JORDAN KUWAIT BANK
(PUBLIC SHAREHOLDING COMPANY LIMITED)

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2021

JORDAN KUWAIT BANK
(PUBLIC SHAREHOLDING COMPANY LIMITED)

31 DECEMBER 2021

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Independent auditor's report
To the shareholders of Jordan Kuwait Bank - Public Shareholding Company
Amman- the Hashemite Kingdom of Jordan

Report on the Audit of the Consolidated Financial Statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Jordan Kuwait Bank (the "Bank") and its subsidiaries (together the "Group") as at 31 December 2021, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as amended by the Central Bank of Jordan instructions.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the consolidated statement of income for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Overview

Key Audit Matter	• Measurement of Expected Credit Losses • Assets seized by the bank against debts

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We have designed the scope of the audit to perform sufficient procedures that enable us to express an opinion on the consolidated financial statements as a whole, taking into account the Groups structure, accounting processes, controls and business segments.

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 of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Measurement of Expected Credit Losses	
The Group applies the Expected Credit Loss model (ECL) on all its financial instruments measured at amortised cost, debt instruments measured at fair value through other comprehensive income and financial guarantee contracts including financing commitments in accordance with International Financial Reporting Standards as amended by the Central Bank of Jordan instructions. The Group exercises significant judgement and makes a number of assumptions in developing its ECL models, which includes probability of default computation separately for retail and corporate portfolios, determining loss given default and exposure at default for both funded and unfunded exposures, forward looking adjustments and staging criteria.	We performed the following audit procedures on the computation of the ECL included in the Group's consolidated financial statements for the year ended 31 December 2021: ➢ We assessed and tested the design and operating effectiveness of the controls over the calculation of the excepted credit losses model. ➢ We tested the completeness and accuracy of the data used in the calculation of ECL. ➢ For a sample of exposures, we checked the appropriateness of the Group's application of the staging criteria.

Key audit matter (continued)

For defaulted exposures, the Group exercises judgements to estimate the expected future cash flows related to individual exposures, including the value of collateral.

The Group's impairment policy under IFRS 9 as amended by the Central Bank of Jordan Instructions is presented in Note (3) to the consolidated financial statements.

Measurement of ECL is considered as a key audit matter as the Group applies significant judgments and makes a number of assumptions in the staging criteria applied to the financial instruments as well as in developing ECL models for calculating its impairment provisions.

- ➢ We involved our internal specialists to assess the following areas:
  - Conceptual framework used for developing the Group's impairment policy in the context of its compliance with the requirements of IFRS 9 as amended by the Central Bank of Jordan instructions.
  - ECL modelling methodology and calculations used to compute the probability of default (PD), loss given default (LGD), and exposure at default (EAD) for the Group's classes of financial instruments.
  - Reasonableness of the assumptions made in developing the modelling framework including assumptions used for estimating forward looking scenarios and significant increase in credit risk.
  - Recalculation of the expected credit losses for a sample of the impaired financial assets at each stage.
  - Evaluating the impact of COVID 19 on expected credit losses model in relation to the future economic outlook, macroeconomic data, the probability of default, and the losses resulting from default and its associated weights.
- ➢ In addition, for the Stage 3 corporate portfolio, the appropriateness of provisioning assumptions were independently assessed for a sample of exposures selected on the basis of risk and the significance of individual exposures. An independent view was formed on the levels of provisions recognised, based on the detailed loan and counterparty information available in the credit file. For the Stage 3 retail portfolio, assumptions were independently assessed for each product category and an independent view was formed on the levels of provisions recognised at each category level.

- ➢ We recalculated the provision for non-performing loans in accordance with the Central Bank of Jordan Instructions Number (47/2009).

	➢ We compared the expected credit loss calculated in accordance with IFRS 9 as amended by the Central Bank of Jordan Instructions with the provision for expected credit losses calculated in accordance with the instructions of the Central Bank of Jordan No. (47/2009) and ensured that the Group has recorded whichever is higher. ➢ We assessed the consolidated financial statement disclosures to ensure compliance with IFRS 7 and IFRS 9 as amended by the Central Bank of Jordan Instructions. We have also ensured completeness and accuracy of the disclosures by verifying the information to accounting records.

Key audit matter	How our audit addressed the key audit matter
Seized Assets by the Bank against Debts Assets seized by the bank are measured at acquisition value or fair value, whichever is lower. As of the consolidated statement of financial position date, these assets are revalued individually at fair value based on approved bases and methods according to the requirements of the international Financial Reporting Standards as amended by the Central Bank of Jordan instructions. Any related Impairment in their value is recorded based on recent real estate evaluations and approved by certified real estate appraisers. Due to the importance of these estimates and assumptions adopted in estimating the fair value, they are considered as significant risks that could cause a material misstatement in the consolidated financial statements that may arise from the inaccuracy of the estimates used to determine the fair value and any impairment losses As disclosed in Note (14) to the consolidated financial statements, the seized assets held by the Bank against debts amounted to JD 131,966,150 as of 31 December 2021.	We have performed the following procedures to assess the reasonableness of the management's estimates of the fair value and any impairment:: ➢ Evaluated management's methodology in estimating the fair value of seized assets against debts. ➢ Reviewed reports of independent real estate appraisers assigned by the management to value those assets. ➢ Evaluate the independence and competence of the appraisers assigned by the bank's management. ➢ Comparing the actual selling prices with the carrying book value of the properties as of 31 December 2021. ➢ Assessed the adequacy of the disclosure about the assets seized by the bank against debts in Note (14).

Independent auditor's report to the shareholders of Jordan Kuwait Bank (continued)

Other information

The directors are responsible for the other information. The other information comprises all the other information included in the Group's annual report for the year 2021 (but does not include the consolidated financial statements and our auditor's report therein), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above 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.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as modified by the Central Bank of Jordan instructions. and with other identified applicable laws in the Hashemite Kingdom 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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.

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 reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Group maintains proper accounting records that are in agreement with the accompanying consolidated financial statements. We recommend that the General assembly of the Shareholders approve these consolidated financial statements.

For and on behalf of PricewaterhouseCoopers "Jordan"

Hazem Sababa
License No. (802)

Certified Public Accountants
pwc
Amman - Jordan

Amman, Jordan
28 February 2022

JORDAN KUWAIT BANK
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021	2020
		JD	JD
Assets			
Cash and balances with Central Banks	4	317,205,145	361,869,605
Balances at banks and financial institutions	5	142,138,455	136,758,518
Loan with a repurchase option at fair value	6	10,000,000	10,000,000
Direct credit facilities, net	7	1,687,286,812	1,556,512,833
Financial assets at fair value through statement of income	8	4,133,548	-
Financial assets at fair value through other comprehensive income	9	74,979,107	85,867,274
Financial assets at amortized cost	10	494,569,305	402,110,610
Property and equipment, net	11	33,850,914	28,527,698
Intangible assets, net	12	5,664,986	1,964,717
Deferred tax assets	21	43,487,269	36,718,616
Other assets	14	178,976,591	170,574,955
Right of use of leased assets	13	12,844,569	13,347,577
Assets held for sale	47	-	5,642,817
Total assets		**3,005,136,701**	**2,809,895,220**
Liabilities and shareholders' equity			
Liabilities			
Banks and financial institutions deposits	15	166,945,457	173,687,677
Customers' deposits	16	1,937,299,470	1,877,550,483
Cash margins	17	93,079,208	73,895,317
Borrowed funds	18	239,115,636	128,255,444
Sundry provisions	19	12,478,231	14,303,613
Bonds	20	11,000,000	11,000,000
Income tax provision	21	9,745,645	2,176,841
Deferred tax liabilities	21	4,642,969	2,555,136
Lease liabilities	13	12,530,503	12,389,957
Liabilities directly associated with assets held for sale	47	-	1,529,164
Other liabilities	22	50,625,524	56,119,661
Total liabilities		**2,537,462,643**	**2,353,463,293**
Equity			
Shareholders' equity			
Paid-in capital	23	150,000,000	150,000,000
Statutory reserve	24	97,254,251	96,043,640
Voluntary reserve	24	133,444,584	131,023,362
Financial assets revaluation reserve at fair value - net	25	7,044,559	4,571,425
Actuarial gain (loss) from remeasurement of defined post-employment benefits	19	558,921	(565,736)
Equity directly associated with assets held for sale	47	-	(22,185)
Retained earnings	26	79,094,033	75,381,421
Total shareholders' equity - Bank's shareholders		467,396,348	456,431,927
Non-controlling interests		277,710	-
Total shareholders' equity		**467,674,058**	**456,431,927**
Total liabilities and shareholders' equity		**3,005,136,701**	**2,809,895,220**

The accompanying notes from 1 to 47 form an integral part of these consolidated financial statements and shall be read with them.

