by regulatory procedures granted to shareholders.

Encouraging shareholders to attend General Assembly's annual meeting and voting personally or by delegating other persons to attend the General Assembly's meetings on his/her behalf as stipulated by the laws and instructions of the supervisory authorities.

Ensure that the Bank's annual report and its quarterly reports include disclosures that allow current or potential shareholders to view the results of the Bank's operations and financial position.

Ensure preparing a report on the results of General Assembly meeting, provided that it includes the observations and questions that were raised by the shareholders to the executive management, in addition to the voting results.

Ensure allocating part of the website that includes clarification of the shareholders' rights and encourages them to attend and vote in General Assembly's meetings, as well as publishing the documents related to the meetings, including a full text of the invitation and minutes of the meetings.

Ensure that the Shareholders Relations Unit updates the Bank's website periodically and that it includes all information, statements, General Assembly decisions, and reports related to shareholders.

The Shareholder Relations Unit of bank is responsible for receiving shareholders' complaints through direct contact with shareholders or through the Bank's website.

The Shareholders Relations Unit directs the shareholders' complaints to the executive management for a response. Responses to shareholders' complaints are subject to the supervision and approval of the executive management, taking into account the confidentiality of the information.

Conflict of interest and Code of Professional Conduct

General Policies

The staff shall avoid conflicts of interest.

The Board of Directors shall adopt policies and procedures regulating cases of conflict of interest that may arise as a result of day-to-day business and disclose any conflict of interest that may arise from Bank's association with companies within the group.

The Board shall ensure that the executive management enjoys high integrity in carrying out its work and avoids conflict of interest.

The Bank shall ensure that there is no interest (direct or indirect) with the members of the BOD in the business or contracts that are executed for the Bank. The members of the BOD shall inform the Board in case of having a personal interest in the business or contracts that are executed for it, and this is documented in the minutes of the meeting. A member of the BOD who has a personal interest in Bank's business and contracts may not attend and participate in any decisions regarding this matter as stipulated by laws.

The BOD verifies that the executive management members comply with the approved policies and procedures.

The BOD shall adopt policies and a code of professional conduct and circulate them to all staff including the following:

- None of the staff exploiting the Bank internal information for their own personal benefit.
- Rules and procedures regulating dealings with the related parties.
- Cases that may result in a conflict of interest

The BOD shall adopt a policy for reporting conflict of interest cases, which allows employees to report confidentially about practices and activities that are not permitted or violate the laws and instructions through the approved means of reporting.

The Board shall adopt controls over information between the various departments to prevent exploitation for personal benefit.

Related Parties Transactions

General Policies for Related Parties Transactions

The Board of Directors shall adopt policies and procedures for dealings with the related parties that include the definition of these parties, taking into account the legislations, conditions for transactions, and approval procedures, and a monitoring mechanism for these transactions so that these policies and procedures are not allowed to be bypassed.

Bank shall establish and define mechanisms related to its relations with customers and suppliers, ensuring that their information and data are treated as confidential.

The Bank keeps records of the transactions of the related parties, with the necessity of subjecting these transactions to an appropriate level of scrutiny so that the supervisory departments in the Bank make sure that dealings with related parties have taken place in accordance with the approved policy and procedures, and an audit committee to review, monitor and inform the Board on these transactions.

The transactions of related parties are disclosed based on the disclosure requirements in accordance with the international financial reporting standards (IFRSs) for and the Central Bank, and any requirements of other local regulatory and official bodies in Jordan or in the countries where Bank or group is located.

Board of Directors' member shall give priority to the interest of Bank in all transactions that take place with any other company in which he/she has a personal interest, and not to take opportunities for commercial business of the Bank for his/her own benefit, avoid conflict of interests and disclose to the Board in detail any conflict in interests, if occurs, with the obligation not to attend or participate in the decision taken at the meeting in which such issue is discussed, and to record this disclosure in the minutes of the meeting of the Board.

Disclosure Requirements

Disclosure and transparency

The Board of Directors shall adopt policies for the disclosure of financial and non-financial information that assist shareholders and stakeholders in following up on the business, operations and financial results of the Bank.

The Bank's website includes all information and data that must be disclosed according to the disclosure requirements and instructions issued by the applicable regulatory authorities. The Board of Directors and other relevant committees also supervise the extent to which the executive management comply with this.

The disclosure and transparency policy of Bank includes the following:

- The process of reviewing/ checking the information to be disclosed to ensure accuracy and correctness before publishing.
- Mechanism of dealing with the internal information and ensuring that such information is not misused before being disclosed.
- Process for preparing supervisory reports to monitor non-compliance with the disclosure policy by employees/ responsible authorities and procedures to be followed in the event of any violations being discovered.
- Process of assessing and measuring the risks that may result from disclosure, including the disclosure of inaccurate, incomplete or illegal information.

The Board of Directors shall be responsible for ensuring the integrity and accuracy of the information disclosed, while ensuring compliance with Bank's approved policy in this regard, and to review and update the policy periodically.

The Annual Report shall include, as a minimum, the following:

- A text stating that the Board is responsible for the accuracy and adequacy of the Bank's financial statements and the information included in the report, and for the adequacy of internal and comprehensive control and oversight systems and that the annual report includes all disclosure requirements that are issued by the applicable supervisory authorities.
- A summary of the Bank's organizational structure.
- A summary of the tasks and responsibilities of the Board's committees and any powers that the Board delegated to those committees.

