بنك القاهرة عمّان
CairoAmmanBank

ANNUAL REPORT 2020

His Majesty

King Abdullah II Ben Al-Hussein

His Royal Highness

Prince Hussein Ben Abdullah II, the Crown Prince

SIGNATURE

BY CAIRO AMMAN BANK

A Distinguished Banking Experience

Signature Overview

Signature is a trademark that is owned by Cairo Amman Bank, concerned of providing dedicated pioneer banking products and solutions; through exquisite customer service, creative e-networks and upgraded branches that fulfill distinguished clients' needs; both as individuals and companies.

The strategic scope of Signature aims at creating a prominent high quality banking experience through creating dynamic banking solutions and products in addition to client-oriented programs and privileges designed as per clients' behaviors and in a way that suits their lives.

There will be 3 branches for Signature to open during 2021 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
The First Bank for Youth
www.linc.jo
BY CAIRO AMMAN BANK

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.

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Members of the Board of Directors

BOD Chairman
Mr. Yazeed Adnan Mustafa Al-Mufti

BOD Vice-Chairman

Mr. Mohammad Mahmoud Ahmad Al-Atrabi	Representative of Egypt Bank L.L.C.

Members

Mr. Khaled Sbaih Taher Al-Masri	
Mr. Yaseen Khalil "Mohammad Yaseen" Al-Talhouni	
Arab Trading and Food Supply Company	represented by Mr. Ghassan Ibrahim Fares Aqeel
Social Security Corporation	represented by Mrs. Suzan Yahya Jawdat Abu Al-Rous, as of 8/9/2020, and represented by Mr. Fadi Abdulwahab Abdulfattah Abu Ghosh until 7/9/2020
Mr. Shareef Mahdi Husni Al-Saifi	
Mr. Hasan Ali Hussein Abu Al-Ragheb	
Mrs. Suha Baseel Andrawos Ennab	
Mr. Sami Issa Eid Smairat	
Mr. Esam Mohammad Farooq Rushdi Al-Muhtadi	

CEO
Mr. Kamal Ghareeb Abdulraheem Al-Bakri

Auditors
Messrs. Deloitte & Touche – Middle East

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 2020; through which we present the most prominent achievements of the bank during the year.

On the level of Jordan economy; it achieved a negative growth by 3% in 2020 as a result of Coronavirus Pandemic and its effects, which negatively affected the international economies along with the Jordanian. Government launched a group of economic motivational bundles that had positive impact on the national economy, which included several procedures that would support the sectors affected by the pandemic.

With regards to the interest rates, the Central Bank of Jordan reduced the interest rates by 1.5% during 2020 in parallel with the US Federal Bank reducing interest rates of US Dollar, and it is expected that levels of interest would remain as is during 2021.

Relating the Jordanian Dinar exchange rate with the US Dollar is still considered a strong support for the Jordanian economy in addition to the high levels of Kingdom's foreign currency reserves and Gold that the Central Bank of Jordan succeeded in raising by 1.1 billion Dinars or a percentage of 11%; noting that such levels were recorded in light of the reduced touristic income by 75%.

With regards to the Bank business outcomes, credit facilities' balance during 2020 increased by 12% accompanied with the increase of the net interest and commission revenues by 4.3% to reach 126.5 million Dinars compared to 121.3 million Dinars of the year 2019. Total expenditures and allocations increased by 15.7% to reach 106.3 million Dinars.

Profit before income tax reached 30.7 million dinars compared to 44.2 million Dinars of the previous year, and with a decrease by 30.6%, whereas such reduction in profits refer to the impacts of Coronavirus Pandemic over the international and local economy and increase of allocations. Profit of bank shareholders after tax reached 18.2 million Dinars compared to 28.1 million Dinars of the previous year.

Total assets increased by 7.1% to reach 3.353 million dinars, whereas the balance of clients' deposits reached 2.226 million Dinars and by a growth percentage of 8.6%. The balance of bank investments in stocks and securities reached 870 million Dinars against 810.2 million Dinars of the previous year.

Through its investments in the financial assets; bank aims at achieving balance by using funds in low-risk tools while maintaining liquidity ratios that are compatible with the international standards and requirements of the control bodies, and representing source of tranquility for all categories dealing with the Bank; whereas credit facilities form 80.6% of clients' deposits, and clients' deposits form the main source of bank funding by representing 66.4% of total source of funds.

During 2020 bank was able to maintain the quality of the facilities' portfolio, whereas the net inactive facilities reached 5.14% of the direct net credit facilities, and this is a low rate in the banking sector.

Total shareholders' equities reached 366.6 million dinars by the end of 2020 compared to 349.9 million Dinars at the end of the previous year. Capital Adequacy Ratio reached 15.97%, which is the minimum required by the Central Bank of Jordan by 14.5%.

With regards to the shareholders' equities ratio to the total assets (Leverage Ratio), it reached 8.85%, which makes the bank within the first category (Good Capital) as per the solvency degree.

Based on the bank financial outcomes in 2020, the Board of Directors decided to recommend the Bank General Assembly of distributing cash profits among shareholders by 12% of the share nominal value by 22.8 million Dinar.

During 2021, 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 in addition to contributing in the support to the local society 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 thank the Central Bank of Jordan, and we trust continuing efforts of offering distinguished banking services while achieving the best outcomes.

Thank you.

Yazeed Adnan Al-Mufti
BOD Chairman

The Jordanian Economy

The year 2020 was full of challenges and developments, with the most significant being the impact of COVID-19 Pandemic, which affected the stability of the Jordanian and international economy, whereas the Jordanian economy deteriorated by 3% during 2020, which is the highest deflation ratio recorded by the Jordanian economy since 1989 compared to the positive economic growth ratios recorded during the years 2019, 2018 and 2017 which were 1.9%, 2% and 2.2% respectively, with reduced inflation ratio that reached 0.43% during 2020. The reason behind that deterioration mainly refers to the impact of Coronavirus Pandemic on the economy with the reduction of the international rates resulting from closing borders and international terminals in parallel with the increase in pandemic cases, which led to closing several economic sectors.

The Jordanian economy faced several challenges during 2020, whereas the exports and imports reduced by 5.2 and 17.8% respectively for being affected by Coronavirus pandemic that led to closing borders between countries, which also led to restricting commercial dealing between the different countries of the world during 2020. The reduction in the economic income and number of visitors to the Kingdom was the most prominent in the economic situation during 2020, whereas the touristic income reduced by 75% or of 3.1 million Dinars, and number of visitors to the Kingdom reduced by 77%, as well as witnessing an increase in the unemployment rates to reach 24.7% by the end of 2020.

The Central Bank of Jordan decided to take a group of preventive measures in order to contain COVID-19 pandemic impacts over the local community performance, such as deferment of the credit facilities' installments granted to the clients of the economic sectors affected by pandemic spread including companies and individuals, while also providing banks with additional liquidity by 1.050 million Dinars through reducing the obligatory reserve ratio over deposits at banks from 7% to 5%, which provided additional liquidity to the banks by 550 million Dinars. Additionally, there were repurchase agreements concluded with banks with the value of 500 million Dinars for periods reaching one year, in order to provide the funding needs of both public and private sectors.

The mentioned procedures were applied in compatible with the Central Bank of Jordan reducing interest over the leading monetary indicators by 1.5% along with the deposit facility before the Central Bank for one night by 1.25% in order to maintain rigidity of the Jordanian Dinar. Additionally; it maintained the levels of bank foreign currency reserves (currencies and Gold) which increased by 10% or equivalent to 1.1 billion Dinars during 2020.

Total value of public debt exceeded 32.8 billion Dinar or 105% of the Gross Domestic Product of the year 2020 compared to the levels recorded at the end of 2019, which reached 30 billion Dinars or 96.2% of the GDP. Noting that there was dependence on the external debt which increased by 1.5 billion Dinars, as the COVID-19 pandemic led to increasing budgetary deficit by 1.2 billion Dinars, whereas such increase was contrary to the expectations of the general budget set by the Ministry of Finance at the beginning of 2020, thus the budgetary deficit reached 2.45 billion Dinars by the end of 2020.

Prospects of 2021

It is expected that the Jordanian economy would recover during 2021 according to the World Bank expectations that growth ratios would reach 1.8% by the end of 2021 and 2% during 2022. The Central Bank expected that the Jordanian economy would be growing by 2.5% during 2021; noting that the expected nourishment of the Jordanian economy will be achieved because of the reduced cost of imported energy resources, increase of funding SMEs, and reforms stipulated in the new program supported by the International Monetary Fund in parallel with the vaccine distribution plan and opening borderlines for exportations during the second half of the year 2021.

Prospects indicate that the public debt will increase by 2.05 million Dinars during the year 2021 in parallel with the increase of depending on external debt, while expecting continuous pressures on the level of foreign currencies' reserves and balance of payments, noting that the touristic revenue nourishment might not start before the second half of 2021, as the case for the transfers of workers abroad that are likely to continue reducing because of the restrictions applied and resulting from the pandemic impacts, with the continuity of doubting pandemic impact to the economy.

With regards to the cash policy, it is expected that the Central Bank would continue following the US Federal approach in order to maintain rigidity of exchange rate and Jordanian Dinar, in addition to maintaining interest rates as it during 2021.

Region economies

Petroleum-exporting countries

It is expected that the economies of the Middle East and Central Asia countries would face deflation by 4.1% during the year according to the IMF expectations of 2020, and that the petroleum-exporting countries would be witnessing decrease by 6.6% since oil rates are one of the most significant factors affecting the recovery of the petroleum-exporting countries' economy, especially in KSA, Iraq, Iran, UAE, Bahrain and Kuwait, which highly depend on the petroleum revenues. This comes in the time when levels of oil rates recovered from the historical reduction in March 2020.

The condition of deflation in the petroleum-exporting countries' economies would continue during 2021 but with better outcomes than 2020, since the expected increase in oil rates is between 44 and 55 dollars per barrel during 2021. Recovery related to the levels of oil demand during 2021 shall be monitored, and expectations over oil demand are still unclear in light of the spread of new pandemic waves in the different countries around the world. The International Energy Agency reduced its expectations of the international oil demand to 91.7 million barrels daily in 2021, which is a daily deflation by 8.4 million barrels on annual basis that is more than expected by 8.1 million.

Petroleum-importing countries

It is expected that the economies of the petroleum-importing countries would be witnessing a negative growth that might reach 1.0% by the end of 2020, and the reduction of oil rates with the reduced levels of income from the commercial and touristic activities would be positively affecting the economies of the petroleum-importing countries. Accompanied with another reduction in the level of transfers from workers abroad in addition to the bad financial situations internationally and their impacts to the local credit conditions, leading to weak growth besides lockdown measures.

The economic reports reduced the growth rates of several economies of the petroleum-importing countries of the year 2020 because of the weak growth among the commercial partners of such countries. This is expected to have a negative impact to the exports of the manufacturing industries and tourism, whereas expectations indicate that growth in the petroleum-importing countries would increase to 3.2% in 2021 with the gradual mitigation of restrictions imposed upon movement and increased local demand and level of exportations.

International Economy

In light of the economic challenges resulting from the spread of coronavirus pandemic, the international economy deflated by 3.5% during the year 2020, and expectations indicate a growth of the large states' economies by 5.5% and 4.25% during 2021 and 2022 respectively, because of the increase in the number of distributed vaccines and accompanied with the additional support of the countries' governments, noting that the Central Banks around the world took several measures to confront the economic crisis resulting from COVID-19 pandemic, including reduction in interest rate and mitigation of the cash policies in order to reduce the impact of the pandemic spread against companies and individuals.

The Federal Bank reduced interest rate to around zero, while starting repurchasing the US treasury securities supported by the real estate mortgage in order to maintain rigidity of the fiscal markets. Percentage of unemployment in the USA during the first six months of 2020 recorded the highest rates reaching 14.7% despite the motivational bundles through which the government supported the economy. The rise in unemployment rates refers to the obligatory closure in most of the USA, noting that the unemployment rate reached 9% by the end of 2020, and it is expected to reach 4.1% by the end of 2021. It is expected that the US economy will be recovering during 2021 in parallel with the economic motivation plans launched by the US government, represented in releasing 1.9 trillion dollars in order to nourish the economy affected by COVID-19 pandemic during 2021 with the increase in vaccine distribution.

With regards to the Chinese Popular Bank, it announced releasing 173 billion dollars in the economy in order to support the efforts of confronting the pandemic, but China showed economic recovery that exceeded expectations in the last quarter of the year 2020, whereas the growth rate reached 6.5% and GDP grew by 2.3% in 2020. Such positive outcomes came in parallel with the expectation of strong performance during the current year, whereas it is expected for the Chinese economy to continue growing during 2021.

In conclusion, the international economy it witnessing a critical transformation, whereas its growth depends on the speed in distributing vaccine around the world in order to reduce virus spread along with the escalating pace of virus spread. It is expected that the GDP loss of the international economy would reach 22 trillion dollars between 2020 – 2025 because of coronavirus pandemic.

The most significant financial indicators and ratios

Thousand Dinars	2020	2019	Change
Most significant clauses of the Financial Position Statement			
Total assets	3.353.235	3.129.643	7.14%
Net credit facilities	1.793.871	1.599.076	12.18%
Clients' deposits	2.226.430	2.050.956	8.56%
Total shareholders' equities	366.623	349.875	4.79%
Transactions' outcomes			
Net revenues of interests and commissions	126.508	121.266	4.32%
Income of operational transactions (except for the profits of selling and evaluating financial assets)	138.604	136.787	1.33%
Total income	137.035	136.142	0.66%
Profit before tax	30.701	44.208	(30.55%)
Revenue profit of bank shareholders after taxes	18.161	28.095	(35.36%)
Stock share of the net profit (Dinar)	0.096	0.148	(35.36%)
Most important fiscal ratios			
Revenue to the assets' ratio	0.56%	0.93%	
Revenue to the shareholders' equities' ratio	5.07%	8.19%	
Net revenue of profits and commissions to the assets' ratio	3.90%	4.00%	
Capital adequacy	15.97%	18.1%	
Net facilities to the clients' deposits	80.57%	77.97%	
Net inactive facilities to facilities	5.14%	4.84%	
Allocation coverage of the net inactive facilities	64.06%	70.52%	

Financial Indicators of the Last Five Years

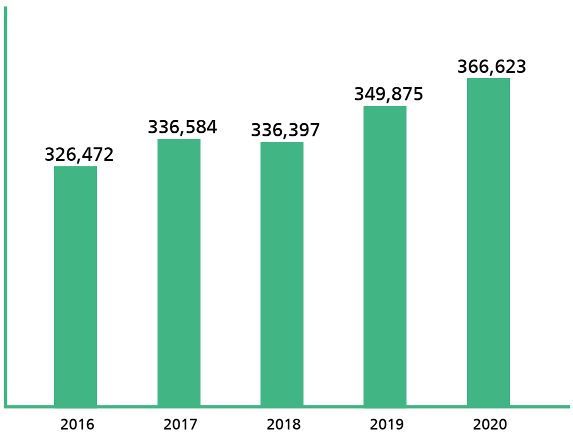
In thousands except for share rate

	2016	2017	2018	2019	2020
Net profit of bank shareholders	35.056	30.336	30.127	28.095	18.161
Distributed profits	21.600	21.600	16.200	-	22.800*
Distributed shares	-	-	10.000	-	-
Shareholders' equities	326.472	336.584	336.397	349.875	366.623
Exported shares	180.000	180.000	180.000	190.000	190.000
Share rate in the stock market (Dinar)	1.85	1.50	1.33	1.03	1.05

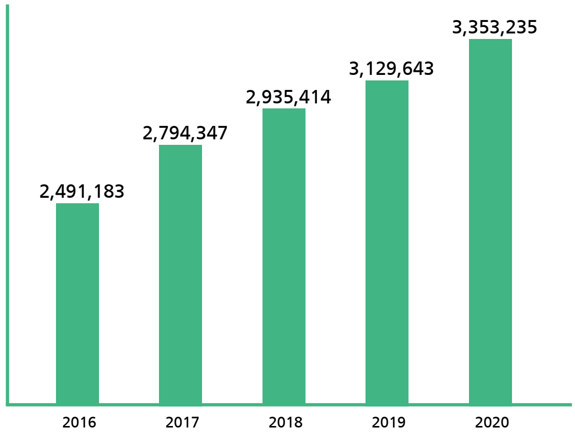
* BOD recommendation to the General Assembly for the year 2020

Thousand Dinars

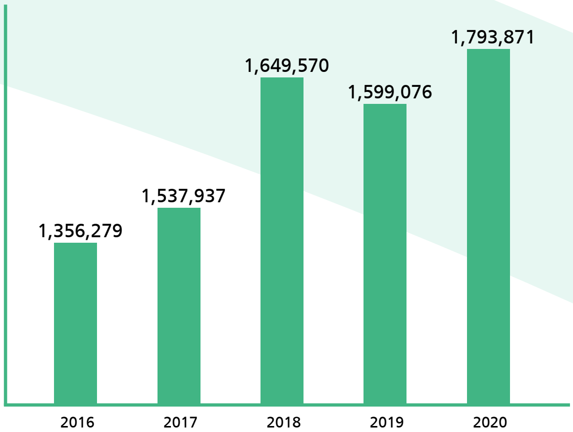
Total Shareholders' Equities



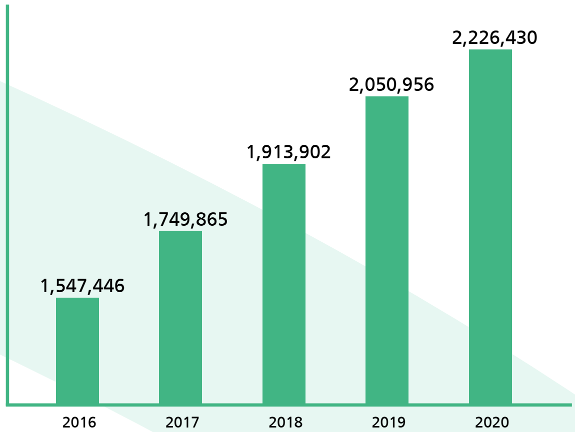
Total Assets



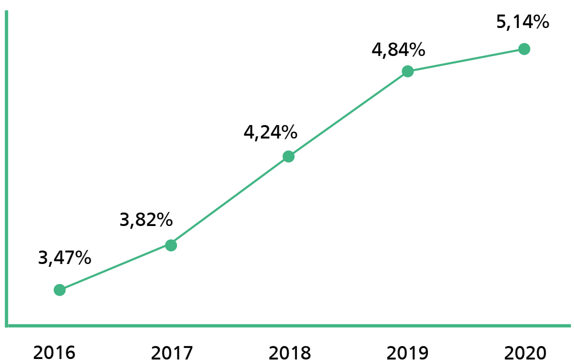
Net Credit Facilities



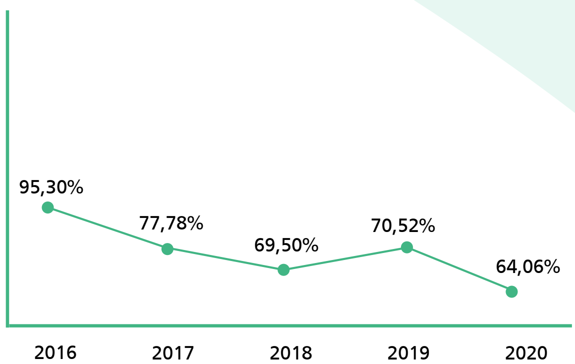
Total Clients' Deposits



Percentage of Net Bad Debts



Percentage of Allocations' Coverage



Bank Financial Position

Total assets reached 3353.2 million Dinars with an increase by 223.6 million Dinars from the previous year by 7.14%, while the total credit facilities' portfolio witnessed increase with the amount of 211.4 million dinars to reach 1888.8 million Dinars by 12.6%. Bank maintained the quality of the credit facilities' portfolio, whereas the net inactive facilities reached 5.14% of the direct credit facilities' balance against 4.84% in the previous years, and this is considered within the low rates in the banking sector. Net credit facilities' portfolio reached 1793.9 million Dinars against 1599.1 million Dinars in the previous year, by increase of 12.2%, while bank maintains adequate allocations against the inactive credit facilities according to the CBJ instructions and IFRS9 with the balance of 61.8 million Dinars to reach a percentage of allocations' coverage for the net inactive facilities by 64.1%.

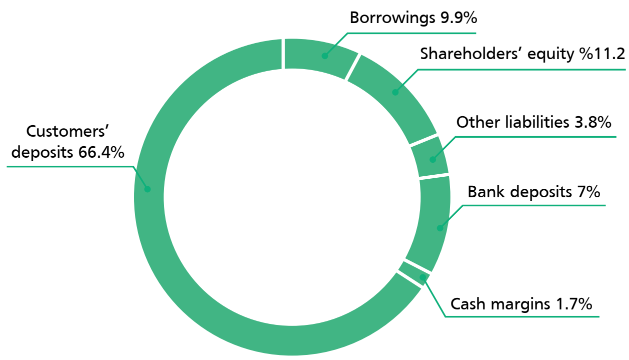
Bank balance of investment in shares and securities reached 870 million dinars against 810.2 million dinars in the previous year.

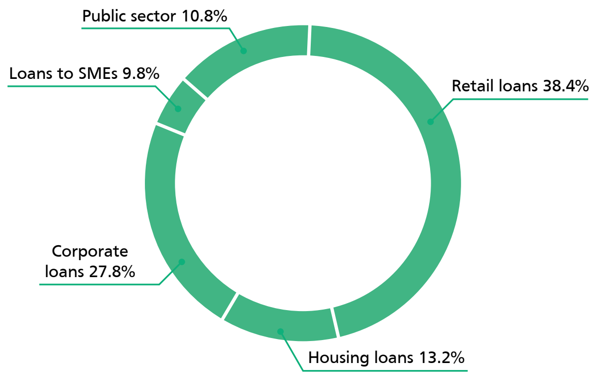
Through investment in the financial assets; bank aims at achieving balance in the instruments of low risks along with higher returns in a way that maintains bank liquidity.

On the other hand, balances and deposits at the bank reduced by 4.9% to reach 234.7 million Dinars compared to 246.8 million Dinars of the previous year, while the balance of cash in hand and at banks reached 313 million Dinars compared to 332.7 million Dinars in the previous year, by increase of 5.9%.

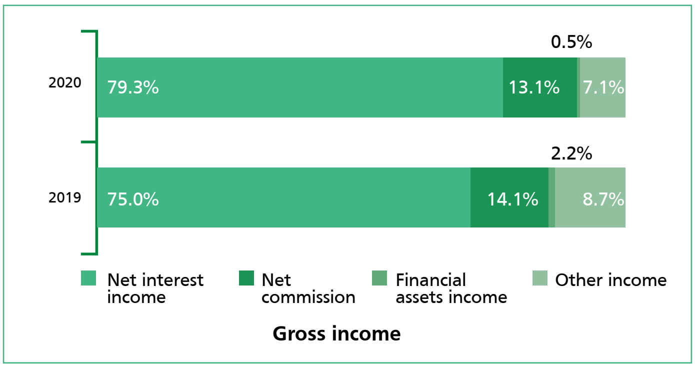
Bank maintains liquidity ratios in compatible with the international standards and requirements of the control bodies, which reassure all categories dealing with the bank; whereas credit facilities form around 80.6% of clients' deposits, while clients' deposits form the main source of funding to the bank, by 66.4% of total funds' resources.

Total bank shareholders' equities reached 366.6 million Dinars by the end of 2020 against 349.9 million Dinars by the end of the previous year. Capital adequacy ratio reached 15.97% of the year 2020 against 18.01% of the previous year, which is higher than the minimum approved by the CBJ by 14.5%. Main capital ratio of risk-weighted assets reached 14.5% against 16.5% of the previous year, and shareholders' equities weighted to total assets (leverage ratio) reached 8.85%, which makes the bank within the first category (good capital) according to solvency.





Bank Business Outcomes



Operationally; the net interest revenues increased by 6.4% to reach 108.6 million Dinars compared to 102.1 million Dinars in the previous year. Net revenues of commissions reached 17.9 million Dinars compared to 19.2 million dinars of the previous year. Bank investments' revenues reached 676 thousand Dinars compared to 3 million Dinars of the previous year, and other revenues decreased by 17.3% to reach 9.9 million Dinars. In conclusion; total income reached 137 million Dinars compared to 136.1 million dinars of the previous year; i.e. by increase of 0.7%, and the bank operational revenues of interests and commission are still forming the biggest part of the total income by 92.3% compared to 89.1% of the previous year.

On the contrary, total expenditures increased including the allocation of the reduced credit facilities and other allocations by 15.7% to reach 106.3 million Dinars, whereas employees' expenditures maintained the same level of the previous year, while the other operational expenditures increased with the amount of 1.9 million Dinars by 5.8% as a result of increase in bank operational activities in general, and donations related to Covid-19. Allocation of the expected credit loss of credit exposures deduced during the year reached 18.5 million dinars with 10.8 million Dinars increase in the allocations of the first and second phases as a result of change in the economic conditions.

Profit before tax reached 30.7 million Dinars compared to 44.2 million Dinars in 2019, by decrease of 30.6%, while the net profit after income tax of bank shareholders reached 18.2 million Dinars compared to 28.1 million dinars of the previous year, and share of the net profit reached 0.096 Dinars compared to 0.148 Dinar in the previous year.

Distribution of profits

BOD decided to recommend shareholders' general assembly of distributing cash profits among shareholders by 12%.

Individuals' Services

2020 was not that easy in light of the pandemic conditions witnessed by the Hashemite Kingdom of Jordan and the world with the spread of Coronavirus; however, the bank continued offering its services and products in compatible with the economic and living conditions confronted by the citizens in general and bank clients in particular.

Bank continued offering its services with regards to the individuals' loans' sector through deferring installments of clients and reducing profit rates while enabling clients of rescheduling loans.

With regards to the real estate loans' product; bank continued with the offers that encourage purchasing residential apartments by continuing to contract with the owners of such projects in various areas, within facilitated programs and reduced competitive interest rates in addition to contracting with real estate developers, while proposing the real estate product of the youth branch LINC with reduced interest rates in order to increase bank market share in general and support youth category in particular while enabling the biggest number of clients of owning their own house.

In the field of car loans, bank continued with the approach of widening cars' loans' product through adding more car agencies and amending the awarding programs, in addition to providing offers for specific car model within particular campaigns and competitive prices. BMW, Chevrolet, Opel, JMC, Cadillac, Nissan / Infinity and MG were added along with others, in addition to motorcycles and scooters' funding programs addressed to the youth offered through LINC in addition to Hyundai, Kia and Toyota.

In the field of facilitated installments; number of participating companies was expanded from the different sectors while launching several campaigns for installment with a number of stores in order to encourage clients of purchasing in installments by zero interest rate in order to support clients.

In the field of banking card, and in light of Covid-19 pandemic spread in order to apply public safety principles and avoid contagion; bank launched an awareness campaign to encourage clients use the e-payment means including using mobile payment service (CAB Pay) while offering additional privileges and prizes to users.

Additionally; we applied contactless payment services through the cards via payment devices and ATMs, which is a payment system in the card that enables clients of paying through POS or using ATMs without actual contact between the card and ATMs or payment devices available at stores, which work through NFC features by RFID, whereas the contactless payment is implemented once card approaches the payment device at stores and/or ATMs.

With regards to the discount programs, which is one of the privileges offered by the bank to all banking cards' holders; bank enhanced efforts to increase number of stores included in the program of offering immediate discount to bank clients once paying through the banking cards, through contracting with DuSave Company, which is a private company that contracts with stores from different sectors in order to offer an immediate discount to bank cards' holders.

With regards to the pre-paid cards; bank renewed agreements with a number of universities in order to issue university smart card. Bank also launched awareness campaigns for students (youth) with the card privileges and use mechanism while also launching paid campaigns between bank and stores in order to encourage using card by charging and paying.

Himmet Watan Fund donation Campaign through points

University card campaign

Himmet Watan Fund donation campaign through credit cards

CAB Pay

Bank Special services

Stemming from the importance of the companies' sector that allows bank to offer a huge number of banking services to the huge companies and elite individuals; bank considered establishing its own banking services' administration that is concerned of providing all services to the huge companies and elite individuals, and that came as a result of the varied services that may be offered as direct facilities whether for supporting the active capital, funding expansion in activity or through offering commercial services, such as bonds and credits of all types. Whereas the department working strategy shall be establishing a solid base of distinguished clients that is integrating with client clients in general, through the optimal use of effective marketing tools and mechanisms, creating banking experience that is featured of quality and excellence through offering dynamic leading products and solutions that fulfil clients' needs and the geographic spread of trademark branches and ATMs in compatible with the Kingdom's demographic features.

Bank being keen to increase the base of large companies comes as a result of considering them as one of the main sources of bank revenues and profits; whereas bank work concentrated on two important pillars; first is strengthening relation between bank and existing companies, through fulfilling companies' needs first hand, continuously communicating with them through periodical visits, and following-up on the implementation of their requirements with the other department quickly and optimally, since the bank is considered as a main partner in such companies with their success and continuity through the quality credit portfolio that positively reflects to the bank potential of achieving revenues. The second pillar is expanding companies' base by increasing clients dealing with the bank through attracting new companies in a well-reviewed manner through studies and researches conducted by the other departments about the active and leading sectors, of which activity may be attracted to the bank while working on the variation of sectors to reduce market risks.

2020 was difficult on the local, regional and international levels because of Covid-19, which affected the local and international trading activity. While Cairo Amman Bank was able of fulfilling its main role in supporting the affected companies; by contacting them and offering any services that may be assisting during inactivity period and pursuant to the CBJ instructions during Covid-19. Bank response was quick by establishing structures of deferring loans' due installments, and on the other hand bank started the initiative of granting the affected companies loans offered by the CBJ to the affected sectors by 500 million Dinars with interest rate of 2% and guarantee by 85% from the Jordanian Loan Guarantee Company. The entire share granted to the bank through CBJ was used for funding the active capital (purchasing goods and funding receivables...etc.) or funding the operational expenditures (salaries, leases...etc.).

With regards to the large companies that do not fulfil the conditions of granting loans within the above program; bank sought offering them CBJ intermediate-term advances for funding and supporting the economic sectors for the operational expenditures and salaries in addition to reducing interest rates over the existing loans whether inside or outside Amman.

Treasury and Funds' Development Resources

CABFX

CABEPB

CAB E-Trading

The bank was able to manage its assets and liabilities efficiently and effectively, balancing between maintaining the quality of assets, improving returns on them, and diversifying sources of funds, while maintaining appropriate liquidity ratios, which contributes to enhancing bank profitability and maintaining acceptable risk ratios.

During the year, the Bank worked to enhance its network of relationships with correspondent banks efficiently and effectively, and worked to establish new relationships despite the difficult circumstances in the region and in light of the renewed changes rejected by the regulatory authorities. Bank also maintained the consolidation and maintenance of banking relations with banks and financial institutions in Jordan and abroad in various fields in terms of trade finance and bank transfers, which contributed to improving the quality of services provided to customers.

Bank continued to provide its customers with innovative investment options, as it launched an electronic trading platform that provides customers with options to trade in shares, bonds, investment funds and traded investment funds in various international trading markets.

Lease Finance

Through Tamallak Lease Finance Company; bank offers an integrated group of lease finance services that are compatible with the nature of lessee activity and cash flows, in addition to all economic sectors. Company also seeks to raise the level of concern in the services offered to the targeted markets for fulfilling their funding needs by spreading the concept of lease finance because of the economic and financial privileges of the targeted sectors.

Investment Services

Through its investment tools, Awraq Investment Company in Jordan and Al-Watanieh Securities Company in Palestine, the Bank 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 various purposes, providing financial and investment advice, and preparing studies and research.

Network of Branches and Distribution portals

In order to achieve the institutional identity objectives and bank geographic spread plans, 2 branches were opened in 2020 and operated through comprehensive employee system along with 1 office, while 2 branches were rehabilitated and upgraded and transformed into the comprehensive employee system:

Detailed as follows:

1. Opening a new branch in Mecca Mall (comprehensive employee system)
2. Opening a new branch in Zarqa / Al-Zawahreh Quarter (comprehensive employee system)
3. Opening a new office in Ramtha, following to Al-Ramtha branch
4. Transporting and upgrading Al-Ramtha branch and transform it into comprehensive employee system, whereas it was transferred into more proper location that is easier to access by clients on the main street leading to Al-Ramtha city
5. Upgrading Al-Rusaifeh branch and transform it into comprehensive employee system
6. 12 branches were rehabilitated to serve the PWDs (Persons with Disabilities) distributed to all governorates as follows:

- Amman – Al-Shmeisani Branch
- Al-Mafraq – Prince Hasan Street branch
- Al-Balqa' – Al-Salt Branch, King Abdullah
- Irbid – Travel Complex branch
- Karak – Al-Thanya branch
- Zarqa – Zarqa Mall branch
- Al-Tafila – Al-Tafila Brnach
- Ma'an – Ma'an branch
- Aqaba – Aqaba branch
- Ajloun – Ajloun branch
- Jarash – Jarash branch
- Madaba – German University branch

All the new and upgraded sites mentioned are characterized of 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 until the end of 2020 reached (93), and the bank serves its customers through a wide ATM network, as 6 new ATMs have been installed in different locations during the current year, bringing the total number of ATMs to 184 spread throughout the Kingdom.

Information Technology

IT Projects

In compatible with bank vision and mission and to keep pace with the digital development in the banking sector as per the best international standards in order to provide and sustain a safe technical environment that supports and enables different business units in order to fulfill business requirements and offer competitive distinguished banking services for clients. Bank implemented a group of IT projects as various programs as follows:

Operations Program

The program aims to raise the efficiency and automation of operations through a group of projects, including the personal banking customer classification project, the car loan system project and the electronic data saving project, in addition to special statistical systems in the field of strategy and data mining, and the launch of the Creditlens system for risk management. In addition to applying a unit for obtaining dynamic daily reports of remittances and reports for the Central Bank of Jordan through the SWIFT Trasrep system, as well as the unit of automating the manual processing and distribution through the SWIFT SmartSMD system.

Customer Service Program

The program aims to provide distinguished and competitive digital services to bank's customers. Since the beginning of 2020, the bank has been the pioneer by launching a contactless payment system via smart phones CABPay and launching a smart phone system for electronic branches LINC, while the smart phone system for bank's customers has been updated through various operating systems like Andriod, IOS, and Harmony, in addition to the launch of the foreign transfers' system through the branches. In order to increase the effectiveness of the current system of loaning and the speed of providing services, the upgrade of loan system has been partially completed for Retail Credit, and in order to provide additional customer service platforms through the use of artificial intelligence technology to provide the automated assistant service linked to bank systems; Labib Chatbot was launched through the Facebook Messenger platform and the Bank website.

Infrastructure Projects' Group

Within the framework of the continuity of information technology services, the Virtual Servers Backup system has been implemented for backup copies compatible with the virtual HPE Synergy servers working at the bank at the main and alternative information center, in addition to the upgrade of Exadata devices working at the main and alternative information center, while upgrading Oracle software and licenses to meet the requirements of transferring data to the bank system, in addition to the application of Antlabs project, which provides internet services to customers in all of the branches for free.

Cyber security and information security group of projects

It includes the implementation of Firewall Fortinet to add an additional level of security between a primary and a backup data center, and to start implementing the SoC Cyber Security Operations Center. Cairo Amman Bank is the first bank in Jordan to implement the latest 3D Secure version to provide secure payment transactions over the Internet.

Compliance projects

Which includes the project related to the requirements of Persons with Disabilities (PWDs), and the project of applying automation of entry to safe deposit boxes, which aims to improve the customer experience and increase the level of security and compliance, while applying ACH direct debit system as one of the new central bank requirements to activate the direct debit entry authorization service on the automated setoff room system.

Palestine

Despite the difficult circumstances that prevailed during the year 2020 due to the Covid-19 pandemic; a large number of projects related to information technology were implemented, which were listed on the agenda of this year and which effectively contributed to achieving the strategic goals approved by the bank administration.