Jordan Kuwait Bank
Consolidated Statement of Income
For the Year Ended 31 December 2021

	Note	2021	2020
		JD	JD
Interest income	28	127,163,571	135,508,453
Less: Interest expense	29	42,823,508	50,697,008
Net interest income		**84,340,063**	**84,811,445**
Net commission income	30	9,662,696	8,430,916
Net interest and commission income		**94,002,759**	**93,242,361**
Gain from foreign currencies	31	2,722,720	2,940,750
(Loss) from sale of financial assets at fair value through income	8	(303,783)	-
(Loss) from sale of financial assets at fair value through other comprehensive income – debt instruments	9	(89,987)	(407,041)
Cash dividends from financial assets at fair value through other comprehensive income	9	1,068,858	2,768,310
Gain from sale of financial assets at amortised cost	10	2,132,280	-
Other income	32	12,355,910	9,671,804
Total income		**111,888,757**	**108,216,184**
Employees' expenses	33	29,892,235	28,868,000
Depreciation and amortisation	11/12	4,470,471	4,715,649
Expected credit losses- direct credit facilities	7	28,707,400	38,986,214
(Reversal from) expected credit losses- indirect credit facilities		(248,939)	1,485,714
(Reversal from) expected credit losses – bank deposits and financial institution	4/5	(53,567)	5,966,519
Expected credit losses - investments	10	2,142,782	5,783,115
Sundry provisions	19	2,300,042	2,085,019
Other expenses	34	32,605,633	25,904,705
Total expenses		**99,816,057**	**113,794,935**
Profit (loss) for the year before income tax		12,072,700	(5,578,751)
Less: Deficit (surplus) Income tax expense for the year	21	4,367,863	(1,606,291)
Profit (loss) for the year from continued operations		7,704,837	(3,972,460)
Net loss from discontinued operations	47	-	(538,815)
Profit (loss) for the year		**7,704,837**	**(4,511,275)**
Attributable to:			
Bank's shareholders		7,738,243	(4,511,275)
Non-controlling interests		(33,406)	-
Earnings per share:			
Profits (losses) earnings per share for the year			
Basic and diluted	35	0.052	(0.030)
Profits (losses) earnings per share from continued operations for the year			
Basic and diluted	35	0.052	(0.026)
Profits (losses) earnings per share from discontinued operations for the year			
Basic and diluted	35	0.000	(0.004)

The accompanying notes from 1 to 47 form an integral part of these consolidated financial statements and shall be read with them.

JORDAN KUWAIT BANK
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	JD	JD
Profit (loss) for the year	7,704,837	(4,511,275)
Other comprehensive income items		
Items that may be reclassified to the consolidated statement of income – after tax:		
Net change in the valuation reserve of financial assets at fair value through comprehensive income after tax- debt instruments	308,573	542,652
Items that will not be reclassified to the consolidated statement of income- after tax:		
Net change in the valuation reserve of financial assets at fair value through comprehensive income after tax - equity instruments	1,792,948	1,735,266
Actuarial gain (loss) from remeasurement of defined post-employment benefits	1,124,657	(565,736)
Total comprehensive income (loss) for the year	**10,931,015**	**(2,799,093)**
Attributable to:		
Bank's shareholders	10,964,421	(2,799,093)
Non-controlling interests	**(33,406)**	-

The accompanying notes from 1 to 47 form an integral part of these consolidated financial statements and shall be read with them.

JORDAN KUWAIT BANK
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

		Reserves		Net Reserve						
	Paid in capital	Statutory	Voluntary	Revaluation reserve of financial assets at fair value – after tax	Actuarial gain (loss) from remeasurement of defined post-employment benefits	Equity directly associated with assets held for sale	Retained earnings	Shareholders equity - Bank's shareholders	Non-controlling interests	Total equity
For the year ended 31 December 2021	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	150,000,000	96,043,640	131,023,362	4,571,425	(565,736)	(22,185)	75,381,421	456,431,927	-	456,431,927
Income (loss) for the year	-	-	-	-	-	-	7,738,243	7,738,243	(33,406)	7,704,837
Net change in the revaulation reserve of financial assets at fair value through comprehensive income after tax	-	-	-	2,079,336	-	22,185	-	2,101,521	-	2,101,521
(Loss) Realised from sale of financial assets at fair value through other comprehensive income	-	-	-	393,798	-	-	(393,798)	-	-	-
Actuarial gains arising from reassessment of defined employee benefit plans	-	-	-	-	1,124,657	-	-	1,124,657	-	1,124,657
Total comprehensive income (loss) for the year	-	-	-	**2,473,134**	**1,124,657**	**22,185**	**7,344,445**	**10,964,421**	**(33,406)**	**10,931,015**
Non-controlling interests due to reclassification of a subsidiary	-	-	-	-	-	-	-	-	311,116	311,116
Transferred to reserves	-	1,210,611	2,421,222	-	-	-	(3,631,833)	-	-	-
Balance as at 31 December 2021	**150,000,000**	**97,254,251**	**133,444,584**	**7,044,559**	**558,921**	-	**79,094,033**	**467,396,348**	**277,710**	**467,674,058**
For the year ended 31 December 2020										
Balance at the beginning of the year	100,000,000	96,043,640	181,023,362	2,296,466	-	(17,829)	80,186,800	459,532,439	-	459,532,439
(Loss) for the year	-	-	-	-	-	-	(4,511,275)	(4,511,275)	-	(4,511,275)
Net change in the revaluation reserve of financial assets at fair value through comprehensive income after tax	-	-	-	2,282,274	-	(4,356)	-	2,277,918	-	2,277,918
Realised gain from sale of financial assets at fair value through other comprehensive income	-	-	-	(7,315)	-	-	7,315	-	-	-
Actuarial losses arising from reassessment of defined employee benefit plans	-	-	-	-	(565,736)	-	-	(565,736)	-	(565,736)
Total comprehensive income for the year	-	-	-	**2,274,959**	**(565,736)**	**(4,356)**	**(4,503,960)**	**(2,799,093)**	-	**(2,799,093)**
Transferred to reserves	-	-	-	-	-	-	-	-	-	-
Share capital increase expenses	-	-	-	-	-	-	(301,419)	(301,419)	-	(301,419)
Dividends distributed (note 27)	50,000,000	-	(50,000,000)	-	-	-	-	-	-	-
Balance as at 31 December 2020	**150,000,000**	**96,043,640**	**131,023,362**	**4,571,425**	**(565,736)**	**(22,185)**	**75,381,421**	**456,431,927**	-	**456,431,927**

- Retained earnings include a restricted amount against deferred tax assets of JD 43,487,269 as at 31 December 2021 (2020: JD 36,718,616) in accordance with the instructions of the Central Bank of Jordan.
- Retained earnings include an amount of JD 3,246,661 as at 31 December 2021 (2020: JD 3,246,661) which represents the effect of the early adoption of IFRS (9) during the year 2011. Such amount is restricted and cannot be utilized according to Jordan Securities Commission regulations. Which represents the revaluation differences of financial assets at fair value through statement of income, net of those realized through sales
- In accordance with the instructions of the Central Bank of Jordan No. 13/2018, the accumulated balance of the general banking risk reserve amounting to JD 14,288,875 as at 1 January 2018 was transferred to the retained earnings to offset the impact of IFRS 9. Surplus amount - if any - after the offset is restricted.
- Use of fair value reserve is restricted and requires prior approval from the Central Bank of Jordan.