- Information that are of interest to the stakeholders shown in the Bank's Corporate Governance Guide and the extent of its commitment to implementing the stipulated in the guide.
- Information about each member of the Board in terms of his/her qualifications and experience, the amount of his/her shareholding in Bank's capital, whether he is independent or not, his/her membership in the Board's committees, the date of his/her appointment, any memberships he/she holds in the boards of directors of other companies, and the remunerations in all forms that he/she obtained from Bank for the past year, as well as the loans granted to him/her by the Bank and any other transactions made between the Bank and member or related parties.
- Information on risk management, including its structure, nature of its operations, and upgrades.
- The number of meetings of the BOD and its committees and the number of attendances of each member in these meetings.
- The names of each of the board members and the senior executive management who resigned during the year.
- A summary of the policy of granting remunerations at the Bank, with the disclosure of all forms of remunerations for the members of the Board separately, and the remunerations in all forms that were granted to the senior executive management separately for the past year.
- The names of the shareholders who own 1% or more of Bank's capital, specifying the infinite beneficiary of these shareholdings or any part of them, and clarifying whether any of these shareholdings are mortgaged in whole or in part.
- Acknowledgments from all members of the Board that no member obtained any benefits through his/her work for the Bank without being disclosed, whether those benefits were material or in-kind, or whether he/she had personally or through any of his/her related parties, for the past year.

Internal Control and Discipline Systems

Internal control and discipline systems play a major role in ensuring the ability of the BOD and the executive management to achieve the objectives of the Bank, protect the interests of shareholders and stakeholders and reduce major risks such as fraud, illegal activities and business, and financial statements that do not reflect the actual financial position of the Bank

The Bank adopts internal control and discipline systems, and the BOD ensures that the internal and external auditors review the structure of these systems on an annual basis.

The BOD ensures the implementation of internal control and discipline systems through documented policies that cover all banking operations and their distribution and circulation at all administrative levels to review them on a periodic basis to ensure their updating and comprehensiveness. Several parties ensure the effectiveness of the internal control and discipline systems, which are:

Internal Audit

The Bank has an internal audit department that reports to an audit committee.

The Board shall take the necessary measures to enhance the effectiveness of the internal audit by giving the necessary importance to the audit process and fixing this in the Bank and following up on the correction of audit notes.

The Board shall ensure and enhance the independence of the internal auditors and give them an appropriate position in the Bank job hierarchy and ensure that they are qualified to carry out their duties, including the right and access to all records and information and contact with any employee at the Bank so that they can perform the tasks assigned to them and prepare their reports without any external interference and without contradiction with any relevant laws and/or instructions.

Audit committee shall provide sufficient number of qualified human resources to carry out internal audit activities

The tasks below are among the tasks performed by the internal audit:

- Reviewing financial and administrative matters, reviewing compliance with the Corporate Governance Guide, reviewing the validity and comprehensiveness of stress tests, in line with the methodology approved by the Board.

- Ensure having adequate internal control and discipline systems for the activities of the Bank and the group as a whole.
- Ensure compliance with Bank internal policies, international standards, and the applicable instructions of the supervisory authorities.
- Ensure accuracy of the procedures followed in relation to the Internal Capital Adequacy Assessment Process (ICAAP).

External Audit

The BOD shall nominate the external auditor based on the recommendation of the audit committee, and they shall be appointed by a decision of the General Assembly of the Bank. The external auditor must also be independent of the Bank and its BOD.

The BOD shall ensure regular rotation of the external auditor between auditing offices and their subsidiaries, affiliate companies, or related companies in any way, every seven years as a maximum, from the date of election, which is calculated at the beginning of application as of 2010, and the first year (upon rotation) of the new office shall be joint with the old office.

The old office may not be re-elected again before passing at least two years from the date of its last election at the Bank, other than a joint audit assignment.

The BOD shall ensure that appropriate steps are taken to resolve any weaknesses in the internal control system that have been identified and referred to by the external auditor.

Risk Management

The Bank administration has a specialized department for risk management that submits reports to the risk management committee and the senior executive management.

The Board shall ensure the independence of risk management and ensure availability of the human resources needed to carry out related activities and grant them the necessary powers to enable them to obtain information from other departments of the Bank and cooperate with other committees to carry out their tasks.

The Board shall ensure that violations are addressed at the approved levels of risk, including accountability of the concerned senior executive management for such violations.

The Board shall approve the Bank's acceptable risks' document.

The Board shall adopt a methodology for a self-assessment of the Bank's capital adequacy, whereas such methodology is comprehensive, effective, and able to identify all risks that may be directed to the Bank, and take into account Bank's strategy and capital plan, and review this methodology on a regular basis while ensuring its application while the Bank retaining sufficient capital to meet all kinds of risks that it faces.

The Board, before approving any expansion of Bank's activities, shall take into consideration the resulting risks and the capabilities and qualifications of the staff of the Risk Management Department.

The Board shall ensure that the risk management conducts stress tests periodically, and that they have major role in approving the hypotheses and scenarios used, discussing the results of the tests, and approving the measures that must be taken based on these results

The tasks below are among the tasks performed by the Risk Management:

- Ensure that the Bank works within the limits of the acceptable risks by monitoring the compliance of Bank's executive departments with the specified levels of the acceptable risks.
- Conducting stress tests periodically.
- Defining the acceptable risk levels, in addition to a strategy and risk policy for the Bank, to be approved by the BOD and the executive management.
- Ensuring the Bank's compliance with the approved and upcoming risk levels by submitting reports to the Board through the Risk Management Committee and a copy to the senior executive management that includes information on the actual risk system, in comparison with the acceptable risks' document and addresses any negative deviations.
- Ensure alignment and compatibility between risk measurement mechanisms and the information system.
- Reviewing the Bank's risk management framework before it is approved by the Board.

- Set and develop methods and techniques for identifying, supervising, examining and controlling all types of risks.
- Review and analyze all kinds of potential risks to Bank.
- Providing recommendations to the Risk Committee about Bank's exposure to risks and recording cases of exceptions to the risk policy.
- Providing the necessary information about Bank's risks to be used for disclosure purposes.
- Implementing a risk management strategy in addition to developing policies and work procedures to manage all types of risks.
- Ensure integration of risk measurement mechanisms with the used management information systems.