- In terms of infrastructure, storage units and old central servers for running bank system (Core Banking Servers) were replaced in the main data center and disaster-recovery. All infrastructure requirements were prepared to launch a SIEM monitoring system for security changes and events, and several Jump Servers were prepared in order to enable employees to work from home via (VPN) technology, in addition to installing and operating a special system to protect bank website (Web Application Firewall) in order to protect it from intrusions. During the year, a successful examination was conducted for the plans of recovering from disasters and work continuity plans.
- In terms of information security as well, many projects have also been implemented, such as applying a new system for monitoring security events (SIEM), and a special system was applied to manage and control usernames with high powers and manage operations of accessing such sensitive systems at the bank (Privileged Access Management), in addition to applying the system of inspecting security gaps in the external and internal technological environment of the bank (Vulnerability Scanner) and revealing weaknesses in the devices, systems, and networks associated with them. Final checks of the Identity Management system were accomplished, while follow-up is carried out with the various departments and related parties in the bank to implement and comply to governance standards related to data and mechanisms (GDBR, COBIT), in addition to complying with the standards of (Cyber security, PCI, ISO27001).
- As for the banking systems, the signature system has been upgraded to the latest version that operates as (Web-Based). The electronic setoff project with the Palestinian Cash Commission (ECC) was launched, while the system for clients' credit rating (Risk Analyst) was upgraded to the latest version. A mechanism was established to link between the banking system and the SWIFT system, similar to what has been applied at the general administration, and a mechanism has been developed to send SWIFT messages to customers through email.
- Electronic channels also had an active role and contribution in fulfilling many achievements during the year, as many electronic banking services were added through the (Chatbot) system, while applying a system for monitoring ATMs (Vynamic View). A contact center system was developed and new DN ATMs were operated with the issuance of contactless cards that use a new technology (R9). (3D-Secure) service was started to promote safe online purchases, and a new version of the mobile system was launched which contains new electronic services that serve bank customers optimally

Sarah/Palestine

Labeeb/Jordan

Human Resources and Training

Bank Hiring 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 vacancies. 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 his 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 3.66% of the year 2020, and the employment turnaround rate is considered within the acceptable 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 higher non-executive management and all employees, whereas the bank was able to attract, develop and maintain its employees with competencies, skills and experience, 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 affiliate companies is 2255 as per the following qualifications:

	Bank	Al-Safa Bank	Awraq Investment	Al-Watanieh Securities	Tamallak Lease Finance	Total
PhD	3	-	-	-	-	3
Master	90	14	2	1	5	112
Higher diploma	35	-	-	-	-	35
Bachelor	1472	102	16	11	10	1611
Diploma	200	7	1	-	1	209
Secondary and lower	264	12	2	3	4	285
Total	2064	135	21	15	20	2255

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; training and development programs were implemented during the year 2020 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 2020, 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 2020, training programs were held, which included banking regulations, compliance, anti-money laundering, credit facilities, customer service, electronic banking services, payments, management, marketing, bank transfers, behavioral skills, treasury and investment, and such programs were distributed according to the table below.

Bank will also continue during the year 2021 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
Banking systems	4	16	19
Compliance and anti-money laundering	11	914	33
Credit facilities	1	5	505
Customer service	3	28	9
Bank e-services and payments	12	331	40
Management	2	14	62
Marketing	1	1	3
Bank transfers	1	3	5
Behavioural skills	12	204	170
Treasury and investment	1	1	35

During 2020, around 45 training courses, 19 workshops by 1319 training hours were held in Palestine, whereas that was achieved in cooperation with local and international training centers, and attendees to such courses reached 651 participants.

Field of training	Number of courses	Number of participants	Number of training hours
Management	12	148	123
Finance	1	1	9
Computer skills	1	12	24
Human resources	2	6	58
Credit / retail / facilities	4	22	40
Marketing/ sales	4	22	123
Investment / treasury	1	5	12
Risks / compliance / money-laundering	9	94	137
Audit	1	3	8
Languages	3	67	66
Operations	6	49	50
Security – Civil Defense	1	2	15
Banking courses for branches	10	195	212
Information technology	9	25	422
Total	64	651	1319

Bank Competitive Situation

Bank was able 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 4.07% and 4.44% respectively, while 5.72% and 5.34% in Palestine.

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 Affiliates

Below is an overview of bank affiliates

	Al-Safa Bank was established as a public joint stock company in Palestine in 2016 and started its business on 22/09/2016 as a banking institution that operates in accordance with the provisions of Islamic Sharia through its branches, and bank owns 79% of the bank's capital, amounting to $75 million. Al-Safa Bank seeks to fulfill the needs of the Palestinian market for Islamic banking services and products, as well as to practice financing and investment businesses and develop means of attracting money and savings towards participating in the investment of the product through banking methods and means that do not conflict with the provisions of Islamic Sharia. The bank operates through 9 branches and offices spread in most governorates of Palestine. .
	The National Financial Services Company "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 and portfolios' management services for investment clients, and it also establishes and manages investment funds and provides financial and investment advice. Despite the competition, the company was able to achieve a distinguished position in the market, whether in terms of trading volume or in terms of customer base, as the company maintained a good rank among the operating companies in the Amman Stock Exchange
	Al-Watanieh Securities Company was established as a private limited liability joint stock company in Ramallah in Palestine in 1995. The company works as an mediator in the Palestine Stock Exchange. The company started its work with the beginning of the work of the related market, 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. Bank owns the entire company paid-up capital amounting to 1.6 million dinars, and the headquarter is located in Ramallah with a branch in Gaza.
	Tamalak Finance Leasing Company was established on 12/11/2013 and registered as a limited liability company with a capital of 5 million Jordanian dinars, which is wholly owned by Cairo Amman Bank by 100%, acting as an investment arm in the field of providing a service for financial leasing. The company provides a full range of financial leasing services that are compatible 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 in order to fulfill their financing needs through the deployment of financial leasing concept because of its economic and financial advantages for the targeted sectors. The company works to serve its customers with administration located in Amman and a branch in Irbid.

Cairo Amman Bank, the niche of social responsibility, culture and arts

The Corona pandemic imposed unprecedented economic and social conditions on Jordan, which made Cairo Amman Bank to focus its support on the health sector and enable it to protect society from the danger of this virus, through a generous donation to the Ministry of Health and another to the Himmet Watan Fund, which allocated part of its assets to support families whose source of income was cut off as a result of total and partial curfew decisions in order to control the disease.

Farouk Lambaz Gallery
(February 2020)

Although the Corona pandemic that spread in the Kingdom and the world in the middle of March 2020, was an obstacle to Cairo Amman Bank's implementation of its strategy to support the local community, this did not prevent it from continuing its support to cancer young patients' camp within strict measures to maintain public safety.

Bank continued its financial support for the summer camp held by King Hussein Cancer Center, for the fourteenth year. King Hussein Cancer Center has allocated this camp for young patients treated therein, for which Cairo Amman Bank is considered the main sponsor of its program, which is held annually for children with the aim of raising their morale and thus improving their response to treatment. King Hussein Cancer Center represented in its general manager Mrs. Nisreen Qatamish thanked Cairo Amman Bank for its ongoing care and support to the program and taking care of cancer patients to make them happy while receiving treatment, using virtual reality technology for patients of King Hussein Cancer Center, taking into account public safety measures.

Drug Awareness Workshop
(January 2020)

In 2020, Cairo Amman Bank translated its social responsibility into the development of the local community and the fight against pests that threaten its children, with the support of drug awareness workshop, which was organized by the Rotary Club of Amman Cosmopolitan in cooperation with Al-Marje' Publications that published both magazines Family Flavors (and the Royal Society for Health Awareness, and the Drug Control Department. The workshop targeted school personnel of teachers, educators, nurses and pedagogic specialists working in the private schools, whereas about 200 people participated in the workshop and visited Cairo Amman Bank booth, which was set up beside the event. Through this booth, Cairo Amman Bank distributed anti-drug publications and brochures that include the banking products and gifts that the bank offers.

Global Goals World Cup Activities
(February 2020)

Banks also signed with the University of Jordan the renewal agreement appendix to issue and operate multi-usage smart ID cards for university students and members of both teaching and administrative personnel. University accentuated through its president Prof. Dr. Abdelkareem Al-Qudah that the trust in CAB is enhanced as a result of the success achieved by the smart cards in omitting several procedures that required time and effort, and this and other agreements concluded with the Jordanian universities in this regard enabled the bank to develop its banking products and services along with financial inclusion, and to provide qualitative and distinguished services at the level of the banking sector for all economic and social sectors, especially the Jordanian universities, where smart card reduced the administrative and financial efforts. The new in Cairo Amman Bank support of the University of Jordan is that it will upgrade three gardens within the campus of the University of Jordan and provide a number of shades for the gardens, in addition to providing an electric train to facilitate transportation for students inside the university campus for students and staff, whereas the bank also signed with Princess Sumaya University a renewal agreement appendix for smart university card as well.

Stemming from Cairo Amman Bank's endeavor to keep pace with technology, it will launch a mobile application service for the university smart card to facilitate benefitting from the advantages of the smart card, whereas the smart card issued by the Bank adds quality services to the holder that include electronic payment technology and secure financial transactions via the Internet in addition to many features including / such as; entering all facilities inside the university campus, paying university fees, disbursing university scholarships, per diem allowances, and salaries by charging cards.

On international level, Cairo Amman Bank aspires to win the World Goal of the Year Award, which was launched by the United Nations Development Program (UNDP) to achieve sustainable development in many countries, including Jordan. The program includes 17 goals, and Cairo Amman Bank chose goal 15 related to the protection of the environment under the title (Life on Earth) and started the competition for the World Cup, with a plan that ends in 2030 for planting one million trees in various parts of the Hashemite Kingdom of Jordan.

In Palestine, Cairo Amman Bank focused on empowering the community to combat the Corona pandemic through donations made to the Palestinian Ministry of Health, medical institutions and chambers of commerce, with support provided to charitable societies during the pandemic in order to distribute vouchers amongst the families in need and who lost their income because of the pandemic.

During the year 2020, bank implemented a campaign to distribute Eid Al-Adha gifts in all the governorates of Palestine, including (orphanages, autism centers and hospitals)

Bank has always supported the Palestinian community by sponsoring national events and occasions and providing the necessary support to various bodies and institutions. In addition to its sponsorship and donations for various activities in many fields that serve the educational, health, recreational and charitable sectors, in cooperation with institutions, schools and all different segments of society.

Cairo Amman Bank Gallery became a platform for Jordanian art, through which artists of different art categories provide their creations to the world. Despite the Corona pandemic and the conditions of comprehensive and partial quarantine that were imposed by the government during the year 2020, the gallery succeeded in sustaining Cairo Amman Bank's competition for children's drawings for the eleventh year, in which a large number of children from various schools in the Kingdom participated.

Cairo Amman Gallery announced the names of winners in the children's drawing competition for the year 2019-2020, but due to the circumstances of the Corona pandemic, which disrupted all celebrations and public activities, it decided to cancel the annual ceremony that it holds to distribute financial prizes and certificates of appreciation for this year, and distributed the prizes individually to winners by giving them appointments for referring to the gallery to maintain public safety within six months from the date of announcing the names of the winners.

As for the teachers supervising the students participating in the competition, the award for the best art teacher was won by: Doaa Ahmed Abdelkarim Al-Aydi from Al-Baqa'a Girls Secondary School, and the Best Supervisor of the Fabriano notebook was won by: Nada Hanin Allah Muhammad Rashaideh from Um Salamah Girls Secondary School in Al-Zarqa'.

In 2020, the Gallery had an exhibition for the Jordanian artist Farouk Lambaz, entitled "The Heavens of Eden", before the outbreak of the Corona pandemic.

In this exhibition, the artist presented a group of work, which focused on the artistic composition using water colors on paper. Lambaz is one of the second generation of the Jordanian fine artists, and his works have been exhibited in various countries around the world, and he has held many exhibitions in Jordan since the seventies of the last century.

The Cairo Amman Bank Gallery, which was founded 13 years ago, has hosted many exhibitions with international, Arab and Jordanian artists of different generations, and has become an incubator for the works of Jordan›s children through the first competition of its kind in Jordan, which it organizes annually.

The Gallery has also become a forum for artists and media through the Cairo Amman Bank Symposium, which has been dedicated in its past five sessions as one of the most prominent artistic forums around the media. Through its sessions many prominent names in Arab and international fine art were hosted and a clear space was allocated for the generation of youth, in addition to providing an opportunity to acquire more of the quality experience of the artists with significant experiences.

Donations and Sponsorship

Total donations and sponsorship to the different events during the year in the following fields reached:

Item	Amount
Educational field	413.201
Health field	268.366
Cultural and artistic field	137.080
Social services field	12.648
Governmental field	1.246.952
Total	2.078.247

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

Below are the most important clauses of bank business plan for 2021:

1. Maintain a comfortable ratio of capital adequacy and a rating of “good capital” in accordance with the requirements of the Central Bank of Jordan, for enabling the bank to continue to expand its business.
2. Maintaining appropriate liquidity ratios to support bank’s business by increasing clients’ deposits of all kinds, while focusing on the least deposits and creating incentive programs to promote them.
3. Enhance bank position among the leading banks in providing banking services and solutions to individuals and companies by developing banking services, products and solutions that meet the desires and needs of various types and segments of customers.
4. Enhance the expansion and sustainable growth of a portfolio of credit facilities and reaching a credit structure that balances between the individual sector and companies in parallel with making efforts to settle the non-working ones, in a way that enhances the quality levels of bank assets and raises the frequency of reflecting allocations.
5. Enhancing the processes of attracting low-cost sources of financing available from the Central Bank of Jordan and various international institutions.
6. Digital transformation and developing information systems, or accompanying technology.
7. Develop tools, mechanisms and protective and preventive systems related to cyber and information security, combating financial crimes and compliance, and enhancing their capabilities.
8. Transformation from focusing on the product to focusing on the customer by raising the quality of the services provided and offering leading and diversified products and solutions that fulfill the needs of different segments and categories of the existing and targeted customers
9. Enhancing and developing the network of traditional and electronic outlets through the establishment of new branches, the optimal distribution of ATMs, and the strengthening of their geographical spread. In addition to creating and developing electronic banking services through the bank application and digital payment systems
10. Updating and upgrading branches to an inclusive employee concept based on the institutional requirements and qualifications.
11. Invest in talent and enable creativity.
12. Attracting young customers through the traditional and digital outlets for the trademark (LINC) which is concerned with serving the youth within the age group of 18-40 years. Interactive booths will be deployed in places where youth are located; such as university students in particular to receive various types of banking services according to their needs.
13. Launching a new trademark “Signature” targeting the category of distinguished customers, individuals and companies, by enabling them to access all banking services that fulfill their desires and needs. The trademark “Signature” will commence its activities in 2021 through branches characterized by global and modern designs and advanced technological techniques, in addition to Electronic channels for distinguished Signature customers, such as a smart phone application to provide innovative and customized banking services, products and solutions that suit the target group of customers and meet their needs. Signature is also distinguished by a highly professional staff to provide services with the highest standards of quality that contribute to making the banking customer experience wonderful and distinctive.

SIGNATURE

BY CAIRO AMMAN BANK

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, the Compliance Committee, the Investments and Real Estate Committee, the Audit Committee, the Institutional Governance Committee, the Information Technology Governance Committee, the Nomination and Remunerations Committee, the Strategies Committee, and the Facilities Committee, in addition to the executive management and its emanating committees such as the Assets and Liabilities Committee, the Procurements and Bids Committee, and the Internal Control Development Committee, the strategy committee, along with the branching 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 bank departments and branches are responsible for determining the risks related to banking operations, complying with the appropriate controls, and monitoring the continuity of their effectiveness in line with the internal control system.

The bank risk management process includes activities to recognize, measure, assess and manage risks, whether the financial or non-financial, that can negatively affect bank performance and reputation or its objectives and in a way that ensures the achievement of an optimum return against the acceptable risks.

The general framework of risk management at the bank runs according to a methodology and basic principles that are consistent with the size and concentration of its activities, the nature of its operations, and the instructions of supervisory authorities, in addition to observing the best international practices in this regard. The set of principles are as follows:

BOD Responsibility:

- Adoption of policies, strategies and the general framework for risk management, including the limits of the degree of acceptable risks
- Ensure the existence of an effective framework for the stress testing in addition to the adoption of their hypothesis
- Adopting bank policies.

Responsibility of the Board emanating Risk Management Committee:

- Periodic review of bank›s risk management policies, strategies and procedures, including acceptable risk limits.
- Keeping pace with the developments that affect the risk management of the Bank.
- Develop the process for an internal capital adequacy assessment, analyze current and future capital requirements, in line with the bank›s risk structure and strategic objectives, and take the related measures
- Ensuring the existence of good systems to assess the types of risks confronted by the bank and developing systems to link these risks with the level of capital required to cover them.

Risk Management Responsibility:

- Submitting reports and risk system to the Risk Management Committee.
- Monitoring the compliance of the various bank departments with the limits of the upcoming 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 methodologies for measuring and controlling each type of risk
- Implementing systems related to evaluating the types of risks that the bank is facing and developing the related work procedures.
- Managing and applying a practical methodology for the ICAAP at the bank in an adequate and comprehensive manner that is compatible with the risk structure faced by the bank.
- Implementing stress testing within the policies and methodologies approved by the Board of Directors.
- Participation in the calculation of expected credit losses within the International Financial Reporting Standard 9 (IFRS9), using specialized systems by one of the international companies.
- Coordinate with the concerned authorities to carry out examinations of work continuity plans and update them periodically.
- Orientation, training and mentoring of bank staff regarding bank risk management culture.
- Implementation of the Central Bank of Jordan›s instructions related to risk management

Bank may be susceptible 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 within the determined period, which leads to losses.

Bank manages 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 area.

The bank follows several methods to mitigate risks, including defining the acceptable guarantees and their conditions. It is also taken into account that there is no correlation between the value of the guarantee and the activity of the customer. The bank also follows a policy of insuring some portfolios and building additional allocations as one of the methods of risk mitigation.

The bank has been assigned several control departments that monitor and follow up on credit and submit reports for any early warning indications with the aim of follow-up and correction.

Market risks
These are the risks that the bank may be exposed to as a result of maintaining any financial positions inside or outside the budget due to any changes that occur in market prices such as interest rate changes, currency exchange rates and securities' price fluctuations.

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

Market risks are measured and monitored by several methods, including maturity/re-pricing schedule, stress testing, in addition to stop loss limits.

Liquidity risks
Liquidity risk is represented in the bank›s inability to provide the necessary financing to fulfill its obligations on their due date or finance its activities without incurring high costs or losses.

To prevent these risks, the Bank›s management and the Assets and Liabilities' Committee manage liquidity risks by diversifying financing sources and non-concentration of financing sources. Administrative procedures are also put in place to provide liquidity in contingency cases that are included in the recovery plan.

Operational risks
It is the risk of loss resulting from inadequate or failed 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 management has paid great attention to the continuous development of the control environment over all of your bank's activities and operations. An operational risk policy has been adopted to cover all bank departments, internal and external branches, and its affiliate companies.

Business Continuity Management
The bank is committed to updating, developing and examining continuity plans to work continuously to ensure the continuity of the bank's business in serving the interests of customers in contingency situations

Non-compliance risks

They are risks of legal or regulatory penalties, material losses or reputational risks that may be exposed to the bank due to non-compliance with laws and regulations, instructions, orders, codes of conduct, standards and banking practices that are issued by local or international regulatory authorities.

Bank understands the importance of controlling compliance as bank applies policies and work procedures approved by the Board of Directors that comply with the Compliance Monitoring Instructions No. 33 / 2006 issued by the Central Bank of Jordan and international best practices in this field to manage the risks of compliance at Cairo Amman Bank Group level to reduce the risk of non-compliance that may be exposed to the bank. The department also has a supervisory program to monitor compliance with the laws and instructions issued by the regulatory and official authorities that control the nature of the work and activity of the bank in line with the compliance control policy approved by the board of directors for the bank, as well as an automated system for compliance management so that all operations of the department are implemented through it.

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

The department also monitors and follows up the implementation of the American Tax Compliance Law for Foreign Accounts or what is known as VATCA through approved internal policies and procedures to identify the American client and exert due diligence, classification and reporting of American clients in accordance with the requirements of the law and in accordance with the approved VATCA 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 competencies of the bank›s employees in protecting the bank from the risks of non-compliance.

The department also continued to contribute to the development and revision of the institutional 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, and in order to protect the bank from the risks of non-compliance, the bank, during 2020, and in general, has done the following:

- Implementation of a policy and compliance control plan
- Implementation of the control program followed by the department at the level of the bank and supervising the peer units in the external branches and the affiliate companies
- Follow-up on the latest control and formal developments
- Assisting the executive management of the bank in managing the non-compliance risks it is exposed to
- Documentation of compliance risks

With regards to the Corona pandemic, the Compliance Control Department played the following roles and responsibilities during the lockdown period:

Continuous follow-up of any circulars or instructions issued by regulatory and/or official bodies, including the Central Bank, websites of the governmental institutions and the official newspaper, and reviewing such instructions or circulars and their impact to the activities and business of the bank, and providing bank management and contingency plan team with it to be applied.

Work as a liaison officer with the Central Bank, which represents in the receipt of any inquiries, circulars, or requests for information and reports related to the crisis, coordination with the bank management and the contingency plan team to obtain such data and information and send it to the Central Bank within the specified dates, including for example the following daily and weekly reports:

- Statistical data related to deposits and financial transactions related to exchange companies
- Statistical data related to deposits exceeding 500 thousand dinars
- Data of loans granted on the Central Bank program to support economic sectors amounting to 500 million dinars

Receiving complaints from some clients or through the officials of the Financial Consumer Protection Department, and work to address those complaints and report to the Central Bank with the results of handling and the measures taken with this regard.

To coordinate directly with managers and compliance officials in the external branches and affiliate companies to determine any matters, reports, policies, or supervisory or regulatory requirements required by the control bodies of those affiliate companies and external branches during the Corona pandemic crisis period and/or require approval, review or accreditation by the bank.

With regards to bank's work in Anti-Money Laundering and Terrorism Financing operations; bank follows policies and work procedures approved by the Board of Directors in accordance with the Anti-Money Laundering and Terrorism Financing Law No. 46 of 2007 and its amendments, and the Anti-Money Laundering and Terrorism Financing Instructions No. 14 of 2018 issued by the Central Bank of Jordan and the International best practices issued in this regard, in order to reduce the risks associated with these transactions, with the aim of defining procedures for dealing with financial transactions, and taking due diligence measures or special care to recognize the clients dealt with or intended to deal with them, and to ensure their personal and legal status, their legal position, the real beneficiary, and continue to be informed of clients' operations over the period of their dealings with the bank.

In this regard, during the year 2020, the Bank conducted the following:

In compliance with the instructions of the Central Bank of Jordan of Anti-Money Laundering and Terrorism Financing No. 14/2018 and in implementation of the stipulated in the risk assessment methodology and the Anti-Money Laundering and Terrorism Financing policy approved by Cairo Amman Bank, the Anti-Money Laundering Department has conducted a comprehensive assessment to the risks 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, geographical regions, services, products and service delivery channels, as evaluation included all bank branches in the Kingdom and external branches along with affiliate companies.

Following-up on the reports issued by the FATF Committee on Anti-Money Laundering and Terrorism Financing, risk assessment and control procedures within the policies and procedures of Anti-Money Laundering and Terrorism Financing approved according to those reports, where a special bulletin issued by the FATF Committee title (COVID-19-related money Laundering and Terrorist Financing), which includes the most important risks arising from the Corona pandemic and its impact on Anti-Money Laundering and Terrorism Financing, where the bulletin was analyzed and compared with the procedures of the Anti-Money Laundering Department followed during the pandemic period and taking the necessary measures in this regard.

The Anti-Money Laundering Department has updated the Anti-Money Laundering and Terrorism Financing Policy and approved it by the Board of Directors in line with the amendments that occurred to the organizational structure of Cairo Amman Bank and at the level of the financial group.

Developing the automated system of Anti-Money Laundering and Terrorism Financing (FCM) in line with the instructions of the Central Bank of Jordan of Anti-Money Laundering and Terrorism Financing 14/2018 and the approved risk assessment methodology (Risk Based Approach), in addition to preparing the system to update and develop rules for alerts that review the behavior and patterns of financial operations implemented to clients' accounts to include a level of alerts on the Profile Rules and Transaction Code in addition to the Segment & Group configuration.

Continue preparing training programs related to Anti-Money Laundering and Terrorism Financing along with the international penalties through online etrainign technique with the participation of 659 employees, in addition to training all risk officers of subsidiary agents to serve Western Union remittances in the field of Anti-Money Laundering and Terrorism Financing and combating fraud.

Continue submitting reports to the go AML system in accordance with the requirements of the Anti-Money Laundering and Terrorist Financing Unit related to operations that are suspected to be linked to money laundering or terrorist financing operations and that are sent through the go AML system, in addition to approving the submission of other required reports of the type (STR/TFR/SAR/UTR) through XML Upload over .go AML system.

Customer Complaints Unit Report

The total number of complaints filed with the Customer Complaints Unit, which were submitted to the higher management during the year, reached 650 complaints and were classified according to the requirements of the Central Bank of Jordan.

Cyber Security Department

The Cyber Security Department was established and classified on the bank's personnel under the supervision sector on 8/9/2019, in compliance with the instructions of the Central Bank of Jordan regarding adaptation to cyber security risks No. 26/1/1/1984. This department adopts leading cyber security practices and builds a dynamic and integrated cyber security system that prevents the access or manipulation of sensitive information on bank's digital systems, programs and networks, in addition to an efficient and effective response and recovery plan and the development of an institutional culture regarding the institution's awareness of cyber security risks and principles. The tasks of the Cyber Security Department are to educate users of the systems, in addition to fulfilling the needs of the bank and support the mission to protect its real estate and property from breaches in order to implement the bank's vision of governance, risk management and compliance 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.
- Strengthening systems and networks so that they are able to detect all potential risks and attacks in an effective and dynamic manner and to develop their ability to defend themselves.
- Developing and providing 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, suppliers).
- Connecting IT governance to cyber security.

The inclusion of the cyber security work methodology under the framework of information technology governance and management in the organization is considered to be the focus area of the department, according to the results of the (Design the Enterprise Governance of Information and Technology report) according to the framework of COBIT 2019 and maintaining key practices and making reviews and updates on the objectives related to cyber security, in addition to continuing to provide key performance indicators in order to implement the goals and promote them to a third maturity level according to the Central Bank instructions. Among the most important strengths and on which the department is based in the implementation of the tasks entrusted to it are the following:

- High protection for computers and programs using firewalls, anti-malware and anti-viruses.
- Having a center for security operations, as (CSOC) system for continuous monitoring
- Comprehensive cyber security policies that comply with the Central Bank of Jordan›s standards and international standards.
- A cyber security program based on the best security standards (NIST and ISO 270001), as well as IT governance

Bank is concerned of working on the promotion and development of institutional governance based on the principles of fairness, transparency, accountability and responsibility in order to strengthen the confidence of depositors, shareholders and other parties related to the bank, in a way that ensures continuous monitoring of the bank's adherence to the approved policies and limits and their conformity with its outlined objectives in general. Bank also commits to applying the highest professional performance standards in all its activities, which are in line with the instructions of the Central Bank of Jordan and monitoring authorities in the countries where the bank exists and the best international practices. Accordingly, the Board of Directors decided to adopt the Institutional Governance Guide.

Having an effective, professional and independent board of directors is one of the most important requirements for institutional governance, as it is the responsibility of the board of directors to supervise and monitor all the work and activities of the bank and its executive management, and to ensure that the activities are aligned with the requirements of the Central Bank of Jordan and all other supervisory bodies to maintain the interest of the shareholders, depositors and all related parties.

The Board of Directors consists of 11 members elected by the Bank's General Assembly. The members of the Board have various and varied experiences and skills that increase the effectiveness and efficiency of the Board, and all Board members are non-executive members.

The bank commits to implementing the stipulated in the institutional governance guide approved by the bank and published on the bank's website.

The bank has an information technology governance and management guide that is 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, and which work in an integrated manner with the Board of Directors to achieve the goals of the bank. And these committees are:

Institutional Governance Committee

Mr. Hassan Abu Al-Ragheb - Chairman of the Committee/ Independent
Mr. Issam Al-Muhtadi - Vice Chairman/ Independent
Mr. Yazeed Al-Mufti - Member / Non-Independent

The institutional governance committee›s responsibilities include the following main tasks:
Each member must allocate adequate time to view and perform the following tasks and responsibilities:

- Direct and supervise the preparation and update of the institutional governance guide and monitor its implementation.
- Reviewing the Institutional Governance Guide every 3 years and/or whenever the need arises and submitting appropriate recommendations to the Board of Directors to approve amendments if necessary
- Preparing the governance report and submitting it to the Board of Directors.
- In the event of any conflict between the recommendations of any of the committees and the decisions of the Board of Directors, the Board of Directors must include in the Governance Report a statement clearly detailing these recommendations and the reasons for the Board›s non-compliance with them.
- Review the remarks of the supervisory authorities related to the implementation of institutional governance in the bank and following up on what has been done about it
- 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.
- Submitting a semi-annual report to the Board of Directors showing the effectiveness of the committee›s work and activities.
- Any other matters decided by the Board of Directors.

Risk Management Committee

Mr. Issam Al-Muhtadi - Chairman of the Committee / Independent
Mr. Mohamed Al-Atraby - Vice Chairman/ Not Independent
Mrs. Soha Ennab - Member/ Independent
Mr. Sami Smeirat - Member/ Independent
Ms. Suzan Abu Al-Rous - Member / Non-Independent

The responsibilities of the Risk Management Committee include the following main tasks:
Each member must allocate adequate time to view and perform the following tasks and responsibilities:

- Reviewing the scope of application of risk management annually and making sure that it includes:
  - Its subsidiaries, sister companies and foreign branches.
  - Include all risks that may be exposed to the bank
- Supervising the preparation of the risk management strategy and the recommendation of the Board of Directors to approve it, and review it periodically.
- Submitting semi-annual reports to the Board of Directors that include the material information and developments that affect the risk management of bank and the risk statement that exceeded the approved acceptable risk limits.
- Adopting risk management methodologies that ensure that risks are recognized and covering all activities of the bank and its departments, and reporting the results of applying these methodologies to the Board of Directors.
- Supervising the preparation of risk management policies and making sure that they are included and reviewed annually
- Ensure that the appropriate expertise and resources are available to the risk management to enable it to accomplish all responsibilities.
- 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.
- Any other matters decided by the Board of Directors.

The Audit Committee

Mr. Sami Smeirat - Chairman of the Committee/ Independent
Mrs. Soha Ennab - Vice Chairman/ Independent
Mr. Ghassan Aqeel - Member/ Non-Independent

The responsibilities of the Audit Committee include the following main tasks:
Each member must allocate adequate time to view and perform the following tasks and responsibilities:

- Reviewing the scope, results, and adequacy of the bank›s internal and external audit and accounting issues that have a material impact on the financial statements.
- Verify the adequacy and effectiveness of the internal control and discipline systems approved by the Board of Directors and review them annually, and verify that the internal and external auditor reviews them at least once a year.
- Reviewing the financial statements before presenting them to the board of directors with the executive management and the external auditor and making recommendations in this regard to the board in order to ensure the correctness and transparency of the financial statements and compliance with financial reporting standards and instructions of control authorities.
- Recommend to the Board of Directors regarding the appointment and/or dismissal, remuneration of the external auditor, and any other contractual conditions related thereto, to be presented in an extraordinary general assembly meeting, and the prior approval of any work assigned to the external auditor outside the scope of the audit process and assessing the extent of its impact on the independence of the auditor
- Ensure the regular rotation of the external auditor between auditing offices in accordance with the institutional governance instructions issued by the central bank.
- Ensure the independence and objectivity of the internal audit and that it is not assigned to any executive work, and that the audit department has the right and access to all records and information and contact with any employee, which enables it to perform its work and complete reports without external interference.
- Recommend the Board of Directors to appoint and accept the resignation of the executive director/internal audit, and to evaluate his performance.

- Recommend to the Board of Directors regarding any matters related to internal audit procedures when needed, and review the internal audit charter to be approved and accredited by the Board of Directors.
- Reviewing the annual plan for internal audit management prepared on the basis of risks and any work plans related to internal audit in order to be approved after ensuring the extent of their comprehensiveness in terms of their scope, results and adequacy, as well as to make sure that there are no limitations on the scope of work of internal audit.
- Reviewing internal audit reports and the measures taken to correct them by the executive management, and informing the Board of Directors of any material observations.
- Reviewing inspection reports received by the Central Bank of Jordan, the Palestinian Monetary Authority, the external auditor and other supervisory bodies, and the management's responses to them and the measures taken in their regard.
- Reviewing, monitoring and informing the Board of all transactions of related parties, and verifying the adoption of sufficient and effective policies and procedures to address conflicts of interest, and disclosing such conflict, including ensuring that financial operations and contracts for various projects are made according to the approved policies.

The committee meets upon the invitation of its chairperson at least once every three months or at least four meetings annually or whenever needed or based on a decision of the board of directors or at the request of the majority of the members. It also meets upon the request of the external auditor or the executive director / internal audit if necessary, and the executive director / internal audit attends meetings of the committee.

The committee meets with the external auditor, the executive director/internal audit and the executive /compliance director at least once a year and without the attendance of any of the members of the higher executive management.

Nomination and Remunerations Committee

Mrs. Soha Annab – Chairman of the Committee/ Independent
Mr. Hassan Abu Al-Ragheb - Vice Chairman/ Independent
Mr. Khaled Al-Masry - Member / Non-Independent

The responsibilities of the Nomination and Remuneration Committee include the following main tasks:
Each member must allocate adequate time to view and perform the following tasks and responsibilities:

- 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 attendance and the effectiveness of his participation in the meetings of the board shall be taken into consideration.
- Ensure that all data and forms of the crisis are sent to the central bank to obtain the necessary approval for the appointment of BOD members
- Preparing a policy and procedures for nominations and compliance for the BOD, the CEO, the higher executive management, and the senior management staff, in accordance with the requirements of the effective institutional governance instructions and the instructions of the relevant control bodies.
- Ensure sending all the necessary data and forms to obtain the approval of the central bank prior to appointing CEO and obtaining a no-objection from the central bank over the appointment of members of the higher executive administration
- Nomination of qualified persons to join the senior executive management and senior management staff, and ensure compliance of their qualifications with the nominations and compliance policy
- Ensure that the members of the board of directors, the higher executive management, and the senior management staff have the greatest level of credibility, competence, integrity, experience, and ability to commit, and devote adequate time to work for the bank
- Determining whether a member fulfills the status of an independent member, taking into account the minimum conditions of the approved nominations and compliance policy, and ensure that these conditions continue to be fulfilled annually.
- Applying the procedures of nomination and ensure the continuity of compliance for the members of the Board of Directors, the higher executive management and the senior management staff annually and recommend to the Board of Directors for taking the appropriate decision
- Preparing a policy to monitor and review the performance of the higher executive management by setting key performance indicators (KPI›s) to identify, measure and monitor performance and progress towards achieving corporate goals.
- Preparing a system for evaluating the performance of CEO, higher executive management, and senior management staff, while the recommendations related to evaluating the performance of CEO are submitted to the Board of Directors and the Central Bank is informed of this evaluation.