The accompanying notes from 1 to 47 form an integral part of these consolidated financial statements and shall be read with them.

JORDAN KUWAIT BANK
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	JD	JD
Operating activities:		
Profit (loss) for the year before income tax	12,072,700	(6,117,566)
Net (Loss(gain from discontinued operations		
Adjustment for:		
Depreciations and amortisations	4,470,471	4,715,649
Expected credit losses- direct credit facilities	28,707,400	38,986,214
(Reversal from) expected credit losses- indirect credit facilities	(248,939)	1,485,714
(Reversal from) expected credit losses – bank deposits and financial institution	(53,567)	5,966,519
Expected credit losses - investments	2,142,782	5,783,115
Net interest income	(20,659,697)	(14,611,297)
Provision for end of service benefits	2,342,268	2,288,712
Provision for lawsuits and legal cases	600,000	360,000
Loss on sale of seized assets	2,271,861	533,974
(Profit) on sale of property and equipment	(36,495)	(16,550)
Loss on sale of equity instruments through income	303,783	-
(Profit) on sale of debt instruments at amortised cost	(2,132,280)	-
Loss on sale of financial assets at fair value through other comprehensive income - debt instruments	89,987	407,041
Provision for seized assets	4,392,387	365,428
Amortisation of right of use - leased assets	2,713,528	2,163,762
Effect of exchange rate fluctuations on cash and cash equivalents	5,854	(3,141)
Cash flows generated from operating activities before changes in assets and liabilities	**36,982,043**	**42,307,574**
Change in assets and liabilities:		
Decrease (increase) in deposits with banks and banking institutions	53,567	(5,749,288)
Financial assets at fair value through income	(4,437,331)	-
(Increase) in direct credit facilities	(159,481,379)	(21,722,331)
Loan with a repurchase right at fair value	-	(10,000,000)
Decrease in other assets	16,798,828	16,941,487
(Decrease) increase in deposits with banks and financial institutions of more than 3 months maturity	(89,279,667)	82,189,677
Increase in customers' deposits	59,748,987	11,457,977
Increase (decrease) in cash margins	19,183,891	(8,283,305)
(Decrease) in other liabilities	(13,572,405)	(15,159,262)
(Decrease) increase in liabilities directly associated with assets held for sale	(1,529,164)	223,429
Net cash flows (used in) generated from operating activities before provisions and income tax paid	**(135,532,630)**	**92,205,958**
End of service indemnity - paid	(2,043,855)	(1,659,604)
Provision for lawsuits - paid	(350,572)	(6,624)
Paid Income tax	(2,069,670)	(16,211,648)
Net cash flows (used in) generated from operating activities	**(139,996,727)**	**74,328,082**
Investing activities		
(Increase) in financial assets at amortised cost	(96,943,745)	(93,454,500)
Decrease in financial assets at fair value through comprehensive income	14,023,239	5,407,170
Decrease (increase) in equity directly associated with assets held for sale	5,642,817	(1,324,123)
(Increase) in property, equipment and intangible assets	(13,457,461)	(7,122,150)
Net cash flows (used in) investing activities	**(90,735,150)**	**(96,493,603)**

The accompanying notes from 1 to 47 form an integral part of these consolidated financial statements and shall be read with them.

Financing activities			
Lease liability payments		(2,210,520)	(2,158,876)
Bonds		-	11,000,000
Increase in borrowed funds		110,860,192	26,047,980
Non-controlling interests		311,116	-
Cash dividends paid to shareholders		(80,015)	(455,502)
Net cash flows generated from financing activities		**108,880,773**	**34,433,602**
Net (decrease) increase in cash and cash equivalents		(121,851,104)	12,268,081
Effect of exchange rate fluctuations on cash and cash equivalents		(5,854)	3,141
Cash and cash equivalents at beginning of the year		449,326,038	437,054,816
Cash and cash equivalents at the end of the year	36	**327,469,080**	**449,326,038**

The accompanying notes from 1 to 47 form an integral part of these consolidated financial statements and shall be read with them.

1. General information

Jordan Kuwait Bank was established as a Jordanian public limited shareholding company under the registration number (108) on October 25, 1976 in accordance with the Jordanian Companies Law No. (13) for the year 1964. The Head Office of the Bank is located in Omaya Bin Abdshams Street, Abdali. Tel. +962 (6) 5629400, P.O. Box 9776, Amman – 11191 Jordan. The Bank current Paid up Capital amounted to JD 150 million distributed on 150 million shares, with a par value of JD 1 per share.

The Bank provides all banking and financial activities related to its activities through its head office and (67) branches inside the Kingdom and (1) foreign branch. The Bank owns two subsidiaries, for finance leasing, and the other one for brokerage services which owns a company for financial advisory services.

Jordan Kuwait Bank is a Public Shareholding Company limited and is listed in Amman Stock Exchange.

Jordan Kuwait Bank is 50.927% owned at by Al Rawabi United Holding Company and the financial statements of the Bank are consolidated within the consolidated financial statements of the ultimate parent Company Kuwait Projects Holding Company (KIPCO).

The financial statements were approved by the Bank's Board of Directors at its meeting No. (1/2022) held on 12 February 2022 and are subject to the approval of General Assembly of Shareholders.

2 Summary of significant accounting policies

The significant accounting policies adopted by the Bank in the preparation of these consolidated financial statements are set out below.

2-1 Basis of preparation

The consolidated financial statements of the Bank and its subsidiaries (together the "Group") have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as amended by the Central Bank of Jordan.

The Jordanian Dinar is the presentation currency for the consolidated financial statements and is the Group's functional currency.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in (note 3).

The financial statements have been prepared under the historical cost except for some financial instruments, which are measured at fair value at the end of each period, as shown in the accounting policies below.

The main differences between the IFRSs as they shall be applied and what has been approved by the Central Bank of Jordan are the following:

Some items are classified and presented in the consolidated statement of financial position, consolidated statement of income and the consolidated statement of cash flows and the related disclosure, such as credit facilities, interest in suspense, expected credit losses, investments, fair value levels, segments classification and disclosures related to risks and others, are presented and disclosed in accordance with the requirements of the Central Bank of Jordan, its instructions and circulated guidance which might not include all the requirements of IFRS such as IFRS 7, 9 and 13.

Provisions for expected credit losses are formed in accordance with the instructions of the Central Bank of Jordan (No. 13/ 2018) "Application of the IFRS (9)" dated 6 June 2018 and in accordance with the instructions of the supervisory authorities in the countries in which the bank operates, whichever is stricter. The significant differences are as follows:

a. Debt instruments issued or guaranteed by the Jordanian government are excluded, so that credit exposures are treated and guaranteed by the Jordanian government without credit losses.

b. When calculating credit losses against credit exposures, the calculation results are compared according to IFRS (9) under the instructions of the Central Bank of Jordan No. (2009/47) of 10 December 2009 for each stage separately and the stricter results are booked.