Compliance Management

The Bank has a Compliance Department that reports directly to a Compliance Committee with a copy sent to the CEO.

The Board shall ensure the independence of the Compliance Department and ensure the availability of sufficient and trained human personnel.

The Board shall adopt a policy to ensure that the Bank complies with all relevant legislations and shall review this policy periodically and verify its implementation.

The Board shall approve the duties and responsibilities of the Compliance Department.

Compliance and anti-money laundering policies approved by the Board shall be recorded and documented in a separate handbook to cover all aspects of compliance to ensure commitment to the applicable laws, instructions and international standards.

Rights of Stakeholders

Stakeholders are the parties with an interest in the Bank, such as depositors, shareholders, employees, creditors, customers or supervisory authorities.

The Board of Directors is committed to the highest ethical standards with regard to dealing with stakeholders, and this stems from the desire of the Bank to maintain the trust and faith of the stakeholders in the Bank and its commitment to them, so that the Board provides a specific mechanism to ensure communication with the stakeholders, through disclosing and providing meaningful information about the Bank's activities to stakeholders through the following:

- General assembly meetings.
- Annual report.
- Quarterly reports that contain financial information in addition to a report on the trading of Bank's shares and its financial position during the past year.
- Bank's website.
- Shareholder Relations Department.

Shareholders

The Bank is committed to creating sustainable value for shareholders. It also aims to provide financial returns and to carry out activities that would maximize the interests of shareholders.

Suppliers and Service Providers

The Bank commits to dealing with suppliers and service providers with honesty and credibility, and seeks to build and maintain good relationships with suppliers and service providers, and ensures the confidentiality of information related to them.

Staff

The Bank is obligated to treat employees with dignity and to provide equal employment opportunities to all employees in terms of employment practices, including hiring, remunerations, professional development and promotions.

Securing and providing safe and healthy working conditions and respect for human rights.

Community

The Bank is obligated to contribute to the overall quality of life in the communities in which it works, by using resources in a responsible manner to preserve the environment. The Board ensures that the Bank helps through charitable activities, civic service, etc. in order to fulfill its social responsibilities.

Clients

The Bank is obligated to treat all clients fairly, transparently and on equally without giving priority to the interests of some of them over others or granting some of them preferential terms except in accordance with commercial and banking foundations and standards pursuant to the relevant laws or instructions.

Governance Report

Governance Report

Cairo Amman Bank is one of the leading banks in applying the concepts of good corporate governance, so as it has for many years formed the permanent committees emanating from the Board of Directors, such as the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Governance Committee, Information Technology Governance Committee , Facilitation Committee and Compliance Committee, in addition to the formation of the Strategy Committee, with the aim of assisting the Board of Directors in carrying out the work and tasks assigned to it. Policies, procedures, and regulations were also prepared in accordance with the requirements and instructions of the relevant regulatory and official authorities.

Information about the Members of the Board of Directors of Cairo Amman Bank

Current / Resigned

Member's Name	Name of Representative of Member in case Member is a Natural Person	Executive / Non-executive	Independent / Nondependent	Membership in BODs of Public Shareholding Companies in Jordan
Yazeed Adnan Mustafa Al-Mufti	-	Non-executive	Non-independent	Zara Investment Holding Co.
				Middle East Insurance Co.
				Middle East (Holding) Co.
Banque Misr	Mohammad Mahmoud Ahmad Al-Atrabi	Non-executive	Non-independent	-
Hesham Zafer Taher Al-Masri (starting from 7/3/2021	-	Non-executive	Non-independent	Jordanian Tourist Transportation
Arab Foodstuff and Trade Company	Ghassan Ibrahim Fares Aqeel	Non-executive	Non-independent	-
Social Security Corporation	Mazen Hamdi Mohammad Al-Sahsah (Starting from 1/9/2021)	Non-executive	Non-independent	-
Yaseen Khalil "Mohammad Yaseen" Al-Talhouni	-	Non-executive	Non-independent	Zara Investment Holding Co.
				Jordanian Hotels and Tourism Company
				Jordan Electricity Company
				Al-Himah Mineral Company
Shareef Mahdi Husni Al-Saifi	-	Non-executive	Non-independent	Member has no other memberships in the BODs of public shareholding companies in Jordan
Hasan Ali Hussein Abu Al-Ragheb	-	Non-executive	independent	First Insurance Company – Solidarity
Suha Baseel Andrawos Ennab	-	Non-executive	independent	Arab European Insurance Group Company
Sami Issa Eid Smairat	-	Non-executive	independent	Jordan Phosphate Mine Co.
Esam Mohammad Farouq Rushdi Al-Muhtadi	-	Non-executive	independent	Member has no other memberships in the BODs of public shareholding companies in Jordan
Khalid Sabeeh Taher Al-Masri (Up to 8/2/2021)	-	Non-executive	Non-independent	Zara Investment Holding Co
				Jordanian Hotels and Tourism Company
				Al-Himah Mineral Company
				Arab Bank
Social Security Corporation	Suzan Yahya Jawdat Abu AlRous (Starting from 31/8/2021)	Non-executive	Non-independent	-