- Ensure having a system for evaluating the performance of the bank›s employees, other than the CEO, higher executive management, and senior management staff
- Preparing a policy for granting remunerations to members of the Board and recommending them to the Board of Directors.
- Preparing a policy for granting financial rewards to the bank›s employees and recommending them to the Board of Directors
- Preparing a system for granting financial rewards to the CEO, senior executive management and the senior management staff and recommending it to the board of directors.
- Recommendation to the Board to determine the salaries of CEO, members of the higher executive administration, and senior management staff, their remunerations and other privileges
- Informing the Board of any material information that could negatively affect the compliance and/or independence of any of the Board members or the compliance of members of the higher 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.
- Providing information and abstracts about the background of some topics that are relevant to the bank for members of the board when they do not request and make sure that they are constantly informed about the latest topics related to banking.
- Prepare a system for evaluating BOD, members and committees' performance and recommend to board for accreditation
- Follow-up on filling in approved evaluation forms for the evaluation of the board, its members and its committees, reviewing them, identifying infinite evaluation and contingency plans to develop performance, and submitting reports on the results to the BOD, the Central Bank of Jordan, and the Securities Commission.
- Committee through its chairperson, submits a semi-annual report to the board of directors on the activities related to the scope of its work and the implementation of its responsibilities and powers
- Develop a policy for functional replacement and change, policy for human resources and training at the bank, and monitor its implementation and review on an annual basis.
- Carry out any other responsibilities determined by the Board of Directors and to review any topic that the Committee deems necessary to discuss within the scope of its work, and to express its opinion and recommendation on it to the Board of Directors
- 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.
- Policies, regulations, and procedures assigned to the above committee responsibilities are reviewed every 3 years or whenever the need arises.
- Find a clear methodology to verify the allocation of a member of the Board of Directors adequate timing to fulfill his duties as a member, including the extent to which a member is related to the membership of other boards / bodies / forums

Strategies Committee

Mr. Ghassan Aqeel - Chairman of the Committee/ Not Independent
Mrs. Soha Ennab - Vice Chairman/ Independent
Mr. Yazeed Al-Mufti - Member / Non-Independent
Mr. Issam Al-Muhtadi - Member/ Independent

The responsibilities of the Strategy Committee include the following main tasks:
Each member must allocate enough time to view and perform the following tasks and responsibilities:

- Determining strategic goals in coordination with the executive management and recommending the Board of Directors for approval.
- Ensure the 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 the committee deems necessary to discuss, expressing opinion or recommendations regarding it to the board of directors.

IT Governance Committee:

Mr. Khaled Al-Masry - Chairman of the Committee/ Not Independent
Mr. Sami Smeirat - Vice Chairman/ Independent
Mr. Issam Al-Muhtadi - Member/ Independent

The functions of the IT Governance Committee include the following main tasks

Each member must allocate enough time to view and perform 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 higher 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 contributing to an increase in 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 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 responsible (Accountable), those who are consulted, and those who are informed (Informed) towards all operations in the aforementioned facility, guided by the 2019 COBIT standard in this regard.
- Ensure having a general framework for information technology risk management that is compatible and integrated with the framework for general information technology risk management at the bank, which takes into account and meets all the information technology governance processes listed in Annex No. (3).
- Adopting the budget of information technology projects and resources in line with the objectives of the Bank›s strategy.
- General supervision and review of the progress of operations and resources of information technology projects to ensure their sufficiency and contribution, so they are not effective in achieving the bank requirements and business.
- Reviewing information technology audit reports and taking the necessary measures to address the deviations.
- Recommendation to the BOD to take the necessary measures to correct any deviations.
- 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 subject presented to the committee by the board of directors, or the committee deems necessary to discuss it, and to express its opinion or recommendation on it to the board of directors

Facilities' Committee

Mr. Yazeed Al-Mufti - Chairman of the Committee/ Not Independent
Mr. Issam Al-Muhtadi - Vice Chairman/ Independent
Mr. Sharif Al-Saifi - Member/ Non-Independent
Mr. Yassin Talhouni - Member/ Non-Independent
Ms. Suzan Abu Al-Roos - Member / Non-Independent

The responsibilities of the Facilitation Committee include the following main tasks:
Each member must allocate adequate time to view and perform the following tasks and responsibilities:

- 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 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
- 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

Mr. Sharif Al-Saifi - Chairman of the Committee/ Not Independent
Mr. Hassan Abu Al-Ragheb - Vice Chairman/ Independent
Mr. Sami Smeirat - Member/ Independent
Mrs. Soha Ennab - Member/ Independent

The responsibilities of the Compliance Committee include the following main tasks:
Each member must allocate adequate time to view and perform the following tasks and responsibilities:

- Reviewing the compliance and anti-money laundering policy and any other policies within the scope of the committee's work annually and/or whenever the need arises, and recommending to the Board of Directors to approve amendments if necessary.
- Discussing and reviewing compliance management reports and issuing necessary recommendations as applicable to the Board of Directors if necessary.
- Reviewing and approving plans, programs and mechanisms related to the department›s scope of work.
- Monitoring and following-up on the implementation and effectiveness of the compliance monitoring function and the anti-money laundering and financial crime.
- Discussing with the executive management the cases in which there was a conflict with the recommendations of the compliance department and any other matters, and in the continuation of the conflict, the case is submitted to the Board of Directors with appropriate recommendations to take the appropriate decision
- Ensure that the Compliance Department has the appropriate expertise and resources to enable it to complete its tasks and responsibilities to the fullest.
- 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.
- Submitting a semi-annual report to the Board of Directors showing the effectiveness of the committee›s work and activities.
- Evaluate CEO/compliance.
- Any other matters decided by the Board of Directors

Investments and Real Estate Committee (the committee was abolished on 2020/8/3)
The Investments and Real Estate Committee consists of four members:

Mr. Yazid Al-Mufti - Chairman of the Committee/ Not Independent
Mr. Khaled Al-Masry - Vice Chairman/ Non-Independent
Mr. Yassin Talhouni - Member/ Non-Independent
Mr. Sherif El Saifi - Member/ Non-Independent

The responsibilities of the Investments and Real Estate Committee include the following main tasks:
Each member must allocate adequate time to view and perform the following tasks and responsibilities:

- Supervising the preparation and review of investment and real estate policies of the bank, and to be approved by the Board of Directors.
- Review the new recommendations of the new investment opportunities and recommend of taking the appropriate decisions according to the approved policies.
- Supervising the management of investment portfolios and placing appropriate decisions to achieve maximizing profits or minimizing losses.
- Appointing accredited real estate estimators based on a recommendation from the executive management.
- Review and approve recommendations for the sale of expropriated real estate against debts.
- Review the recommendations submitted regarding the disposal of the expropriated real estate for the purposes of running bank business and submitting recommendations to the Board of Directors for approval.
- Submitting a semi-annual report to the Board of Directors showing the effectiveness of the committee›s work and activities.
- 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 the committee deems necessary to discuss it, and expressing opinion or recommendations regarding it to the board of directors

Table below indicates number of the BOD and its committees' meetings in addition to the number of meetings attended by each member since 2020

Total number of meetings held during 2020	BOD	Facilities' committee	Audit committee	Institutional governance committee	Nominations and remuneration committee	Risk management committees	Investments and real estate committee	Strategies' committee	Information technology governance committee	Compliance committee
	7	19	9	2	7	8	1	3	5	5
Mr. Yazeed Adnan Mustafa Al-Mufti	7 (7)	19 (19)		2 (2)			1 (1)	3 (3)		
Mr. Mohammad Mahmoud Ahmad Al-Atrabi (Egypt Bank Representative)	5 (7)					8 (8)				
Mr. Khaled Sbaih Taher Al-Masri	7 (7)				7 (7)		1 (1)		5 (5)	
Mr. Yaseen Khalil Mohammad Al-Talhouni	6 (7)	15 (19)					0 (1)			
Mr. Ghassan Ibrahim Fares Aqil (Representative of the Arab Trade and Foodstuff Company)	7 (7)		9 (9)					3 (3)		
Ms. Suzan Yahya Jawdat Abu Al-Rous (Representative of the Social Security Corporation) as of 8/9/2020	2 (2)	5 (6)				3 (3)				
Mr. Fadi Abdulwahab Abdulfattah Abu Ghosh (Representative of the Social Security Corporation) as of 7/9/2020	4 (4)	10 (12)				5 (5)			1 (2)	3 (3)
Mr. Emad Khaled Mohammad Al-Harazneh (Representative of the Social Security Corporation in the BOD meeting on 8/3/2020)	1 (1)									
Mr. Shareef Mahdi Husni Al-Saifi	7 (7)	19 (19)					1 (1)			1 (1)
Mr. Hasan Ali Hussein Abu Al-Ragheb	7 (7)			2 (2)	7 (7)					5 (5)
Mrs. Suha Baseel Andrawos Ennab	7 (7)		9 (9)		7 (7)	8 (8)		3 (3)		5 (5)
Mr. Samu Issa Eid Smairat	7 (7)		9 (9)			8 (8)			5 (5)	5 (5)
Mr. Esam Mohammad Farouq Rushdi Al-Mutadi	7 (7)	19 (19)		2 (2)		8 (8)		3 (3)	5 (5)	

Numbers in brackets represent number of committee / Board meetings held during member membership period

*Audit committee met the bank external auditor twice during 2020

BOD as on 2020/12/31

Mr. Yazeed Adnan Mustafa Al-Mufti

BOD Chairman

Nature of membership: non-executive / 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 Bank BOD emanating committees	Head of the facilities' committee Member in the institutional governance committee Member in the strategies' committee
Membership in the other companies' BODs	ZARA Investment Holding Company Middle East Insurance Company Al-Eqbal Investment Company National Financial Services Company (Awraq for Investment)

Representative of Egypt Bank L.L.C.
Mr. Mohammad Mahmoud Ahmad Al-Atrabi

BOD Vice-Chairman

Nature of membership: non-executive / 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	Egypt Bank BOD Chaimran 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	Chief of the Arab Banks Union BOD member of Egypt Banks' Union BOD member of Aygoth 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 Egypt Bank

Mr. Khaled Sbaih Taher Al-Masri

Nature of membership: non-executive / non-independent

Nationality	Jordanian
Membership date	1995
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 since 7/1999 until 7/10/2012 Cairo Amman Bank CEO since 10/2004 until 31/12/2007 Cairo Amman Bank BOD member since 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 Thermal Waters Company
Jobs currently occupied outside the bank	Chairman of Astra Group BOD chairman of Ayla Oasis Development Company

Mr. Yaseen Khalil "Mohammad Yaseen" Al-Talhouni

Nature of membership: non-executive / 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
Membership in the Bank BOD emanating committees	Member in the facilitations committee
Membership in the other companies' BODs	ZARA Investment Holding Company Jordan Tourism and Hotels' Company Jordan Electricity Company Thermal Waters Company
Jobs currently occupied outside the bank	General Director of ZARA Investment Holding Company BOD vice-chairman / delegate member of Jordan Tourism and Hotels' Company

Mr. Shareef Mahdi Husni Al-Saifi

Nature of membership: non-executive / non-independent

Nationality	Jordanian
Membership date	2010
Date of birth	6/6/1972
Academic qualifications	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 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

Arab Trading and Food Supply Company, represented by Mr. Ghassan Ibrahim Fares Aqeel

Nature of membership: non-executive / non-independent

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 Astra Saudi Company

Social Security Corporation, represented by Mrs. Suzan Yahya Jawdat Abu Al-Rous, as of 8/9/2020

Nature of membership: non-executive / non-independent

Nationality	Jordanian
Membership date	8/9/2020
Date of birth	3/8/1982
Academic qualifications	Bachelor degree in accounting from JU/ 2004
Practical experience	Head of the operational risks department / risk management and strategic planning directorate at the Social Security Investment Fund (2016- present) Main analyst – operational risks / risk management and strategic planning directorate at the Social Security Investment Fund (2013-2016) Main controller of fixed assets / Financial Control Department at the Social Security Investment Fund (2010-2013) Main specialist in employees' affairs and salaries / HR Department at the Social Security Investment Fund (2010-2009) 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 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. Fadi Abdulwahab Abdulfattah Abu Ghosh until 7/9/2020

Nature of membership: non-executive / non-independent

Nationality	Jordanian
Membership date	10/7/2019 until 7/9/2020
Date of birth	5/3/1979
Academic qualifications	Bachelor degree in accounting from Al Al-Bayt University 2001 Certified Internal Auditor 2007 Certified Public Accountant 2012
Practical experience	Works since 2009 as head of the internal audit department in the Social security Investment Fund Joined the Social security Investment Fund as internal auditor in 2005 Worked as employee at the International Islamic Arab Bank during 2002 – 2005 Worked as accountant at Al-Sabbagh Drugstore during 2005 Worker as financial applications' officer at Houston Limited Company in Amman in 2001 Lecturer in a number of occupational certificates (CIA, CMA, ACCA, CPA, JCPA) in addition to a number of subjects related to internal audit, anti-money laundering and fraud, internal control and institutional governance
Membership in the Bank BOD emanating committees	Head of the compliance committee Member in the risk management committee Member in the compliance committee Member in the IT governance committee
Membership in the other companies' BODs	Social security corporation representative in the BOD of the following companies: Arab Potash Company (8/2017-7/2019) Etihad Bank (8/2016-8/2017) Sherko Securities Company (8/2011-9/2016)
Jobs currently occupied outside the bank	Internal audit unit manager at the Social security Investment Fund

Mr. Hasan Ali Hussein Abu Al-Ragheb

Nature of membership: non-executive / independent

Nationality	Jordanian
Membership date	2016
Date of birth	24/5/1973
Academic qualifications	Bachelor degree in Economics and BA / Tennessee University / USA
Practical experience	General Director of Al-Yarmouk Insurance Company Vice-chairman of Jordan Insurance Companies' Union
Membership in the Bank BOD emanating committees	Head of the institutional 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

Nature of membership: non-executive / 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 / Optimal Consultation Company from 2007 until 2016 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 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 National Financial Services Company (Securities)
Jobs currently occupied outside the bank	Financial and administrative advisor

Mr. Sami Issa Eid Smairat

Nature of membership: non-executive / independent

Nationality	Jordanian
Membership date	2018
Date of birth	13/4/1971
Academic qualifications	Master's degree in BA (NYIT) Master's degree of telecommunications engineering – JU Bachelor degree in electrical engineering – JU
Practical experience	Vice-CEO of Siberia Company CEO of Global One Telecommunications Company Jordan CEO of Wannado Company Jordan Vice-chairman of the Jordan Telecommunications Group
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	Arab Telecommunications and Internet Union Princess Sumaya University Vice-chairman of the Jordanian Press Corporation BOD from 24/06/2020 – 05/11/2020
Jobs currently occupied outside the bank	Vice-chairman of Jordan Telecommunications Company (Orange) – CEO of the institutional sector unit CEO of the Jordanian Data Transmission Company (Orange Internet)

Mr. Esam Mohammad Farooq Rushdi Al-Muhtadi

Nature of membership: non-executive / independent

Nationality	Jordanian
Membership date	2018
Date of birth	18/11/1968
Academic qualifications	Master's degree in BA – USA Bachelor degree in BA – Finance /USA
Practical experience	Founding partner in Al-Bayan for Administrative Consultations and Commercial Representations 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 institutional governance committee Vice-chairman of the IF Governance Committee Member in the strategies' committee
Membership in the other companies' BODs	Al-Safa Bank – Palestine Member in the BOD of Tamallak Lease Finance Company
Jobs currently occupied outside the bank	Founding partner of Al-Bayan for Administrative Consultations and Commercial Agencies' Company

Higher Management

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 Bachelor Degree in Law/ Professor in Advocacy
Practical experience	General director / Bank CEO since 1/2008 Experience in banking work, whereas he used to occupy the position of vice general director since 12/2005 and previously as legal department manager and legal advisor of CAB and responsible for credit amendment, contract documentation, credit, estate and engineering control. He also worked as the legal advisor of some of the companies before becoming the vice general director BOD Vice –chairman of the Jordanian Loan Guarantee Company BOD chairman of the touristic transportation JET Company BOD member of the Jordanian Banks Association BOD member of the Jordanian Insurance Company Vice-chairman of Newton International /Jordan Company BOD chairman of the real estate portfolio company BOD chairman of Tamallak Lease Finance Company BOD member of Al-Safa Bank – Palestine BOD member of the National Payments System Department Member of the Jordanian Universities Board of Trustees BOD Chairman of JET Limousine Services Company Member of the Creativity Fund

Mr. Khaled Mahmoud Abdullah Qasem

Chairman of the Joint Services Group

Appointment date	5/10/2008
Date of birth	22/02/1963
Academic qualifications	PhD. Degree in BA Master's Degree in BA – International Trading Bachelor Degree in Financing Obtained CIB certificate from the British Bankers' Institute
Practical experience	Experience in banking business through working at Al-Jazeera Bank, Arab Bank, CAB, Jordan Ahli Bank, Bank of Jordan, Kuwait National Bank BOD member of Madfouatcom Company BOD member of Al-Safa Bank

Rana Sami Jadallah Sunna'

Chairman of the Credit Services Group

Appointment date	15/8/1995
Date of birth	12/08/1966
Academic qualifications	Master's Degree in BA Bachelor Degree in Accounting
Practical experience	Vice general director of the Credit and Treasury Services as of 10/2014 Vice general director of the Banking Business as of 12/2009 Banking experience in the risks' field through working as a chairman of the risk management and director of the risk department at CAB since 1998 Head of the local facilities' department at CBJ Member of Jordan Real Estate Refinance Company BOD Member of Tamallak Lease Finance company BOD

Reem Younis Mohammad Al'as'as

CEO / 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 BOD member of Al-Safa Bank BOD member of Awraq Investment Company

Jan Shawkat Mahmoud Yadj Zakariya

CEO / 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

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 general management / 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

Margeret Muheeb Issa Makhamreh

CEO / Internal Audit

Appointment date	27/07/2004
Date of birth	09/04/1977
Academic qualifications	Bachelor degree in BA
Practical experience	Banking experience through working at the Arab Banking Association from 2002 until 2004

Fouad Younis Abdellatif Saleh

CEO / Finance 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 the field of accounting through working at CAB BOD member in Tamallak Lease Finance Company

Maha Abdullah Abdulhameed Ababneh

CEO/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	Banking experience at the Bank by occupying branch manager position

Main Employees

Omar Sarhan Ahmad Aqel

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 internal audit, credit control and contract documentation at CAB

Azmi Mohammad Hasan Awaida

CEO / 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 Kuwaiti Bank BOD member at Tamalla Lease Finance Company

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 Ahli Bank, Amman Investment Bank and Arab Estate Bank BOD member of Tamallak Lease Finance Company

Dr. Mohammad Ali Mahmoud Al-Qaisi

CEO and Legal Advisor / Legal Affairs and Contract Documentation

Appointment date	16/02/2003
Date of birth	29/04/1974
Academic qualifications	Bachelor degree in economics and administrative sciences / law Master's degree in law in 2000 PhD. In law 2020
Practical experience	Promoted in positions at the bank, where he occupied the position of CEO of the legal Department since appointment

Hani Mohammad Rashrash Ahmad Rasheed Khader

CEO / Marketing

Appointment date	02/07/2006
Date of birth	12/12/1976
Academic qualifications	Master's degree in BA Bachelor degree in BA
Practical experience	Experience in banking transactions and marketing through working at the Arab Banking Association from 1999 until 2004 BOD member of the Security and Investment Company

Ahmad Yaseen Rasheed Al-Balbisi

CEO / Information Technology (until 31/12/2020)

Appointment date	10/11/2008
Date of birth	12/03/1983
Academic qualifications	Master's degree in management information systems Bachelor degree in computer science
Practical experience	Experience in managing information technology, project management and protection systems since appointment at the bank until being promoted in the following positions: project manager, program manager, strategic planning department manager, project management and strategy department manager

* HR management through outsourcing

There are no contracts, projects or contracts concluded by the issuing company with the affiliate or subsidiary companies, BOD members, general director or any employee in the company or their relatives, according to bank usual knowledge,.

Below is a summary of transactions with stakeholders during the year:

	Stakeholders			Total	
	BOD members and related persons	Higher executive management	Other*	2020	2019
	Dinar	Dinar	Dinar	Dinar	Dinar
Clauses within Financial position statement					
Direct facilities	30.955.789	3.150.943	32.785.850	66.932.582	51.126.108
Deposits at banks	93.257.135	2.865.249	23.415.605	119.537.989	61.565.392
Cash credits	-	38.551	24.077	62.628	167.186
Clauses out of the financial position statement					
Indirect facilities	3.772.762	133.338	346.615	4.252.715	2.026.181
				For the year ending on 31 December	
				2020	2019
				Dinar	Dinar
Clauses of the statement of income					
Credit interests and commissions	1.169.612	165.452	647.896	1.982.960	3.216.585
Debit interests and commissions	1.990.637	90.161	90.561	2.171.359	1.901.979

Details of Facilities granted to BOD members and stakeholders as follows:

	Granted to the member			Granted to stakeholders			Total		
	Direct facilities	Indirect facilities	Total	Direct facilities	Indirect facilities	Total	Direct facilities	Indirect facilities	Total
Mr. Yazeed Adnan Mustafa Al-Mufti	510	-	510	-	-	-	510	-	510
Mohammad Mahmoud Ahmad Al-Atrabi	-	-	-	-	-	-	-	-	-
Mr. Khaled Sbaih Taher Al-Masri	-	-	-	26.893.555	548.697	27.442.252	26.893.555	548.697	27.442.252
Mr. Yaseen Khalil Mohammad Yaseen Al-Talhouni	372.673	-	372.673	3.688.809	3.224.064	6.912.873	4.061.482	3.224.064	7.285.546
Mr. Shareef Mahdi Husni Al-Saifi	-	-	-	-	-	-	-	-	-
Mr. Ghassan Ibrahim Fares Aqeel	-	-	-	-	-	-	-	-	-
Ms. Suzan Yahya Jawdat Abu Al-Rous (as of 08/09/2020)	-	-	-	-	-	-	-	-	-
Mr. Fadi Abdulwahab Abdulfattah Abu Ghosh (until 07/09/2020)	-	-	-	-	-	-	-	-	-
Mr. Hasan Ali Hussein Abu Al-Ragheb	-	-	-	-	-	-	-	-	-
Mrs. Suha Baseel Andrawos Ennab	38.724	-	38.724	-	-	-	38.724	-	38.724
Mr. Sami Issa Eid Smairat	-	-	-	-	-	-	-	-	-
Esam Mohammad Farouq Rushdi Al-Muhtadi	1.518		1.518				1.518		1.518
Total	**413.425**	**-**	**413.425**	**30.582.364**	**3.772.761**	**34.355.125**	**30.995.789**	**3.772.761**	**34.768.550**

Shareholding of BOD members and their relatives

BOD member name		2020	2019
Mr. Yazeed Adnan Mustafa Al-Mufti	Jordanian	23.272	2.157
Relatives' shareholding		-	-
Mr. Khaled Sbaih Taher Al-Masri	Jordanian	9.500	9.500
Relatives' shareholding		-	-
Egypt Bank	Egyptian	18.999.000	20.477.402
Shareholding of Mr. Mohammad Al-Atrabi	Egyptian	-	-
Shareholding of relatives		-	-
Mr. Yaseen Khalil Al-Talhouni	Jordanian	4.904.317	4.992.489
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 Hamdi (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	51.062	51.062
Shareholding of relatives		-	-
Social Security corporation	Jordanian	15.272.025	14.342.025
Shareholding of Ms. Suzan Yahya Jawdat Abu Al-Rous	Jordanian	-	-
Shareholding of Mr. Fadi Abdulwahab Abdulfattah Abu Ghosh	Jordanian	-	-
Shareholding of relatives		-	-
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
Suha Baseel Andrawos Ennab	Jordanian	1.520	1.520
Shareholding of relatives		-	-
Sami Issa Eid Smairat	Jordanian	1.055	1.055
Shareholding of relatives		-	-
Esam Mohammad Farouq Rushdi Al-Muhtadi	Jordanian	5.327	5.327
Shareholding of relatives		-	-

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

There is no shareholding for the companies controlled by BOD members and their relatives

Shareholding of the higher management, informed persons and their relatives

Shareholder name	Nationality	2020		2019	
		Personal	Relatives	Personal	Relatives
Mr. Kamal Ghareeb Abdulraheem Al-Bakri CEO	Jordanian	105	-	105	-
Dr. Khaled Mahmoud Abdullah Qasem Chairman of the joint services group	Jordanian	31.666	-	31.666	-
Mrs. Rana Sami Jadallah Al-Sunna' Chairman of the Credit Services Group	Jordanian	7.600	-	7.600	-
Shareholding of relatives					
Najeeb Fahed Najeeb Al-Fanek (husband)	Jordanian		4.750		4.750
Mrs. Reem Younis Mohammad Al-'As'as CEO / Treasury and investment	Jordanian	-	-	-	-
Ms. Jan Shawkat Mahmoud Yadj CEO / Central operations	Jordanian	-	-	-	-
Mr. Fouad Younis Abdullatif Saleh CEO / Finance and shareholders' affairs	Jordanian	-	-	-	-
Mrs. Margret Muheeb Issa Makhamreh **CEO / Internal audit**	Jordanian	-	-	-	-
Mr. Anton Victor Anton Sabila CEO / compliance	Jordanian	-	-	-	-
Mr. Yousef Abdelfattah Suleiman Abu Al-Haija' CEO / Risk management	Jordanian	-	-	-	-
Mr. Yazeed Seetan Yousef Ammari CEO / Commercial Credit Services	Jordanian	-	-	-	-
Mr. Azmi Mohammad Hasan Awaida CEO / Personal credit services	Jordanian	-	-	-	-
Mr. Omar Sarhan Ahmad Aqel CEO / internal audit	Jordanian	-	-	-	-
Mr. Hani Mohammad Rashrash Ahmad Rasheed Khader CEO / marketing	Jordanian	-	-	-	-
Ms. Maha Abdullah Abdulhameed Ababneh CEO / special banking services	Jordanian	-	-	-	-
Dr. Mohammad Ali Mahmoud Al-Qaisi CEO and Legal Advisor / legal affairs and contract documentation	Jordanian	-	-	-	-
Ahmad Yaseen Rasheed Al-Balbisi (until 31/12/2020) CEO / IT	Jordanian	-	-	-	-
Total		**39.371**	**4.750**	**39.371**	**4.750**

There is no shareholding for the companies controlled by BOD members and their relatives

Shareholders owning 1% of bank capital

Client name	2020		2019		Final beneficiary
	Balance	Mortgaged	Balance	Mortgaged	
Al-Maseera Investment Company	21.636.823	-	21.636.823		Sbaih Taher Dawish Al-Masri Khaled Sbaih Taher Al-Masri Sereen Sbaih Taher Al-Masri
Egypt Bank	18.999.000		20.477.402		-
Al-Maseera International Company	18.950.000		18.950.000		Sbaih Taher Dawish Al-Masri Khaled Sbaih Taher Al-Masri
Social security Corporation	15.272.025		14.342.025		-
Arab Foodstuff and Trade Company	14.866.985		14.866.985		Khaled Sbaih Taher Al-Masri
Palestinian Communications' company	11.167.017		11.167.017		-
Al-Thafer Investment Company	8.135.224		8.135.224		Hisham Thafer Taher Al-Masri Hana'a Thafer Taher Al-Masri Maha Thafer Taher Al-Masri Raghda Ibrahim Nimer Al-Nabulsi
THE CONGRESS FOUNDATION	7.604.080		7.604.080		Mufida Abdelrahman Madi
Yaseen Khalil Mohammad Yaseen Al-Talhouni	4.904.317	2.530.758	4.992.489	2.530.758	Himself
KUWAIT WEALTH HOLDING LTD	3.201.201		3.201.201		Fatena Ahmad Malas Nour Abdelkareem Al-Kabariti Oan Abdelkareem Al-Kabariti
Lanajeen Munib Abdelrahman Madi	2.690.762	2.510.171	2.690.762	2.510.171	Himself
KUWAIT PROJECTS PROSPECTOR LTD	2.209.910		2.209.910		Abdelkareem Al-Kabariti Fatena Ahmad Malas Nour Abdelkareem Al-Kabariti Oan Abdelkareem Al-Kabariti
Najwa Bint Nafeth Ben Saleh Mustafa	2.111.105		2.111.105		Himself
Abeer Bint Nafeth Ben Saleh Mustafa	2.111.105		2.111.105		Himself
Zaina Bint Nafeth Ben Saleh Mustafa	2.111.105		2.111.105		Himself
Rula Bint Nafeth Ben Saleh Mustafa	2.111.105		2.111.105		Himself
Middle East Insurance Company	2.089.033		2.143.292		-
Mary Issa Elias Al-Lousi	2.005.549		2.005.549		Himself
Rula Khalil Mohammad Yaseen Al-Talhouni	1.624.142		1.946.621		Himself
Total	**143.800.488**	**5.040.929**	**144.813.800**	**5.040.929**	

Shareholding of Mr. Sbaih Taher Al-Masri Group is 29.594% of bank capital

Shareholding of Mr. Yaseen Khalil Al-Talhouni Group is 5.807% of bank capital

Privileges and Features of BOD members and executive administration during 2020

BOD member	Transportation	Travelling allowance	Committee allowance	Remunerations*	Salaries and incentives	Total
Mr. Yazeed Adnan AL-Mufti	-	-	-	459.223	-	459.223
Mr. Khaled Sbaih Taher Al-Masri	12.000	-	20.500	8.253	-	40.753
Mr. Mohammad Mahmoud Al-Atrabi	12.000	585	8.000	8.253	-	28.838
Mr. Ghassan Ibrahim Aqeel	12.000	3.000	16.500	8.253	-	39.753
Mr. HAsan Ali Abu Al-Ragheb	12.000	-	16.500	8.253	-	36.753
Social Security Corporation Ms. Suzan YAhia Jawdat Abu Al-Rous as of 8/9/2020 Mr. Fadi Abdulwahab Abdelfattah Abu Ghosh until 7/9/2020	12.000	-	20.000	8.253	-	40.253
Mr. Yaseen Khalil Al-Talhouni	12.000	-	4.500	8.253	-	24.753
Mrs. Suha Baseel Tlail	12.000	-	42.500	8.253	-	62.753
Mr. Shareef Mahdi Al-Saifi	12.000	-	9.200	8.253	-	29.453
Mr. Sami Issa Eid Smairat	12.000	-	40.500	8.253	-	60.753
Mr. Esam Mohammad Farouq Rushdi Al-Muhtadi	12.000	-	35.700	8.253	-	55.953
Total	**120.000**	**3.585**	**213.900**	**541.753**	**-**	**879.238**

The remunerations item includes performance remunerations of 2019 paid in 2020

A car and driver is provided to the BOD chairman

Privileges and Features of Main Employees and during 2020

Executive management	Position	Salaries and incentives	Remunerations	Total
Kamal Ghareeb Abdelraheem Al-Bakri	CEO	604.517	267.954	872.471
Dr. Khaled Mahmoud Abdullah Qasem	Chairman of the joint services group	272.980	67.600	340.580
Rana Sami Jadallah Al-Sunna’	Chairman of the credit services group	220.048	51.500	271.548
Reem Younis Mohammad Al-’as’as	CEO / treasury and investment	150.976	41.000	191.976
Jan Shawkat Mahmoud Yadj Zakaria	CEO / Central operations	146.664	24.000	170.664
Maha Abdullah Abdulhameed Ababneh	CEO / special banking services	110.784	30.000	140.784
Fouad Younis Abdullateef Saleh	CEO/finance and shareholders’ affairs	87.041	87.041	132.741
Margret Muheeb Issa Makhamreh	CEO / internal audit	92.820	23.300	116.120
Anton Victor Anton Sabella	CEO / compliance	96.816	20.000	116.816
Yousef Abdelfattah Suleiman Abu Al-Haija’	CEO / risk management	84.898	18.300	103.198
Azmi Mohammad Hasan Awaida	CEO /personal credit services	118.864	20.300	139.164
Omar Sarhan Ahmad Aqel	CEO/ internal audit	104.957	20.000	124.957
Hani Mohammad Rashrash Ahmad Rasheed Khader	CEO / marketing	81.616	24.455	106.071
Yazeed Seetan Yousef Ammari	CEO / commercial credit services	140.944	26.300	167.244
Dr. Mohammad Ali Mahmoud Al-Qaisi	CEO and legal advisor / legal affairs and contract documentation	111.914	18.700	130.614
Ahmad Yaseen Rasheed Al-Balbisi until 31/12/2020	CEO / IT	83.824	15.000	98.824
Total		**2.509.663**	**714.109**	**3.223.772**

Car and driver is provided to the CEO

Messrs. BOD and executive administrative members acknowledge not obtaining any financial of in-kind privileges or remunerations other than the mentioned in the table above, nor their relatives

During 2020, bank did not deal with specific suppliers and/or main clients (local or external) by 10% or more of the total purchases and/or sales and/or revenues.

There is no governmental protection or privileges that the bank has, nor products under laws and regulations or others during 2020.

There are no patents or franchise obtained by the bank during 2020

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

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

There are no significant events occurring to the company during 2020

Bank did not perform natural unrepeated transactions that are not within its main activities

Capital investment of the bank during 2020 reached the amount of 8,650,251 Dinars.

Bank and affiliates' auditor fees of 2020 reached the amount of 262.674 in addition to the sales tax distributed as follows:

Details	Fees without VAT
Cairo Amman Bank	231.894
Tamallak Lease Finance Company	6.000
Awraq Company	6.500
Al-Watanieh Securities Company Palestine	3.000
Al-Safab Bank	15.280
Total	**262.674**

No other consultations' fees were paid to the auditors.

There are no contracts, branches or other agreements concluded by the issuing company with affiliates, subsidiaries, affiliates, BOD chairman or members, general director, or any employee at the company or their relatives, except for the regular banking transactions disclosed in note 40 regarding the financial statements, whereas such transactions are subject to the related CBJ instructions.

BOD chairman, CEO and financial administration chairman hereby acknowledge accuracy, completeness and correctness of information and particulars stipulated herein this report.

BOD chairman	CEO	Executive Manager/ Finance and shareholders' equities
Yazeed Adnan Mustafa Al-Mufti	Kamal Ghareeb Abdelraheem Al-Bakri	Fouad Younis Abdellateef Saleh

BOD Acknowledgement

The Board acknowledges readiness and adequacy of the financial statements and information stipulated in the report, with the availability and adequacy of the internal control and monitoring at the bank.

BOD acknowledges to its best knowledge that there are no material issues that might be affecting bank continuity during 2021.

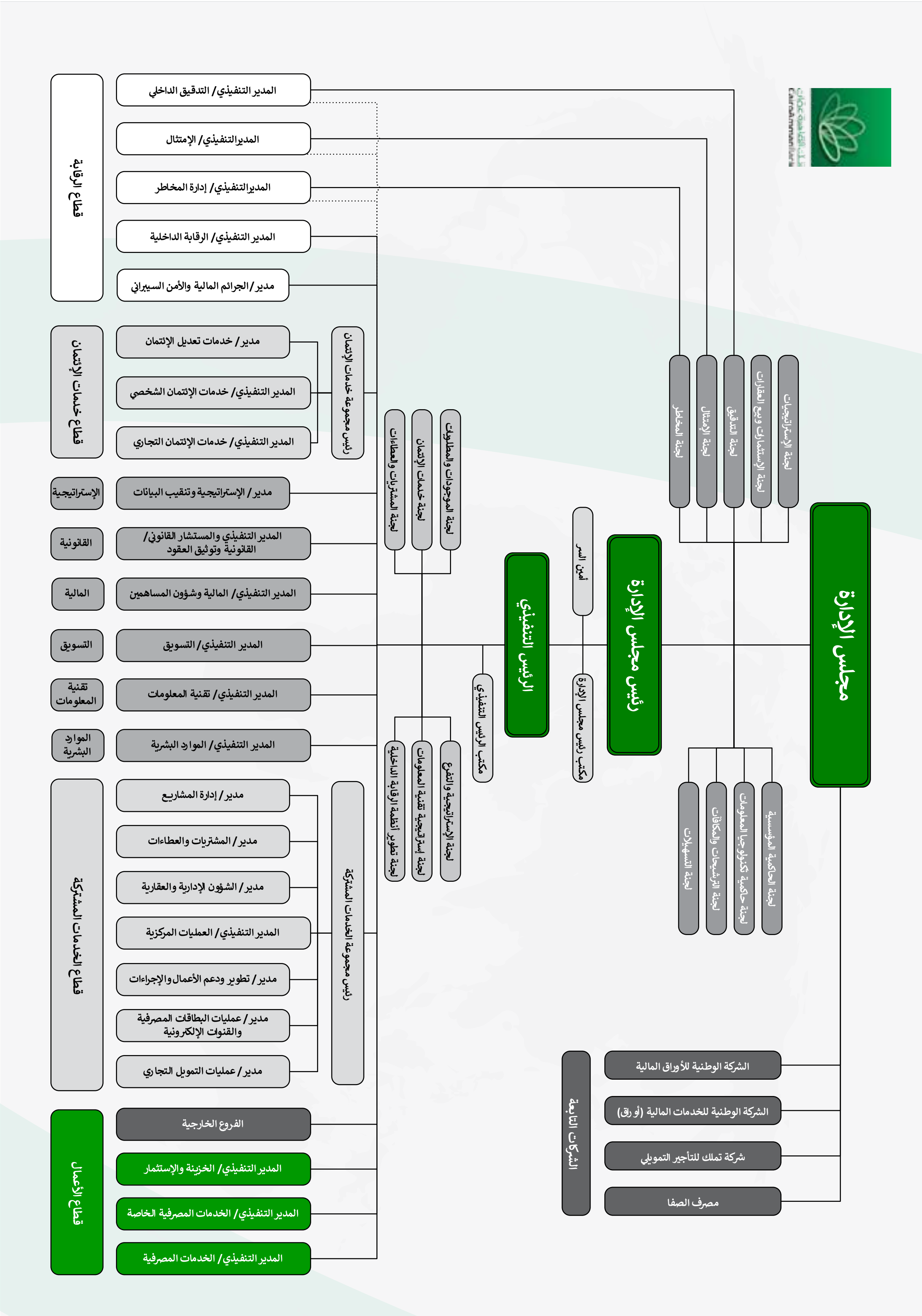
BOD members acknowledge that during 2020 no one obtained benefits while working at the bank nor disclosed any, whether financial or in-kind, and whether for personal benefits or to any of their relatives.