According to the instructions of the Central Bank of Jordan No. (47/2009) issued on 10 December 2009 regarding the classification of credit facilities and the calculation of the impairment provisions, credit facilities were classified into the following categories:

a) low risk credit facilities, which do not require any provisions:

These are credit facilities that have any of the following characteristics:

1) Facilities granted and guaranteed by the Jordanian government, as well as to the governments of countries in which Jordanian banks have branches, provided that these facilities are granted in the same currency of the host country.
2) Cash Guaranteed by (100%) of the outstanding balance at any time.
3) Facilities guaranteed with an acceptable bank guarantee at (100%).

b) Acceptable risk credit facilities, which do not require provision:

These are credit facilities that have any of the following characteristics:

1) Strong financial positions and adequate cash flows.
2) Contracted and covered with duly accepted guarantees.
3) Having good sources of repayment.
4) Active account movement and regular repayment of principal and interest
5) Efficient management of the client.

C) Credit facilities listed under the watch-list (requiring special attention) which impairment allowances for are calculated within a range of (1.5% - 15%):

These are credit facilities that have any of the following characteristics:

1) The existence of dues for a period of more than (60) days and less than (90) days for the principal of credit facilities and/or interest.
2) Exceeding the overdraft predetermined limit by (10%), and for a period of more than (60) days and less than (90) days.
3) Credit facilities that have previously been classified as non-performing credit facilities then reclassified from the list upon meeting the rescheduling criteria.
4) Acceptable-risk credit facilities that has been rescheduled twice in one year.
5) Credit facilities that have been expired for more than 60 days and less than (90) days and have not been renewed.

This is in addition to other conditions detailed in the instructions.

D) Non-performing credit facilities:

The credit facilities that have any of the following characteristics:

1) They are past due, or the maturity of one of their instalments, or default payment of the principal amount and / or interest, or dormant current debit account for the following periods:

Classification	Number of past due days	The percentage of the provision for the first year
Sub-standard credit facilities	(90) – (179) days	25%
Doubtful credit facilities	(180) – (359) days	50%
Bad debt/loss credit facilities	(360) days and more	100%

2) Overdrafts that exceed the granting limit by (10%) and more, and for the duration of (90) days and more.
3) Credit facilities that have been expired for 90 days or more and have not been renewed.
4) Credit facilities granted to any customer declared bankrupt or to any company that has been deemed under liquidation.
5) Credit facilities that were restructured three times within a year.
6) Current and on-demand accounts overdrawn for (90) days or more.
7) The value of guarantees paid on behalf of the clients and were not credited to their accounts with past due of (90) days or more.

The expected credit losses provision against credit facilities is calculated in accordance with the 2009/47 instructions for this category of facilities according to the above ratios and the amount of unguaranteed credit facilities during the first year, while the allocation of the covered amount is completed at 25% and over four years.

Interest and commissions are suspended on non-performing credit facilities and facilities classified within the third stage in accordance with the instructions of the Central Bank of Jordan and in accordance with the instructions of the supervisory authorities in the countries in which the Bank operates, whichever is stricter.

Assets that have been seized by the Bank against debts are stated in the consolidated statement of financial position within other assets at the acquisition cost or the fair value, whichever is lesser, and are revalued on the date of the consolidated financial statements individually. Any impairment in their value is recorded as a loss in the consolidated statement of income and any appreciation in value is not recorded as income. The subsequent increase is taken to the consolidated statement of income to the extent that it does not exceed the value of the previously recorded impairment. As of the beginning of 2015, a gradual provision was made for real estate seized for more than 4 years against debts according to the Circular of the Central Bank of Jordan No. 4076/1/15 dated 27 March 2014 and No. 2510/1/10 dated 14 February 2017. It is to be noted that the Central Bank of Jordan issued Circular No. 13967/1/10 dated 25 October 2019, in which the Central Bank acknowledged the enforceability of the circular No. 16607/1/10 dated 17 December 2017, in which the Central Bank confirmed the deferment of the calculation of the provision until the end of the year 2020. According to the Central Bank's Circular No. 16239/1/10 dated 21 November 2020, deduction of the required provisions against real estate acquired is to be provided for at a rate of (5%) of the total book value of these seized properties (regardless of the violation period) as of the year 2021, so that the required percentage of 50% of these properties are to be reached by the end of the year 2029.

According to the Circular of the Central Bank of Jordan number 13246/3/10 dated 2 September 2021, Circular number 16239/1/10 dated 21 November 2019 has been postponed for one year. Therefore, the provisions will continue to be deducted from 2022, so that the required percentage of 50% of these properties are to be reached by the end of 2030.

Cash and balances with the Central Bank item include, the cash reserve requirement item, which represents restricted balances according to the Central Bank's instructions and in accordance with the instructions of the supervisory authorities in the countries in which the Bank operates, whichever is stricter.

The accounting policies used in preparing the consolidated financial statements are consistent with the accounting policies that were followed in preparing the consolidated financial statements for the year ended 31 December 2020, with the exception of the effect of applying new and revised IFRSs, which became effective for financial periods beginning on or after 1 January 2021, as mentioned in Note (2.2).

2.2 Changes in accounting policies and disclosures

The accounting policies used in the preparation of these consolidated financial statements are consistent with those followed in the preparation of the last consolidated financial statements for the Group for the year ended 31 December 2021, except for the adoption of new standards and amendments to the existing standards as mentioned below.

New and amended standards issued and adopted by the Group:

- **Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions**

  As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16.**

- **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform (IBOR) – Phase 2**

  The IASB issued amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 that address issues arising during the interest rate benchmark reform, including the substitution of one benchmark for another alternative. Due to the prevailing nature of IBOR based contracts, adjustments can affect companies in all sectors. The amendments are effective from 1 January 2021. The Group has no substantial exposure to instruments which are referenced to IBOR.

- **The amendment to IAS 16 Property, "Plant and Equipment (PP&E)"**

  Prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

- **The amendment to IFRS 17 and IFRS 4, delay "Insurance Contracts" for IFRS 9.**

  The amendments delay the date of implementation of IFRS 17 for two years to be at the first of January 2023 and change the installed date for temporary exemption in IFRS 4 from the implementation of IFRS 9 until the first of January 2023.

- **Amendments were made to IFRS 3 Business Combinations**

  To update the references to the International Financial Reporting Standard 3 Conceptual Framework for Financial Reporting. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

- **Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets'**

  Specify which costs a Group includes when assessing whether a contract will be loss-making.

New and revised IFRSs issued but not yet effective and not early adopted

The Group did not apply the following new standards, amendments and interpretations which have been issued but are not yet effective

New standards, amendments and interpretations	Effective for annual periods beginning on or after
IFRS 17 "Insurance contracts": On 18 May 2017, the IASB finished its long-standing project to develop an accounting standard on insurance contracts and published IFRS 17 "Insurance Contracts". IFRS 17 replaces IFRS 4, which currently permits a wide variety of practices. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. The standard applies to annual periods beginning on or after 1 January 2023, and early application is permitted if it coincides with the application of IFRS 15 "Revenue from Contracts with customers" and IFRS 9 "Financial Instruments". IFRS 17 requires a current measurement model as estimates are remeasured in each reporting period. The measurement is based on discounted weighted cash flow bases, an adjustment for risk, and contractual services margin that represents unearned contract profits. A simplified premium allocation method is permitted for liabilities over the remaining coverage period if this method allows for a measurement method that is not materially different from the general model or if the coverage period extends for a year or less. However, claims incurred should be measured by reliance on risk-weighted, risk-adjusted and discounted cash flow bases.	1 January 2023
Amendments to IAS 1, "Presentation of financial statements" on classification of liabilities. These minor amendments to IAS 1, "Presentation of financial statements" clarify that liabilities are classified as either current or non-current liabilities, depending on equities at the end of reporting period. The classification is not affected by the entity's expectations or events subsequent to the reporting date (for example, receipt of a waiver or breach of an undertaking). The amendment also clarifies any reference to a "settlement" of liability as mentioned in the IAS 1.	1 January 2023
The amendment to IAS 8 Accounting Policies. Clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.	1 January 2023
The amendments to IAS 12 Income Taxes. Require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.	1 January 2023
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28 The IASB has made limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non- monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).	1 January 2023

There are no other relevant IFRSs standards, amendments to the published standards, or IFRSs Interpretation Committee that have been issued but did not come into effect for the first time for the Group's financial year that began on 1 January 2021 and was expected to have significant effect on the Group's consolidated financial statements.