Executive Positions at the Bank and Names of Persons occupying them

Name	Position
Mr. Kamal Ghareeb Abdel Raheem Al-Bakri	CEO
Mr. Khaled Mahmoud Abdullah Qasem	Chairman of the Joint Services Group
Mrs. Rana Sami Jadallah Al-Sunna'	Chairman of the Credit Services Group
Mrs. Reem Younis Mohammad Al-Eses	CEO / Treasury and Investment
Miss Jan Shawkat Mahmoud Yadj	CEO / Central Operations
Miss Maha Abdullah Abdel Hamid Ababneh	CEO / Special Banking Services
Mr. Fouad Younis Abdel Lateef Saleh	CEO / Finance and Shareholders Affairs
Mr. Hani Mohammad Rashrash Ahmad Rasheed Khader	CEO / Banking Services and Marketing
Mrs. Margret Muheeb Issa Makhamreh	CEO / Internal Audit
Mr. Anton Victor Anton Sabella	CEO / Compliance
Mr. Yousef Abdel Fattah Suleiman Abu Al-Haija'	CEO / Risk Management
Mr. Yazeed Seetan Yousef Ammari	CEO / Commercial Credit Services
Mr. Azmi Mohammad Hasan Awaidah	CEO /Personal Credit Services
Mr. Mohammad Ali Mahmoud Al-Qaisi	CEO and Legal Advisor / Legal Affairs and Contract Documentation
Mr. Omar Sarhan Ahmad Aqel (up to 31/12/2020)	CEO/ Internal Audit
Mrs. Mary Wade' Hanna Awwad	BOD Secretary

Audit Ccommittee Chairman and Members

Mr. Sami Issa Eid Smairat / Committee chairman/ independent

Scientific qualifications

Master's degree of Business Administration (NYIT)

Master's degree in Telecommunications Engineering (University of Jordan)

Bachelor degree of Electrical Engineering (University of Jordan)

Practical Experiences

CEO of Jordan Data Transmission Services Company

Executive Manager of the Corporate and Companies Sector (Orange)

BOD Chairman of Petra Company for Payment Services by Cellophanes

Deputy BOD Chairman of Jordan Phosphate Mines Company

Member of the International Data Centre Commission

Member of the National Cyber Security Council

Member of Trustees Board of Princess Sumaya University for Technology

Member of BOD of Sodetel Company

CEO of Wanado Jordan Company

Founder Partner in Siberia Company

Deputy CEO and Commercial Manager of Global One Company

Assistant Research and Teaching in the University of Jordan

Mrs. Suha Baseel Ennab / Deputy Chairman / independent

Scientific qualifications

Bachelor degree in Business Administration / American University – Beirut

Practical Experiences

Financial and administrative consultant from 2007

Experience in banking business for more than 26 years by occupying several positions, including:

Deputy General Director of Societe General Bank – Jordan from 2003 until 2007

General Director Assistant of Cairo Amman Bank from 1992 until 2003

Deputy Chairman resident in Citibank Jordan from 1981 until 1992

BOD Member / Arab European Insurance Group

BOD Member Vitas Co.

BOD Member / National Financial Services Co. (Awraq for Investment)

Mr. Ghassan Ibrahim Fares Aqeel / Member / non-independent

Scientific qualifications

Master's degree in Administration / Thunderbird University

Bachelor degree in accounting / University of Jordan

Certified public accountant / Illinoi University

Practical Experiences

Executive manager of the Saudi Astra Group

Experience in audit field through working as an audit manager at Arthur Anderson Company

BOD Member / Astra Industrial Group Co.

BOD Member / Cooperative Arab Insurance Co.

BOD Member / Audacia Capital

Names of Chairman and Members of the Corporate Governance Committee, Nominations and Remuneration Committee and Risk Management Committee

Nominations and Remuneration Committee	Mrs. Suba Ennab / Committee Chairman – independent Mr. Hasan Abu Al-Ragheb / Vice-chairman – independent Mr. Hisham Al-Masri / member – non-independent
Corporate Governance Committee	Mr. Hasan Abu Al-Ragheb / Committee Chairman – independent Mr. Essam Al-Muhtadi / Vice-chairman – independent Mr. Yazeed Al-Mufti / Member – non-independent
Risk Management Committee	Mr. Essam Al-Muhtadi / Committee Chairman – independent Mr. Mohammad Al-Atrabi / Vice-chairman – non-independent Mrs. Suha Ennab / Member – independent Mr. Sami Smairat / Member – independent Mr. Mazen Al-Sahsah / Member – non-independent

Names of the Committees Emanating from the BOD

- Audit Committee
- Nominations and Remuneration Committee
- Corporate Governance Committee
- Risk management committee
- Strategies' committee
- IT governance committee
- Compliance committee
- Facilities' committee

Table below indicates number of meetings of the BODs and emanating committees in addition to the number of meetings attended by each member during 2021

Total number of meetings held during 2021	BOD	Facilities committee	Audit committee	Corporate Governance committee	Nominations &remuneration committee	Risk management committee	Strategies committee	IT governance committee	Compliance committee
	6	23	9	2	6	9	3	4	6
Mr. Yazeed Adnan Mustafa Al-Mufti	(6)6	(23)23		(2)2			(3)3		
Mr. Mohammad Mahmoud Ahmad Al-Atrabi (Banque Misr representative)	(6)6					(9)9			
Mr. Khaled Sbaih Taher Al-Masri (as of 8/2/2021)	(2)2				(1)1				
Mr. Hesham Zafer Taher Al-Masri (as of 7/3/2021)	(4)4				(5)5			(4)4	
Mr. Yaseen Khalil Mohammad Al-Talhouni	(6)4	(23)17							
Mr. Ghassan Ibrahim Fares Aqeel (Arab Foodstuff and Trade Co. rep.)	(6)6		(9)9				(3)3		
Mrs. Suzan Yahya Jadat Abu Al-Rous (SSC rep.) as of 31/8/2021	(4)4	(15)14				(6)6			
Mazen Hamdi Mohammad Al-Sahsah (SSC rep.) as of 1/9/2021	(2)2	(8)7				(2)2			
Mr. Shareef Mahdi Husni Al-Saifi	(6)6	(23)22							(6)6
Mr. Hasan Ali Hussein Abu Al-Ragheb	(6)5			(2)2	(6)6				(6)6
Mrs. Suha Baseel Andrawos Ennab	(6)6		(9)9		(6)6	(9)9	(3)3		(6)6
Mr. Sami Issa Eid Smeirat	(6)5		(9)9			(9)9		(4)4	(6)6
Mr. Esam "Mohammad Farouq" Rushdi Al-Muhtadi	(6)6	(23)22		(2)2		(9)9	(3)3	(4)4	

* Numbers between brackets represent the number of Board / Committee meetings held during membership period.