BOD chairman	BOD Vice-Chairman	
Yazeed Adnan Mustafa Al-Mufti	Mohammad Mahmoud Al-Atrabi	Khaled Sbaih Taher Al-Masri
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

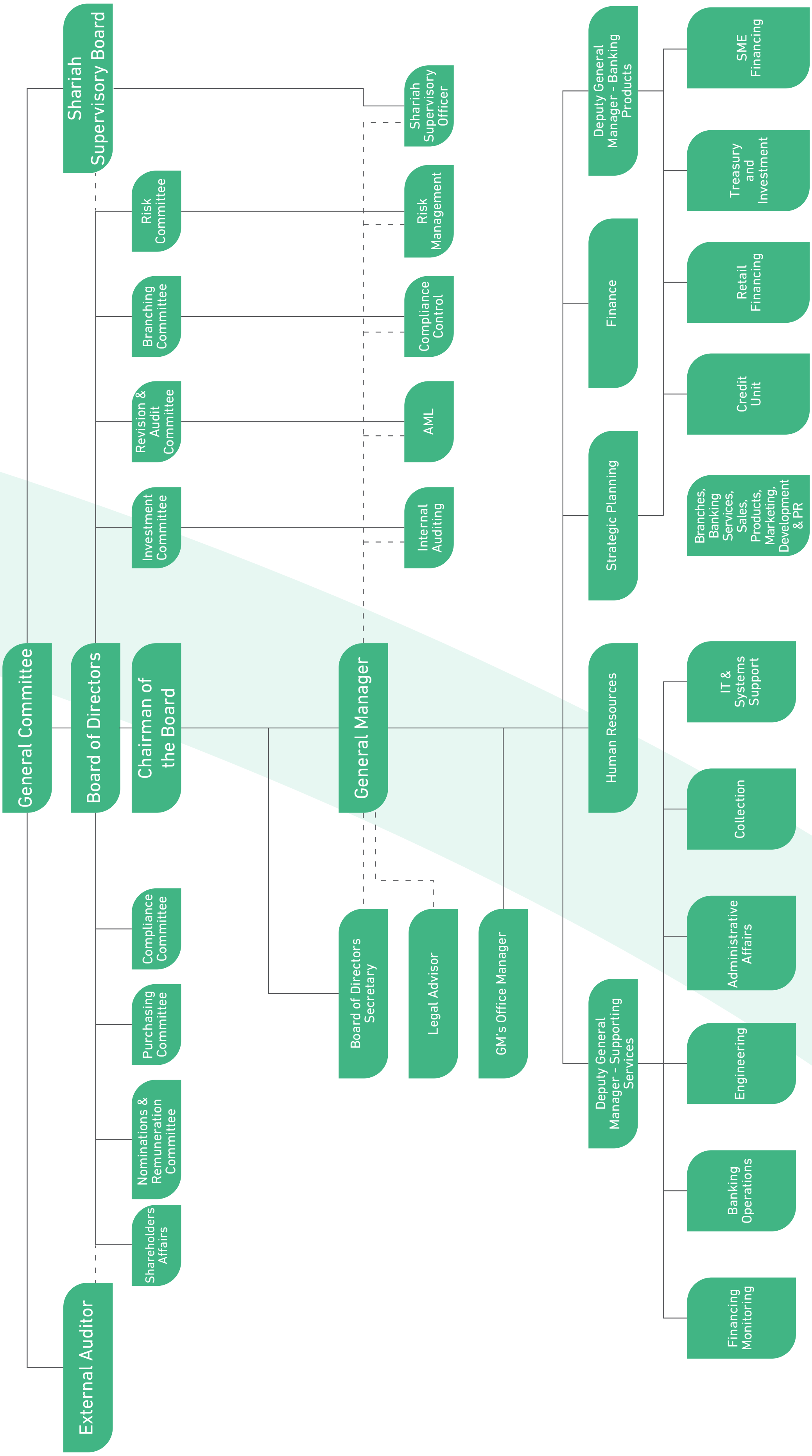
Esam Mohammad Farouq Rushdi Al-Muhtadi

Suzan Yahya Jawdat Abu Al-Rous

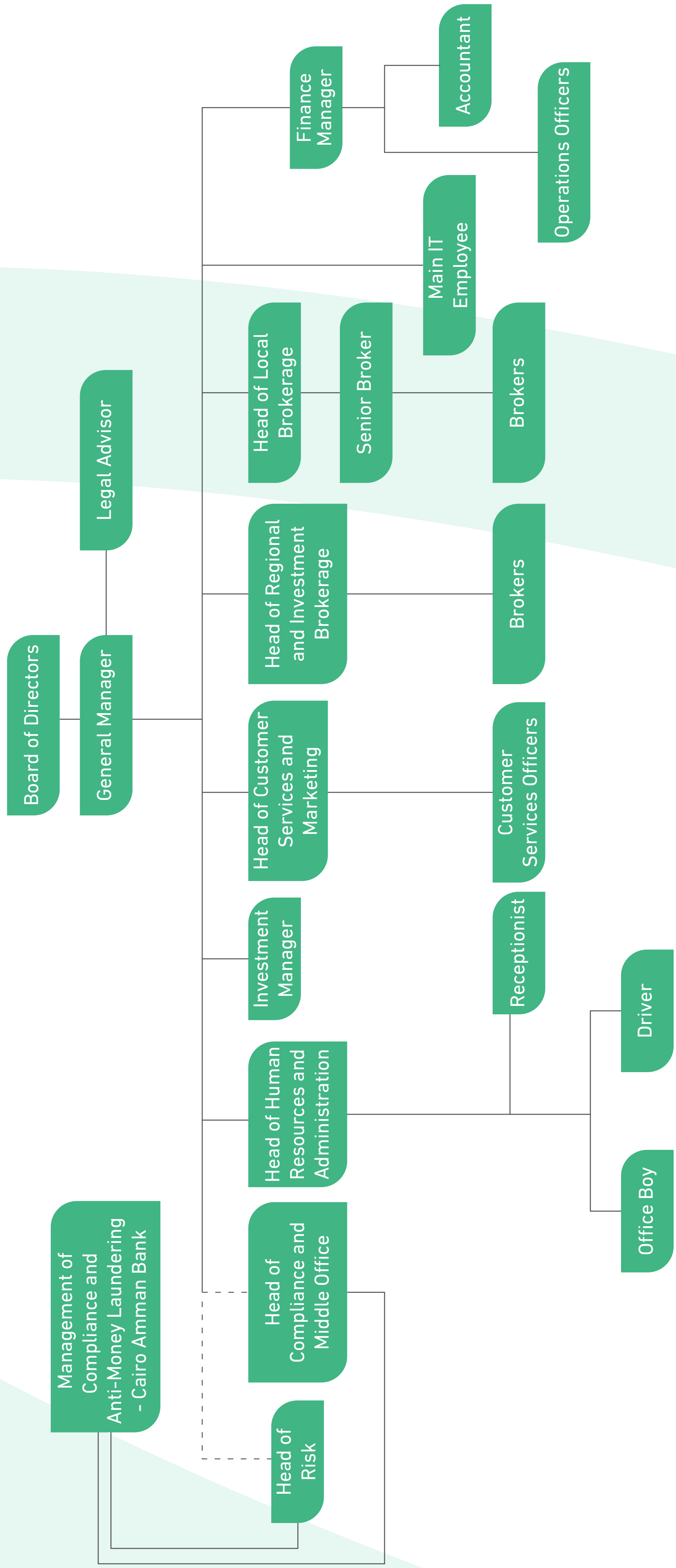
Organizational Structure of Cairo Amman Bank



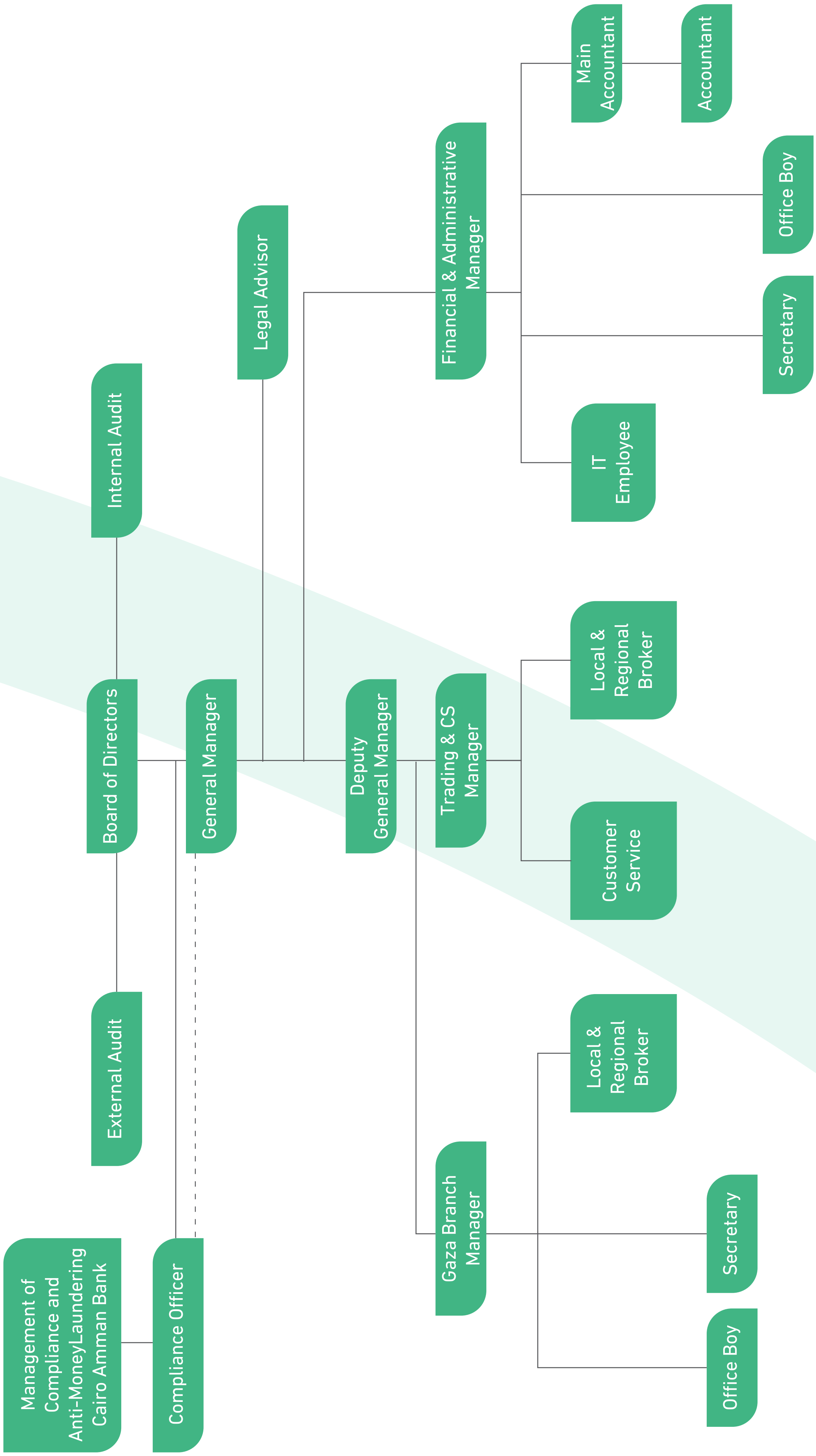
Al-Safa Bank Organizational Bank



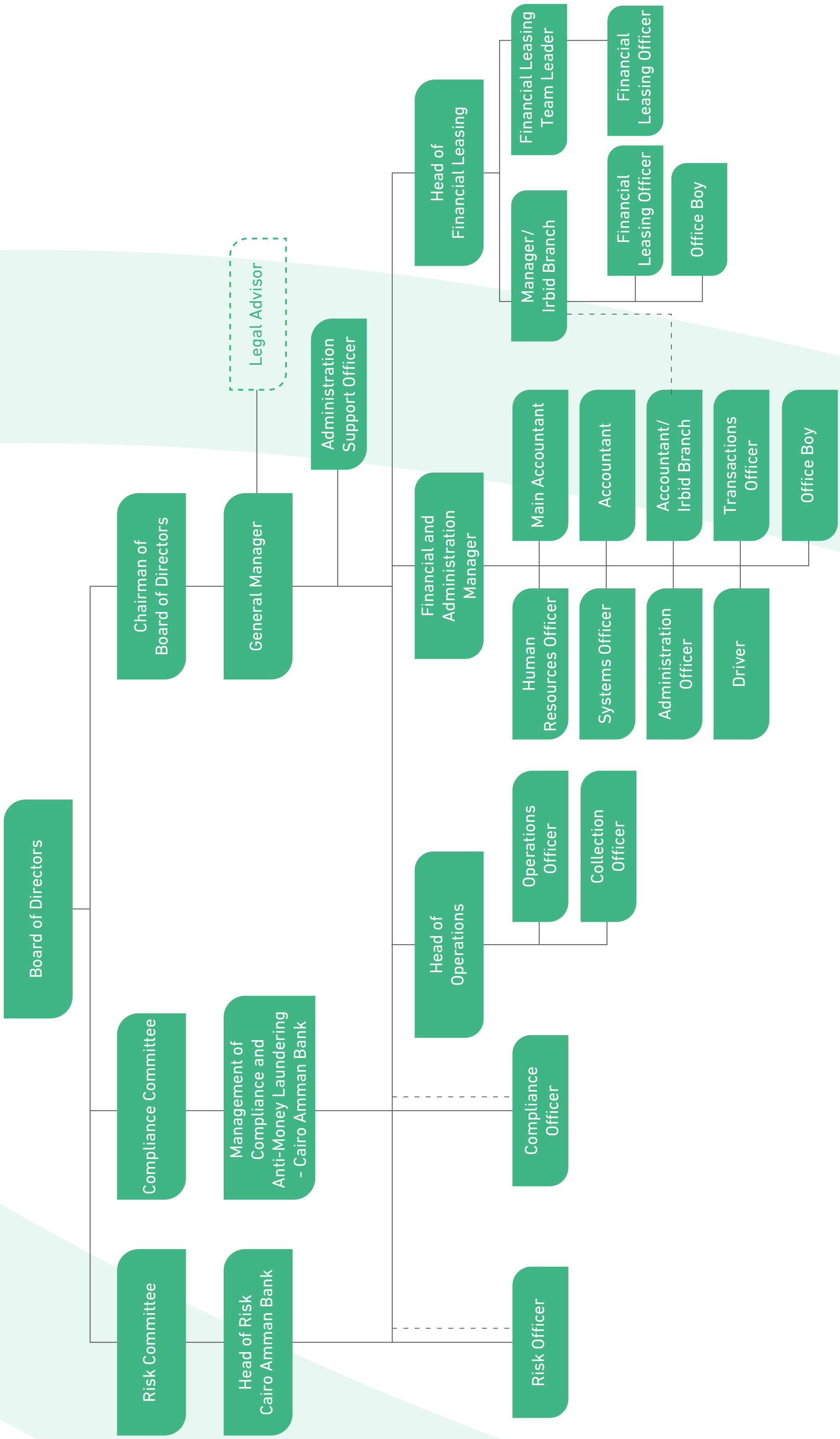
National Financial Services Company (Awraq Investment) Organizational Structure



Al-Watanieh Securities Company Organizational Structure



Tamallak Lease Finance Company Organizational Structure



Consolidated Financial Statements

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Amman 11118, Jordan

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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, 2020, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in owners' 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, 2020, and its 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.

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.

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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.

We have fulfilled the responsibilities described in the "Auditor's Responsibilities Paragraph" relating to the audit of the consolidated financial statements section of our report, in addition to all other related matters. 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 1,794 million as at 31 December 2020 representing 54% of total assets, in addition to indirect credit facilities amounted to JD 352 million as off-Statement of Financial position items, with relation to expected credit losses amounted to JD 2.8 million. The Bank expected credit losses are calculated against credit exposures, according to the requirements of International Financial Reporting Standard 9 Financial Instruments (IFRS 9) as adopted by the Central Bank of Jordan (CBJ). 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;

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Key Audit Matters	How our audit addressed the key audit matter
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. As disclosed in Note 51, the COVID-19 pandemic significantly impacted management's determination of the ECL and required the application of heightened judgment. To address the uncertainties inherent in the current and future environment and to reflect all relevant risk factors not captured in the Bank's modelled results, management applied quantitative and qualitative adjustments for the impacts of the unprecedented specific scenarios arising from the pandemic, the temporary effects of the bank and government led payment support programs, which may not completely mitigate future losses, and the impacts to particularly vulnerable sectors affected by COVID-19. The Bank made amendments on the expected credit loss calculation models to take into consideration the potential impact of the COVID 19 pandemic to address the impact on certain sectors or specific customers based on relative cashflow forecasts. 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 assessed the amendments made by management to respond to COVID-19 by evaluating the model adjustments in relation to macroeconomic factors and the forward looking scenarios which were incorporated into the impairment calculations by utilizing our internal specialists to challenge the multiple economic scenarios chosen and weighting applied to capture non-linear losses; and • 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 specialists, the 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, including the consideration of the economic disruptions caused by COVID 19.

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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.	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.

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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 Central Bank of Jordan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the 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.

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- 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.

Deloitte & Touche

Amman – Jordan
February 25, 2021

Deloitte & Touche (M.E) - Jordan

Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
010101

CAIRO AMMAN BANK

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	December 31	
		2020	2019
		JD	JD
Assets			
Cash and balances at Central Banks	5	312,961,419	332,657,295
Balances at banks and financial institutions	6	154,796,630	158,785,257
Deposits at banks and financial institutions	7	79,864,376	88,040,014
Financial assets at fair value through profit or loss	8	7,406,964	9,405,269
Financial assets at fair value through other comprehensive income	9	49,648,977	51,254,453
Financial assets at amortized cost-net	10/A	739,784,106	675,853,262
Financial assets pledged as collaterals	10/B	73,141,000	73,714,000
Direct credit facilities-net	11	1,793,871,484	1,599,075,578
Property and equipment-net	12	42,602,959	42,521,471
Intangible assets - net	13	5,193,184	6,085,563
Right of use assets	48/A	27,432,242	27,979,663
Deferred tax assets	21	13,316,167	9,325,649
Other assets	14	53,215,969	54,945,161
Total Assets		**3,353,235,477**	**3,129,642,635**
Liabilities And Shareholders› Equity			
Liabilities:			
Banks and financial institutions' deposits	15	234,181,337	268,011,343
Customers› deposits	16	2,226,430,437	2,050,955,995
Margin accounts	17	56,958,241	58,704,352
Borrowed funds	18	314,384,118	254,366,692
Subordinated Loans	19	18,540,350	18,540,350
Sundry provisions	20	12,894,571	10,911,457
Income tax provision	21	16,002,794	16,954,411
Lease Liabilities	48/B	26,266,292	25,927,574
Deferred tax liabilities	21	808,967	804,942
Other liabilities	22	71,479,421	65,236,153
Total Liabilities		**2,977,946,528**	**2,770,413,269**
Shareholders› Equity			
BANK'S SHAREHOLDERS' EQUITY			
Authorized and paid-up capital	23	190,000,000	190,000,000
Statutory reserve	24	82,047,879	79,007,427
General banking risk reserve	24	3,897,183	3,854,197
Cyclical fluctuations reserve	24	10,894,653	10,894,653
Fair value reserve-net	26	(5,988,630)	(7,848,900)
Foreign Currencies Translation Reserve		(3,188,744)	-
Retained earnings	27	88,960,274	73,967,732
Total Bank's Shareholders' Equity		366,622,615	349,875,109
Non-controlling interest		8,666,334	9,354,257
Total Shareholders› Equity		375,288,949	359,229,366
Total Liabilities and Shareholders› Equity		3,353,235,477	3,129,642,635

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

CONSOLIDATED STATEMENT OF INCOME

	Notes	For the Year Ended December 31, 2020 JD	2019 JD
Interest income	28	171,021,988	182,448,243
Less: Interest expense	29	(62,398,051)	(80,335,190)
Net interest income		**108,623,937**	**102,113,053**
Net commission income	30	17,884,367	19,152,765
Net interest and commission income		**126,508,304**	**121,265,818**
Gain from foreign currencies	31	4,532,786	4,688,219
(Loss) Gain from financial assets at fair value through profit or loss	32	(1,476,391)	62,649
Dividends from financial assets at fair value through other comprehensive income	33 & 9	2,152,730	2,902,829
Other income	34	5,317,220	7,222,204
Gross profit		**137,034,649**	**136,141,719**
Employees' costs	35	41,942,021	41,971,934
Depreciation and amortization	12 & 13	9,169,642	9,407,546
Other expenses	36	34,067,645	32,203,118
Expected credit loss	37	18,520,647	7,789,572
Impairment of seized assets	14	26,281	-
Sundry provisions	20	2,607,481	561,192
Total expenses		**106,333,717**	**91,933,362**
Profit for the year before tax		**30,700,932**	**44,208,357**
Income tax expense	21	(13,227,675)	(16,701,547)
Profit for the year		**17,473,257**	**27,506,810**
Allocated to:			
Bank›s shareholders		**18,161,180**	**28,095,485**
Non-controlling interests		**(687,923)**	**(588,675)**
Profit for the year		**17,473,257**	**27,506,810**
		JD/ Fils	JD/ Fils
Basic and diluted earnings per share (Bank›s shareholders)	38	096/0	148/0

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	,For the Year Ended December 31	
	2020	2019
	JD	JD
Profit for the year	17,473,257	27,506,810
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	1,775,070	1,662,487
Translation of foreign currency reserve	(3,188,744)	-
Total Comprehensive income for the year	16,059,583	29,169,297
Total Comprehensive income for the year attributable to:		
Bank›s shareholders	16,747,506	29,757,972
Non-controlling interests	(687,923)	(588,675)
Total Comprehensive income for the year	16,059,583	29,169,297

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the Year Ended December 31, 2020	Authorized and Paid up Capital	Statutory Reserve	General Banking Risk Reserve *	Cyclical Fluctuations Reserve	Fair Value Reserve - Net	Foreign Currencies Translation Reserve	Retained Earnings	Total Bank Shareholders' Equity	Non-controlling Interests	Total Shareholders› Equity
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at January 1, 2020	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
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 from 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

For the Year Ended December 31, 2019	Authorized and Paid up Capital	Statutory Reserve	General Banking Risk Reserve *	Cyclical Fluctuations Reserve	Fair Value Reserve - Net	Foreign Currencies Translation Reserve	Retained Earnings	Total Bank Shareholders' Equity	Non-controlling Interests	Total Shareholders› Equity
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at January 1, 2019	180,000,000	74,578,456	3,230,765	10,891,362	(9,789,482)	-	77,486,036	336,397,137	9,942,932	346,340,069
Total comprehensive income for the year	-	-	-	-	1,662,487	-	28,095,485	29,757,972	(588,675)	29,169,297
Transferred from reserves	-	4,428,971	623,432	3,291	-	-	(5,055,694)	-	-	-
Increase in capital	10,000,000	-	-	-	-	-	(10,000,000)	-	-	-
Capital increase costs	-	-	-	-	-	-	(80,000)	(80,000)	-	(80,000)
Loss from sale of financial assets at fair value through Other	-	-	-	-	-	-	-	-	-	-
Comprehensive Income	-	-	-	-	278,095	-	(278,095)	-	-	-
Cash Dividends distributed **	-	-	-	-	-	-	(16,200,000)	(16,200,000)	-	(16,200,000)
Balance at December 31, 2019	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

* 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 June 10, 2020, the bank has decided not to distribute dividends to the Bank›s shareholders (Cash dividends amounting to JOD 16,200,000 equivalent to 9% of the Bank›s capital was distributed for the year 2019 as decided through the Ordinary General Assembly meeting held on April 22, 2019)

- As of December 31, 2020, the restricted retained earnings balance resulting from the early implementation of IFRS 9 amounted to JD 13,909,822 .
- The retained earnings balance includes deferred tax assets amounting to JD 10,120,740 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 51,400,995 as of December 31, 2020.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	For the Year Ended December 31, 2020	2019
		JD	JD
Cash Flows from Operating Activities			
Profit before tax for the year		30,700,932	44,208,357
Adjustments for:			
Depreciation and amortization	12 & 13	9,169,642	9,407,546
Expected credit loss	37	18,520,647	7,789,572
Sundry provisions	20	2,607,481	561,192
Impairment of seized assets		26,281	-
Unrealized losses from financial assets at fair value through profit or loss	32	1,911,241	864,242
Loss from sale of property and equipment	34	165,290	219,137
(Gain) from sale of repossessed assets	34	(182)	(344,818)
Effect of exchange rate changes on cash and cash equivalents		(4,306,409)	(4,511,123)
Cash flow from operating activities before changes working capital		58,794,923	58,194,105
Decrease in deposits at banks and financial institutions		8,072,663	1,540,386
Decrease in financial assets at fair value through profit or loss		87,064	1,234,279
(Increase) Decrease in direct credit facilities		(212,342,437)	42,788,135
Decrease in other assets		2,250,514	2,932,922
(Decrease) Increase in banks and financial institution deposits (maturing after more than three months)		(8,941,150)	12,090,000
Increase in customer deposits		175,474,442	137,053,902
(Decrease) Increase in Margin Accounts		(1,746,111)	9,123,383
Increase in other liabilities		6,133,835	9,750,175
Net cash flows from operating activities before income tax and sundry provision		27,783,743	274,707,287
Income tax paid	21	(17,454,437)	(15,198,995)
sundry provision paid	20	(624,367)	(895,268)
Net cash flows (used in) from operating activities		9,704,939	258,613,024
Cash Flows from Investing Activities			
(Purchase) of financial assets at fair value through other comprehensive income		(519,546)	(2,084,600)
Sale of financial assets at fair value through other comprehensive income		-	202,029
(Purchase) of other financial assets at amortized cost		(158,301,261)	(243,742,226)
Maturity and sale of other financial assets at amortized cost		94,568,092	57,991,368
(Purchase) of property and equipment	12	(6,606,111)	(5,938,551)
Sale of property and equipment - net		126,210	59,218
(Purchase) of intangible assets	13	(2,044,140)	(1,001,522)
Net cash flows (used in) investing activities		(72,776,756)	(194,514,284)
Cash Flows from Financing Activities			
Increase in borrowed funds		469,016,135	94,395,639
Borrowed funds settled		(408,998,709)	(27,103,170)
Increase in subordinated loans	19	-	18,540,350
Dividends distributed to shareholders		-	(16,200,000)
Capital increase related expenses		-	(80,000)
Net cash flows from financing activities		60,017,426	69,552,819
Effect of exchange rate changes on cash and cash equivalents		4,306,409	4,511,123
Net Increase (Decrease) in cash and cash equivalents		(3,054,391)	133,651,559
Cash and cash equivalents, beginning of the year		322,941,555	184,778,873
Cash and cash equivalents, end of the year	39	324,193,573	322,941,555
Non-monetary items			
Right of use Assets		27,432,242	27,979,663
Lease Liabilities		(26,266,292)	(25,927,574)

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

1. General

- 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 93 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 February 7,2021 , 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 Interpertation Committee arising from the International Accounting Standrads 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.

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. A gradual provision was made for assets seized against debts in accordance to the Central Bank of Jordan Circular No. 10/1/16239 dated November 21, 2019, the deduction of the provisions required against seized assets should continue at a rate of 5% of the total book values of these properties from the year of 2021, untill the required percentage of 50% is reached by the end of 2029.

D- The consolidated financial statements have been prepared under the historical cost, except for certain financial instruments that have been measured at fair value at the end of each financial period, as described in the accounting policies below.

- 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 preparing the consolidated financial statements are consistent with those applied in the year ended December 31, 2019, except for the effect of the items stated in the notes to the consolidated fianancial 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 relative to the size and dispersion of holdings of the other vote holders;
  - Potential voting rights held by the Company, 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 ability to direct the relevant activities at the time that 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 2020:

Company's Name	Paid-up Capital JD	Ownership Percentage %	Nature of Operation	Country of Operation	Ownership Date
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	79	Islamic Banking	Palestine	2016

- The important financial information for the subsidiaries as of December 31, 2020 are as follows:

	Al-Watanieh Financial Services Company (Awraq) December 31,		Al-Watanieh Securities Company December 31,	
	2020	2019	2020	2019
	JD	JD	JD	JD
Total Assets	21,942,637	17,814,522	3,260,604	2,025,376
Total Liabilities	12,468,139	8,883,052	2,129,460	763,945
Net Assets	9,474,498	8,931,470	1,131,144	1,261,431

	For the Year Ended December 31,		For the Year Ended December 31,	
	2020	2019	2020	2019
	JD	JD	JD	JD
Total Revenue	1,507,400	1,799,232	173,478	155,752
Total Expenses	742,209	732,363	303,765	277,783

	Tamallak for Financial Leasing December 31,		Safa Bank December 31,	
	2020	2019	2020	2019
	JD	JD	JD	JD
Total Assets	39,007,713	38,340,142	227,655,276	168,214,244
Total Liabilities	33,402,365	31,731,852	186,362,418	123,643,611
Net Assets	5,605,348	6,608,290	41,292,858	44,570,633

	For the Year Ended December 31,		For the Year Ended December 31,	
	2020	2019	2020	2019
	JD	JD	JD	JD
Total Revenue	1,526,743	1,745,400	3,539,221	3,010,460
Total Expenses	2,897,085	891,786	6,816,996	5,815,345

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; and
- 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 relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, 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 ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

When the Bank loses control of a 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 transfer difference accumulated in Owners' Equity.
- Derecognizes the fair value of the consideration received controlling party.
- Derecognizes the fair value of any investment retained.
- Derecognizes any gain or loss in the statement of profit or loss.
- Reclassifies owners' equity already booked in other comprehensive income to the profit or loss statement, 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 make them 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 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 originated or purchased credit-impaired, the effective interest rate reflects the expected credit losses in determining the future cash flows expected to be received from the financial asset.

Interest income and expense in the Bank's consolidated statement of 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 accounted 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 Income

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 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 statement of profit or loss, are presented in the same line as the hedged item that affects the 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 presentation of dividend income in the consolidated statement of the statement of income depends on the classification and measurement of the equity investment, i.e.:

- For equity instruments which are held for trading, dividend income is presented in the statement of income in gain (loss) from financial assets through the statement of income;
- For equity instruments designated at fair value through other comprehensive income, dividend income is presented in dividends from financial assets at fair value through other comprehensive income; and
- for equity instruments not designated at fair value through other comprehensive income and not held for trading, dividend income is presented as net income from other instruments at fair value through the statement of income.

Financial Instruments

Initial recognition and measurement:

Financial assets and financial liabilities are recognized in the Bank's consolidated statement of financial position when the Bank becomes a party to the contractual provisions of the instrument. Loans and 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 income 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 statement of income on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability or when derecognizing the instruments.

Financial Assets

Initial Recognition

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

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 income.

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 income, if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

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

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

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

For the purpose of 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 performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

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

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

The stated policies and objectives of the portfolio and application of those policies whether the management strategy focuses on obtaining contractual revenues, maintaining specific profit rate matching the profit of financial assets with the period of financial liabilities that finance those assets.

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- How the business managers are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

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

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

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

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 statement of income; 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 statement of income. Other exchange differences are recognized in other comprehensive income in the investments revaluation reserve;
- For financial assets measured at fair value through the statement of income that are not part of a designated hedge accounting relationship, exchange differences are recognized in the statement of income either in 'net trading income', if the asset is held for trading, or in 'net income from other financial instruments at fair value through profit or loss, if otherwise held at fair value through the statement of income; and
- For equity instruments measured at fair value through other comprehensive income, exchange differences are recognized in 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 income 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 cancellation or reduction of the accounting mismatch.
- If the financial liabilities are part of a portfolio managed on a fair value basis, in accordance with a documented risk management or investment strategy; 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 income 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 income:

- Balances and deposits at banks and financial institutions;
- Direct credit facilities (loans and advances to customers);
- Financial assets at amortized cost (debt investment securities);
- Financial assets at fair value through other comprehensive income;
- Off statement of financial position 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.

When calculating the credit losses against credit exposures, a calculation comparasion 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 income. 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 used is forward looking, and the Bank uses the same methodologies and data used to measure the loss allowance for expected credit loss.

The qualitative factors that indicate significant increase in credit risk are reflected in 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 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 statement of income.

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.

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 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.

Equity Instruments

Paid up Capital

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

Treasury Shares

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

Compound Instruments

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

Financial Liabilities at Fair Value through the Statement of Income

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

Financial liabilities at fair value through the statement of income are stated at fair value, with any gains/losses arising on re-measurement recognized in the statement of income to the extent that they are not part of a designated hedging relationship. The net gain/loss recognized in the statement of income 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 income line item in the statement of income.

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 income. The remaining amount of change in the fair value of liability is recognized in the statement of income. Changes in fair value attributable to a financial liability's credit risk that are recognized in OCI are not subsequently reclassified to statement of income; 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 income.

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 profit or loss, the Bank assesses whether it expects that the effects of changes in the liability's credit risk will be offset in statement of income by a change in the fair value of another financial instrument measured at fair value through the statement of income.

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 income.

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 Income 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 income, 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 the statement of income 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 income.

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 statement of income except when the hedging instrument hedges an equity instrument designated at fair value through other comprehensive income in which case it is recognized in 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 statement of income, they are recognized in the same line as the hedged item.

The Bank discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of hedged items for which the 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.

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.

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 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 income in the same way as exchange differences relating to the foreign operation as described above.

Offsetting
Financial assets and financial liabilities are offset, and the net amount 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.

Fiduciary Assets
Assets held in a fiduciary capacity are not recognized as assets of the Bank. Fees and commissions received for administrating such assets are recognized in the income statement. A provision is recognized for the decreases in the fair value of guaranteed fiduciary assets below their original principal amount.

Management fees and commission are shown in the statements of income.

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 income.

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 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 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 seized by the Bank through calling upon collateral

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. Also effective beginning of 2015, a gradual provision was made for assets seized against debts for a period over 4 years, according to the Central Bank of Jordan Circular No. 15/1/4076 dated March 27, 2014 and No. 10/1/2510 dated February 14, 2017. The Central Bank of Jordan has issued Circular No. 10/1/13967 dated October 25, 2018, on which it approved the extension of Circular No. 10/1/16607 dated December 17, 2017, whereby it had confirmed to postpone the provision calculation until the end of 2019. According to the Central Bank of Jordan Circular No. 10/1/16239 dated November 21, 2019, the deduction of the provisions required against seized assets should continue at a rate of 5% of the total book values of these properties (regardless of the violation period) from the year of 2021, untill the required percentage of 50% is reached by the end of 2029.