2.3 Basis of consolidation of the financial statements

The consolidated financial statements include the financial statements of the Bank and the companies under its control (its subsidiaries), and control is achieved when the Bank:

- Has the ability to control the investee;
- Is exposed to variable returns, or has the right to variable returns, resulting from its association with the investee;
- Has the ability to use its power to influence the returns of the investee.

The Bank will re-estimate whether it controls the investees or not if the facts and circumstances indicate that there are changes on one or more of the control points referred to above.

In the event that the Bank's voting rights fall below the majority of voting rights in any of the investees, it will have the power to control when voting rights are sufficient to give the Bank the ability to unilaterally direct the related subsidiary activities. The bank takes into account all facts and circumstances when estimating whether the Bank has voting rights in the investee that are sufficient to give it the ability to control or not. These facts and circumstances include:

- The volume of voting rights the Bank has in relation to the number and distribution of other voting rights;
- Potential voting rights held by the Bank and any other voting rights holders or parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances indicating that the bank has, or does not have, a current responsibility to direct the relevant activities at the time the required decisions are taken, including how to vote in meetings of previous general assembly's meetings.

The subsidiary is consolidated when the Bank controls the subsidiary and is deconsolidated when the Bank loses control of the subsidiary. Specifically, the results of operations of subsidiaries acquired or excluded during the year are included in the consolidated statement of profit or loss from the date on which control is achieved until the date the control of the subsidiary is lost.

Profits and losses and each item of the comprehensive income are distributed to the owners in the entity and the non-controlling interest, the comprehensive income for the subsidiaries belonging to the owners in the entity and the non-controlling share is distributed even if this distribution will lead to a deficit in the balance of the non-controlling interest.

Adjustments are made to the financial statements of the subsidiaries, when required, to align their accounting policies with those used by the Bank.

Non-controlling interests in the subsidiaries are determined separately from the Bank's equity in these entities. The non-controlling interests of the shareholders currently present in the equity granted to their owners with a proportionate share of the net assets upon liquidation may be measured initially at fair value or by the proportionate share of non-controlling interests in the fair value of the identifiable net purchase amount of assets. The measurement is selected on an acquisition basis. Other non-controlling interests are initially measured at fair value. After acquisition, the carrying value of non-controlling interests is the value of these interests upon initial recognition, in addition to the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributable to the non-controlling interests even if that results in a deficit in the non-controlling interests balance.

Changes in the Bank's interest in subsidiaries that do not result in loss of control are accounted for as equity transactions. The present value of the Bank's and non-controlling interests are adjusted to reflect changes in their relative shares in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Bank.

When the Bank loses control of a subsidiary, the profit or loss resulting from the disposal is calculated in the statement of profit or loss, with the difference between (1) the total fair value of the consideration received and the fair value of any remaining shares and (2) the present value of the assets (including goodwill), less the liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in the other comprehensive income in relation to that subsidiary are accounted for as if the Bank had directly disposed of the assets or liabilities related to the subsidiary.

The fair value of the investment that is held in the previous subsidiary at the date of loss of control is considered to be the fair value upon initial recognition of subsequent accounting under IFRS (9) "Financial instruments" when the provisions of this standard apply, or the cost of initial recognition of investment in an associate or a joint venture.

The Bank has the following subsidiary as at 31 December 2021:

Name of the Company	Paid in capital	Bank's ownership %	Nature of operations	Country of incorporation	Date of acquisition
	JD	%			
Ejara Finance Leasing Company	20,000,000	100	Finance leasing	Jordan	2011
United Financial Investments Company *	8,000,000	96.35	Brokerage	Jordan	In phases, starting from 2002

* The proportion of non-controlling interests is 3.65% of the capital of the United Financial Investments Company, which is an amount of JD 277,710 in equity and a loss of JD 33,406 of profit for the year.

The Bank has the following subsidiaries as at 31 December 2020:

Name of the Company	Paid in capital	Bank's ownership %	Nature of operations	Country of incorporation	Date of acquisition
	JD	%			
Ejara Finance Leasing Company	20,000,000	100	Finance leasing	Jordan	2011
United Financial Investments Company*	8,000,000	95.6	Brokerage	Jordan	In phases, starting from 2002
Specialized Managerial Company for Investment and Financial Consultation **	530,000	100	Management of issues and financial consultations	Jordan	2016

* It has been reclassified to a subsidiary whose accounts will be consolidated as of the third quarter of 2021 based on the management's decision to refrain from selling it due to the lack of the appropriate opportunity at the present time.

** The Company was sold to one of its subsidiaries (United Financial Investments Co UFICO) during the third quarter of 2021.

The result of operations of the subsidiaries are consolidated in the consolidated statement of income from the date of their ownership which is the date on which the control on the subsidiaries is actually transferred to the Bank. The results of disposed operations of subsidiaries are consolidated in the consolidated statement of income up to the disposal date, which is the date on which the Bank loses control over the subsidiaries.

The financial statements of the subsidiaries are prepared for the same financial year of the Bank, using the same accounting policies used by the Bank. If the accounting policies adopted by the subsidiaries are different, the required adjustments are made on the financial statements of the subsidiaries to be consistent with the policies. If separate financial statements are prepared for the Bank as an independent entity, the investments in subsidiaries are stated at cost.

2-4 Segment information

The business segment represents a group of assets and operations that jointly provide products or services subject to risks and returns that are different from those related to other business segments and that are measured according to the reports that are used by the executive managers and decision makers in the Bank.

A geographical segment is associated with the provision of products or services in a particular economic environment that is subject to risks and rewards different from those related to segments operating in other economic environments.

2.5 Financial instruments

Initial recognition of measurement:

Financial assets and financial liabilities are recognised in the consolidated statement of financial position of the Bank when the Bank becomes a party to the contractual provisions of the instrument and loans and advances to customers are recognised if they are credited to the customers' account.

Financial assets and liabilities are measured initially at fair value, and transaction costs that are directly attributable to the acquisition or issuance of financial assets and liabilities are added to the fair value of the financial assets or financial liabilities, or deducted therefrom, as necessary, upon initial recognition. Transaction costs that are directly related to the acquisition of financial assets or financial liabilities at fair value through the consolidated statement of income are recognised directly in the consolidated statement of income.
If the transaction price differs from fair value at initial recognition, the Bank will account for such difference as follows:

- When the 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, the difference is recognised in the consolidated profit or loss on initial recognition (i.e. profit or loss on the first day).
- In all other cases, the fair value is adjusted to align with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to the consolidated statement of 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 upon the de-recognition of such instrument.

Initial recognition

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

Subsequent measurement

All recognised financial assets that are within the scope of IFRS (9) are required to be subsequently measured at amortised 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:

- Financing instruments held in the business model that aims to collect contractual cash flows, and which have contractual cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, and are subsequently measured at amortised cost;
- Financing instruments held within the business model that aim to both collect contractual cash flows and sell debt instruments, which have contractual cash flows, are SPPI on the principal amount outstanding, and are subsequently measured at fair value through other comprehensive income;
- All other financing instruments (such as debt instruments managed on fair value basis, or held for sale), and equity investments are subsequently measured at fair value through the consolidated statement of income.