* The Audit Committee met the external auditor of the Bank twice during 2021.

* Bank Governance Liaison Officer/ Mr. Anton Victor Anton Sabella/ Executive Director/ Compliance

Yazeed Adnan Al-Mufti

Chairman of Board of Directors

Cairo Amman Bank accentuates commitment to the terms and clauses stipulated in the Shareholding Companies Governance Instructions listed for the year 2017 and the Corporate Governance Guide accredited by the BOD and also published on the website.

Cairo Amman Bank adopted and published the IT Management Governance Guide on its website based on the CBJ instructions, and would like to confirm its commitment to applying guide and its clauses.

Branches & Offices of the Bank

Bank Branches and Offices

General Administration

Number of employees: 793
Arar Street – Wadi Saqra
Tel.: 06 5007700
Fax: 06 5007100
P.O. Box 950661 Amman 11195, Jordan

Branches

1. Abu Alanda

Number of employees: 8
Tel.: 06 4162857
Fax: 06 4164801
P.O. Box 153 Amman 11592, Jordan

2. Abu Nsair

Number of employees: 6
Tel.: 06 5200639
Fax: 06 5105716
P.O. Box 540703 Amman 11937, Jordan

3. Irbid

Number of employees: 12
Tel.: 02 7273390
Fax: 02 7279207
P.O. Box 336 Irbid 21110, Jordan

4. Aswaq Al-Salam

Number of employees: 9
Tel.: 06 5859045
Fax: 06 5857631
P.O. Box 140285 Amman 11814, Jordan

5. Um Uthaina

Number of employees: 7
Tel.: 06 5200671
Fax: 06 5534290
P.O. Box 17634 Amman 11195, Jordan

6. Al-Baqa'

Number of employees: 8
Tel.: 06 4728190
Fax: 06 4726810
P.O. Box 1215 Amman 19381, Jordan

7. Bani Kenana

Number of employees: 6
Tel.: 02 7201411
Fax: 02 7585211
P.O. Box 109 Irbid 21129, Jordan

8. Wadi See

Number of employees: 10
Tel.: 06 5814934
Fax: 06 5814933
P.O. Box 140285 Amman 11814 Jordan

9. JU

Number of employees: 13
Tel.: 06 5342225
Fax: 06 5333278
P.O. Box 13146 Amman 11942, Jordan

10. Al Al-Bayt University

Number of employees: 7
Tel.: 02 6231856
Fax: 06 6234655
P.O. Box 130066 Al-Mafraq 25110, Jordan

11. German Jordanian University

Number of employees: 7
Tel.: 06 4250525
Fax: 06 4250545
P.O. Box 440 Madaba 17110, Jordan

12. Al-Hussein Ben Talal University

Number of employees: 9
Tel.: 03 2091147
Fax: 03 2134985
P.O. Box 48 Maan 71110, Jordan

13. University of Science and Technology

Number of employees: 10
Tel.: 02 7201405
Fax: 02 7065009
P.O. Box 3030 Irbid 22110, Jordan

14. Philadelphia University

Number of employees: 4
Tel.: 02 6374604
Fax:02 6374605
P.O. Box 1 Jerash 19392, Jordan

15. Mutah University

Number of employees: 8
Tel.: 03 2370182
Fax: 03 2370181
P.O. Box 88 Mutah 61710, Jordan

16. Hashemite University

Number of employees: 5
Tel.: 05 3826677
Fax: 05 3826688
P.O. Box 330111 Zarqa 13133, Jordan

17. Al-Yarmouk University

Number of employees: 12
Tel.: 02 7201408
Fax: 02 727201400
P.O. Box 566 Irbid 21163, Jordan

18. Jabal Al-Hussein

Number of employees: 8
Tel.: 06 5604711
Fax: 06 5605632
P.O. Box 8636 Amman 11121, Jordan

19. Jabal Amman .

Number of employees: 8
Tel.: 06 4625228
Fax: 06 4618504
P.O. Box 1015 Amman 11181, Jordan

20. Jabal Al-Lwaibdeh

Number of employees: 9
Tel.: 06 4637428
Fax: 06 4637438
P.O. Box 715 Amman 11118, Jordan

21. Jarash

Number of employees: 8
Tel.: 02 6341866
Fax: 02 6341870
P.O. Box 96 Jarash 26110, Jordan

22. Der Abi Seed

Number of employees: 6
Tel.: 02 7201411
Fax: 02 7585211
P.O. Box 109 Irbid 21129, Jordan

23. Al-Rabieh

Number of employees: 7
Tel.: 06 5524216
Fax: 06 5524267
P.O. Box 11175 Amman 17915, Jordan

24. Al-Rusaifeh

Number of employees: 6
Tel.: 05 3903510
Fax: 05 3742275
P.O. Box 41 Al-Rusaifeh 13710, Jordan

25. Al-Rusaifeh / Al-Jabal Al-Shamali

Number of employees: 8
Tel.: 05 3903511
Fax: 05 3755796
P.O. Box 120225 Al-Rusaifeh 13712, Jordan