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 income.
- 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, while intangible assets with indefinite useful lives are assessed for impairment at each reporting date or when there is an indication that the intangible asset may be impaired.
- Internally generated intangible assets are not capitalized and are expensed in the consolidated statement of income.
- Indications of impairment of intangible assets are reviewed for and their useful economic lives are reassessed at each reporting date. Adjustments are reflected in the current and subsequent periods.
- Computers 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 balance sheet date, financial assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates at the date when the fair value was determined. Non-monetary items measured at historical cost in a foreign currency are not reclassified.

Exchange differences are recognized in the consolidated statement of income in the period in which they arise except for:

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

In order to present the consolidated financial statements, the assets and liabilities of the Bank's foreign operations are translated at the rates of exchange prevailing at the statement of financial position date. Income is also converted to average exchange rates for the period, unless exchange rates change significantly during that period, in which case the exchange rates are used on the date of the transactions. Exchange differences arising, if any, are recognized in other consolidated statement of comprehensive income and collected in a separate line item of equity.

When foreign operations are disposed of (i.e. disposal of the Bank's entire share from foreign operations, or resulting from the loss of control of a subsidiary in foreign operations, or partial exclusion by its share in a joint arrangement, or an associate company of a foreign nature in which the share held is a financial asset), all foreign exchange differences accumulated in a separate item under equity in respect of that transaction attributable to the Bank shareholders are reclassified to the consolidated statement of income.

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 income. 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 income.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash balances with central banks and balances with banks and financial institutions that mature within three months, 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 income.

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:

- The 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 gain or loss 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 a 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. Application of New and Amended International Financial Reporting Standards

A. Amendments that did not have a material impact on the Bank's consolidated financial statements:

The following new and revised IFRSs, which are effective for annual periods beginning on or after January 1, 2020 or later, have been adopted in the preparation of the Bank's consolidated financial statements. These new and revised IFRSs have not materially affected the amounts and disclosures in the consolidated financial statements for the year and prior years, which may have an impact on the accounting treatment of future transactions and arrangements:

New and revised standards	Amendments to new and revised IFRSs
Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments Disclosures relating to interest rate benchmark reform.	The changes modify specific hedge accounting requirements so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform; The changes are not intended to provide relief from any other consequences arising from interest rate benchmark reform (if a hedging relationship no longer meets the requirements for hedge accounting for reasons other than those specified by the amendments, discontinuation of hedge accounting is required); and The changes require specific disclosures about the extent to which the entities' hedging relationships are affected by the amendments.
Amendment to IFRS 3 Business Combinations relating to definition of a business.	The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They: clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs; narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs; add guidance and illustrative examples to help entities assess whether a substantive process has been acquired; remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

New and revised standards	Amendments to new and revised IFRSs
Amendments to References to the Conceptual Framework in IFRS Standards - amendments to IFRS 2 Share-based payment, IFRS 3 Business Combinations, IFRS 6 Exploration for and Evaluation of Mineral Resources, IFRS 14 Regulatory Deferral Accounts, IAS 1 Presentation of Financial Statements, IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, IAS 34 Interim Financial Reporting, IAS 37 Provisions, Contingent Liabilities and Contingent Assets, IAS 38 Intangible Assets, IFRIC 12 Service Concession Arrangements, IFRIC 19 Extinguishing of Financial Liabilities with Equity Instruments, IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine, IFRIC 22 Foreign Currency Transactions and Advance Consideration, and SIC-32 Intangible Assets – Web Site Costs to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.	The Group has adopted the amendments to IFRS 2, IFRS 6, IFRS 15, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC 21 in the current year.
Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors relating to definition of material.	Three new aspects of the new definition should especially be noted: Obscuring. The existing definition only focused on omitting or misstating information, however, the Board concluded that obscuring material information with information that can be omitted can have a similar effect. Although the term obscuring is new in the definition, it was already part of IAS 1 (IAS 1.30A). Could reasonably be expected to influence. The existing definition referred to 'could influence' which the Board felt might be understood as requiring too much information as almost anything 'could' influence the decisions of some users even if the possibility is remote. Primary users. The existing definition referred only to 'users' which again the Board feared might be understood too broadly as requiring to consider all possible users of financial statements when deciding what information to disclose.
Amendments to IFRS 16 Leases relating to Covid-19-Related Rent Concessions.	The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

B. New and revised IFRS in issue but not yet effective and not early adopted

The Bank has not adopted the following new and amended IFRSs issued but not yet effective as of the date of the consolidated financial statements with its details as follows:

New and revised standards	Effective for annual periods beginning on or after
Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases) The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.	January 1, 2021
Amendments to IFRS 3 Business Combinations relating to Reference to the Conceptual Framework The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.	January 1, 2022
Amendments to IAS 16 Property, Plant and Equipment relating to 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 while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.	January 1, 2022
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets relating to 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 can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or 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).	January 1, 2022

New and revised standards	Effective for annual periods beginning on or after
Annual Improvements to IFRS Standards 2018 – 2020 Makes amendments to the following standards: • IFRS 1 First-Time Adoption of International Financial Reporting Standards – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. • IFRS 9 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing 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. • IFRS 16 Leases – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. • IAS 41 Agriculture – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.	January 1, 2022
Amendments to IAS 1 Presentation of Financial Statements relating to Classification of Liabilities as Current or Non-Current The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.	January 1, 2023
Amendments to IFRS 4 Insurance Contracts Extension of the Temporary Exemption from Applying IFRS 9 The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.	January 1, 2023
IFRS 17 Insurance Contracts IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023.	January 1, 2023

New and revised standards	Effective for annual periods beginning on or after
Amendments to IFRS 17 Insurance Contracts Amends IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 Insurance Contracts was published in 2017. The main changes are: Deferral of the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023. Additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk. Recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognised in a business acquired in a business combination. Clarification of the application of IFRS 17 in interim financial statements allowing an accounting policy choice at a reporting entity level. Clarification of the application of contractual service margin (CSM) attributable to investment-return service and investment-related service and changes to the corresponding disclosure requirements. Extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives. Amendments to require an entity that at initial recognition recognises losses on onerous insurance contracts issued to also recognise a gain on reinsurance contracts held. Simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts. Additional transition relief for business combinations and additional transition relief for the date of application of the risk mitigation option and the use of the fair value transition approach.	January 1, 2023
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture	Effective date deferred indefinitely. Adoption is still permitted.

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

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:

the significant change in credit risk that result in a change in the classification within the three stages (1, 2 and 3) are shown in details in 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.

Impairment of intangable assets with infinite life

Management is required to use significant judgments and estimates to determining whether intangable assets with indifinte life is impaired through estimation of the value in use of the cash-generating units to which has been allocated. The value in use calculation requires the Bank's Managment to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Details of the estimates used to assess the impairment of goodwill are disclosed in Note 14.

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.

Impairment of property acquired

Impairment in value of properties acquired is recognized based on recent real estate valuations by qualified independent evaluators for calculating the asset impairment, which is reviewed periodically. Considered from the beginning of the year 2015 a gradual provision for real estate acquired in exchange for debts that have expired over a period of more than 4 years, according to the generiliazation from the Central Bank of Jordan No 15/1/4076 dated on March 27, 2014 and No. 10/1/2510 dated on February 14, 2017. Knowing that the Central Bank of Jordan has issued circular No. 10/1/16239 dated on November 21, 2019, decided to extend the circular 10/1/2150 dated on February 14, 2017, after postponding the provision calculation until the year end of 2020 and adjusting the second clause of it.

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

The details of this balance is as follow:

	December 31,	
	2020	2019
	JD	JD
Cash on hand	110,015,206	140,843,945
Balances at Central Banks:		
Current and demand accounts	34,385,870	31,117,768
Time and notice deposits	63,918,998	49,465,000
Statutory cash reserve	104,658,821	111,234,561
Total Balances at Central Bank	202,963,689	191,817,329
Provision for expected credit losses (Central Banks)	(17,476)	(3,979)
Balances at Central Banks - Net	202,946,213	191,813,350
Total	312,961,419	332,657,295

- Restricted balances amounted to JD 10,635,000 as of December 31, 2020 (JD 10,635,000 as of December 31, 2019). 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, 2020 and 2019.
- 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, 2020 and 2019.

Disclosure of the allocation of total balances at central banks according to the Bank›s internal credit rating categories is as follows:

	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

	2019			
	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)	191,817,329	-	-	191,817,329
Total	191,817,329	-	-	191,817,329

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

	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

	2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	220,280,217	-	-	220,280,217
New balances during the year	49,221,247	-	-	49,221,247
Settled balances	(77,684,135)	-	-	(77,684,135)
Total Balance at the End of the Year	191,817,329	-	-	191,817,329

Movement on the provision for expected credit losses:

	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance as of January 1, 2020	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

	2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance as of January 1, 2019	1,582	-	-	1,582
New balances during the year	5,278	-	-	5,278
Settled balances	(2,881)	-	-	(2,881)
Total Balance at the End of the Year	3,979	-	-	3,979

6. Balances at Banks and Financial Institutions

	December 31,	
	2020	2019
	JD	JD
Local Banks and Financial Institutions:		
Current and demand accounts	862,998	93,368
Deposits maturing within 3 months or less	54,012,296	76,035,381
Total	54,875,294	76,128,749
Foreign Banks and Financial Institutions:		
Current and demand accounts	70,867,991	36,856,493
Deposits maturing within 3 months or less	29,138,880	45,851,382
Total	100,006,871	82,707,875
	154,882,165	158,836,624
Less: provision for expected credit losses (balances at banks)	(85,535)	(51,367)
Total	154,796,630	158,785,257

- Non-interest bearing balances at banks and financial institutions amounted to JD 71,730,989 as of December 31, 2020 (JD 35,204,542 as of December 31, 2019).
- There are no restricted balances as of December 31, 2020 and 2019.

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

	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

	2019			
	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)	96,230,789	-	-	96,230,789
From (Ba1) to (Caa3)	61,579,221	-	-	61,579,221
From (1) to (6)	1,026,614	-	-	1,026,614
Total	158,836,624	-	-	158,836,624

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

	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

	2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the year	117,879,950	-	-	117,879,950
New balances during the year	170,193,824	-	-	170,193,824
Mattured balances	(129,237,150)	-	-	(129,237,150)
Gross Balance at the End of the Year	158,836,624	-	-	158,836,624

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

	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Balance as of January 1, 2020	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

	2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Balance as of January 1, 2019	27,250	-	-	27,250
Expected credit loss on balances and new deposits for the year	74,404	-	-	74,404
Reversed credit loss on balances and settled amounts	(50,287)	-	-	(50,287)
Balance at the End of the Year	51,367	-	-	51,367

7. Deposits at Banks and Financial Institutions

The details of this item are as follows:

	December 31,	
	2020	2019
	JD	JD
Deposit maturing within:		
More than 3 to 6 months	31,750,001	1,860,986
More than 6 to 9 months	6,029,926	29,231,645
More than 9 to 12 months	-	1,289,259
More than 12 months	42,426,500	55,897,200
Total	80,206,427	88,279,090
Less: provision for expected credit losses		
(deposits at banks)	(342,051)	(239,076)
Total	79,864,376	88,040,014

- There are no restricted deposits as of December 31, 2020 and 2019.

Disclosure of the allocation of total deposits at banks and financial institutions according to the bank›s internal policy

	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

	2019			
	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)	63,279,090	-	-	63,279,090
From (Ba1) to (Caa3)	25,000,000	-	-	25,000,000
Total	88,279,090	-	-	88,279,090

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

	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

	2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the year	89,819,476	-	-	89,819,476
New balances during the year	60,871,460	-	-	60,871,460
Matured balances	(62,411,846)	-	-	(62,411,846)
Gross Balance at the End of the Year	88,279,090	-	-	88,279,090

Movement on the provision for expected credit losses:

	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Balance as of January 1, 2020	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

	2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Balance as of January 1, 2019	240,263	-	-	240,263
Expected credit loss on balances and new deposits for the year	35,985	-	-	35,985
Reversed credit loss on balances and settled amounts	(82,349)	-	-	(82,349)
Changes resulting from adjustments	45,177	-	-	45,177
Balance at the End of the Year	239,076	-	-	239,076

8. Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

	December 31,	
	2020	2019
	JD	JD
Corporate shares	7,406,964	9,405,269
	7,406,964	9,405,269

9. Financial Assets at Fair Value through Other Comprehensive Income

The details of this item are as follows:

	December 31,	
	2020	2019
	JD	JD
Quoted shares	43,528,787	45,743,170
*Unquoted Shares	6,120,190	5,511,283
	49,648,977	51,254,453

- Cash dividends on investments amounted to JD 2,152,730 for the year ended December 31, 2020 (JD 2,902,829 for the year ended December 31,2019).

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

10/A. Financial Assets at Amortized Cost - Net

The details of this item are as follows:

	December 31,	
	2020	2019
	JD	JD
Quoted Investments		
Governmental treasury bills	-	5,160,869
Foreign government treasury bonds	2,916,349	2,559,170
Corporate debt securities	24,450,252	18,001,206
Total quoted investments	27,366,601	25,721,245
Unquoted Investments		
Governmental treasury bills	9,770,801	-
Governmental treasury bonds	640,782,315	595,528,997
Governmental / governemnt gurranteed debt securities	-	1,113,306
Corporate debt securities	63,000,000	54,250,000
Total unquoted investments	713,553,116	650,892,303
Total	740,919,717	676,613,548
Less: Provision for expected credit losses (financial assets at amortized cost)	(1,135,611)	(760,286)
	739,784,106	675,853,262
Analysis of bonds and treasury bills		
Fixed rate	740,919,717	676,613,548
Floating rate	-	-
Total	740,919,717	676,613,548

10/B. Financial assets pledged as collaterals

The details of this item are as follows:

	December 31,	
	2020	2019
	JD	JD
Governmental treasury bonds	73,141,000	73,714,000
Assocaited financial liabilities	73,141,000	73,714,000

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:

	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

	2019			
	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)	17,505,427	-	-	17,505,427
From (Ba1) to (Caa3)	678,572,121	-	-	678,572,121
From (1) to (6)	54,250,000	-	-	54,250,000
Total	750,327,548	-	-	750,327,548

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

	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Fair value 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

	2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Fair value at the beginning of the year	564,576,690	-	-	564,576,690
New investments during the year	333,054,768	-	-	333,054,768
Accrued investments	(147,303,910)	-	-	(147,303,910)
Total Balance at the End of the Year	750,327,548	-	-	750,327,548

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

	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Balance as of January 1, 2020	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

	2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Balance as of January 1, 2019	947,477	-	-	947,477
Credit losses on new investments during the year	398,493	-	-	398,493
Reversed from credit loss on Accrued Investment	(150,194)	-	-	(150,194)
Changes resulting from adjustments	(435,490)	-	-	(435,490)
Balance at the End of the Year	760,286	-	-	760,286

11. Direct Credit Facilities - Net

The details of this item are as follows:

	December 31,	
	2020	2019
	JD	JD
Consumer lending		
Overdrafts	13,865,546	11,131,454
Loans and bills *	688,937,832	619,169,155
Credit cards	15,145,311	14,031,062
Others	7,184,597	6,157,559
Real-estate mortgages	**249,897,163**	**220,455,636**
Corporate lending		
Overdrafts	63,466,034	73,345,451
Loans and bills *	461,375,204	385,689,960
Small and medium enterprises lending "SMEs"		
Overdrafts	18,432,092	22,552,466
Loans and bills *	166,356,629	127,486,650
Lending to public and governmental sectors	204,171,887	197,379,839
Total	1,888,832,295	1,677,399,232
Less: Suspended interest	(13,082,278)	(11,088,805)
Less: Provision for expected credit loss	(81,878,533)	(67,234,849)
Net- Direct Credit Facilities	1,793,871,484	1,599,075,578

* Net of interest and commissions received in advance amounting to JD 4,132,557 as of December 31, 2020 (JD 5,629,872 as of December 31, 2019).

- Non-performing credit facilities, in accordance with the instructions of the Central Bank of Jordan, amounted to JD 109,313,840 as of December 31, 2020 (JD 91,543,362 as of December 31, 2019) representing 5.79% (2019: 5.46%) of gross direct credit facilities granted.
- Non-performing credit facilities, net of suspended interest, amounted to JD 96,423,451 as of December 31, 2020 (JD 80,631,264 as of December 31, 2019), representing 5.14% (2019: 4.84%) of gross direct credit facilities granted after excluding the suspended interest.
- Credit facilities granted to the Government of Jordan amounted to JD 55,167,746 as of December 31, 2020 (JD 84,591,574 as of December 31, 2019), representing 2.92% (2019: 5.04%) of gross direct credit facilities granted.
- Credit facilities granted to the public sector in Palestine amounted to JD 87,151,326 as of December 31, 2020 (JD 69,697,758 as of December 31, 2019), representing 4.61% (2019: 4.16%) of gross direct credit facilities granted.

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

	2020					
	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	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

	2019					
	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	677,592,104	821,763,191	105,380,700	30,844,800	85,793,901	1,721,374,696
New facilities during the year	222,041,815	134,051,540	19,703,156	6,378,072	6,403,896	388,578,479
Settled facilities	(212,814,816)	(155,090,499)	(44,076,808)	(6,937,219)	(11,191,252)	(430,110,594)
Transferred to stage 1	33,206,080	22,939,220	(32,564,618)	(13,981,016)	(9,599,666)	-
Transferred to stage 2	(94,471,848)	(32,240,626)	97,650,529	35,225,673	(6,163,728)	-
Transferred to stage 3	(6,706,343)	(13,265,451)	(9,033,529)	(7,368,678)	36,374,001	-
Changes resulting from adjustments	-	(2,490)	-	-	(49,341)	(51,831)
Written off facilities	-	-	-	-	(2,391,518)	(2,391,518)
Gross Balance at the End of the Year	618,846,992	778,154,885	137,059,430	44,161,632	99,176,293	1,677,399,232

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

For the year ended December 31, 2020	Consumer	Residential Loans	Corporates		Government and Public Sector	Total
			Corporates	SMEs		
	JD	JD	JD	JD	JD	JD
Balance as of January 1, 2020	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

For the year ended December 31, 2019	Consumer	Residential Loans	Corporates		Government and Public Sector	Total
			Corporates	SMEs		
	JD	JD	JD	JD	JD	JD
Balance as of January 1, 2019	40,799,652	5,120,597	7,072,595	6,843,433	1,679,470	61,515,747
Credit loss on new facilities during the year	4,238,894	957,196	1,359,739	1,384,404	575,557	8,515,790
Reversed from credit losses on settled facilities	(1,651,466)	(1,009,412)	(1,287,848)	(880,419)	(109,067)	(4,938,212)
Transferred to stage 1	3,408,626	334,341	124,466	32,882	150,229	4,050,544
Transferred to stage 2	559,283	268,353	(62,002)	810,523	(150,229)	1,425,928
Transferred to stage 3	(3,967,909)	(602,694)	(62,464)	(843,405)	-	(5,476,472)
Effect on the provision at the end of the year - resulting from						-
the reclassification between the three stages during the year	2,521,774	1,634,964	3,061,977	2,711,365	(144,622)	9,785,458
Changes resulting from adjustments	(4,864,119)	(82,404)	(1,111,595)	(608,399)	1,010,170	(5,656,347)
Written off facilities	(2,348,355)	-	-	(43,163)	-	(2,391,518-)
Valuation differences	99,424	27,115	199,232	78,160	-	403,931
Balance at the End of the Year	38,795,804	6,648,056	9,294,100	9,485,381	3,011,508	67,234,849

Suspended Interest

The movement on suspended interest is as follows:

	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)
Adjustments resulting from changes in exchange rates	-	-	-	-	-	-
Gross Balance at the End of the Year	-	59,899	27,700	51,269	12,943,410	13,082,278

	2019					
	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	24,526	8,795	2,089	31,054	10,222,084	10,288,548
Suspended interest on new exposures during the year	(334)	4,459	-	6,010	1,978,236	1,988,371
Suspended interest on settled exposures transferred to						
revenue during the year	(1,019)	(69,082)	(56,876)	(32,617)	(906,926)	(1,066,520)
Transferred to stage 1	(23,058)	78,803	24,073	(4,384)	(75,434)	-
Transferred to stage 2	(112)	(1,698)	55,289	31,864	(85,343)	-
Transferred to stage 3	(3)	(930)	(487)	(3,627)	5,047	-
Effect on suspended revenue at the end of the year - resulting from the reclassification between the three stages during the year	(23,173)	76,175	78,875	23,853	(155,730)	-
Suspended interest on written off exposures	-	-	-	-	(115,645)	(115,645)
Adjustments resulting from changes in exchange rates	-	-	-	(5,949)	-	(5,949)
Gross Balance at the End of the Year	-	20,347	24,088	22,351	11,022,019	11,088,805

The movement on suspended interest is as follows:

For the year ended December 31, 2020	Consumer	Residential Loans	Corporates		Government and Public Sector	Total
			Corporates	SMEs		
	JD	JD	JD	JD	JD	JD
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 revenue during the year	(255,492)	(46,239)	(116,067)	(300,338)	(199,155)	(917,291)
Transferred to stage 1	124,810	11,565	-	618	-	136,993
Transferred to stage 2	39,953	23,377	(24,075)	41,375	199,155	279,785
Transferred to stage 3	(164,763)	(34,942)	24,075	(41,993)	(199,155)	(416,778)
Effect on suspended revenue at the end of the year - resulting from the reclassification between the three stages during the year	-	-	-	-	-	-
Adjustments resulting from changes in exchange rates	(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

For the year ended December 31, 2019	Consumer	Residential Loans	Corporates		Government and Public Sector	Total
			Corporates	SMEs		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	1,996,485	278,066	6,411,115	1,314,025	288,857	10,288,548
Suspended interest on new exposures during the year	531,542	187,196	580,343	689,290	-	1,988,371
Suspended interest on settled exposures transferred to revenue during the year	(346,678)	(53,818)	(385,038)	(280,986)	-	(1,066,520)
Transferred to stage 1	67,421	8,191	(24,190)	1,581	-	53,003
Transferred to stage 2	13,554	11,691	24,187	53,296	-	102,728
Transferred to stage 3	(80,975)	(19,882)	3	(54,877)	-	(155,731)
Effect on suspended revenue at the end of the year - resulting from the reclassification between the three stages during the year	(25,943)	-	-	-	(89,702)	(115,645)
Adjustments resulting from changes in exchange rates	(5,949)	-	-	-	-	(5,949)
Balance at the End of the Year	2,149,457	411,444	6,606,420	1,722,329	199,155	11,088,805

Credit exposures according to IFRS (9) are as follows:

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

As of December 31, 2019

	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	586,536,050	3,870,742	20,278	23,250,595	738,826	22,351	40,702,585	34,186,236	2,106,828	650,489,230	38,795,804	2,149,457
Realestate Mortgages	189,175,681	988,598	69	20,152,823	520,603	-	11,127,132	5,138,855	411,375	220,455,636	6,648,056	411,444
Corporates	334,497,633	317,872	-	100,820,405	2,420,044	24,071	23,717,373	6,556,184	6,582,349	459,035,411	9,294,100	6,606,420
SMEs	96,550,573	232,212	-	32,760,396	970,228	17	20,728,147	8,282,941	1,722,312	150,039,116	9,485,381	1,722,329
Government and Public Sector	190,241,940	314,360	-	4,236,843	4,111	-	2,901,056	2,693,037	199,155	197,379,839	3,011,508	199,155
	1,397,001,877	5,723,784	20,347	181,221,062	4,653,812	46,439	99,176,293	56,857,253	11,022,019	1,677,399,232	67,234,849	11,088,805

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

	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

	2019			
	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)	334,497,633	74,328,557	-	408,826,190
(7)	-	26,491,848	-	26,491,848
From (8) to (10)	-	-	23,717,373	23,717,373
Total	334,497,633	100,820,405	23,717,373	459,035,411

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

	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**

	2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Gross balance as of the beginning of the year	385,510,272	67,393,464	17,641,854	470,545,590
New facilities during the year	112,039,197	11,427,575	2,105,666	125,572,438
Settled facilities	(97,562,683)	(37,204,681)	(2,315,253)	(137,082,617)
Transferred to stage 1	15,847,137	(15,245,719)	(601,418)	-
Transferred to stage 2	(76,979,995)	77,197,505	(217,510)	-
Transferred to stage 3	(4,356,295)	(2,747,739)	7,104,034	-
Balance at the end of the year	334,497,633	100,820,405	23,717,373	459,035,411

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

	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance as of January 1, 2020	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

	2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance as of January 1, 2019	631,606	1,891,626	4,549,363	7,072,595
Credit loss on new facilities during the year	85,740	628,676	645,323	1,359,739
Reversed from credit loss on accrued facilities	(255,710)	(441,696)	(590,442)	(1,287,848)
Transferred to stage 1	274,235	(47,320)	(226,915)	-
Transferred to stage 2	(137,010)	240,230	(103,220)	-
Transferred to stage 3	(12,759)	(254,912)	267,671	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	(266,123)	403,440	2,924,660	3,061,977
Changes resulting from adjustments	(2,107)	-	(1,109,488)	(1,111,595)
Adjustments resulting from changes in exchange rates	-	-	199,232	199,232
Gross Balance at the End of the Year	317,872	2,420,044	6,556,184	9,294,100

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

	2020					
	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	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

	2019					
	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank›s internal policy:						
From (1) to (6)	94,107,419	-	20,570,838	-	-	114,678,257
(7)	-	-	11,431,344	-	-	11,431,344
From (8) to (10)	-	-	-	-	19,476,411	19,476,411
Uncategorized	-	2,443,154	-	758,214	1,251,736	4,453,104
Total	94,107,419	2,443,154	32,002,182	758,214	20,728,147	150,039,116

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

	2020					
	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	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

	2019					
	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	86,262,809	3,184,242	25,673,594	633,655	15,507,726	131,262,026
New facilities during the year	37,976,757	1,433,638	8,040,101	190,913	1,154,324	48,795,733
Settled facilities	(19,348,185)	(1,176,436)	(6,872,127)	(383,069)	(2,195,663)	(29,975,480)
Transferred to stage 1	5,045,302	69,453	(5,005,258)	(46,981)	(62,516)	-
Transferred to stage 2	(13,490,491)	(520,384)	16,451,662	641,188	(3,081,975)	-
Transferred to stage 3	(2,338,773)	(547,359)	(6,285,790)	(277,492)	9,449,414	-
Written off facilities	-	-	-	-	(43,163)	(43,163)
Gross Balance at the End of the Year	94,107,419	2,443,154	32,002,182	758,214	20,728,147	150,039,116

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

	2020					
	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance as of January 1, 2020	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

	2019					
	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance as of January 1, 2019	226,534	132,736	851,569	48,857	5,583,737	6,843,433
Credit loss on new facilities during the year	72,443	37,417	171,004	5,393	1,098,147	1,384,404
Reversed from credit loss on accrued facilities	(98,796)	(53,376)	(232,334)	(15,452)	(480,461)	(880,419)
Transferred to stage 1	116,033	11,363	(102,156)	(2,976)	(22,264)	-
Transferred to stage 2	(37,749)	(21,699)	1,143,929	77,895	(1,162,376)	-
Transferred to stage 3	(7,150)	(27,916)	(285,197)	(20,972)	341,235	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	(108,210)	(9,300)	(617,639)	(51,693)	3,498,207	2,711,365
Changes resulting from adjustments	(118)	-	-	-	(608,281)	(608,399)
Written off facilities	-	-	-	-	(43,163)	(43,163)
Adjustments resulting from changes in exchange rates	-	-	-	-	78,160	78,160
Gross Balance at the End of the Year	162,987	69,225	929,176	41,052	8,282,941	9,485,381

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

	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

	2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank›s internal policy:				
Uncategorized	586,536,050	23,250,595	40,702,585	650,489,230
Total	586,536,050	23,250,595	40,702,585	650,489,230

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

	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

	2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Gross balance at the beginning of the year	626,439,199	18,983,515	40,285,422	685,708,136
New facilities during the year	104,730,528	3,602,639	2,280,822	110,613,989
Settled facilities	(132,707,333)	(5,547,796)	(5,177,580)	(143,432,709)
Transferred to stage 1	17,500,471	(9,969,136)	(7,531,335)	-
Transferred to stage 2	(19,392,923)	20,909,386	(1,516,463)	-
Transferred to stage 3	(10,031,402)	(4,728,013)	14,759,415	-
Changes resulting from adjustments	(2,490)	-	(49,341)	(51,831)
Written off facilities	-	-	(2,348,355)	(2,348,355)
Gross Balance at the End of the Year	586,536,050	23,250,595	40,702,585	650,489,230

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

	2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Balance as of January 1, 2020	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

	2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Balance as of January 1, 2019	4,926,872	415,429	35,457,351	40,799,652
Credit loss on new facilities during the year	935,298	149,341	3,154,255	4,238,894
Reversed from credit loss on accrued facilities	(1,862,872)	(54,487)	265,893	(1,651,466)
Transferred to stage 1	3,682,209	(199,962)	(3,482,247)	-
Transferred to stage 2	(171,698)	871,798	(700,100)	-
Transferred to stage 3	(101,885)	(112,553)	214,438	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	(3,542,945)	(330,739)	6,395,458	2,521,774
Changes resulting from adjustments	5,763	(1)	(4,869,881)	(4,864,119)
Written off facilities	-	-	(2,348,355)	(2,348,355)
Adjustments resulting from changes in exchange rates	-	-	99,424	99,424
Gross Balance at the End of the Year	3,870,742	738,826	34,186,236	38,795,804

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

	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

	2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank›s internal policy:				
Uncategorized	189,175,681	20,152,823	11,127,132	220,455,636
Total	189,175,681	20,152,823	11,127,132	220,455,636

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

	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

	2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Gross balance at the beginning of the year	192,139,750	11,227,630	9,377,005	212,744,385
New facilities during the year	27,887,374	2,584,520	863,084	31,334,978
Settled facilities	(21,206,730)	(1,006,354)	(1,410,643)	(23,623,727)
Transferred to stage 1	5,369,296	(3,964,899)	(1,404,397)	-
Transferred to stage 2	(12,327,319)	13,675,099	(1,347,780)	-
Transferred to stage 3	(2,686,690)	(2,363,173)	5,049,863	-
Gross Balance at the End of the Year	189,175,681	20,152,823	11,127,132	220,455,636

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

	2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Balance as of January 1, 2020	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

	2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Balance as of January 1, 2019	1,313,781	339,808	3,467,008	5,120,597
Credit loss on new facilities during the year	341,950	63,108	552,138	957,196
Reversed from credit loss on accrued facilities	(559,619)	(66,818)	(382,975)	(1,009,412)
Transferred to stage 1	466,884	(138,386)	(328,498)	-
Transferred to stage 2	(107,001)	466,055	(359,054)	-
Transferred to stage 3	(25,542)	(59,316)	84,858	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	(441,855)	(83,848)	2,160,667	1,634,964
Changes resulting from adjustments	-	-	(82,404)	(82,404)
Adjustments resulting from changes in exchange rates	-	-	27,115	27,115
Gross Balance at the End of the Year	988,598	520,603	5,138,855	6,648,056

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

	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

	2019			
	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)	190,241,940	4,236,843	-	194,478,783
(7)	-	-	2,901,056	2,901,056
Total	190,241,940	4,236,843	2,901,056	197,379,839

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

	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

	2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Gross balance at the beginning of the year	205,819,023	12,313,642	2,981,894	221,114,559
New facilities during the year	72,025,861	235,480	-	72,261,341
Settled facilities	(95,903,948)	-	(92,113)	(95,996,061)
Transferred to stage 1	12,313,641	(12,313,641)	-	-
Transferred to stage 2	(4,001,362)	4,001,362	-	-
Transferred to stage 3	(11,275)	-	11,275	-
Gross Balance at the End of the Year	190,241,940	4,236,843	2,901,056	197,379,839

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

	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

	2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	181,962	150,989	1,346,519	1,679,470
Credit loss on new facilities during the year	239,209	-	336,348	575,557
Reversed from credit loss on accrued facilities	(109,067)	-	-	(109,067)
Transferred to stage 1	150,989	(150,989)	-	-
Transferred to stage 2	(760)	760	-	-
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	(147,973)	3,351	-	(144,622)
Changes resulting from adjustments	-	-	1,010,170	1,010,170
Gross Balance at the End of the Year	314,360	4,111	2,693,037	3,011,508

12. Property and Equipment - Net

The details of this item are as follows:

For the year ended December 31, 2020	Land	Buildings	Tools, Furniture & Fixtures	Vehicles	Computers	Projects in Progress	Total
	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

For the year ended December 31, 2019	Land	Buildings	Tools, Furniture & Fixtures	Vehicles	Computers	Projects in Progress	Total
	JD	JD	JD	JD	JD	JD	JD
:Cost							
Balance at the beginning of the year	3,649,204	23,452,906	44,859,020	1,736,399	32,662,668	1,920,254	108,280,451
Additions	-	529,117	1,142,734	-	1,660,134	2,606,566	5,938,551
Transfers	-	385,934	245,988	-	662,364	(1,294,286)	-
Disposals	-	-	(2,220,024)	(18,190)	(6,171,419)	-	(8,409,633)
Balance at the End of the Year	3,649,204	24,367,957	44,027,718	1,718,209	28,813,747	3,232,534	105,809,369
Accumulated Depreciation:							
Balance at the beginning of the year	-	4,924,470	34,359,467	1,332,835	24,431,334	-	65,048,106
Depreciation for the year	-	543,576	2,670,044	125,837	3,031,613	-	6,371,070
Disposals	-	-	(1,947,097)	(18,189)	(6,165,992)	-	(8,131,278)
Balance at the End of the Year	-	5,468,046	35,082,414	1,440,483	21,296,955	-	63,287,898
Net Book Value at the End of the Year	3,649,204	18,899,911	8,945,304	277,726	7,516,792	3,232,534	42,521,471
Annual Depreciation Rate %	-	2	9 - 15	15	20	-	

- Fully depreciated property and equipment amounted to JD 43,276,563 as of December 31, 2020 (JD 36,771,885 as of December 31, 2019) and are still being used by the Bank.

* The estimated cost to complete of the projects under construction amounted to JD 1,592,859 as of December 31, 2020 (JD 1,251,548 as of December 31, 2019).

13. Intangible Assets - Net

The details of this item are as follows:

	Computer Software	
	2020	2019
	JD	JD
Balance at the beginning of the year	6,085,563	8,120,517
Additions	1,878,371	1,001,522
Amortization for the year	(2,770,750)	(3,036,476)
Balance at the End of the Year	5,193,184	6,085,563
Annual Amortization Rate	20%	20%

14. Other Assets

The details of this item are as follows:

	December 31,	
	2020	2019
	JD	JD
Accrued income	18,892,012	19,741,336
Prepaid expenses	7,448,232	5,757,071
Repossessed Assets – net *	10,844,136	11,938,836
Accounts receivable – net	4,627,668	5,995,981
Clearing checks	6,318,939	7,318,391
Settlement guarantee fund	25,000	31,000
Refundable deposits	609,531	891,713
Deposits at Visa International	2,559,511	1,999,401
Others	1,890,940	1,271,432
Total	53,215,969	54,945,161

* 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:

	2020	2019
	JD	JD
Balance - beginning of the year	13,624,736	10,361,210
Additions	502,086	3,364,608
Disposals	(1,570,505)	(101,082)
Total	**12,556,317**	**13,624,736**
Impairment of repossessed assets	(496,275)	(469,994)
Impairment of repossessed assets as per the Central Bank of Jordan instructions	(1,215,906)	(1,215,906)
Balance - End of the Year	**10,844,136**	**11,938,836**
A summary of the movement on repossessed assets previous:		
Balance-beginning of the year	1,685,900	1,685,900
Additions	26,281	-
Balance - End of the Year	**1,712,181**	**1,685,900**

- Repossessed assets impairment amounted to JOD 1,712,181 as of December 31, 2020 (JOD 1,685,900 as of December 31, 2019)

15. Banks and financial institutions' deposits

The details of this item are as follows:

	2020			2019		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Current and call accounts	161,794	3,157,604	3,319,398	2,210,529	8,323,080	10,533,609
Deposits maturing within 3 months or less	74,671,680	55,041,409	129,713,089	56,761,291	90,626,443	147,387,734
Deposits maturing within more than 3 months to 6 months	30,000,000	-	30,000,000	25,000,000	7,090,000	32,090,000
Deposits maturing within more than 6 months to 9 months	3,000,000	19,143,000	22,143,000	33,000,000	-	33,000,000
Deposits maturing within more than a year	15,000,000	34,005,850	49,005,850	15,000,000	30,000,000	45,000,000
Total	122,833,474	111,347,863	234,181,337	131,971,820	136,039,523	268,011,343

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 the Year Ended 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
For the Year Ended December 31, 2019					
Current and demand accounts	244,293,300	123,709,181	53,463,869	58,381,179	479,847,529
Saving deposits	506,004,381	6,143,261	3,705,943	239,803	516,093,388
Time and notice deposits	479,791,141	295,698,530	45,503,808	234,021,599	1,055,015,078
Total	1,230,088,822	425,550,972	102,673,620	292,642,581	2,050,955,995

- The Government of Jordan and the public sector deposits inside the Kingdom amounted to JD 338,093,612 equivalent to 15.19% of total deposits as of December 31, 2020 (JD 273,518,953, equivalent to 13.34% of total deposits of December 31, 2019).
- There are no restricted deposits as of December 31, 2020 and 2019.
- Non-interest bearing deposits amounted to JD 496,395,865 equivalent to 23% of total deposits as of December 31, 2020 (JD 417,426,268 equivalent to 20.35% of total deposits as of December 31, 2019).
- Dormant accounts amounted to JD 58,140,668 as of December 31, 2020 (JD 35,166,834 as of December 31, 2019).