However, the Bank can take a non-cancellable option/ determination after initial recognition of the financial asset on an asset-by-asset basis, as follows:

- The Bank can take the non-cancellable option by including subsequent changes in the fair value of the investment in equity that is not held for trading or a possible replacement recognised by the buyer within the business combination to which the IFRS (9) applies, in other comprehensive income;
- The Bank can determine in a non-cancellable manner the financing instruments that meet the criteria of amortised cost or fair value through other comprehensive income as measured by the fair value through the consolidated statement of income if it eliminates or significantly reduces mismatches in accounting (referred to as the fair value option).

Debt instruments at amortised cost or at fair value through other comprehensive income:

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

The contractual terms of the asset that is classified and measured at amortised cost or at FVOCI, should give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal outstanding.

For the purpose of the SPPI test, the 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 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 options and risks, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

The contractual cash flows represent SPPI, which are consistent with the basic financing arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic financing 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 financing arrangement irrespective of whether it is a loan in its legal form.

Business model assessment:

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

- The policies and declared objectives of the portfolio and the application of those policies and whether the management strategy focuses on obtaining contractual revenue, maintaining a specific rate of profit, and matching the period of financial assets with the period of financial liabilities in which those assets are financed cash flows are realised through the sale of assets.
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the key management personnel;

- The risks that affect the performance of the business model (and financial assets held within that business model) and, in particular, the way in which those risks are managed.
- How managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- On initial recognition of the financial asset, the Bank determines whether the recently recognised financial assets are part of an existing business model or whether it reflects the beginning of a new business model. The Bank reassesses its business models in each reporting period to determine whether the business models have changed since the previous period.

When a debt instrument that is measured at fair value through other comprehensive income is derecognised, the cumulative gain/ loss previously recognised in other comprehensive income in equity is reclassified to the consolidated statement of income. On the other hand, as for equity investment measured at fair value through other comprehensive income, the cumulative gain/ loss previously recognised in other comprehensive income is not subsequently reclassified to the consolidated statement of income but is rather transferred directly within equity.

Debt instruments that are subsequently measured at amortised cost or at FVOCI are tested for impairment.

Financial assets

- Assessing whether contractual cash flows are solely payments of principal and interest (SPPI):

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

In assessing whether contractual cash flows are only SPPI, the Bank has considered the contractual terms of the instrument. This includes assessing whether the financial assets involve a contractual period that can change the timing or amount of contractual cash flows and therefore they do not meet the conditions of SPPI. In making this assessment, the Bank considers:

- Contingent events that change the amount or timing of cash flows.
- Prepaid features and the possibility to extend.
- Terms that limit the Bank's claim to cash flows from specified assets.

Financial assets at fair value through the statement of income:

Financial assets at fair value through the statement of income are:

- Assets of contractual cash flows, and which are not (SPPI); or / and
- Assets held within the business model other than those held to collect contractual cash flows or held for collection and sale; or
- Assets designated at fair value through the consolidated statement of income using fair value option.

These assets are measured at fair value, and any gains/ losses arising from re-measurement are recognised in the consolidated statement of income.

Reclassification:

If the business model, under which the Bank holds financial assets, changes, the financial assets that were 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 that results in reclassifying the Bank's financial assets. Changes in contractual cash flows are considered within the framework of the accounting policy for the amendment and exclusion of financial assets set out below.

Foreign exchange gains and losses

The carrying amount of financial assets recorded in foreign currency is determined and translated at the rates prevailing at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in the statement of income of profit or loss; and

- For debt instruments measured at FVOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in the statement of profit or loss. Other exchange differences are recognised in OCI in the investment's revaluation reserve;

- For financial assets measured at amortised cost through the statement of profit or loss that are not part of a designated hedging relationship, gains and losses of exchange differences are recognised in the statement of profit or loss; and

- For equity instruments measured at FVOCI, exchange differences are recognised in other comprehensive income within investments valuation reserve.

Fair value option

A financial instrument with a fair value can be measured reliably at fair value through the statement of profit or loss (fair value option) upon initial recognition, even if the financial instruments are not acquired or incurred primarily for the purpose of selling or repurchasing. The fair value option for financial assets can be used if it substantially eliminates or reduces the inconsistency of the measurement or recognition that would otherwise have arisen from the measurement of assets or liabilities, or the recognition of related profit and loss on a different basis ("accounting mismatch"). The fair value option for financial liabilities can be chosen in the following cases:

- If the choice leads to the cancellation or substantially reduces accounting mismatch.
- If the financial liabilities are part of a portfolio managed on a fair value basis, according to a documented risk or investment management strategy; or
- If there is a derivative that is included in the host financial or non-financial contract and the derivative is not closely related to the host contract.

These tools cannot be reclassified to fair value through the statement of profit or loss while they are held or issued. Financial assets designated at fair value through the statement of profit or loss are recorded at fair value with any unrealised gains or losses arising from changes in the fair value recognised in investment income.

2.6 Descriptive disclosures related to the application of the IFRS (9).

1. **Definition of the Bank's implementation of default and the mechanism of addressing it:**

The Bank defines the default and the mechanism of addressing it in accordance with the instructions of the Central Bank regarding the application of IFRS 9 No.13/2018 issued on 6/6/2018. The Central Bank's instructions No. (47/2009) dated 10/12/2009 (item II/ D) include a number of indicators on a default event which must also be complied with.

- Existence of dues equal to or greater than (90) days.
- Increase in risk ratings above -7.
- Credit exposure / debt instruments that have evidence that they have become defaulted (irregular) or are expected to be defaulted soon.
- The debtor is experiencing significant financial difficulties (very weak financial data).
- The existence of clear indications that the debtor is near bankruptcy.

Mechanism of addressing default:

The Bank will follow-up with the customer before their default, trying not to reach the stage of classification of the facilities granted to them. In case of classification, the specific provision will be made against the facilities in accordance with the instructions and standards. In addition, they will be followed-up by the Department of Follow-up & Collections before starting the legal procedures in case of failure to reach solutions or schedules according to the instructions of the Central Bank of Jordan and the supervisory authorities in the countries where the Bank operates.

2. A detailed explanation of the Bank's internal credit rating system and its working mechanism:

- Internal credit rating system for corporate customers:

The Bank has an automated internal credit rating system from Moody's supplier. The rating system includes all of the processes, controls, data collected, and the information system that support and asses the credit quality of the borrower. It is then translated to the degree of risk to customers and linked to the customer's PD. This contributes to calculating the expected credit loss.

Moody's system that contains following model's to calculate customers credit rating:

- Large Enterprises Rating Model.
- SME Rating Model (with financial data).
- SME Rating Model (without financial data).
- Customer Rating Model for Project Financing.
- High net worth customers Rating Model.

The grades in the system range from 1 (Exceptional: a very high quality and low risk company) to 10 (Poor: a non-performing classified company) - 7 working grades and 3 non-performing grades.

There is a clear and specific Master scale. Each credit rating is calculated by Moody's, offset by the probability of default (PD). Financial and non-financial analysis of clients is made. Moody's Financial Analysis Structure consists of four main sections:

1. Operations:
2. Liquidity:
3. Capital structure:
4. Debt service:

An override can be used to classify the customer through an approval of the Facility Management Committee for the proposed ratings.

- Internal credit scoring system for individual customers:

Retail customers (individuals) are rated and given a rating grade based on their risk before their loans are approved. Such ratings are utilised to estimate the probability of default. This is done for housing loan products, auto finance and consumer loans.

3. The mechanism adopted to calculate expected credit losses (ECL) on financial instruments for each item:

The "loss realisation" test model is used using the ECL model, which requires the use of estimates and judgments to estimate the economic factors that have an effect on the impairment in accordance with the new model. This model has been applied and the impairment loss has been calculated in accordance with the following rules:

- 12-month impairment losses: The expected impairment of default is calculated within 12 months following the date of the financial statements.
- Impairment losses for the useful life of the instrument: The expected impairment on the life of the financial instrument is calculated until the maturity date of the consolidated financial statements.