26. Al-Ramtha

Number of employees: 8
Tel.: 02 7384126
Fax: 02 7384128
P.O. Box 21410 Al-Ramtha 523, Jordan

27. Zara Mall

Number of employees: 13
Tel.: 06 50060000
Fax: 06 5201762
P.O. Box 17868 Amman 11195, Jordan

28. Zarqa

Number of employees: 7
Tel.: 05 3982729
Fax: 05 3931424
P.O. Box 39 Zarqa 13110, Jordan

29. Zarqa / Al-Zawahreh

Number of employees: 6
Tel.: 05 3903520
Fax: 05 3924347
P.O. Box 950661 Zarqa 11195, Jordan

30. New Zarqa / Mall

Number of employees: 9
Tel.: 05 3864118
Fax: 05 3864120
P.O. Box 12291 Zarqa 13112, Jordan

31. Zarqa / Baghdad Street

Number of employees: 7
Tel.: 05 3975202
Fax: 05 3975203
P.O. Box 150746 Zarqa 13115, Jordan

32. Al-Zarqa / Army Street

Number of employees: 8
Tel.: 05 3983462
Fax: 05 3968033
P.O. Box 151180 Zarqa 131115, Jordan

33. Al-Salt / Al-Yarmouk Street

Number of employees: 9
Tel.: 05 3533990
Fax: 05 3533991
P.O. Box 1101 Al-Salt 19110 ,Jordan

34. Al-Salt / King Abdullah II Street

Number of employees: 10
Tel.: 05 5350165
Fax: 05 3500178
P.O. Box 214 Al-Balqa' 19328, Jordan

35. City Mall

Number of employees: 9
Tel.: 06 5820028
Fax: 06 5864726
P.O. Box 688 Amman 11821, Jordan

36. Al-Hurriya Street

Number of employees: 8
Tel.: 06 5200647
Fax: 06 4206962
P.O. Box 515 Amman 11623, Jordan

37. Irbid / Hakama Street

Number of employees: 9
Tel.: 02 7401736
Fax: 02 7412545
P.O. Box 336 Irbid 2111, Jordan

38. Irbid / Omar Al-Mukhtar Street

Number of employees: 9
Tel.: 02 7250950
Fax: 02 7250954
P.O. Box 150002 Irbid 211, Jordan

39. Northern Al-Shouneh
Number of employees: 5
Tel.: 02 6580816
Fax: 02 6580818
P.O. Box 20 Irbid 28110, Jordan

40. Khalda
Number of employees: 13
Tel.: 06 5331206
Fax: 06 5331209
P.O. Box 954165 Amman 11954, Jordan

41. Al-Madina Al-Munawara Street
Number of employees: 9
Tel.: 06 5543642
Fax: 06 5537957
P.O. Box 1301 Amman 11953, Jordan