17. Margin Accounts

The details of this item are as follows:

	December 31,	
	2020	2019
	JD	JD
Margins on direct credit facilities	28,205,251	33,335,651
Margins on indirect credit facilities	18,854,312	17,700,784
Deposits against brokerage margin accounts	2,672,492	2,880,017
Other margin amount	7,226,186	4,787,900
Total	56,958,241	58,704,352

18. Borrowed Funds

A.Borrowed Funds

The details of this item are as follows:

December 31, 2020	Amount	No. of Installments		Payment	Maturity	Collaterals	Interest Rate
	JD	Total	Outstanding	frequency	Date		
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						

December 31, 2019	Amount	No. of Installments		Payment	Maturity	Collaterals	Interest Rate
	JD	Total	Outstanding	frequency	Date		
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	1,949,750	20	11	Semi- annually	2025	None	3.358%
Amounts borrowed from Central Bank of Jordan*	7,600,000	10	7	Annually	2028	None	2.700%
Amounts borrowed from Central Bank of Jordan**	34,163,765	184	184	At maturity / per Loan	2026 - 2018	Treasury Bills	1% - 2.5%
Amounts borrowed from Central Bank of Jordan*	1,559,984	14	9	Semi- annually	2028	None	2.500%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	3,034,286	7	3	Semi- annually	2021	None	4.750%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	1,012,857	7	1	Semi- annually	2020	None	3.25%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	14,180,000	7	7	Semi- annually	2025	None	5.500%
Amounts borrowed from Central Bank of Jordan*	4,100,000	20	20	Semi- annually	2031	None	2.8%
Jordan Mortgage Refinance Company ***	30,000,000	1	1	At maturity	2024	None	5.750%
Jordan Mortgage Refinance Company ***	5,000,000	1	1	At maturity	2020	None	5.750%
Amounts borrowed from Central Bank of Jordan	2,857,982	34	34	Semi- annually	2039	None	3.000%
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2020	None	5.900%
Amounts borrowed from Central Bank of Jordan	70,000,000	1	1	At maturity	2020	Treasury Bills	4.000%
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2020	None	5.900%
Amounts borrowed from French Development Agency	7,498,807	20	20	Semi- annually	2031	None	1.433%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	3,545,000	7	7	Semi- annually	2023	None	4.047%
Etihad Bank	2,700,000	8	8	Quarterly	2023	None	6.000%
Societe Generale de Banque Jordanie	444,444	45	20	Monthly	2021	None	7.000%
Housing Bank for Trade and Finance	25,048,944	1	1	Overdraft	2020	None	4.750%
Arab Jordan Investment Bank	2,998,649	1	1	Overdraft	2020	None	7.000%
Amounts borrowed from International Financial Markets (FMI)	1,074,224	1	1	-	None	None	-
Total	254,366,692						

* 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%-4%.

*** Residential loans acquired from Jordan Mortgage Refinance Company amounted to JD 43,870,275 as of December 31, 2020 at a fixed rate of 5.84%.

19. Subordinated loans

The details of this item are as follows:

December 31, 2020	Amount	No. of Installments		Payment frequency	Maturity Date	Collaterals	Interest Rate
	JD	Total	Outstanding				
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 31,2019	Amount	No. of Installments		Payment frequency	Maturity Date	Collaterals	Interest Rate
	JD	Total	Outstanding				
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	Reversed to Income	Balance - End of the Year
	JD	JD	JD	JD	JD
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 against other contingent liabilities	13,758	2,483	(3)	-	16,238
Total	10,911,457	2,607,481	(624,367)	-	12,894,571
2019					
Provision for lawsuits against the Bank	1,490,438	-	(136,041)	-	1,354,397
Provision for end of service indemnity	9,748,144	551,399	(756,241)	-	9,543,302
Provision against other contingent liabilities	6,951	9,793	(2,986)	-	13,758
Total	11,245,533	561,192	(895,268)	-	10,911,457

21. Income Tax

A- Income Tax Provision

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

	2020	2019
	JD	JD
Balance - beginning of the year	16,954,411	15,202,732
Income tax paid	(17,454,437)	(15,198,995)
Income tax payable	16,502,820	16,950,674
Balance - End of the Year	16,002,794	16,954,411

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

	2020	2019
	JD	JD
Income tax for the year	16,502,820	16,950,674
Deferred Tax liabilities	(8,382)	(60,310)
Deferred Tax Assets	(3,266,763)	(188,817)
Income Tax for the Year's Profits	13,227,675	16,701,547

- 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.
- 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 2018 till the date of these consolidated financial statement.
- 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 and 2017 records and estimated the tax payable for these years at JD 1,361,990 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 2019 and 2018.
- Al-Watanieh Securities Company – Palestine reached a final settlement with the income tax Department till the end of the year 2019.
- 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 for the year ended December 31, 2019 were not reviewed up to the date of these consolidated financial statements.
- In the opinion of the Bank›s management, income tax provisions as of December 31, 2020 are sufficient to face any future tax liabilities.

C - Deferred Tax Assets and Liabilities

The details of this item are as follows:

	2020					2019 Deferred Tax
	Balance-beginning of the Year	Released Amounts	Added Amounts	Balance - End of the Year	Deferred Tax	
	JD	JD	JD	JD	JD	JD
Deferred tax assets						
Provision for expected credit losses	12,481,591	-	10,857,157	23,338,748	8,477,624	4,579,610
Interest in suspense	270,764	-	433,166	703,930	197,100	75,814
Sundry provisions	3,167,385	(2,080,362)	100,000	1,187,023	451,069	1,203,606
Impairment on repossessed assets	1,685,900	-	-	1,685,900	640,642	640,642
Unrealized Losses – financial assets at FVTOCI	12,930,257	(6,950,944)	5,050,110	11,029,423	3,195,427	2,825,977
Foreign currency translation effects	-	-	3,543,049	3,543,049	354,305	-
	30,535,897	(9,031,306)	19,983,482	41,488,073	13,316,167	9,325,649
Deferred tax liabilities						
Unrealized Gain – financial assets at FVTOCI	2,467,447	(563,513)	165,906	2,069,840	224,474	212,067
Unrealized gain – financial assets at FVTPL						
(early IFRS 9 implementation)	5,467,432	(24,602)	-	5,442,830	584,493	592,875
	7,934,879	(588,115)	165,906	7,512,670	808,967	804,942

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

	December 31, 2020		December 31, 2019	
	JD	JD	JD	JD
	Assets	Liabilities	Assets	Liabilities
Balance - beginning of the year	9,325,649	804,942	8,699,628	883,100
Additions	5,848,544	34,961	1,105,993	23,895
Disposal	(1,858,026)	(30,936)	(479,972)	(102,053)
Balance - End of the Year	13,316,167	808,967	9,325,649	804,942

- 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:

	2020	2019
	JD	JD
Accounting profit	30,700,932	44,208,357
Non-taxable profit	(4,490,120)	(6,332,452)
Non-deductible expenses	10,055,579	8,899,147
Taxable profit	36,266,391	46,775,052
Effective rate of income tax	%43.09	%37.78

22. Other Liabilities

The details of this item are as follows:

	December 31,	
	2020	2019
	JD	JD
Accrued interest	10,134,602	20,169,502
Accrued income	374,106	343,600
Accounts payable	10,984,966	7,105,983
Accrued expenses	8,445,873	8,014,790
Temporary deposits	27,312,979	20,067,495
Checks and withdrawals	6,523,346	4,607,949
Others	4,880,670	2,552,106
	68,656,542	62,861,425
Provision for expected credit losses (other liabilities)	2,822,879	2,374,728
	71,479,421	65,236,153

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

	2020					
	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	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

	2019					
	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	15,704,207	198,514,654	267,942	28,024,541	237,684	242,749,028
New exposures during the year	4,299,041	87,183,234	118,718	16,993,157	119,074	108,713,224
Accrued exposures	(3,320,135)	(62,058,560)	(107,730)	(10,252,908)	(41,836)	(75,781,169)
Transferred to stage 1	118,979	5,242,866	(118,979)	(5,242,866)	-	-
Transferred to stage 2	(193,843)	(19,566,138)	193,843	19,590,138	(24,000)	-
Transferred to stage 3	(87,451)	(43,500)	(37,366)	(90,787)	259,104	-
Gross Balance at the End of the Year	16,520,798	209,272,556	316,428	49,021,275	550,026	275,681,083

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

	2020					
	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Adjusted balance as of January 1, 2020	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

	2019					
	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Adjusted balance as of January 1, 2019	622,698	280,820	9,800	1,118,935	97,727	2,129,980
Credit loss on new exposures during the year	176,004	202,126	3,416	481,933	47,111	910,590
Credit loss on accrued exposures	(275,559)	(146,711)	(3,762)	(541,685)	(6,933)	(974,650)
Transferred to stage 1	4,259	86,893	(4,259)	(86,893)	-	-
Transferred to stage 2	(9,029)	(31,054)	9,030	39,371	(8,318)	-
Transferred to stage 3	(3,429)	(205)	(1,326)	(5,082)	10,042	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages at the end of the year	(662)	(81,759)	1,914	325,940	102,772	348,205
Changes resulting from adjustments	(62,188)	(18,459)	-	15,522	25,728	(39,397)
Gross Balance at the End of the Year	452,094	291,651	14,813	1,348,041	268,129	2,374,728

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

	2020					
	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	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

	2019					
	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank›s internal policy:						
From (Aaa) to (Baa3)	-	4,585,706	-	-	-	4,585,706
From (Ba1) to (Caa3)	-	4,813,208	-	-	-	4,813,208
From (1) to (6)	-	26,054,813	-	1,298,663	-	27,353,476
(7)	-	-	-	425,121	-	425,121
Total	-	35,453,727	-	1,723,784	-	37,177,511

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

	2020					
	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	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

	2019					
	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	-	27,138,722	-	2,025,328	-	29,164,050
New exposures during the year	-	24,618,482	-	917,250	-	25,535,732
Accrued exposures	-	(16,283,733)	-	(1,238,538)	-	(17,522,271)
Transferred to stage 2	-	(19,744)	-	19,744	-	-
Gross Balance at the End of the Year	-	35,453,727	-	1,723,784	-	37,177,511

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

	2020					
	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Balance as of January 1, 2020	-	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

	2019					
	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Balance as of January 1, 2019	-	22,321	-	19,554	-	41,875
Credit loss on new exposures during the year	-	65,627	-	27,907	-	93,534
Credit loss on accrued exposures	-	(20,379)	-	(4,719)	-	(25,098)
Transferred to stage 1	-	-	-	-	-	-
Transferred to stage 2	-	(232)	-	232	-	-
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	-	-	-	372	-	372
Changes resulting from adjustments	-	-	-	(5,214)	-	(5,214)
Gross Balance at the End of the Year	-	67,337	-	38,132	-	105,469

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

	2020					
	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	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

	2019					
	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank›s internal policy:						
From (Aaa) to (Baa3)	-	9,549,107	-	387,381	-	9,936,488
From (Ba1) to (Caa3)	-	492,580	-	940,163	-	1,432,743
From (Ca) to (C)	-	35,450	-	-	21,363	56,813
From (1) to (6)	-	31,987,284	-	7,396,585	-	39,383,869
(7)	-	-	-	1,422,569	-	1,422,569
From (8) to (10)	-	-	-	-	297,858	297,858
Total	-	42,064,421	-	10,146,698	319,221	52,530,340

Disclosure on the movement of indirect facilities:

	2020					
	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	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

	2019					
	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	-	48,855,747	-	7,044,107	231,376	56,131,230
New exposures during the year	-	9,168,858	-	2,079,499	576	11,248,933
Accrued exposures	-	(12,995,006)	-	(1,831,799)	(23,018)	(14,849,823)
Transferred to stage 1	-	2,867,101	-	(2,867,101)	-	-
Transferred to stage 2	-	(5,788,779)	-	5,812,779	(24,000)	-
Transferred to stage 3	-	(43,500)	-	(90,787)	134,287	-
Gross Balance at the End of the Year	-	42,064,421	-	10,146,698	319,221	52,530,340

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

	2020					
	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Balance as of January 1, 2020	-	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

	2019					
	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Balance as of January 1, 2019	-	105,560	-	145,021	95,519	346,100
Credit loss on new exposures during the year	-	40,584	-	29,775	-	70,359
Credit loss on accrued exposures	-	(37,184)	-	(21,961)	(4,725)	(63,870)
Transferred to stage 1	-	30,555	-	(30,555)	-	-
Transferred to stage 2	-	(12,103)	-	20,421	(8,318)	-
Transferred to stage 3	-	(205)	-	(5,082)	5,287	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages at the end of the year	-	(27,269)	-	106,250	52,002	130,983
Changes resulting from adjustments	-	(16,881)	-	11,450	25,728	20,297
Gross Balance at the End of the Year	-	83,057	-	255,319	165,493	503,869

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

	2020					
	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank›s internal policy:						
From (Aaa) to (Baa3)	-	-	-	-	-	-
From (Ba1) to (Caa3)	-	-	-	-	-	-
From (Ca) to (C)	-	-	-	-	-	-
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

	2019					
	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank›s internal policy:						
From (Aaa) to (Baa3)	-	16,969,045	-	557,872	-	17,526,917
From (Ba1) to (Caa3)	-	3,885,143	-	5,039,489	-	8,924,632
From (Ca) to (C)	-	-	-	-	-	-
From (1) to (6)	-	110,900,220	-	28,357,946	-	139,258,166
(7)	-	-	-	3,195,486	-	3,195,486
From (8) to (10)	-	-	-	-	2,895	2,895
Uncategorized	16,520,798	-	316,428	-	227,910	17,065,136
Total	16,520,798	131,754,408	316,428	37,150,793	230,805	185,973,232

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

	2020					
	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	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

	2019					
	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	15,704,207	122,520,185	267,942	18,955,106	6,308	157,453,748
New exposures during the year	4,299,041	53,395,894	118,718	13,996,408	118,498	71,928,559
Accrued exposures	(3,320,135)	(32,779,821)	(107,730)	(7,182,571)	(18,818)	(43,409,075)
Transferred to stage 1	118,979	2,375,765	(118,979)	(2,375,765)	-	-
Transferred to stage 2	(193,843)	(13,757,615)	193,843	13,757,615	-	-
Transferred to stage 3	(87,451)	-	(37,366)	-	124,817	-
Gross Balance at the End of the Year	16,520,798	131,754,408	316,428	37,150,793	230,805	185,973,232

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

	2020					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance as of January 1, 2020	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

	2019					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance as of January 1, 2019	622,698	152,939	9,800	954,360	2,208	1,742,005
Credit loss on new exposures during the year	176,004	95,915	3,416	424,251	47,111	746,697
Credit loss on accrued exposures	(275,559)	(89,148)	(3,762)	(515,005)	(2,208)	(885,682)
Transferred to stage 1	4,259	56,338	(4,259)	(56,338)	-	-
Transferred to stage 2	(9,029)	(18,719)	9,030	18,718	-	-
Transferred to stage 3	(3,429)	-	(1,326)	-	4,755	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages at the end of the year	(662)	(54,490)	1,914	219,318	50,770	216,850
Changes resulting from adjustments	(62,188)	(1,578)	-	9,286	-	(54,480)
Gross Balance at the End of the Year	452,094	141,257	14,813	1,054,590	102,636	1,765,390

23. 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, 2020 and JD 190 million divided into 190 million shares as of December 31, 2019.

24. Reserves

Statutory Reserve

This reserve represents amounts transferred from income before tax at a rate of 10% during the previous years. 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:

Reserve	Amount JD	Regulation
Statutory	82,047,879	Banking law and corporate law
General banking risk	3,897,183	Palestinian Monetary Authority instructions
Cyclical fluctuations	10,894,653	Palestinian Monetary Authority instructions

25. Suggested Dividends to be distributed

In its ordinary meeting held on February 7,2021 , the board of directors has recommended the approval by the general assembly on the distribution of a 12% cash dividends amounting to JOD 22,8 million, this recommendation is subject to the approval of the General Assembly of the shareholders and the Central Bank of Jordan.

26. Fair Value Reserve - Net

The details of this item are as follows:

	December 31	
	2020	2019
	JD	JD
Beginning balance	(7,848,900)	(9,789,482)
Unrealized gains	1,418,027	1,207,435
Loss from sale of financial assets at fair value through other comprehensive income	85,200	278,095
Deferred tax assets	369,450	437,204
Deferred tax liability	(12,407)	17,848
Ending balance	(5,988,630)	(7,848,900)

- The fair value reserve is presented net of deferred tax assets in the amount of JD 3,195,427 and net of deferred tax liabilities in the amount of JD 224,474.

27. Retained Earnings

The details of this item are as follows:

	December 31	
	2020	2019
	JD	JD
Beginning balance	73,967,732	77,486,036
Profit for the year	18,161,180	28,095,485
Transferred to statutory reserve	(3,040,452)	(4,428,971)
Transferred from (to) general banking risk reserve	(42,986)	(623,432)
Transferred to cyclical fluctuations reserve	-	(3,291)
Cash dividends	-	(16,200,000)
Capital increase	-	(10,000,000)
Capital increase related expenses	-	(80,000)
Net gain from sale of financial assets at fair value through other comprehensive income	(85,200)	(278,095)
Ending Balance	88,960,274	73,967,732

- Retained earnings balance include unrealized gains amounting to JD 13,909,822 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 of the financial assets.
- Retained earnings include deferred tax assets amounted to JD13,316,167 as of December 31, 2020 which is not available for distribution in accordance with the Central Bank of Jordan instructions (JD 9,325,649 as of December 31, 2019).
- The amount JD 5,988,630 represents negative change for the assets in fair value reserve through other comprehensive income restricted from use as per the Central Bank of Jordan and the Securities Commission instructions.
- The amount JD 1,155,916 represents the remaining balance of the general banking risk reserve restricted from use as per the Central Bank of Jordan instructions.

28. Interest Income

The details of this item are as follows:

Direct Credit Facilities:	2020	2019
	JD	JD
Consumer lending		
Overdrafts	1,763,245	1,527,533
Loans and bills	58,169,703	65,184,695
Credit cards	2,676,690	2,691,621
Margin accounts – financial services	369,933	281,128
Residential mortgages	**13,894,830**	**14,824,290**
Corporate lending		
Large Corporate		
Overdrafts	7,030,913	7,631,439
Loans and bills	24,468,791	26,907,630
Small and medium enterprises lending		
Overdrafts	1,632,050	2,092,895
Loans and bills	6,733,722	8,332,533
Public and governmental sectors	**11,778,597**	**12,198,652**
Balances at Central Banks	208,224	1,619,126
Balances and deposits at banks and financial institutions	3,250,666	5,303,412
Financial assets at amortized cost	39,044,624	33,853,289
Total	171,021,988	182,448,243

29. Interest Expense

The details of this item are as follows:

	2020	2019
	JD	JD
Banks and financial institution deposits	8,035,479	13,578,975
Customers' deposits:		
Current and demand accounts	2,084,118	2,574,381
Saving accounts	237,481	2,639,314
Time and notice placements	39,307,470	50,279,378
Deposit Certificates	-	73
Margin accounts	746,947	889,037
Borrowed funds	8,934,208	6,757,847
Deposit guarantee fees	3,052,348	3,616,185
Total	62,398,051	80,335,190

30. Net Commission

The details of this item are as follows:

	2020	2019
	JD	JD
Direct credit facilities commission	5,014,116	5,288,775
Indirect credit facilities commission	1,749,588	1,426,838
Other commissions	11,275,165	12,558,056
Less: commission expense	(154,502)	(120,904)
Total Net Commission	**17,884,367**	**19,152,765**

31. Gain from Foreign Currencies

The details of this item are as follows:

	2020	2019
	JD	JD
Trading/ operations in foreign currencies	226,377	177,096
Revaluation of foreign currencies	4,306,409	4,511,123
Total	**4,532,786**	**4,688,219**

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

The details of this item are as follows:

December 31, 2020	Realized Gains (Losses)	Unrealized (Losses)	Stock Dividends	Total
	JD	JD	JD	JD
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)

December 31, 2019	Realized Gains (Losses)	Unrealized (Losses)	Stock Dividends	Total
	JD	JD	JD	JD
corporate stocks	137,885	(783,474)	708,238	62,649
Total	137,885	(783,474)	708,238	62,649

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

The details of this item are as follows:

	2020	2019
	JD	JD
Dividend income from companies shares	2,152,730	2,902,829

34. Other Income - Net

The details of this item are as follows:

	2020	2019
	JD	JD
Suspended interest transferred to revenue	858,912	1,015,010
Box rental income	132,525	130,089
Revenues from selling check books	34,448	52,893
Collections of debts previously written off	1,356,087	1,797,074
Income from ATM and credit cards	2,125,424	2,820,777
(Losses) from sale of property and equipment	(165,290)	(219,137)
Gains from sale of assets repossessed by the Bank	182	344,818
Buildings rent revenue	1,334	56,491
Brokerage commission	785,861	1,092,729
Others	187,737	131,460
Total	**5,317,220**	**7,222,204**

35. Employees› Costs

The details of this item are as follows:

	2020	2019
	JD	JD
Employees' salaries, benefits and remuneration	35,800,198	35,199,317
Bank's contribution to social security	2,729,603	2,692,988
Bank's contribution to savings fund	490,128	476,721
End of service indemnity	41,121	562,394
Medical expenses	2,710,703	2,683,111
Employees' training	97,084	238,520
Employees' uniforms	39,823	34,450
Others employees expenses	33,361	84,433
Total	**41,942,021**	**41,971,934**

36. Other Expenses

The details of this item are as follows:

	2020	2019
	JD	JD
Rent	5,165,934	4,893,619
Cleaning and maintenance	2,194,714	2,367,260
Water, heat and electricity	2,571,922	2,746,498
License and governmental fees	1,347,385	1,269,403
Printings and stationery	573,587	591,416
Donations and subvention	2,078,247	865,012
Insurance expenses	1,220,932	1,139,987
Subscriptions	785,751	868,621
Telephone and telex	542,302	553,905
Legal fees and expenses	544,899	573,911
Professional fees	1,136,054	1,376,635
Mail and money transfer	736,996	582,285
Advertising expense	2,965,486	3,830,299
Board of directors expenses and remuneration	987,143	955,139
Information systems expenses and compensation	8,343,853	7,368,425
Travel and transportation	447,602	669,456
Consultation expenses	367,752	178,034
Safeguarding expenses	763,196	763,638
External expenses	738,514	134,805
Other expenses	555,376	474,770
Total	**34,067,645**	**32,203,118**

37. Provision for Expected Credit Losses

The details of this item are as follows:

	2020	2019
	JD	JD
Balances at central banks	13,497	2,397
Balances at banks and financial institutions	34,168	24,117
Deposits at banks and financial institutions	102,975	(1,187)
Financial assets at amortized cost	375,325	(187,191)
Direct credit facilities	17,546,531	7,706,688
Indirect credit facilities	448,151	244,748
Total	18,520,647	7,789,572

38. Earnings per Share

The details of this item are as follows:

	2020	2019
	JD	JD
Profit for the year attributable to bank's shareholders (JD)	18,161,180	28,095,485
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)	0/096	0/148

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, 2020 and 2019, according to the requirements of International Accounting Standard (33).

39. Cash and Cash Equivalents

The details of this item are as follows:

	2020	2019
	JD	JD
Cash and balances with Central Banks maturing within 3 months	312,978,895	332,661,274
Add: Balances at banks and financial institutions' maturing within 3 months	154,882,165	158,836,624
Less: Banks and financial institutions' deposits maturing within 3 months	133,032,487	157,921,343
Restricted cash balances	10,635,000	10,635,000
Total	324,193,573	322,941,555

40. Balances and Transactions with Related Parties

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

Company Name		Paid in Capital	
	Ownership	2020	2019
	%	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	79	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 Management	Other *	2020	2019
	JD	JD	JD	JD	JD
Statement of Financial Position Items:					
Direct credit facilities	32,004,782	3,150,943	32,785,850	66,932,582	51,126,108
Deposits at the Bank	93,257,135	2,865,249	23,415,605	119,537,989	61,565,392
Margin accounts	-	38,551	24,077	62,628	176,186
Off Statement of Financial Position Items:					
Indirect credit facilities	3,772,762	133,338	346,615	4,252,715	2,026,181
				For the Year Ended December 31,	
				2020	2019
				JD	JD
Income Statements Items:					
Interest and commission income	1,169,612	165,452	647,896	1,982,960	3,216,585
Interest and commission expense	1,990,637	90,161	90,561	2,171,359	1,901,979

* 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 2% - 13.5%
- Credit interest rates on credit facilities in foreign currency range between 4% -4.75%
- Debit interest rates on deposits in Jordanian Dinar range between 0% - 4.25%
- Debit interest rates on deposits in foreign currency range between 0% - 2%

Salaries, wages and bonuses of executive management amounted to JD 3,223,772 as of December 31, 2020 (JD 3,830,157 as of December 31, 2019).

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. A detailed description of the Bank's internal credit rating policy and its working mechanism (where at a minimum the classification grades and the linkage mechanism with the three stages are described in accordance with IFRS (9) and the classification instruction no. (47/2009)).

Corporate portfolio:

A system designed to assess and measure the risks of corporate customers in a comprehensive manner by extracting the customer's risk rating associated with the customer's probability of default (PD) based on the financial and objective data. It is also involved in the extraction of the expected losses (EL) of the customer's facilities through "facility rating" and the loss given default (LGD) associated with collaterals.

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. 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.

Retail portfolio:

The internal scoring of retail customers is conducted through the application of custom programs depending on the nature of the product (personal loans, housing loans, car loans and others) according to the business sector (public or private) and according to the nature of employment and occupation and different other criteria.

The scoring 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) for financial instruments and for each item separately.

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.
- 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 the application of IFRS (9) requirements including the responsibility of the Board of Directors and executive management

Roles and responsibilities:

The Board of Directors:

- Adopting the policy of calculating expected credit losses as per IFRS 9.Providing the appropriate infrastructure for the implementation.
- 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:

- 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

Corporate Credit, SME Loans and Bank Pooling 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.

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).

Probability of Default (PD):

Retail 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.

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.

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.
- Retail portfolio – Jordan: 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:

1. The Board of Directors' responsibility for risk management. The risk committee of the board of directors does a periodic review of policies, strategies and risk management procedures of the bank, including setting acceptable risk limits.
2. The responsibility of the Board of Directors, represented by the Risk Committee in the development of the internal assessment of capital and analysis of current and future requirements for capital and as appropriate with the structure of the Bank's risk and strategic goals and taking action on particular in addition to its responsibility in ensuring a good system to evaluate the types of risks faced by the Bank and the development of the system to link these risks with the level of capital required to cover.
3. The responsibility of the Board of Directors to approve the policies developed by the executive management.
4. The risk management department, which is independent of other Bank's operations, reports to the Risk Committee on risk issues. For daily operations it is linked with the General Manager, and analyses all the risks including credit, market, liquidity and operational risk in addition to the development of measurement methodologies and controls for each type of risk as needed. The Risk Management Department also manages the process of Internal evaluation Capital Adequacy ICAAP in Cairo Amman Bank by using the comprehensive manner which is appropriate within their risk profile it also implements Basel requirements.
5. Internal Audit department provides independent confirmation of the compliance of the working units with the policies and procedures of the risk committee set to manage risks and their efficiency.
6. Managing risk is considered the responsibility of each unit and every employee of the Bank, in relation to those risks which are within their functions.

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	2020					
	Stage 2		Stage 3		Gross reclassified exposures	Percentage of reclassified exposures
	Gross exposure amount	Reclassified exposures	Gross exposure amount	Reclassified exposures		
	JD	JD	JD	JD	JD	%
Balances at central banks	-	-	-	-	-	
Balances at banks and financial institutions	-	-	-	-	-	
Deposits at banks and financial institutions	-	-	-	-	-	
Direct credit facilities	246,835,930	106,707,026	116,287,863	41,658,727	207,077,459	%10.96
within financial assets at amortized cost	-	-	-	-	-	
Other assets	-	-	-	-	-	
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	

Item	2019					
	Stage 2		Stage 3		Gross reclassified exposures	Percentage of reclassified exposures
	Gross exposure amount	Reclassified exposures	Gross exposure amount	Reclassified exposures		
	JD	JD	JD	JD	JD	%
Balances at central banks	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-
Deposits at banks and financial institutions	-	-	-	-	-	-
Direct credit facilities	181,221,062	132,876,201	99,176,293	36,374,000	225,395,500	%13.44
within financial assets at amortized cost	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total	181,221,062	132,876,201	99,176,293	36,374,000	225,395,500	
Financial guarantees	10,146,698	5,812,779	319,221	134,287	8,814,166	%16.78
Letters of credit	1,723,784	19,744	-	-	19,744	%0.05
Other liabilities	37,467,221	13,951,458	230,805	124,817	16,571,020	8.91%
Total	230,558,765	152,660,182	99,726,319	36,633,104	250,800,430	

B- Expected credit losses of reclassified exposures:

Item	2020							
	Reclassified Exposures			Expected Credit Losses of Reclassified Exposures				
	Gross exposures reclassified to stage 2	Gross exposures reclassified to stage 3	Gross reclassified exposures	Stage 2		Stage 3		Total
				Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-
Deposits at banks and financial institutions	-	-	-	-	-	-	-	-
Direct credit facilities	106,707,026	41,658,727	207,077,459	2,092,598	2,844,034	1,167,686	-	6,104,318
within financial assets at amortized cost	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
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

Item	2019							
	Reclassified Exposures			Expected Credit Losses of Reclassified Exposures				
	Gross exposures reclassified to stage 2	Gross exposures reclassified to stage 3	Gross reclassified exposures	Stage 2		Stage 3		
				Individual	Collective	Individual	Collective	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-
Deposits at banks and financial institutions	-	-	-	-	-	-	-	-
Direct credit facilities	132,876,201	36,374,000	225,395,500	1,386,809	1,413,856	908,202	-	3,708,867
within financial assets at amortized cost	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total	132,876,201	36,374,000	225,395,500	1,386,809	1,413,856	908,202	-	3,708,867
Financial guarantees	5,812,779	134,287	8,814,166	20,421	-	5,287	-	25,708
Letters of credit	19,744	-	19,744	232	-	-	-	232
Other liabilities	13,951,458	124,817	16,571,020	18,718	9,030	4,755	-	32,503
Total	152,660,182	36,633,104	250,800,430	1,426,180	1,422,886	918,244	-	3,767,310

-2 Allocation of exposures according to industrial sectors:

A- Allocation of exposures according to financial instruments - net

	Financial	Industrial	Commercial	Real Estate*	Agricultural	Trading	Consumer	Public Sector	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	-	-	-	-	-	-	-	202,946,213	202,946,213
Balances at banks and financial institutions	154,796,630	-	-	-	-	-	-	-	154,796,630
Deposits at banks and financial institutions	79,864,376	-	-	-	-	-	-	-	79,864,376
Direct credit facilities	60,288,969	105,460,606	391,735,345	294,923,011	17,585,058	21,760,258	698,428,690	203,689,547	1,793,871,484
Financial assets at amortized cost	64,043,327	-	22,894,394	-	-	-	-	725,987,385	812,925,106
Other assets	9,334,159	2,290,316	11,080,097	115,373	313,982	153,084	1,530,108	7,581,011	32,398,130
Total	368,327,461	107,750,922	425,709,836	295,038,384	17,899,040	21,913,342	699,958,798	1,140,204,156	3,076,801,939
Financial guarantees	474,367	8,330,926	36,919,260	11,108,578	110,982	-	-	1,088,667	58,032,780
Letters of credit	-	18,302,590	30,088,597	-	-	-	-	8,827,863	57,219,050
Other liabilities	21,907,753	13,848,709	116,244,114	5,277,651	765,712	-	25,444,988	50,767,940	234,256,867
Total	390,709,581	148,233,147	608,961,807	311,424,613	18,775,734	21,913,342	725,403,786	1,200,888,626	3,426,310,636

* The industrial sector of real estate includes loans granted to corporates and residential loans.

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

Item	2020					
	Stage 1		Stage 2			
	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

Item	2019					
	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Financial	360,486,119	10,392,153	4,278,021	-	303	375,156,596
Industrial and mining	113,342,096	5,270,333	29,361,523	121,947	1,383,264	149,479,163
General Commercial	353,979,116	52,336,936	122,564,937	1,271,643	13,372,435	543,525,067
Real estate purchase financing	53,114,058	188,136,336	10,459,772	15,751,056	8,745,227	276,206,449
Agricultural	8,024,707	305,480	4,845,700	10,984	46,368	13,233,239
Trading	14,474,613	3,503,683	-	27,259	803,475	18,809,030
Consumer	28,620,945	564,844,472	4,556,542	27,013,594	7,084,169	632,119,722
Government and public sector	1,074,909,600	7,827,811	4,232,732	-	143,516	1,087,113,659
Total	2,006,951,254	832,617,204	180,299,227	44,196,483	31,578,757	3,095,642,925

-3 Allocation of exposures according to geographical locations:

A. Allocation of exposures according to geographical regions - net

	Inside Jordan	Other Middle Eastern Countries	Europe	Asia *	Americas	Other Countries	Total
	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	111,890,422	91,055,791	-	-	-	-	202,946,213
Balances at banks and financial institutions	54,875,294	37,413,313	47,742,787	598,038	13,940,076	227,122	154,796,630
Deposits at banks and financial institutions	78,597,516	1,266,860	-	-	-	-	79,864,376
within financial assets at amortized cost	1,291,306,339	487,847,615	14,177,421	-	540,109	-	1,793,871,484
Financial assets pledged as collateral (debt instruments)	781,661,325	29,832,492	1,431,289	-	-	-	812,925,106
other assets	20,418,405	9,299,959	2,637,572	-	42,194	-	32,398,130
Gross assets	2,338,749,301	656,716,030	65,989,069	598,038	14,522,379	227,122	3,076,801,939
Financial guarantees	38,307,524	15,474,825	3,739,123	298,854	212,454	-	58,032,780
Letters of credit and acceptances	21,253,617	35,965,433	-	-	-	-	57,219,050
Other liabilities	194,852,966	39,403,901	-	-	-	-	234,256,867
Total	2,593,163,408	747,560,189	69,728,192	896,892	14,734,833	227,122	3,426,310,636

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

	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

	2019					
	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Inside Jordan	1,549,553,648	683,590,087	151,566,823	30,984,041	26,101,479	2,441,796,078
Other Middle Eastern Countries	394,733,216	146,995,361	28,732,404	13,212,442	5,477,278	589,150,701
Europe	56,401,076	2,031,756	-	-	-	58,432,832
Asia	1,919,299	-	-	-	-	1,919,299
Americas	4,183,617	-	-	-	-	4,183,617
Other Countries	160,398	-	-	-	-	160,398
Total	2,006,951,254	832,617,204	180,299,227	44,196,483	31,578,757	3,095,642,925

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

	December 31,	
	2020	2019
	JD	JD
On-Statement of Financial Position Items		
Balances at Central Banks	202,946,213	191,813,350
Balances at banks and financial institutions	154,796,630	158,785,257
Deposits at banks and financial institutions	79,864,376	88,040,014
Direct credit facilities:		
Consumer lending	682,467,166	609,543,969
Residential mortgages	240,139,475	213,396,136
Large corporations	498,354,354	443,134,891
Small and medium enterprises	169,422,785	138,831,406
Lending to governmental and public sectors	203,487,704	194,169,176
Financial assets held at amortized cost, net	812,925,106	749,567,262
Other assets	32,398,130	35,055,109
Total on-Statement of Financial Position Items	3,076,801,939	2,822,336,570
Off-Statement of Financial Position Items		
Letters of credit & Acceptances	57,219,050	37,072,042
Letters of guarantee	58,032,780	52,026,471
Irrevocable commitments to extend credit	234,256,867	184,207,842
Total off-Statement of Financial Position Items	349,508,697	273,306,355
Total on & off-Statement of Financial Position Items	3,426,310,636	3,095,642,925

- The above table represents the maximum credit risk for the bank as of December 31, 2020 and 2019 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 2020. Moreover, it amounted to JD 27,856,882 as of the current year against JD 32,506,472 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 25,281,932 as of December 31, 2020 against JD 55,405,182 as of December 31, 2019.