The mechanism for calculating expected losses depends on the probability of default, which is calculated according to the credit risk, future economic factors and loss given default (LGD), which depends on the value of the existing collateral and the amount of the exposure at default (EAD).

In accordance with the requirements of IFRS 9, ECL measurement model is applied within the following framework (except as measured at fair value through statement of income):

- Loans and credit facilities (direct and indirect).
- Debt instruments carried at amortised cost.

- Debt instruments classified at fair value through other comprehensive income.
- Trade receivables.
- Credit exposures to banks and financial institutions [excluding current balances used to cover bank transactions such as remittances, guarantees and credits within a very short period of time (days)].

In respect of revolving facilities, ECL are calculated based on the behavioural maturity of three years.

4. Definition and mechanism for calculating and monitoring the probability of default (PD), exposure at default (EAD) and loss given default (LGD).

a. Probability of Default (PD):

This represents the risk arising from the borrower's inability or unwillingness to repay its debts in full or on time, which is normally anticipated by analysing the customer's ability to repay its debt in accordance with its financial statements. The probability of default of the customer generally relates to financial data such as insufficient cash flows to service debt, low operating income or margins, high leverage or low liquidity. Accounting is done as follows:

Corporate customers:

- PD is calculated by linking the credit ratings within the internal credit rating to the grade of default identified in the Master Scale and for each individual customer. The probability of default is converted from Through the Cycle (TTC) to Point In Time, after the credit rating has been calibrated and the probability of default to match the bank's default data.
- For defaulted loans (Stage 3), the probability of default is set at 100%.
- Accounts not rated internally are assumed to have a rating grade of 5 with the Bank and -5 with Ejara Company.
- The probability of default was calculated for the Jordanian government based on its external credit rating.

Retail customers:

Their PD is calculated based on Behavioural Scoring and based on logistic regression for each customer.

For debt instruments and money market, Moody's external credit rating was adopted. If the debt instrument of an unrated company is treated as unrated companies. As for the unrated banks, the credit rating of the country to which the bank belongs is adopted and adjusted to suit the financial solidity of the Bank.

b. Losses Given Default:

This represents the ratio of assets that are expected to be lost if the customer defaults. This ratio is defined at the level of the facility rather than at the customer level. It is affected by various factors such as the availability of collateral, type of guarantee, priority of payment, the duration and quality of the loan. The accounting is done as follows:

Corporate customers and debt instruments:

- An LGD accounting system is used based on a number of determinants, including the customer's credit rating, economic sector, type and value of collateral and coverage ratio. These are calculated based on historical information.
- Haircut rates have been made for guarantees greater than those specified by the instructions of the Central Bank of Jordan.
- Setting floor limits for LGD ranging from 0% to 10%.
- Defaulted facilities (Stage 3) - The proportion of LGD has been identified for the unsecured portion with guarantees of 100%.

- The ratio of LGD to the Jordanian government was set at 0%.

Retail customers:

A model was developed for the accounting (Logistic regression model) using the variables used in the accounting of the Probability of Default model.

c. Exposure at Default (EAD)

The amount at risk is defined as the amount of the indebtedness in which the Bank is exposed to the probability of default in the case of a customer default as following:

- The current balance of direct facilities and a CCF proportion of 100% for indirect facilities.
- In the case of limits, the value of the amount exposed to the default shall be divided into two parts: the utilised obligations and the unutilised obligations where the balance or ceiling is calculated, whichever is higher.
- For retail, credit is used to determine the value of the default amount using the facilities prepayment ratio of customers.

Determinants of the significant change in the credit risk on which the Bank relied in calculating expected credit losses.

Rating	Criteria
Stage 1:	This includes credit exposures / debt instruments that have not received a significant increase in their credit risk since the initial recognition of the exposure / instrument or have a low credit risk at the date of preparation of the financial statements. Credit risk is considered to be low if the following conditions are met: Low default risk. The debtor has a high ability in the short term to meet commitments. The Bank does not expect adverse changes in the economy in the long-term working environment adversely affecting the debtor's ability to meet its obligations (macroeconomic indicators and stress tests).
Stage 2:	Accounts with dues more than 30 days and less than 90 days. Accounts that were previously scheduled. Accounts that were structured twice in a year. Accounts rated by internal credit -7. In case of reducing the actual or expected internal credit rating of the borrower or the credit exposure / debt instrument according to the internal rating system applied by the Bank. Actual or expected significant decrease in the external credit rating of the credit exposure / debt instrument. Substantial negative changes in the performance and behaviour of the borrower such as late payment of instalments or unwillingness to respond to the Bank.
Stage 3:	This includes credit exposure / debt instruments that have evidence(s) that they have defaulted (irregular) or are expected to default soon. The debtor is experiencing significant financial difficulties (very weak financial data). Non-compliance with contractual conditions such as the existence of maturities equal to or greater than (90) days, and credit rating higher than -7. The existence of clear indications that the debtor is near bankruptcy. In addition to the above, the Central Bank Instructions No. (47/2009) dated 10/12/2009 (item II / D) includes a number of indicators demonstrating an event of default which must also be complied with.

- There are clear and specific criteria for ratings in the three stages (1, 2 and 3) and the transfer among them. According to the instructions of the Central Bank of Jordan, which state that in the event of an improvement in the quality of credit and the availability of sufficient and documented reasons making it possible to transfer credit exposures from Stage 3 to Stage to or from Stage 2 to Stage 1, the transfer should only take place after the improvement of the credit position of the exposure and the obligation to pay at least three monthly instalments, two quarterly instalments or semi-annual instalment on time, in addition to improving the credit rating of the customer to be higher than -7 in order to be transferred to Stage 1.

- The downgrade of credit rating / debt instrument by two grades on the ten-point rating system since the date of initial recognition is evidence of a significant credit risk decline.

5. Key economic indicators used by the Bank in calculating expected credit loss (ECL).

The Bank uses key economic indicators in calculating expected credit loss, as follows:

- Corporate: GDP growth indicators and the financial market index
- Retail: A larger number of variables has been used, the most important of which are consumer price index, GDP, interbank rate of interest, volume of consumption, expected inflation, unemployment rate, discount rate, deposit rate and other rates.

Governance of applying the requirements of IFRS 9, including the responsibilities of the Board of Directors and Executive Management to ensure compliance with the requirements of IFRS 9.

- The Board of Directors is responsible for establishing the Bank's acceptable risk profile and effective management of risk management.

- The Board of Directors is responsible and authorised to approve the expected credit losses in the Bank's financial statements.

- The Board of Directors of the Bank shall provide appropriate governance structure and procedures to ensure the proper application of IFRS 9 by defining the roles of the committees, departments and working units of the Bank, ensuring the integrity of the work among them and providing the appropriate infrastructure.

- The Board of Directors shall ensure that the Bank's management develops the necessary systems to provide adequate and accurate information and data in order to provide the Bank with the accurate ability to calculate and with the participation of all relevant business units in the Bank and under the supervision of the Board of Directors and its related committees.

- The Board of Directors shall ensure that the Bank's management implements high quality and reliable quality systems in terms of inputs, operating processes and results.

- The Board of Directors shall ensure that the Bank's control units, specifically risk department, internal audit department work to verify the validity and integrity of the methodologies and systems used in the application of IFRS 9 and to provide the necessary support to these supervisory units.

Board of Directors' Audit Committee:

- The Committee monitors compliance with the expected credit loss accounting framework in accordance with IFRS 9 and ensures that internal audit carried out its duties in this regard.

- The Committee recommends to the Board of Directors the adoption of expected credit loss figures as part of the quarterly financial statements.

Board Risk Committee:

- The Committee reviews and recommends the adoption of the credit risk assessment framework and assumptions.