42. Mecca Street
Number of employees: 9
Tel.: 06 5522850
Fax: 06 5522852
P.O. Box 1172 Amman 11821, Jordan

43. Al-Shmeisani
Number of employees: 8
Tel.: 06 5685074
Fax: 06 5687721
P.O. Box 962297 Amman 11196, Jordan

44. Al-Swaifieh
Number of employees: 12
Tel.: 06-5865805
Fax: 06-5863140
P.O. Box 715 Amman 11085, Jordan

45. Sweileh
Number of employees: 10
Tel.: 06 5332585
Fax: 06 5332485
P.O. Box 1400 Amman 11190, Jordan

46. Al-Yasmeen Suburb
Number of employees: 11
Tel.: 06 4201723
Fax: 06 4201459
P.O. Box 38971 Amman 11593, Jordan

47. Tabarbour
Number of employees: 7
Tel.: 06 5054964
Fax: 06 5053916
P.O. 273 Amman 11947 Amman, Jordan

48. Al-Tafila
Number of employees: 9
Tel.: 03 2250756
Fax: 03 2250754
P.O. Box 175 Amman 66110, Jordan

49. Al-Abdali
Number of employees: 9
Tel.: 06 5650853
Fax: 06 5602420
P.O. Box 928507 Amman, 11190 Jordan

50. Abdoun
Number of employees: 8
Tel.: 06 5920131
Fax: 06 5920141
P.O. Box 851455 Amman 11185, Jordan

51. Ajloun
Number of employees: 10
Tel.: 02 7201419
Fax: 02 6422897
P.O. Box 55 Ajloun 26810, Jordan

52. Al-Karak / Al-Thaniya
Number of employees: 13
Tel.: 03 2091145
Fax: 03 2387626
P.O. Box 6 Al-Karak 61151, Jordan

53. Aqaba / Al-Yarmouk street
Number of employees: 14
Tel.: 03 2016633
Fax: 03 2015550
P.O. Box 1166 Aqaba 77110, Jordan

54. Amman
Number of employees: 6
Tel.: 06 4658428
Fax: 06 4639328
P.O. Box 715 Amman 11118, Jordan

55. Ghor Al-Safi
Number of employees: 8
Tel.: 03 2300437
Fax: 03 2300438
P.O. Box 06811 Ghor Al-Safi 68110, Jordan

56. Al-Fuhais
Number of employees: 8
Tel.: 06 5373061
Fax: 06 5373064
P.O. Box 180 Al-Fuhais 19152, Jordan

57. Marriott Hotel
Number of employees: 7
Tel.: 06 5560149
Fax: 06 5623161
P.O. Box 715 Amman 11118, Jordan

58. Justice Palace
Number of employees: 8
Tel.: 06 5677286
Fax: 06 5677287
P.O. Box 950661 Amman 11195, Jordan

59. Al-Qwaismeh
Number of employees:11
Tel.: 06 4771333
Fax: 06 4751737
P.O. Box 38971 Amman 11593, Jordan

60. Madaba
Number of employees: 13
Tel.: 05 3253471
Fax: 05 3253465
P.O. Box 585 Madaba 17110, Jordan

61. Marka
Number of employees: 10
Tel.: 06 4872279
Fax: 06 4896041
P.O. Box 715 Amman 11118, Jordan

62. Al-Mahatta
Number of employees: 9
Tel.: 06 4651326
Fax: 06 4651991
P.O. Box 6180 Amman 11118, Jordan

63. Al-Safariya Complex / Irbid
Number of employees: 7
Tel.: 02 7249815
Fax: 02 7250715
P.O. Box 3757 Irbid 2111, Jordan

64. Marj Al-Hamam
Number of employees: 10
Tel.: 06 5712383
Fax: 06 5711895
P.O. Box 30 Marj Al-Hamam 11732, Jordan

65. Prince Hamza Hospital
Number of employees: 6
Tel.: 06 5200668
Fax: 06 5055204
P.O. Box 940533 Amman 11947, Jordan

66. JU Hospital
Number of employees:10
Tel.: 06 5200637
Fax: 06 5333248
P.O. Box 13046 Amman 11942, Jordan

67. King Abdullah I Hospital
Number of employees: 7
Tel.: 02 7095723
Fax: 02 7095725
P.O. Box 336 Irbid 2110, Jordan

68. Ma'an
Number of employees: 7
Tel.: 03 2091148
Fax: 03 2136594
P.O. Box 48 Irbid 71110, Jordan

69. Ma'adi
Number of employees: 9
Tel.: 05 3903506
Fax: 05 3571904
P.O. Box 27 Ma'adi 18261, Jordan

70. Al-Mafraq
Number of employees: 11
Tel.: 02 6235516
Fax: 02 6235518
P.O. Box 1308 Mafraq 25110, Jordan

71. Al-Mafraq/ Prince Hassan Bin Talal Stret
Number of employees: 5
Tel.: 02 7201417
Fax: 02 6230556
P.O. Box 25110 Mafraq 1237, Jordan

72. Mecca Mall
Number of employees: 13
Tel.: 06 5200686
Fax: 06 5811294
P.O. Box 950661 Amman 11195, Jordan

73. King Abdullah Square / Irbid
Number of employees: 8
Tel.: 02 7240078
Fax: 02 7240069
P.O. Box 2066 Irbid 21110, Jordan

74. Al-Nuzha
Number of employees: 7
Tel.: 06 5626220
Fax: 06 5626335
P.O. Box 8080 Amman 11121, Jordan

75. Northern Al-Hashmi
Number of employees: 8
Tel.: 06 5055278
Fax: 06 5055401
P.O. Box 231106 Amman 11123, Jordan

76. Wadi Saqra
Number of employees: 9
Tel.: 06 5006000
Fax: 06 5007124
P.O. Box 950661 Amman 11195, Jordan

77. Al-Wehdat
Number of employees: 8
Tel.: 06 4771171
Fax: 06 47533887
P.O. Box 715 Amman 11118, Jordan

78. Al-Karak / Qasr
Number of employees: 7
Tel.: 03 209152
Fax: 03 2315149
P.O. Box 3 Al-Karak 13115, Jordan

79. Al- Madina Tebeyyah
Number of employees: 9
Tel.: 06 5203503
Fax.: 06 58552278
P.O. Box 950661 Amman 11195, Jordan

80. Al-Hoson
Number of employees: 7
Tel.: 02 7201418
Fax.: 02 7010422
P.O. Box 150002 Irbid 21141, Jordan

Branches LINC

1. LINC/ Irbid
Number of employees: 3
Tel.: 02 5006575
Fax: 02 7250438
P.O. Box 150002 Irbid 21141, Jordan

2. LINC / Boulevard
Number of employees: 4
Tel.: 06 5007100
P.O. Box 950661 Amman 11195, Jordan

3. LINC / Taj Mall
Number of employees: 4
Tel.: 06 5004496
Fax: 06 5007100
P.O. Box 950661 Amman 11195, Jordan

4. LINK/JU
Number of employees: 3
Tel.: 06 5343743
Fax: 06 5341594
P.O. Box 13146 Amman 11942, Jordan

5. University of Science and Technology LINC
Number of employees: 3
Tel.: 02 7201404
Fax.: 02 7241983
P.O. Box 3030 Amman 22110, Jordan