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
Baa1	Moody's	354,648
BAA3	Moody's	941,642
Ba1	Moody's	-
Ba2	Moody's	141,562
Un-rated		86,012,400
Governmental		726,610,465
Total		814,060,717

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:

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)
2020	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)

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)
2019	Basis points	JD	Basis points	JD
USD	100	(479,139)	100	479,139
EURO	100	(530,166)	100	530,166
GBP	100	24,094	100	(24,094)
JPY	100	-	100	-
Other Currencies	100	260,404	100	(260,404)

Interest Rate Re-Pricing Gap

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

As of December 31, 2020	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	160,885,036	-	-	-	-	-	152,076,383	312,961,419
Balances at banks and financial institutions	72,983,883	10,081,758	-	-	-	-	71,730,989	154,796,630
Deposits at banks and financial institutions	-	-	58,507,701	4,266,860	17,089,815	-	-	79,864,376
Financial assets at fair value through profit or loss	-	-	-	-	-	-	7,406,964	7,406,964
Financial assets at fair value through OCI	-	-	-	-	-	-	49,648,977	49,648,977
Financial assets at amortized cost	25,000,930	32,725,962	55,784,933	94,068,757	283,391,114	321,953,410	-	812,925,106
Direct credit facilities - Net	373,572,937	684,624,917	121,161,668	184,715,557	219,597,293	210,199,112	-	1,793,871,484
Property and equipment	-	-	-	-	-	-	42,602,959	42,602,959
Intangible assets	-	-	-	-	-	-	5,193,184	5,193,184
Deferred tax assets	-	-	-	-	-	-	13,316,167	13,316,167
Other assets	-	-	-	-	-	-	80,648,211	80,648,211
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
Liabilities								
Banks and financial institutions' deposits	77,730,682	20,212,143	30,000,000	37,143,000	30,000,000	-	39,095,512	234,181,337
Customers› deposits	570,019,745	323,511,969	246,550,549	386,039,863	146,129,666	57,782,780	496,395,865	2,226,430,437
Margin accounts	6,013,890	3,728,341	3,277,541	3,365,818	7,948,847	6,267,151	26,356,653	56,958,241
Borrowed funds	82,510,499	48,156,144	23,277,916	20,115,186	53,303,840	85,946,309	1,074,224	314,384,118
Subordinated Loans	-	-	-	-	-	18,540,350	-	18,540,350
Sundry provisions	-	-	-	-	-	-	12,894,571	12,894,571
Income tax provision	-	-	-	-	-	-	16,002,794	16,002,794
Deferred tax liabilities	-	-	-	-	-	-	808,967	808,967
Other liabilities	-	-	-	-	-	-	97,745,713	97,745,713
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
As of December 31, 2019								
Total Assets	929,231,993	238,375,252	366,693,430	115,719,226	551,621,581	425,429,139	502,572,014	3,129,642,635
Total Liabilities	789,236,523	326,110,489	344,518,039	306,248,513	209,372,596	169,475,672	625,451,437	2,770,413,269
Interest Rate Re-Pricing Gap	139,995,470	(87,735,237)	22,175,391	(190,529,287)	342,248,985	255,953,467	(122,879,423)	359,229,366

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:

	2020			2019		
	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	745	-	+1	1,200	-
GBP	+1	(1,430)	-	+1	(1,361)	-
YEN	+1	97	-	+1	(290)	-
Other Currency	+1	188,971	-	+1	(248,970)	-

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, 2020	US Dollar	Sterling Pound	Japanese Yen	Euro	Other Currencies	Total
	JD	JD	JD	JD	JD	JD
Assets						
Cash and balances at Central Banks	77,399,431	430,670	-	8,334,574	75,719,178	161,883,853
Balances at banks and financial institutions	73,031,299	8,915,179	597,727	20,672,761	47,815,663	151,032,629
Deposits at banks and financial institutions	-		-	17,426,500	1,266,860	18,693,360
Financial assets at fair value through profit or loss	305,840	-	-	-	-	305,840
Direct credit facilities - net	220,170,538	1	3,684,531	4,670,298	267,968,808	496,494,176
Financial assets at fair value through OCI	882,272	-	-	139,425	11,054,835	12,076,532
Financial assets at amortized cost	142,122,605	-	-	-	1,741,679	143,864,284
Intangible assets	431,524	-	-	-	-	431,524
Property and equipment - net	10,187,871	-	-	-	-	10,187,871
Right of use Assets - Net	2,859,148	-	-	-	-	2,859,148
Other assets	4,851,874	8,192	3,396	30,687	7,048,391	11,942,540
Total Assets	532,242,402	9,354,042	4,285,654	51,274,245	412,615,414	1,009,771,757
Liabilities						
Banks and financial institution deposits	92,441,679	41,249	-	788,641	6,658,247	99,929,816
Customers' deposits	398,264,087	9,102,696	584,326	37,122,514	310,174,970	755,248,593
Cash margins	19,422,188	14	-	7,591,121	6,558,185	33,571,508
Borrowed funds	24,809,392	-	-	7,498,807	-	32,308,199
Subordinated loans	18,540,350	-	-	-	-	18,540,350
Sundry provisions	654,516	-	-	-	-	654,516
Income tax liability	-	-	-	-	1,467,688	1,467,688
Sundry provisions	2,889,388	-	-	-	-	2,889,388
Other liabilities	7,563,727	132,667	-	109,109	(1,363,359)	6,442,144
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 consolidated statement of financial position	55,230,211	246,044	17,313	44,513,242	15,674,225	115,681,035
As of December 31, 2019						
Total Assets	478,285,684	8,486,642	525,666	41,814,023	368,584,769	897,696,784
Total Liabilities	556,224,027	8,484,222	554,664	41,742,117	249,208,284	856,213,314
Net concentration on consolidated statement of financial position	(77,938,343)	2,420	(28,998)	71,906	119,376,485	41,483,470
Contingent liabilities off the consolidated statement of financial position	46,272,813	12,558	390,152	18,720,658	11,654,786	77,050,967

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.

	2020			2019		
	Change in Equity Price	Effect on Profit or Loss	Effect on Equity	Change in Equity Price	Effect on Profit or Loss	Effect on Equity
Market Indices	%	JD	JD	%	JD	JD
Amman Stock Exchange	5+	200,485	390,385	5+	246,685	455,142
Palestine Stock Exchange Exchange	5+	27,531	878,798	5+	37,753	974,618
New York Stock Exchange	5+	13,764	-	5+	11,810	-
Others Markets	5+	951	497,468	5+	1,234	592,025

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 104,658,821.

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, 2020	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	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

As of December 31, 2019	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	120,823,640	26,555,653	43,871,429	49,641,675	32,052,093	-	-	272,944,490
Customers' deposits	779,258,712	354,284,478	349,275,484	304,203,012	234,274,044	54,078,379	-	2,075,374,109
Cash margins	6,144,587	7,514,546	14,706,580	10,726,678	13,925,778	6,434,806	-	59,452,975
Borrowed funds	98,300,424	13,443,764	7,095,757	3,186,421	27,993,603	116,718,001	12,118,031	278,856,001
Subordinated loans	-	-	-	-	-	26,438,734	-	26,438,734
Sundry provisions	500,000	500,000	319,938	1,682,270	2,750,981	150,000	9,166,268	15,069,457
Income tax liabilities	3,700,000	300,000	7,200,000	4,052,127	1,781,673	-	-	17,033,800
Deferred tax liabilities	-	-	-	-	210,985	-	593,957	804,942
Other liabilities	28,792,917	18,860,478	15,984,290	17,603,836	3,975,015	5,468,048	479,143	91,163,727
Total Liabilities	1,037,520,280	421,458,919	438,453,478	391,096,019	316,964,172	209,287,968	22,357,399	2,837,138,235
Total Assets (as per their expected maturities)	692,124,149	104,637,360	113,689,446	258,808,213	862,552,931	977,448,038	120,382,498	3,129,642,635

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

As of December 31, 2020	Up to 1 Year	1 - 5 Years	More than 5 Years	Total
	JD	JD	JD	JD
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

As of December 31, 2019	Up to 1 Year	1 - 5 Years	More than 5 Years	Total
	JD	JD	JD	JD
Acceptances and letters of credit	37,037,079	-	-	37,037,079
Letters of guarantee	50,292,949	2,237,391	-	52,530,340
Unutilized limits	142,591,250	-	-	142,591,250
Total	229,921,278	2,237,391	-	232,158,669

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.
- 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:

- Ensure the bank's compliance with all AML/CFT Policies and procedures as approved by the competent authority within the bank.
- Ensure the bank's compliance with all applicable laws and regulations issued by competent authorities.
- Prohibit and protect the bank's reputation and image from any allegation of involvement with money laundering and terrorist financing.
- Prohibit the use of banking products and services in money laundering and terrorist financing transactions.
- Participate in national and international efforts and initiatives relevant to anti-money laundering and combating terrorism financing.
- 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:

	Retail Banking	Corporate Banking	Treasury	Other	Total For the Year Ended December 31,	
					2020	2019
	JD	JD	JD	JD	JD	JD
Total revenues	93,766,555	55,729,168	47,743,992	2,192,985	199,432,700	216,476,909
Provision for expected credit losses	7,446,958	10,628,002	445,687	-	18,520,647	7,789,572
Sundry provisions	-	-	-	2,607,481	2,607,481	561,192
Impairment on reposessed assets	-	-	-	26,281	26,281	-
Segmental results	64,649,796	24,416,784	27,154,437	(340,777)	115,880,240	127,790,955
Unallocated expenses					85,179,308	83,582,598
Profit before tax					30,700,932	44,208,357
Income tax					(13,227,675)	(16,701,547)
Net profit					17,473,257	27,506,810
Other information						
Segmental Total Assets	922,606,641	871,264,843	1,430,919,639	128,444,354	3,353,235,477	3,129,642,635
Segmental Total Liabilities	992,387,856	1,057,514,389	801,401,205	126,643,078	2,977,946,528	2,770,413,269
Capital expenditures					8,650,251	6,940,073
Depreciation and amortization					9,169,642	9,407,546

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	
	2020	2019	2020	2019	2020	2019
	JD	JD	JD	JD	JD	JD
Total revenue	160,354,503	174,955,986	39,078,197	41,520,923	199,432,700	216,476,909
Capital expenditures	4,559,327	4,239,858	4,090,924	2,700,215	8,650,251	6,940,073

	Inside Jordan		Outside Jordan		Total	
	2020	2019	2020	2019	2020	2019
	JD	JD	JD	JD	JD	JD
Total assets	2,534,322,286	2,350,514,591	818,913,191	779,128,044	3,353,235,477	3,129,642,635

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	
	2020	2019
	JD	JD
Ordinary Share Rights		
Paid up capital	190,000,000	190,000,000
Retained earnings after subtracting the expected accumulated distributions	66,160,274	73,967,732
Accumulated change in fair value reserve in total	(5,988,630)	(7,848,900)
Statutory reserve	82,047,879	79,007,427
Other reserves approved by the Central Bank	10,894,653	10,894,653
Minority rights allowed to be recognized	(3,188,744)	-
Total ordinary share capital	3,379,941	2,463,485
	343,305,373	348,484,397
Regulatory Adjustments (Capital deductible)		
Intangible assets	5,193,184	6,085,563
Deferred provisons approved by the central Bank of Jordan	5,244,158	-
Deferred tax assets that should be deducted	13,288,293	8,737,910
Net ordinary shareholders› equity	319,579,711	333,660,924
Additional capital		
Minority rights allowed to be recognized		
Net primary capital (Tier I)		
Tier II Capital		
Subordinated loans	18,540,350	18,540,350
General banking risk reserve	3,897,183	3,854,197
Required provisions against debt instruments for stage 1 according to IFRS (9)	13,839,086	7,519,550
Minority rights allowed to be recognized	1,502,196	492,697
Tier II Capital	37,778,815	30,406,794
Adjustment (deducted from capital)		
Net Tier II	37,778,815	30,406,794
Regulatory capital	357,358,526	364,067,718
Total risk weighted assets	2,237,707,255	2,021,871,964
Capital adequacy (%)	15.97%	18.01%
Capital adequacy (primary capital) (%)	14.28%	16.50%
Subordinated capital (%)+A12`+A12	1.69%	1.50%

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, 2020	Up to 1 Year	More than 1 Year	Total
	JD	JD	JD
Assets			
Cash and balances at Central Banks	312,961,419	-	312,961,419
Balances at banks and financial institutions	154,796,630	-	154,796,630
Deposits at banks and financial institutions	37,774,561	42,089,815	79,864,376
Financial assets at fair value through profit or loss	7,406,964	-	7,406,964
Financial assets at fair value through other comprehensive income	-	49,648,977	49,648,977
Direct credit facilities	207,580,582	605,344,524	812,925,106
Financial assets at amortized cost	518,613,582	1,275,257,902	1,793,871,484
Property and equipment	6,382,226	36,220,733	42,602,959
Intangible assets	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

December 31, 2019	Up to 1 Year	More than 1 Year	Total
	JD	JD	JD
Assets			
Cash and balances at Central Banks	332,657,295	-	332,657,295
Balances at banks and financial institutions	158,785,257	-	158,785,257
Deposits at banks and financial institutions	32,375,074	55,664,940	88,040,014
Financial assets at fair value through profit or loss	9,405,269	-	9,405,269
Financial assets at fair value through other comprehensive income	-	51,254,453	51,254,453
Financial assets at amortized cost	89,164,644	660,402,618	749,567,262
Direct credit facilities	507,871,629	1,091,203,949	1,599,075,578
Property and equipment	3,382,101	39,139,370	42,521,471
Intangible assets	2,770,000	3,315,563	6,085,563
Deferred tax assets	2,314,186	7,011,463	9,325,649
Other assets	57,206,825	25,717,999	82,924,824
Total Assets	1,195,932,280	1,933,710,355	3,129,642,635
Liabilities			
Banks and financial institution deposits	238,011,343	30,000,000	268,011,343
Customers' deposits	1,741,260,740	309,695,255	2,050,955,995
Cash margins	38,926,915	19,777,437	58,704,352
Borrowed funds	133,887,506	120,479,186	254,366,692
Subordinated loans	-	18,540,350	18,540,350
Sundry provisions	8,010,476	2,900,981	10,911,457
Income tax liabilities	15,252,127	1,702,284	16,954,411
Deferred tax liabilities	593,957	210,985	804,942
Other liabilities	81,720,664	9,443,063	91,163,727
Total Liabilities	2,257,663,728	512,749,541	2,770,413,269
Net	(1,061,731,448)	1,420,960,814	359,229,366

45. Fiduciary Accounts

Fiduciary accounts amounted to JD 434,342 as of 31 December 2020 (JD 432,448 as of December 31, 2019). 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:

	2020	2019
	JD	JD
Letters of credit:		
Issued	46,987,960	35,507,245
Acceptances	10,691,097	1,529,834
Letters of guarantee:		
Payments	26,079,007	22,512,325
Performance	16,346,471	19,014,375
Other	16,086,063	11,003,640
Unutilized direct credit facilities	171,498,249	142,591,250
	287,688,847	232,158,669

b. The contractual commitments of the Bank are as follows:

	2020	2019
	JD	JD
Contracts to purchase property and equipment	1,592,859	1,251,548

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 39,211,662 as of December 31, 2020 (JD 40,687,643 as of December 31, 2019). In the opinion of the Bank's management and legal consultant, provisions for these lawsuits are sufficient. Provision for possible legal obligations amounted to JD 2,746,501 and JD 1,354,397 as of December 31, 2020 and 2019.

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, 2020 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 opionion 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	
	2020	2019
	JD	JD
Beginning balance (Amended)	27,979,663	27,146,550
Add: additions during the year	3,587,091	4,368,171
Less: Depreciation for the year	(3,896,233)	(3,535,058)
Cancelled contracts	(238,279)	-
Balance – End of the Year	27,432,242	27,979,663

Amounts that were recorded in the statement of profits or losses:

	For the Year Ended December 31	
	2020	2019
	JD	JD
Depreciation for the year	3,894,672	3,535,058
Interest for the year	1,051,915	1,033,584
Lease expense during the year	4,946,587	4,568,642

b. lease liabilities

	For the Year Ended December 31	
	2020	2019
	JD	JD
Beginning balance (Amended)	25,927,574	26,862,051
Add: Additions during the year	4,347,474	2,984,473
Interest during the year	1,027,316	1,007,694
Less: paid during the period	(4,064,457)	(3,843,954)
Amortization of prepaid expenses	-	(1,082,690)
Cancelled contracts	(971,587)	-
Exchange difference	(28)	-
Balance – End of the Year	26,266,292	25,927,574

Maturity of lease liabilities analysis:

	For the Year Ended December 31	
	2020	2019
	JD	JD
Up to a year	3,733,596	3,046,178
From one to five years	12,633,644	12,388,215
More than five years	9,899,644	10,493,181
	26,266,292	25,927,574

The value of the undiscounted lease obligations amounted to JD 30,589,134 as of December 31, 2020 and the following is a maturity analysis:

Undiscounted lease liabilities analysis:	For the Year Ended December 31	
	2020	2019
	JD	JD
Up to a year	4,365,674	6,682,892
From one to five years	15,317,913	16,503,100
More than five years	10,905,547	18,157,348
	30,589,134	41,343,340

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 2020 JD	Fair Value December 31 2019 JD	The Level of Fair Value	Valuation Method and Inputs Used	Important Intangible Inputs	Relation between Fair Value and Significant Intangible Inputs
Financial Assets at Fair Value in Income Statement						
Equity Securities	7,406,964	9,405,269	Level I	Prices listed in stock exchanges	Not Applicable	Not Applicable
Total	7,406,964	9,405,269				
Financial Assets at Fair Value in Other Comprehensive Income						
Quoted shares	43,528,787	49,901,170	Level I	Prices listed in stock exchanges	Not Applicable	Not Applicable
Unquoted shares	6,120,190	5,511,283	Level II	Comparing the market value with a similar financial instrument	Not Applicable	Not Applicable
Total	49,648,977	55,412,453				
Financial Assets at Fair Value	57,055,941	64,817,722				

There were no transfers between the first level and second level during 2020.

B -The fair value of financial assets and financial liabilities of the Company (non-specific fair value on an ongoing basis):

Except as set out in the table below, we believe that the carrying value of financial assets and financial liabilities in the financial statements of the Company approximates their fair value, as the Company›s management believes that the carrying value of the items listed below approximate their fair value, due to either their short-term maturity or repricing of interest rates during the year.

	December 31, 2020		December 31, 2019		
	Book Value	Fair Value	Book Value	Fair Value	Fair Value Level
	JD	JD	JD	JD	
Financial Assets with an Unspecified Fair Value					
Balances at Central Banks	202,946,213	202,949,704	191,813,350	191,828,776	Level II
Balances at Banks and other Financial Institutes	154,796,630	154,997,851	158,785,257	158,907,531	Level II
Deposits at Banks and other Financial Institutes	79,864,376	81,173,358	88,040,014	90,527,092	Level II
Financial assets at amortized costs	812,925,106	822,521,157	749,567,262	759,361,547	Level I and II
Direct credit facilities - net	1,793,871,484	1,801,653,751	1,599,075,578	1,606,401,830	Level II
Total Financial Assets with an Unspecified Fair Value	3,044,403,809	3,063,295,821	2,787,281,461	2,807,026,776	
Financial Liabilities with an Unspecified Fair Value					
Banks and financial institutions' deposits	234,181,337	235,508,039	268,011,343	272,818,434	Level II
Customers Deposits	2,226,430,437	2,234,057,132	2,050,955,995	2,065,021,148	Level II
Cash margins	56,958,241	56,959,891	58,704,352	58,707,804	Level II
Borrowed funds	314,384,118	315,227,909	254,366,692	255,660,498	Level II
Subordinated loans	18,540,350	18,876,114	18,540,350	18,540,350	Level II
Total Financial Liabilities with an Unspecified Fair Value	2,850,494,483	2,860,629,085	2,650,578,732	2,670,748,234	

For the above-mentioned items, the second level financial liabilities and financial assets have been determined at fair value according to the agreed-upon pricing model, which reflects the credit risk of the parties dealt with.

50. Comparative Figures

Some of the comparative figures for the year 2019 have been reclassified to conform to the classification of the figures for the year 2020, and they did not result in any impact on the consolidated statement of profit or loss and equity for the year 2019, as follows:

1- Regulatory Capital

	As of December 31, 2019	
	Post reclassification	Prior to reclassification
	JD	JD
Regulatory capital*	364,067,718	346,967,718
Capital adequacy (%)	%18,01	%17,16
Capital adequacy (primary capital) (%)	%16,5	%15,66
Subordinated capital (%)	%1,5	%1,5

* According to the Central Bank of Jordan Circular No. 1/1/4693 issued on April 9, 2020, and to hedge the negative effects of the Coronavirus (Covid 19) event, it was decided to postpone the distribution of profits by the Jordanian licensed banks to shareholders for the year 2019, and accordingly the amount that was recorded during the year was released in 2020.

2- Investments impairment provision

	As of December 31, 2019	
	Post reclassification	Prior to reclassification
	JD	JD
Financial assets at fair value through OCI	51,254,453	55,412,453
Sundry provisions	10,991,457	15,069,457

3- Deposits of banks and financial institutions / borrowed funds

	As of December 31, 2019	
	Post reclassification	Prior to reclassification
	JD	JD
Deposits of banks and financial institutions	268,011,343	296,058,936
Borrowed funds	254,366,692	226,319,099

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, 2020:

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, 2020. 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 estimates 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 2020 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.

Institutional Governance Guide

1) Introduction

1.1 Historical Overview

Cairo Amman Bank accredited the institutional 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 bank commitment to applying its contents, then some amendments were caused to it under the instructions issued by the 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 BOD members and the emanating committees, as well as the executive administration, in consideration of protecting shareholders and stakeholders' rights and relation between them.

1.2 Institutional Governance

1.2.1 Institutional governance as per the definition of the CBJ is defined as the regulating directing and managing bank, which aims at determining the institutional targets of the bank and fulfilling them, managing bank operations securely, protecting depositors' interests, abiding by the responsibility towards shareholders and other stakeholders, and bank abidance by the bank internal legislations and policies.

1.2.2 CBJ issued the instructions of institutional governance for banks, which included the following main aspects:

1) Governance guide and publishing

2) Formulating BOD and its meetings, duties and responsibilities

3) Responsibility and liability limits

4) Board committees

5) Suitability of BOD member and higher executive administrative

6) Evaluating administrator's performance

7) Administrators' financial rewards

8) Conflict of interest

9) Internal and external audit

10) Risk management

11) Compliance management

12) Stakeholders' rights

13) Disclosure and transparency

1.3 Guide objectives

1.3.1 The institutional governance guide aims at documenting the scope of bank institutional governance in order to achieve the highest institutional governance standards based on the appropriate leading practices and applicable laws and regulations.

Such guide discusses the way in which the institutional governance framework guides and controls abidance and compliance to the instructions issued by the CBJ with regards to institutional governance. Accordingly, guide discusses the following:

1.3.2 Bank organizational structure

1.3.3 BOD roles and responsibilities, executive administration and employees

1.3.4 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, institutional governance committee, compliance committee, facilities' committee, IT governance committee and any other committees formed by the Board

1.3.5 Delegate CEO and executive administration of BOD powers

1.3.6 Relationship between BOD and executive administration with bank shareholders and the means enabling shareholding of practicing their rights

1.3.7 Bank policies and mechanisms for reducing, dealing with and processing conflicts of interest

1.3.8 Disclosure commitments due upon the bank; whether committing to continuous disclosure to the CBJ or any other control bodies

1.3.9 Bank internal control regulation including the rules related to selecting and appointing external auditors, which were prepared in order to guarantee bank performance and prepare the financial reports to be correctly directed and managed

1.3.10 Risk management and compliance general framework

1.3.11 General policies of relations with stakeholders

1.3.12 Bank institutional governance framework is subject to the requirements and regulations of the CBJ along with the related laws and legislations; thus the policies in such guide shall be connected to the CBJ instructions along with the amendments and updates caused to them with this regard

1.4 Legal framework

1.4.1 Bank abides by guaranteeing complete abidance by the CBJ instructions along with any other instructions related to institutional governance, in addition to applying the appropriate leading practices in the field, in compatible with the CBJ instructions

1.4.2 In addition to all applicable rules and instructions in the Hashemite Kingdom of Jordan and all countries of bank operations

1.4.3 CBJ instructions shall be applicable with regards to institutional governance, and in case of contradiction with any other instructions; then such contradiction will be clarified while obtaining CBJ approval for processing it

1.5 Definitions

1.5.1 Based on the CBJ instructions, below are the related definitions:

Abbreviation	Definition
Board	Bank board of directors
Institutional governance	The system of directing and managing the bank, which aims at determining bank institutional objectives, managing bank operations securely, protecting depositors' interests, abiding by the responsibilities towards shareholders and other stakeholders, bank abidance by bank internal legislations and policies
Executive member	BOD member participating in managing bank daily business
Higher executive administration	Includes bank general director or regional manager, deputy general director, deputy regional manager, general director assistant, regional manager assistant, financial manager, operations' manager, risk management manager, internal audit manager, treasury (investment) manager and compliance manager, in addition to any employee with executive power at the bank that is in parallel with any of the powers of the mentioned, and who is directly connected to the general director
Independent member	BOD member who is not subject to any impacts restricting his ability to take objective decision for the bank interest, and who fulfills conditions indicated in clause 5.1 herein
Suitability	Availability of specific requirements in BOD members and higher executive administration
Stakeholders	Any person with interest at the bank such as depositors, shareholders, employees, creditors, clients or concerned control bodies
Main shareholder	Person owning 5% or more of bank capital directly or indirectly

2) Organizational structure and institutional governance relations

2.1 Organizational structure

2.1.1 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:

- Determining 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

2.1.2 BOD seeks ensuring abidance by the organizational structure and continuously ensuring comprehensiveness of the following control levels:

- BOD and committees
- Having separate administrations for risk management. Compliance and audit, which do not fulfill administrative works, and BOD shall ensure their independence
- Having units/ employees not participating in bank daily operations (such as the control, credit control and Middle Office employees)

2.1.3 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 institutional governance guide on group level in compatible with the CBJ instructions to be applied over the entire group, and guaranteeing that the policies of the companies affiliate with the bank are compatible 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 institutional governance as part of the group, with compliance between the institutional 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 handle such contradiction

3) Board of Directors

3.1 Forming the board

3.1.1 BOD currently consists of 11 members, based on the statute, and membership period is 4 years

3.1.2 All BOD members are non-executive, including four independent members

3.1.3 Board shall set and accredit BOD covenant in compatible with the requirements of institutional governance issued by the CBJ provided containing the following:

- Accountability limits
- Duties and responsibilities
- BOD chairman duties and responsibilities
- BOD trustee duties and responsibilities
- BOD formation
- Nomination and election conditions
- Meetings and legal quorum
- Powers and authorizations
- Confidentiality, conflict of interest and disclosure

3.2 BOD duties and responsibilities

3.2.1 Accredit bank institutional governance guide along with the governance report to be included in the bank annual report

3.2.2 Supervise the higher executive administrative and follow-up on its performance while ensuring bank sound financial conditions and solvency. Accordingly, BOD accredited appropriate policies and procedures for supervising and controlling bank performance

3.2.3 Determine the bank strategic objectives, and directing the executive administration for preparing a strategy for achieving such objectives and accredit such strategy, while accrediting action plans that are compatible with this strategy

3.2.4 Accredit a policy for control and reviewing performance of the executive administration through setting Key Performance Indicators in order to determine, measure and observe performance and progress towards the institutional objectives

3.2.5 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

3.2.6 Determine bank institutional values and drawing clear lines for responsibility and accountability for all bank activities, while instilling high culture for the moral standards, transparency and professional behavior of bank administrators

3.2.7 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

3.2.8 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 administrator at the bank for validating resignation or dismissal reasons.

3.2.9 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 higher administration members and main administration employees

3.2.10 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

3.2.11 Guarantee independence of external auditor first hand and continuously

3.2.12 Accredit a risk management strategy and controlling its implementation in a way that includes level of the approved 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

3.2.13 Guarantee having and adequate and trusted MIS covering all bank activities

3.2.14 Ensure that the bank credit policies include evaluating quality of the institutional 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

3.2.15 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 delays

3.2.16 Undertake the procedures that clearly separate between shareholders' powers having impactful interest on one hand and the executive administration on the other, in order to enhance sound institutional governance, thus finding appropriate mechanisms for reducing impacts of shareholders having impactful interest, which is done through, for example but not limited to, the following:

- Shareholders having impactful interest not occupying any position in the higher executive administration
- Higher executive administration shall not acquire power from the BOD only, while working in the scope of authorization provided by it

3.2.17 Having committees emanating from the Board of Directors does not relieve the Board as a whole of its responsibilities.

3.2.18 The Board shall form seven continuous or permanent committees: Audit Committee, Risk Management Committee, Institutional 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 board of directors and works in accordance with its working charter approved by the board of directors.

3.2.19 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.

3.2.20 Adopt an internal audit charter that includes the tasks and powers of an audit department and circulate it within the bank.

3.2.21 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.

3.2.22 Verify that violations of the acceptable risk levels are addressed, including accountability of the concerned higher executive management for such violations

3.3 BOD Chairman duties and responsibilities

3.3.1 Ensure having a constructive relationship between the Board and the executive management.

3.3.2 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.

3.3.3 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 board secretary

3.3.4 Ensure having a charter regulating and defining Board's work

3.3.5 Discussion of strategic and important issues in the Board›s meetings extensively

3.3.6 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.

3.3.7 Provide each member with an adequate summary of bank business upon appointment or request

3.3.8 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 illegal and regulatory requirements to clarify the tasks, powers and other matters related to membership, including membership period, dates for meetings, committees' tasks, value of rewards, and the possibility of obtaining independent specialized technical advice when necessary.

3.3.9 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, institutional governance, code of professional conduct.
- Institutional goals and bank strategic plan and approved policies
- The financial condition of the bank.
- Bank's risk structure and risk management framework.

3.3.10 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.

3.4 BOD Trustee Duties and Responsibilities

3.4.1 Attend all Board meetings and record all deliberations, suggestions, objections, reservations, and method of voting Board draft decisions

3.4.2 Determining the dates of the Board's meetings, in coordination with the Chairman of the Board.

3.4.3 Ensure that the members of the Board of Directors sign minutes of meetings and decisions.

3.4.4 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.

3.4.5 Keep records and documents of Board meetings.

3.4.6 Take the necessary measures to ensure that the draft decisions intended to be issued by the Board are in accordance with the legislations.

3.4.7 Preparing for the general assembly meetings and cooperating with the committees emanating from the Board

3.4.8 Providing the Central Bank with the compatibility acknowledgments to be signed by the members of the Board

3.5 Members' qualifications and nominations

3.5.1 The Board of Directors shall adopt a policy for nominations and compatibility for its members, members of the higher executive management, and senior 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 institutional governance issued by the Central Bank of Jordan and the laws of the supervisory authorities in force.

4) BOD Committees

4.1 BOD Committees' objectives

4.1.1 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.

4.1.2 Help to highlight important issues facing the bank in a more intuitive and appropriate way.

4.1.3 To make 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.

4.1.4 Facilitating and strengthening effective lines of communication between the concerned departments and the Board through the concerned committee

4.2 Common Principles of the Board Committees

4.2.1 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 institutional 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) Decisions are taken for the committee by the majority of the attending members.

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.

E) Notwithstanding what was mentioned in item (c) above, the committee may, in cases of contingency with high risks that require preventive and precautionary measures, to hold its meetings via video, telephone, or electronic communication programmes, 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 year 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 (institutional governance, audit, nominations and remunerations, risk management) and it is prohibited to chair more than two of all committees emanating from the Board.

4.3 Current committees emanating from the BOD include:

4.3.1 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 administrator 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 executive senior 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 an 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 systems
- Committee recommends to the Board regarding the appointment of the external auditor, termination of his work, his fees and any conditions related to contracting with him, in addition to evaluating his independence 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

4.3.2 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 risks, the effectiveness of the bank and the level of future 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.

4.3.3 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 attendance and the effectiveness of his 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 the independence of the independent members and review that annually.
- Evaluate the performance of the Board of Directors, its members, committees and executive leaders 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 bonuses to bank administrators and review them periodically and apply this policy. It also recommends to determine the salaries of executive seniors and the rest of the executive senior management and senior management employees, their bonuses 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 do not request and make sure that they are constantly informed about the latest topics related to banking.

4.3.4 Institutional 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 institutional governance guide, monitor its implementation, and submit its recommendations for any proposals or amendments to the Board of Directors.
- Review the remarks of the supervisory authorities related to the implementation of institutional governance in the company and following up on what has been done about it

4.3.5 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 higher 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 contributing to an increase in 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 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 responsible (Accountable), those who are consulted, and those who are informed (Informed) towards all operations in the aforementioned facility, guided by the 2019 COBIT standard in this regard.
- Adopting the importance and order of priority of the organization's goals and the extent to which they are related to Alignment Goals and the objectives of governance and management (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 - 2019 COBIT) 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 administration (no more than 9 goals with a maximum of 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 general framework of risk management in the bank and so that it takes into account and meets all the 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

4.3.6 Strategy Committee:

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 administration 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

4.3.7 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 chiefs and deputy chiefs, are appointed undera decision of the board of directors, and members of the executive senior management may participate in committee meetings to present their recommendations. The illegal quorum for meetings of the committee is fulfilled in the presence of at least four members, and decisions are taken by a majority of the number 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 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 is assigned 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 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
- 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.

4.3.8 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

5) Conformity, Evaluation and Rewards

5.1 Conformity of Board Members, Senior Executive Management and Senior Management Personnel

5.1.1 The members of the Board of Directors, the Senior Executive Management, and the senior 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 conformity for the positions they occupy. The member of the Board of Directors must allocate an adequate time for fulfilling his duties.

5.1.2 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 senior 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 conformity for the Chairman and members of the Board of Directors:

A- Shall be at least 25 years old.

B- Shall not be a member of the board of directors 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.

C- Shall not be a lawyer, legal advisor, or auditor for the bank.

D-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.

E- Shall not be an employee of the government or any public official institution unless he is a representative thereof.

F- 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

G- Shall have at least five years of experience in banking, finance, or similar fields.

H- Shall not combine his position with any administrative, executive or advisory position in the bank.

I- Shall be of good reputation and manners.

Conditions for the independence of the members of the Board of Directors:

A- Shall not have been an executive member of the Board during the three years prior to his election.

B- 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.

C- Shall not be a relative to any of the other members of the board, or any member of the boards of directors of companies affiliate to the bank, or one of the main shareholders of the bank up to a second degree.

D- 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 affiliate companies up to a second degree.