6. Yarmouk University LINC
Number of employees: 3
Tel.: 02 7201409
Fax.: 02 7241983
P.O. Box 3003 Amman 21163, Jordan

7. Mutah University LINC
Number of employees: 3
Tel.: 03 2091153
Fax.: 03 2360917
P.O. Box 88 Amman 61710, Jordan

Offices

1. Amman Customs
Number of employees: 3
Tel.: 06 4705447
Fax: 06 4705475
P.O. Box 38971 Amman 11593, Jordan

2. Jarash
Number of employees: 3
Tel.: 02 6354010
Fax: 02 6354012
P.O. Box 96 Jarash 26110, Jordan

3. Southern Al-Shouneh
Number of employees: 3
Tel.: 05 3903506
Fax: 05 3581321
P.O. Box 27 Ma'di 18261, Jordan

4. JU / Aqaba
Number of employees: 3
Tel.: 03 2058027
Fax: 03 2015550
P.O. Box 1177 Aqaba 1166, Jordan

5. Al-Ramtha
Number of employees: 3
Tel.: 02 7384126
Fax: 02 7384126
P.O. Box 526 Aqaba 21410, Jordan

6. COZMO
Number of employees: 5
Tel.: 06 5200670
Fax: 06 5853480
P.O. Box 140285 Amman 11814, Jordan

7. Free Zone / Zarqa
Number of employees: 3
Tel.: 05 3864118
Fax: 05 3826070
P.O. Box 12291 Zarqa 13112, Jordan

8. Al-Shobak
Number of employees: 3
Tel.: 03 2091150
Fax: 03 2165477
P.O. Box 13 Ma'an 71111, Jordan

9. Wadi Mousa
Number of employees: 6
Tel.: 03 2091149
Fax: 03 2154975
P.O. Box 48 Ma'an 71810, Jordan

10. Al-Salt
Number of employees: 6
Tel.: 05 5203500
Fax: 05 3556715
P.O. Box 925 Al-Salt 19110, Jordan

11. Al-Zarqa
Number of employees: 3
Tel.: 05 3931980
Fax: 05 3931988
P.O. Box 150746 Zarqa 13115, Jordan

Palestine branches

Regional Administration
Number of employees: 228
Tel.: 02 2977241
Fax: 02 2979748
Al-Ma'ahed Street – Ramallah –
P.O. Box 1870

Branche

Al-Masioun – Ramallah
Number of employees: 18
Tel.: 02 2977080
Fax: 02 2979755
P.O. Box 2419 Irbid, Jordan

Nablus
Number of employees: 24
Tel.: 09 2393001
Fax: 09 2381590
Al-Madina Center- Main circle – P.O. Box 05 Al-Hussein Circle – Nablus

Al-Ahliya – Ramallah
Number of employees: 16
Tel.: 02 2983511
Fax: 02 2955437
Al-Ahliyya College Street – Ramallah P.O. Box 2359

Al-Shallaleh – Hebron
Number of employees: 5
Tel.: 02 2227703/2
Fax: 02 2229327
Al-Shallaleh – Hebron P.O. Box 662

Haifa Street – Jenin
Number of employees: 18
Tel.: 04 2418001
Fax: 04 2439470
Haifa Street – Jenin – P.O. Box 66

Al-Ersal Street – Ramallah
Number of employees: 10
Tel.: 02 2948101
Fax: 02 2951433
Al-Ersal Street – Ramallah – P.O. Box 2123

Toulkarim
Number of employees: 17
Tel.: 09 2688141
Fax: 09 2672773
Hospital Street P.O. Box 110

Bab Al-Zuqaq – Bethlehem
Number of employees: 14
Tel.: 02 2756906
Fax: 02 2757722
Bab Al-Zoqaq - Hebron – Bethlehem P.O. Box 601

Qalqilia
Number of employees: 13
Tel.: 09 2941117
Fax: 09 2941119
P.O. Box 43 Abdul Rahim Al-Sabaa Street - Qalqilia

Jericho
Number of employees: 11
Tel.: 02 2312910
Fax: 02 2321982
Ain Al-Sultan Street – Jericho P.O. Box 55

Faisal Street – Nablus
Number of employees: 16
Tel.: 09 2388671
Fax: 09 2383256
Faisal Street – Nablus P.O. Box 1559

Wadi Al-Tuffah – Hebron
Number of employees: 12
Tel.: 02 2226836
Fax: 02 2225358
Wadi Al-Tuffah – Hebron P.O. Box 662

Khan Younis
Number of employees: 9
Tel.: 08 2065680
Fax: 08 2054084
Al-Jundi Al-Majhoul street – Khan Younis P.O. Box 158

Al-Saraya – Gaza
Number of employees: 9
Tel.: 08-2832301
Fax: 08-2824830
Omar Al-Mukhtar – Gaza P.O. Box 167

Deir Al-Balah
Number of employees: 7
Tel.: 08 2537770
Fax: 08 2539947
Main Street – Deir Al-Balah P.O. Box 6007

Rafah
Number of employees: 9
Tel.: 08 2130777
Fax: 08 2136250
Al-Bahar Street – Rafah P.O. Box 8205

Al-Rimal – Gaza
Number of employees: 13
Tel.: 08 2822331
Fax: 08 2821088
Omar Al-Mukhtar – in front of Al-Jundi Al-Majhoul P.O. Box 5350

Bethlehem
Sahat Al-Mahd –
Number of employees: 9
Tel.: 02 2757771
Fax: 02 2744974
Sahat Al-Mahd – Bethlehem P.O. Box 709

Ain Sarah – Hebron
Number of employees: 13
Tel.: 02 2216802
Fax: 02 2221140
Al-Haras – Hebron P.O. Box 663

Al-Bareed Suburb – Bait Hanina
Number of employees: 6
Tel.: 02 2365700
Fax: 02 2977163
Ramallah – Beit Hanina P.O. Box 60661

Offices

Al-Najah University
Number of employees: 5
Tel.: 09 2343550
Fax: 02 2977167
Al-Haram Al-Jadid Nablus P.O. Box 50

Abu Baker Street – Jenin
Number of employees: 13
Tel.: 04 2505270
Fax: 04 2503110
Abu Baker Street – Jenin P.O. Box 67

Bahrain
Number of employees: 4
Tel.: 97316661000+
Fax: 97316661001+
Manama- Kingdom of Bahrain
P.O. Box 925102 Amman 11110 Jordan

Subsidiaries

Al-Safa Bank
Number of employees: 137
Tel.: 97022941333
Fax: 97022957975
P.O. Box 1313 Ramallah, Palestine

Al-Wataniya for Financial Services Company – Awraq Securities
Number of employees: 21
Tel.: 962 (+6)550 3800
Fax.: 962 (+6)550 3802

Tamallak Lease Financing Company
Number of employees: 19
Tel.: 962 (+6)500 6651
Fax.: 962 (+6)5201772
P.O. Box 941715 Amman 11194, Jordan

Al-Wataniya Securities Company
Number of employees: 11
Tel.: 9702 +298 0420
Fax: 9702 +298 7277
P.O. Box 1983 Ramallah, Palestine