E- Shall not be a partner or employee of the bank's external auditor, and he 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 shall not be a relative to the partner responsible for the audit process.

F- 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 affiliate companies of the bank or a major shareholder in the group that owns the bank.

G- Shall not have been as a member of a board of directors of the bank bank or one of its affiliate companies, or a member of its management committee for more than eight consecutive years

H- Shall not have obtained, or any company he 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.

I- Shall have high financial or banking experience and qualifications

Conditions of conformity for CEO and members of the executive senior management and senior management personnel:

For the purposes of reading this handbook; the general manager defined in the institutional governance instructions is the same CEO mentioned in the approved organizational structure of the bank.

A- Shall not be a member of the board of directors of any other bank inside the Kingdom, unless the bank is its affiliate

B- Shall be available to manage bank business

C- 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 senior management staff, who must fulfill the conditions and requirements of the job as accredited by the bank according to the job description and qualifications.

D- 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 senior management staff, who must have experience in the field of business of his management or related business by not less than five years.

E- Shall obtain a certificate of non-objection issued by the Central Bank of Jordan before appointing any member of the higher executive management in accordance with the instructions of the institutional governance in effect.

F- His 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 higher executive management

G- 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.

5.1.3 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 duties as a member, including the extent to which a member is related to the membership of other boards / bodies / forums.

5.1.4 The approval of the Board of Directors must be obtained when appointing, accepting the resignation or dismissal of any members of the higher Executive Management and Senior Management Personnel.

5.1.5 The Board of Directors shall adopt a policy for nominations and conformity, 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.

5.1.6 The Board of Directors shall adopt a comprehensive functional replacement plan that shall be updated on an ongoing basis.

5.2 Performance Evaluation

5.2.1 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.
- A methodology of communication between the board of directors and shareholders, and the periodicity of such communication
- Periodic meetings between the board of directors and the executive senior management.
- The role of a member in the meetings of the board of directors, in addition to comparing his performance with the performance of other members, and feedback must be obtained from the concerned member in order to improve the evaluation process

5.2.2 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.

5.2.3 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.

5.2.4 The board of directors adopts a system for measuring bank administrators' performance who are not a member of the board of directors nor CEO.

5.2.5 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.

5.3 General rules for financial rewards

5.3.1 Bank has independent policies and procedures that are objective and transparent for granting remunerations to members of the Board of Directors, higher executive management and senior management staff, based on the approved evaluation system. This policy is enforced by the Nominations and Remunerations Committee.

5.3.2 The objective of the financial rewards policy includes:

- Maintaining administrators 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 rewards, 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 administrator.
- Not granting financial rewards to administrators of supervisory departments (risk management, auditing, compliance and anti-money laundering) based on the business results of the departments they monitor

6) Delegating powers to the executive management

6.1 Delegation of authority to the CEO

6.1.1 The Board shall specify the legal, financial, and administrative powers of 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.

6.1.2 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

7) Shareholders› Rights

7.1 Shareholders› rights

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:

7.1.1 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.

7.1.2 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 behalf as stipulated by the laws and instructions of the supervisory authorities.

7.1.3 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.

7.1.4 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.

7 1.5. 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.

7.1.6 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.

7.1.7 The Shareholder Relations Unit of bank is responsible for receiving shareholders› complaints through direct contact with shareholders or through the bank›s website.

7.1.8 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.

8) Conflict of interest and code of professional conduct

8.1 General Policies

8.1.1 Administrators shall avoid conflicts of interest.

8.1.2 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.

8.1.3 The Board shall ensure that the executive management enjoys high integrity in carrying out its work and avoids conflict of interest.

8.1.4 Bank shall ensure that there is no interest (direct or indirect) with the members of the board of directors in the business or contracts that are executed for bank. The members of the board of directors 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 board of directors 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.

8.1.5 The Board of Directors verifies that the executive management members comply with the approved policies and procedures.

8.1.6 The Board of Directors shall adopt policies and a code of professional conduct and circulate them to all administrators, including the following:

- None of the administrators exploiting 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

8.1.7 The Board of Directors 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.

8.1.8 The Board shall adopt controls over information between the various departments to prevent the exploitation for personal benefits.

9) Related Party Transactions

9.1 General Policies for Related Party Transactions

9.1.1 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.

9.1.2 Bank shall establish and define mechanisms related to its relations with customers and suppliers, ensuring that their information and data are treated as confidential.

9.1.3 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 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.

9.1.4 The transactions of related parties are disclosed based on the disclosure requirements in accordance with the international standards for financial reporting 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.

9.1.5 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 has a personal interest, and not to take opportunities for commercial business of the bank for his 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.

10) Disclosure Requirements

10.1 Disclosure and transparency

10.1.1 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.

10.1.2 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 to this.

10.1.3 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.

10.1.4 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.

10.1.5 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 Institutional 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 qualifications and experience, the amount of his shareholding in bank's capital, whether he is independent or not, his membership in the board's committees, the date of his appointment, any memberships he holds in the boards of directors of other companies, and the bonuses in all forms that he obtained from bank for the past year, as well as the loans granted to him by bank and any other transactions made between 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 board of directors 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 higher 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 work for bank without being disclosed, whether those benefits were material or in-kind, or whether he had personally or through any of his related parties, for the past year.

11) Internal control and discipline systems

11.1.1 Internal control and discipline systems play a major role in ensuring the ability of the board of directors and the executive management to achieve the objectives of 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

11.1.2 Bank adopts internal control and discipline systems, and the board of directors ensures that the internal and external auditors review the structure of these systems on an annual basis.

11.1.3 The Board of Directors 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:

11.2 Internal Audit

11.2.1 Bank has an internal audit department that reports to an audit committee.

11.2.2 The Board shall take the necessary measures to enhance the effectiveness of the internal audit by supervising the process of auditing and consolidating it bank business while following-up on the recommendations of the audit notes.

11.2.3 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 bank so that they can perform the tasks assigned to them and prepare their reports without any external interference without contradiction with any relevant laws and/ or instructions.

11.2.4 Audit committee shall provide sufficient number of qualified human resources to carry out internal audit activities

11.2.5 The tasks below are among the tasks performed by the internal audit:

- Reviewing financial and administrative matters, reviewing compliance with the institutional governance guide, reviewing the validity and comprehensiveness of stress testing, in line with the methodology approved by the Board.
- Ensure having adequate internal control and discipline systems for the activities of 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 process of internal capital adequacy assessment (ICAAP).

11.3 External Audit

11.3.1 The Board of Directors 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 bank and his board of directors.

11.3.2 The Board of Directors 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.

11.3.3 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.

11.3.4 The Board of Directors 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.

11.4 Risk Management

11.4.1 The bank administration has a specialized department for risk management that submits reports to the risk management committee and the higher executive management.

11.4.2 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 bank and cooperate with other committees to carry out their tasks.

11.4.3 The Board shall ensure that violations are addressed at the approved levels of risk, including accountability of the concerned higher executive management for such violations.

11.4.4 The Board shall approve the Bank›s acceptable risks’ document.

11.4.5 The Board shall adopt a methodology for a self-assessment of bank’s capital adequacy, whereas such methodology is comprehensive, effective, and able to identify all risks that may be directed to bank, and take into account bank’s strategy and capital plan, and review this methodology on a regular basis while ensuring its application with bank retaining sufficient capital to meet all kinds of risks that it faces.

11.4.6 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.

11.4.7 The Board shall ensure that the risk management conducts stress testing periodically, and that it has a 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

11.4.8 The tasks below are among the tasks performed by the Risk Management:

- Ensure that 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 testing periodically.
- Defining the acceptable risk levels, in addition to a strategy and risk policy for bank, to be approved by the board of directors and the executive management.
- Ensuring 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 higher executive management that includes information on the actual risk system, in comparison with the acceptable risks' document and addresses any negative deviations.
- Ensure compatibility and compliance between risk measurement mechanisms and the information system.
- Reviewing 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.

11.5 Compliance Management

11.5.1 Bank has a Compliance Department that reports directly to a Compliance Committee with a copy sent to the CEO.

11.5.2 The Board shall ensure the independence of the Compliance Department and ensure the availability of sufficient and trained human personnel.

11.5.3 The Board shall adopt a policy to ensure that bank complies with all relevant legislations and shall review this policy periodically and verify its implementation.

11.5.4 The Board shall approve the duties and responsibilities of the Compliance Department.

11.5.5 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.

12) Rights of Stakeholders

12.1.1 Stakeholders are the parties with an interest in bank such as depositors, shareholders, employees, creditors, customers or supervisory authorities.

12.1.2 The Board of Directors is committed to the highest ethical standards with regard to dealing with stakeholders, and this stems from the desire of 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 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 situation during the past year.
- Bank›s website.
- Shareholder Relations Department.

12.2 Shareholders

12.2.1 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.

12.3 Suppliers and Service Providers

12.3.1 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.

12.4 Staff

12.4.1 Bank is obligated to treat employees with dignity and to provide equal employment opportunities to all employees in terms of employment practices, including hiring, bonuses, professional development and promotions.

12.4.2 Securing and providing safe and healthy working conditions and respect for human rights.

12.5 Community

12.5.1 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 bank helps through charitable activities, civic service, etc. in order to fulfill its social responsibilities.

12.6 Clients

12.6.1 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

Cairo Amman Bank is one of the leading banks in applying concepts of good governance of the companies, whereas since several years, the permanent committees emanating from the BOD such as the audit committee, nominations and remuneration committee, risk management committee, institutional governance committee, IT governance committee, and compliance committee, were formed. In addition to forming several committees such as the strategies' committee, investments and real estate committees, in order to help the BOD in fulfilling work and entitled duties, while preparing the policies, procedures and regulations pursuant to the requirements and instructions of control ad official concerned bodies.

Information about CAB BOD current / future members

Member name	Member representative in case member is a natural person	Executive / non-executive	Independent / nondependent	Membership in the BODs of public shareholding companies in Jordan
Yazeed Adnan Mustafa Al-Mufti	-	Non-executive	Non-independent	Zara Investment Holding Company
Middle East Insurance Company				
Al-Eqbal Investment Company (until 11/2020)				
Egypt Bank	Mohammad Mahmoud Ahmad Al-Atrabi	Non-executive	Non-independent	-
Khaled Sbaih Taher Al-Masri	-	Non-executive	Non-independent	Zara Investment Holding Company
Jordanian Hotels and Tourism Company				
Thermal Waters Company				
Arab Foodstuff and Trade Company	Ghassan Ibrahim Fares Aqeel	Non-executive	Non-independent	-
Social Security Corporation	Suzan Yahya Jawdat Abu Al-Rous as of 8/9/2020	Non-executive	Non-independent	-
	Fadi Abdelwahab Abdelfattah Abu Ghosh until 7/9/2020	Non-executive	Non-independent	
Yaseen Khalil Mohammad Yaseen Al-Talhouni	-	Non-executive	Non-independent	Zara Investment Holding Company
Jordanian Hotels and Tourism Company				
Thermal Waters Company				
Jordan Electricity Company				
Shareef Mahdi Husni Al-Saifi	-	Non-executive	Non-independent	Member has no other memberships in the BODs of public shareholding companies
Hasan Ali Hussein Abu Al-Ragheb	-	Non-executive	Non-independent	First Insurance Company – Solidarity
Suha Baseel Andrawos Ennab	-	Non-executive	Non-independent	Arab European Insurance Group Company
Sami Issa Eid Smairat	-	Non-executive	Non-independent	Member has no other memberships in the BODs of public shareholding companies
Esam Mohammad Farouq Rushdi Al-Muhtadi	-	Non-executive	Non-independent	Member has no other memberships in the BODs of public shareholding companies

Bank Governance Liaison Officer Name

Bank Governance Liaison Officer / Anton Victor Anton Sabilla / CEO / Compliance

Names of the committees emanating from the BOD

Institutional governance committee

Audit committee

Nominations and remuneration committee

Strategies' committee

Risk management committee

Investments and real estate committee (committee eliminated on 8/3/2020)

IT governance committee

Facilities' committee

Compliance committee

Audit committee chairman and members' names

Member	Scientific qualifications	Practical sciences
Mr. Sami Issa Eid Smairat Committee chairman/ independent	Master's degree of BA (NYIT) Master's degree in telecommunications' engineering (JU) Bachelor degree of electrical engineering (JU)	Vice-chairman of Jordan Telecommunications Group (Orange) / CEO of the institutional sector unit CEO of Jordan Data Transmission Services Company (Orange Internet) Deputy CEO of Siberia Company CEO of Global One Telecommunications company Jordan CEO of Wanado Jordan Company Deputy chairman of Jordan Telecommunications Group
Mrs. Suha Baseel Ennab Deputy chairman / independent	Bachelor degree in BA / American University – Beirut	Financial and administrative consultant / Optimal Consultations' Company from 2007 until 2016 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
Mr. Ghassan Ibrahim Aqeel Member / non-independent	Master's degree in Administration / Thunderbird University Bachelor degree in accounting / JU Certified public accountant / Illinoi University	Executive manager of Astra Group Experience in audit field through working as an audit manager at Arthur Anderson Company

* The audit committee held 9 meetings during 2020

** The audit committee met the bank external auditor twice during 2020

Executive Positions at the Bank and Names of Persons occupying them

Name	Position
Kamal Ghareeb Abdelraheem Al-Bakri	CEO
Dr. Khaled Mahmoud Abdullah Qasem	Chairman of the joint services group
Rana Sami Jadallah Al-Sunna’	Chairman of the credit services group
Reem Younis Mohammad Al-’as’as	CEO / treasury and investment
Jan Shawkat Mahmoud Yadj Zakaria	CEO / Central operations
Fouad Younis Abdullateef Saleh	CEO/finance and shareholders’ affairs
Margret Muheeb Issa Makhamreh	CEO / internal audit
Anton Victor Anton Sabella	CEO / compliance
Yousef Abdelfattah Suleiman Abu Al-Haija’	CEO / risk management
Yazeed Seetan Yousef Ammari	CEO / commercial credit services
Azmi Mohammad Hasan Awaida	CEO /personal credit services
Omar Sarhan Ahmad Aqel	CEO/ internal audit
Hani Mohammad Rashrash Ahmad Rasheed Khader	CEO / marketing
Maha Abdullah Abdulhameed Ababneh	CEO / special banking services
Dr. Mohammad Ali Mahmoud Al-Qaisi	CEO and legal advisor / legal affairs and contract documentation
Ahmad Yaseen Rasheed Al-Balbisi until 31/12/2020	CEO / IT
Mary Wade’ Hanna Awwad	BOD Trustee

Names of the chairman and members of the institutional governance committee, nominations and remuneration committee and risk management committee

Institutional governance committee	Mr. Hasan Abu Al-Ragheb / committee chairman – independent Mr. Esam Al-Muhtadi / Vice-chairman – independent Mr. Yazeed Al-Mufti / member – non-independent
Nominations and remuneration committee	Mrs. Suba Ennab / Committee chairman – independent Mr. Hasan Abu Al-Ragheb / vice-chairman – independent Mr. Khaled Al-Masri / member – non-independent
Risk management committee	Mr. Esam Al-Muhtadi / committee chairman – independent Mr. Mohammad Al-Atrabi / vice-chairman – non-independent Mrs. Suha Ennab / member – independent Mr. Sami Smairat / member – independent Ms. Suzan Abu Al-Rous / member – non-independent

Table below indicates number of meetings of the BODs and emanating committees in addition to the number of meetings attended by each member during 2020

Total number of meetings held during 2020	BOD	Facilities' committee	Audit committee	Institutional governance committee	Nominations and remuneration committee	Risk management committee	Investments and real estate committee	Strategies committee	IT governance committee	Compliance committee
	7	19	9	2	7	8	1	3	5	5
Mr. Yazeed Adnan Mustafa Al-Mufti	7(7)	19(19)		2(2)			1(1)	3(3)		
Mr. Mohammad Mahmoud Ahmad Al-Atrabi (Egypt Bank rep.)	5(7)					8(8)				
Mr. Khaled Sbaih Taher Al-Masri	7(7)				7(7)		1(1)		5(5)	
Mr. Yaseen Khalil Mohammad Al-Talhouni	6(7)		15(19)					0(1)		
Mr. Ghassan Ibrahim Fares Aqeel (Arab Foodstuff and Trade Company rep.)	7(7)		9(9)					3(3)		
Ms. Suzan Yahya Jadat Abu Al-Rous (SSC rep.) as of 8/9/2020	2(2)	5(6)				3(3)				
Mr. Shareef Mahdi Husni Al-Saifi	7(7)	19(19)					1(1)			1(1)
Mr. Hasan Ali Hussein Abu Al-Ragheb	7(7)			2(2)	7(7)			3(3)		5(5)
Mrs. Suha Baseel Andrawos Ennab	7(7)		9(9)		7(7)	8(8)			5(5)	5(5)
Mr. Esam Mohammad Farouq Rushdi Al-Muhtadi	7(7)	19(19)		2(2)		8(8)		3(3)	5(5)	
Mr. Fadi Abdelwahab Abdelfattah Abu Ghosh (SSC rep.) since 7/9/2020	4(4)	10(12)				5(5)			1(2)	3(3)
Mr. Emad Khaled Mohammad Al-Harazneh (SSC rep. in the BOD meeting dated 8/3/2020)	1 (1)									

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 2020

Yazeed Adnan Al-Mufti

BOD Chairman

Cairo Amman Bank accentuates commitment to the terms and clauses stipulated in the shareholding companies' governance instructions listed of the year 2007 and the institutional governance guide accredited by the BOD and also published on the website.

Cairo Amman Bank accredited and published the governance IT management guide on its website based on the CBJ instructions, and would like to confirm its commitment to applying guide and its clauses.

Bank Branches and Offices

Bank Branches and Offices

General Administration
Number of employees: 708
Arar Street – Wadi Saqra
Tel.: 5007700
Fax: 5007100
P.O. Box 950661 Amman
11195 Jordan

Branches

1. Abu Alanda
Number of employees: 9
Tel.: 4162857
Fax: 4164801
P.O. Box 153 Amman 11592
Jordan

2. Abu Nsair
Number of employees: 10
Tel.: 5105719
Fax: 5105716
P.O. Box 2459 Amman 11941
Jordan

3. Irbid
Number of employees: 16
Tel.: 7273390
Fax: 7279207
P.O. Box 336 Irbid 21110
Jordan

4. Aswaq Al-Salam
Number of employees: 9
Tel.: 5859045
Fax: 5857631
P.O. Box 140285 Amman
11814 Jordan

5. Um Uthaina
Number of employees: 10
Tel.: 5514072
Fax: 5534290
P.O. Box 17634 Amman 11195
Jordan

6. Al-Baqa'
Number of employees: 10
Tel.: 4728190
Fax: 4726810
P.O. Box 1215 Amman 19381
Jordan

7. Bani Kenanah
Number of employees: 8
Tel.: 7585191
Fax: 7585211
P.O. Box 109 Irbid 21129
Jordan

8. Wadi Seer
Number of employees: 16
Tel.: 5865990
Fax: 5814933
P.O. Box 140285 Amman
11814 Jordan

9. JU
Number of employees: 19
Tel.: 5342225
Fax: 5333278
P.O. Box 13146 Amman 11942
Jordan

10. Al Al-Bayt University
Number of employees: 8
Tel.: 6231856
Fax: 6234655
P.O. Box 130066 Al-Mafraq
25113 Jordan

11. German Jordanian University
Number of employees: 9
Tel.: 4250525
Fax: 4250545
P.O. Box 440 Madaba 17110
Jordan

12. Al-Hussein Ben Talal University
Number of employees: 9
Tel.: 2135071
Fax: 2134985
P.O. Box 13 Maan 71111
Jordan

13. JUST
Number of employees: 12
Tel.: 7095713
Fax: 7095168
P.O. Box 3030 Irbid 22110
Jordan

14. Philadelphia University
Number of employees: 4
Tel.: 6374604
Fax: 6374605
P.O. Box 1 Jarash 19392
Jordan

15. Mutah University
Number of employees: 14
Tel.: 2370182
Fax: 2370181
P.O. Box 88 Mutah 61710
Jordan

16. Hashemite University
Number of employees: 6
Tel.: 3826677
Fax: 3826688
P.O. Box 330111 Zarqa 13133
Jordan

17. Al-Yarmouk University
Number of employees: 13
Tel.: 7270181
Fax: 7270180
P.O. Box 336 Irbid 21110
Jordan

18. Jabal Al-Hussein
Number of employees: 11
Tel.: 5604974
Fax: 5605632
P.O. Box 526 Amman 21410
Jordan

19. Jabal Amman
Number of employees: 10
Tel.: 4625228
Fax: 4618504
P.O. Box 2018 Amman 11181
Jordan

20. Jabal Al-Lwaibdeh
Number of employees: 9
Tel.: 4628104
Fax: 4637438
P.O. Box 715 Amman 11118
Jordan

21. Jarash
Number of employees: 12
Tel.: 6341868
Fax: 6341870
P.O. Box 96 Jarash 26111
Jordan

22. Der Abi Seed
Number of employees: 6
Tel.: 6522190
Fax: 6522195
P.O. Box 7 Irbid 21710 Jordan

23. Al-Rabieh
Number of employees: 9
Tel.: 5524216
Fax: 5524267
P.O. Box 17915 Amman 11195
Jordan

24. Al-Rusaifeh
Number of employees: 8
Tel.: 3751822
Fax: 3742275
P.O. Box 330111 Al-Rusaifeh
13133 Jordan

25. Al-Rusaifeh / Al-Jabal Al-Shamali
Number of employees: 8
Tel.: 3755785
Fax: 3755796
P.O. Box 120225 Al-Rusaifeh
13712 Jordan

26. Al-Ramtha
Number of employees: 7
Tel.: 7201418
Fax: 7381503
P.O. Box 120225 Al-Ramtha
13712 Jordan

27. Zara Mall
Number of employees: 16
Tel.: 5006220
Fax: 4618354
P.O. Box 17868 Amman 11195
Jordan

28. Zarqa
Number of employees: 9
Tel.: 3982729
Fax: 3931424
P.O. Box 39 Zarqa 13110
Jordan

29. Zarqa / Al-Zawahreh
Number of employees: 6
Tel.: 3903520
Fax: 3924347
P.O. Box 12291 Zarqa 13115
Jordan

30. New Zarqa / Mall
Number of employees: 13
Tel.: 3864118
Fax: 3864120
P.O. Box 12291 Zarqa 13112
Jordan

31. Zarqa / Baghdad Street
Number of employees: 7
Tel.: 3975202
Fax: 3975203
P.O. Box 150746 Zarqa 13115
Jordan

32. Al-Zarqa / Army Street
Number of employees: 9
Tel.: 3968031
Fax: 3968033
P.O. Box 151180 Zarqa 13115
Jordan

33. Al-Salt / Al-Yarmouk Street
Number of employees: 10
Tel.: 3550636
Fax: 3556715
P.O. Box 1101 Al-Salt Jordan

34. Al-Salt / King Abdullah II Street
Number of employees: 11
Tel.: 3500173
Fax: 3500178
P.O. Box 214 Al-Balqa' 19328 Jordan

35. City Mall
Number of employees: 12
Tel.: 5820028
Fax: 5864726
P.O. Box 715 Amman 11118 Jordan

36. Al-Hurriya Street
Number of employees: 9
Tel.: 4205923
Fax: 4206962
P.O. Box 515 Amman 11623 Jordan

37. Irbid / Hakama Street
Number of employees: 10
Tel.: 7408377
Fax: 7412545
P.O. Box 336 Irbid 21110 Jordan

38. Irbid / Omar Al-Mukhtar Street
Number of employees: 10
Tel.: 7250950
Fax: 7250954
P.O. Box 150002 Irbid 21141 Jordan

39. Northern Al-Shouneh
Number of employees: 7
Tel.: 6580816
Fax: 6580818
P.O. Box 20 Irbid 28110 Jordan

40. Khalda
Number of employees: 12
Tel.: 5331206
Fax: 5335159
P.O. Box 140350 Amman 11814 Jordan

41. Al-Madina Al-Munawara Street
Number of employees: 15
Tel.: 5560285
Fax: 5537957
P.O. Box 1301 Amman Jordan

42. Mecca Street
Number of employees: 10
Tel.: 5522850
Fax: 5522852
P.O. Box 1172 Amman 11821 Jordan

43. Al-Shmeisani
Number of employees: 8
Tel.: 5685074
Fax: 5687721
P.O. Box 962297 Amman 11196 Jordan

44. Al-Swaifieh
Number of employees: 13
Tel.: 5865805
Fax: 5863140
P.O. Box 715 Amman 11118 Jordan

45. Sweileh
Number of employees: 14
Tel.: 5332585
Fax: 5332485
P.O. Box 316 Amman 11910 Jordan

46. Al-Yasmeen Suburb
Number of employees: 10
Tel.: 4201748
Fax: 4201459
P.O. Box 38971 Amman 11593 Jordan

47. Tabarbour
Number of employees: 9
Tel.: 5054170
Fax: 5053916
P.O. 273 Amman 11947 Irbid Jordan

48. Al-Tafila
Number of employees:
Tel.: 2250756
Fax: 2250754
P.O. Box 28 Amman 66141 Jordan

49. Al-Abdlai
Number of employees: 11
Tel.: 5650853
Fax: 5602420
P.O. Box 928507 Amman Jordan

50. Abdoun
Number of employees: 10
Tel.: 5920131
Fax: 5920141
P.O. Box 851455 Amman 11185 Jordan

51. Ajloun
Number of employees: 13
Tel.: 6422895
Fax: 6422897
P.O. Box 55 Ajloun 26810 Jordan

52. Al-Karak / Al-Thaniya
Number of employees: 15
Tel.: 2387627
Fax: 2387626
P.O. Box 6 Al-Karak 61151 Jordan

53. Aqaba / Al-Yarmouk street
Number of employees: 14
Tel.: 2013355
Fax: 2015550
P.O. Box 1166 Aqaba 77110 Jordan

54. Amman
Number of employees:11
Tel.: 4658428
Fax: 4639328
P.O. Box 715 Amman 11118 Jordan

55. Ghor Al-Safi
Number of employees: 9
Tel.: 2300437
Fax: 2300438
P.O. Box 57 Ghor Al-Safi Jordan

56. Al-Fuhais
Number of employees: 8
Tel.: 5373061
Fax: 5373064
P.O. Box 180 Al-Fuhais 19152 Jordan

57. Marriott Hotel
Number of employees: 5
Tel.: 5560149
Fax: 5623161
P.O. Box 715 Amman Jordan

58. Justice Palace
Number of employees: 8
Tel.: 5677286
Fax: 5677287
P.O. Box 950661 Amman 11195 Jordan

59. Al-Qwaismeh
Number of employees:12
Tel.: 4771333
Fax: 4751737
P.O. Box 38971 Amman 11593 Jordan

60. Madaba
Number of employees:14
Tel.: 3253471
Fax: 3253465
P.O. Box 585 Madaba 17110 Jordan

61. Marka
Number of employees: 10
Tel.: 4896044
Fax: 4896042
P.O. Box 715 Amman 11118 Jordan

62. Al-Mahatta
Number of employees: 10
Tel.: 4651326
Fax: 4651991
P.O. Box 6180 Amman 11118 Jordan

63. Al-Safariya Complex / Irbid
Number of employees: 8
Tel.: 7249815
Fax: 7250715
P.O. Box 3757 Irbid 21110 Jordan

64. Marj Al-Hamam
Number of employees:
Tel.: 5712383
Fax: 5711895
P.O. Box 30 Marj Al-Hamam 11732 Jordan

65. Prince Hamza Hospital
Number of employees: 6
Tel.: 5055226
Fax: 5055204
P.O. Box 1047 Amman 11947 Jordan

66. JU Hospital
Number of employees:11
Tel.: 5514072
Fax: 5333248
P.O. Box 13046 Amman 11942 Jordan

67. King Abdullah I Hospital
Number of employees: 8
Tel.: 7095723
Fax: 7095725
P.O. Box 336 Irbid 21110 Jordan

68. Ma'an
Number of employees: 7
Tel.: 213590
Fax: 2136594
P.O. Box 135 Ma'an Jordan

69. Ma'adi
Number of employees: 9
Tel.: 3570030
Fax: 3571904
P.O. Box 27 Ma'adi 18261 Jordan

70. Al-Mafraq
Number of employees:
Tel.: 6235516
Fax: 6235518
P.O. Box 1308 Mafraq Jordan

71. Al-Mafraq
Number of employees: 6
Tel.: 6230555
Fax: 6230556
P.O. Box 25110 Mafraq 1237 Jordan

72. Mecca Mall
Number of employees:
Tel.: 5200686
Fax: 5811294
P.O. Box 950661 Amman 11195 Jordan

73. King Abdullah Square / Irbid
Number of employees: 11
Tel.: 7240071
Fax: 7240069
P.O. Box 2066 Irbid 21110 Jordan

74. Al-Nuzha
Number of employees: 8
Tel.: 5626220
Fax: 5626335
P.O. Box 8080 Amman 11121 Jordan

75. Northern Al-Hashmi
Number of employees: 9
Tel.: 5055390
Fax: 5055401
P.O. Box 231106 Amman 11123 Jordan

76. Wadi Saqra
Number of employees: 12
Tel.: 5006000
Fax: 5007124
P.O. Box 950661 Amman 1115 Jordan

77. Al-Wehdat
Number of employees: 10
Tel.: 4771171
Fax: 4753388
P.O. Box 715 Amman 11118 Jordan

Branches LINC

1. LINC/ Irbid
Number of employees:
Tel.: 7250958
Fax: 7250438
P.O. Box 150002 Irbid 21141 Jordan

2. LINC / Boulevard
Number of employees: 4
Tel.: 5006524
P.O. Box 950661 Amman 11195 Jordan

3. LINC / Taj Mall
Number of employees:
Tel.: 5006000
Fax: 5007100
P.O. Box 950661 Amman 11195 Jordan

4. LINK/JU
Number of employees: 4
Tel.: 5343743
Fax: 5341594
P.O. Box 13146 Amman 11942 Jordan

Offices

1. Amman Customs
Number of employees:3
Tel.: 4705447
Fax: 4705475
P.O. Box 38971 Amman 11593 Jordan

2. Jarash
Number of employees: 3
Tel.: 6354010
Fax: 6354012
P.O. Box 96 Jarash 26111 Jordan

3. Southern Al-Shouneh
Number of employees:3
Tel.: 3581322
Fax: 3581321
P.O. Box 27 Ma'di 18261 Jordan

4. JU / Aqaba
Number of employees: 3
Tel.: 2058027
Fax: 2058029
P.O. Box 1177 Aqaba 77110 Jordan

5. Al-Ramtha
Number of employees:
Tel.: 7384126
Fax: 7384126
P.O. Box 527 Aqaba 21410 Jordan

6. COZMO
Number of employees: 5
Tel.: 5821634
Fax: 5853480
P.O. Box 140285 Amman 11814 Jordan

7. Free Zone / Zarqa
Number of employees:
Tel.: 3826700
Fax: 3826070
P.O. Box 12291 Zarqa 13112 Jordan

8. Al-Shobak
Number of employees:3
Tel.: 2165476
Fax: 2165477
P.O. Box 13 Ma'an 71111 Jordan

9. Wadi Mousa
Number of employees:4
Tel.: 2154975
Fax: 2154974
P.O. Box 13 Ma'an 71111 Jordan

10. Al-Salt
Number of employees: 8
Tel.: 3552198
Fax: 3556715
P.O. Box 1101 Al-Salt 19110 Jordan

11. Al-Zarqa
Number of employees: 4
Tel.: 3931980
Fax: 3931988
P.O. Box 150746 Zarqa 13115 Jordan

Ministry of Finance

Number of employees: 1
Tel.: 5007700
Fax: 5007100
P.O. Box 950661 Amman 11195 Jordan

Consulting and Marketing / Irbid

Number of employees:
Tel.: 7257527
Fax: 7257530
P.O. Box 950661 Amman 11195 Jordan

Palestine branches

Regional Administration
Number of employees: 241
Tel.: 2977241
Fax: 2979748
Al-Ma'ahed Street – Ramallah – P.O. Box 1870

Branches

1. Al-Masioun - Ramallah
Number of employees: 16
Tel.: 2977080
Fax: 2979755
P.O. Box Irbid Jordan

2. Nablus
Number of employees: 27
Tel.: 2393001
Fax: 2381590
Al-Madina Center- Main circle – P.O. 50 Al-Hussein Circle - Nablus

3. Al-Ahliya - Ramallah
Number of employees: 18
Tel.: 2983511
Fax: 2955437
Al-Ahliyya College Street – Ramallah P.O. Box 2359

4. Al-Shallaleh – Hebron
Number of employees: 6
Tel.: 2227703/2
Fax: 2229327
Al-Shallaleh – Hebron P.O. Box 662

5. Haifa Street – Jenin
Number of employees: 17
Tel.: 2418001
Fax: 2439470
Haifa Street – Jenin – P.O. 66

6. Al-Ersal Street – Ramallah
Number of employees: 10
Tel.: 2948101
Fax: 2951433
Al-Ersal Street – Ramallah – P.O. Box 2123

7. Toulkarim
Number of employees: 18
Tel.: 2688141
Fax: 2672773
Hospital Street P.O. Box 110

8. Bab Al-Zuqaq – Bethlehem
Number of employees: 11
Tel.: 2756906
Fax: 2757722
Bab Al-Zoqaq - Hebron – Bethlehem P.O. Box 601

9. Qalqilia
Number of employees: 15
Tel.: 2941117
Fax: 2941119
P.O. Box Irbid Jordan

10. Jericho
Number of employees: 10
Tel.: 2312910
Fax: 2321982
Ain Al-Sultan Street – Jericho – P.O. Box 55

11. Faisal Street - Nablus
Number of employees: 15
Tel.: 2388671
Fax: 2383256
Faisal Street – Nablus – P.O. Box 1559

12. Wadi Al-Tuffah – Hebron
Number of employees: 12
Tel.: 2226836
Fax: 2225358
Wadi Al-Tuffah – Hebron P.O. Box 662

13. Khan Younis
Number of employees:9
Tel.: 2065680
Fax: 2054084
Al-Juni Al-Majhoul street – Khan Younis P.O. Box 158

14. Al-Saraya - Gaza
Number of employees: 9
Tel.: 2832301
Fax: 2824830
Omar Al-Mukhtar – Gaza – P.O. Box 167

15. Deir Al-Balah
Number of employees:6
Tel.: 2537770
Fax: 2539947
Main Street – Deir Al-Balah P.O. Box 6007

16. Rafah
Number of employees: 9
Tel.: 2130777
Fax: 2136250
Al-Bahar Street – Rafah P.O. Box 8205

17. Al-Rima - Gaza
Number of employees: 11
Tel.: 2822331
Fax: 2821088
Omar Al-Mukhtar – in front of Al-Juni Al-Majhoul P.O. Box 5350

18. Sahat Al-Mahd – Bethlehem
Number of employees:10
Tel.: 2757771
Fax: 2744974
Sahat Al-Mahd – Bethlehem – P.O. Box 709

19. Ain Sarah – Hebron
Number of employees: 12
Tel.: 2216802
Fax: 2221140
Al-Haras – Hebron – P.O. Box 663

20. Al-Bareed Suburb – Bait Hanina
Number of employees:7
Tel.: 2365700
Fax: 2977163
Ramallah – Beit Hanina P.O. Box 60661

Offices

1. Al-Najah University
Number of employees: 5
Tel.: 2343550
Fax: 2977167
Al-Haram Al-Jadid Nablus P.O. Box 50

2. Abu Baker Street – Jenin
Number of employees: 13
Tel.: 2505270
Fax: 2503110
Abu Baker Street – Jenin P.O. Box 67

Bahrain

Number of employees: 4
Tel.: 97316661000
Fax: 97316661001
P.O. Box 925102 Amman 11110 Jordan

Subsidiaries

1. Al-Safa Bank
Number of employees: 135
Tel.: 97022941333
Fax: 97022957975
P.O. Box 1313 Ramallah Palestine

2. Al-Wataniya for Financial Services Company – Awraq Securities
Number of employees: 21
Tel.: 5503800
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3. Tamallak Lease Financing Company
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4. Al-Wataniya Securities Company
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