- The Committee is responsible for the accounting of expected credit losses and is reviewed at the level of the Board of Directors with respect to the roles and models used for the accounting.

Management Committee for Provisions:

- It is responsible for any exceptions to the results of the outputs of the systems, the specific procedures and the documented models of the accounting process.
- It reviews the process of staging rules and sets the necessary recommendations.
- It views the accounting of the expected credit losses and recommends the adoption.

Risk management:

- The Risk Management Department undertakes the necessary work to verify the validity and integrity of the methodologies and systems used in the application of IFRS 9.
- It reviews the used models and assumptions used in the accounting and recommends any required modifications to the independent model validation.
- It evaluates the credit rating systems, determinants and results.
- It is responsible for the accounting of expected credit losses.
- It reviews the transition between different stages, compares them with staging rules and reviews these limits periodically.

Finance Department:

- Calculation of the expected credit losses (ECL)
- It analyses the various accounting results and reviews the accuracy and efficiency of the accounting process.
- It prepares detailed statements required by the Central Bank of Jordan.
- It participates with the departments concerned with reviewing the business model, through which the objectives and bases of acquisition and classification of financial instruments are determined, in order to ensure integration with other business requirements.
- It prepares accounting restrictions and reverse the results of the accounting on the main banking system.

Internal audit:

The Internal Audit Department undertakes the necessary work to verify the validity and integrity of the methodologies assumptions and systems used.

Covid-19 and expected credit loss

The existence and spread of the novel Coronavirus (COVID-19) was confirmed in early 2020, which affected the commercial and economic activities. In response, governments and central banks launched economic support measures and relief actions (deferred payment) to reduce the impact on individuals and companies.

The Group continues to assess various indicators that may indicate the borrowers' probability of default, taking into account the main reason for the financial difficulty that the borrower faces, to determine whether the cause is temporary as a result of COVID-19 or for a longer period as a result of the situation of the borrower's financial situation.

The Group has started implementing a payment deferral program for its customers engaged in highly affected sectors by deferring the interest amount and the original instalment due for a period of one month to one year. These deferrals are short-term liquidity intended to address borrowers' cash flow matters. The deferrals provided to customers may indicate to a significant increase in credit risk. However, the Group believes that the extension of the deferrals period does not automatically mean a significant increase in credit risk, which calls for transferring the borrower to the next stage for the purposes of calculating the expected credit losses. The deferred payment process aims to provide assistance to borrowers affected by the COVID-19 outbreak to resume the payments on a regular basis. At this stage, there is insufficient information available to enable the Group to make a distinction between the short-term financial difficulties associated with COVID-19 and those associated with the borrowers' significant increase in credit risk over the age of the financial instrument. This approach is consistent with the projections of the Central Bank of Jordan as indicated in its circular (No. 10/3/4375 issued on 15 March 2020) which did not consider the arrangements related to the affected sectors during this period as rescheduling or restructuring of credit facilities during the period for the purpose of assessing the significant increase in credit risk. Accordingly, these deferrals were not considered to be an amendment to the terms of the contract.

The impact of such uncertain economic conditions is discretionary, and the Group will continue to reassess its position and the impact associated with it on a regular basis. As with any economic forecast, expectations and prospects are subject to a high degree of uncertainty and consequently actual results may differ significantly from those expected.

Reasonableness of forward-looking and weighted probability

Any changes made are subject to expected credit losses, as the macroeconomic indicators and the forward-looking of these variables used in the expected credit loss calculation system (Moody's) have been updated according to the impact of the COVID-19 pandemic.

When studying the impact of Coronavirus, the Group took into consideration many positive factors, including:

- Initiatives of the Central Bank of Jordan and the Jordan Loan Guarantee Corporation
- Central Bank instructions on deferral of loan instalments and interest
- Initiatives of Government and the Social Security Corporation
- Reducing interest rates
- Enhancing the Bank's liquidity by the Central Bank of Jordan (including reducing the cash reserves ratio)

Actions taken by the Bank to address COVID – 19 effect

When determining the expected credit losses for the first quarter of 2020, the group took into consideration (according to the best available information) the uncertainties about the Covid-19 epidemic and the economic support measures and relief work from the Jordanian government and the Central Bank of Jordan, and the group also took into consideration the instructions issued by the Central Bank of Jordan (No. 10/3/4375 issued on March 15, 2020), as well as other instructions related to taking some measures to confront the possible effect of the epidemic on the bank, accordingly the need for additional provision will be assessed this year.

The bank has adopted Moody's outcomes and estimates updated model, that considered COVID-19 situation in relation to the macroeconomic and forward-looking factors in calculating the expected credit loss provisions.

The impact of such uncertain economic conditions is discretionary; therefore, The Group will continue to reassess its position and the associated impact on a regular basis, and as with any economic forecast, expectations and possibilities are subject to a high degree of uncertainty and thus actual results may differ significantly from those expected. Management expects greater clarity on the impact of Covid-19 on the outcome of the group's business and the size of expected credit losses and the impact on liquidity at the end of Q4 2021.

2-7 Impairment

The Bank recognises loss allowances for expected limit loss on the following financial instruments that are not measured at fair value through the statement of profit or loss:

- Balances and deposits with banks and banking institutions.
- Direct credit facilities (loans and advances to customers).
- Financial assets at amortised cost (debt instruments securities)
- Financial assets at fair value through the statement of other comprehensive income.
- Exposures off-the statement of financial position that are subject to credit risk (issued financial guarantee contracts).

Impairment loss is not recognised in equity instruments.

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

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that can be realised within 12 months after the reporting date, referred to in Stage 1; or
- 12-month ECL, i.e. lifetime ECL that result from those possible default events over the age of the financial instrument, referred to in Stage 2 and Stage 3."

A loss allowance for 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, ECL are measured at an amount equal to the 12-month ECL.

ECL 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, which arise from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

For the limits not utilised, the expected credit loss is the difference between the present value of the difference between the contractual cash flows due to the Bank if the borrower withdraws the financing and the cash flows that the Bank expects to receive if the financing is utilised; and

For financial guarantee contracts, the ECL 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 instrument holder, the customer or any other party.

The Bank measures ECL on an individual basis, or on the portfolio basis 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 EIR, regardless of whether it is measured on an individual basis or a portfolio basis.

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 faced by borrower or issuer;
- Breach of contract, for example, default or delay in payment;
- The Bank grants the borrower a waiver for economic or contractual reasons related to the borrower's financial difficulty;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- The purchase of a financial asset at a significant 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 amortised cost or FVOCI are credit-impaired at each reporting date. To assess if 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 possibility of a backstop if amounts are overdue for 90 days or more. However, cases where the asset's impairment is not recognised after (90) days of maturity, 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 recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in the statement of profit or loss. A favourable change for such assets creates an impairment gain.

Definition of default

The definition of default is deemed critical to the determination of ECL. 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 ECL and the identification of a significant increase in credit risk as shown below.

The Bank considers the following as an event of default:

- The borrower defaults for more than 90 days on any significant credit obligation to the Bank; or
- The borrower is unlikely to pay his 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 of another obligation to the same counterparty are key inputs in this analysis. The Bank uses a variety of sources of information to assess default which are 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 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 will measure the loss allowance based on lifetime rather than 12-month ECL.

The Bank will not consider that financial assets with 'low' credit risk at the reporting date did not have 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 that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. 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 financing, forward-looking information includes the future prospects of the industries in which the Bank's counterparties operate, that can be obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as taking into consideration various internal and external sources of actual and forecast economic information. For retail financing, forward looking lending 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 behaviour.

The Bank allocates its counterparties to a relevant credit risk grade depending on their 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 date of reporting; and
- The remaining lifetime PD at a point in time that was estimated based on facts and circumstances at the initial recognition of the exposure.

The PDs are considered forward-looking, and the Bank uses the same methodologies and data used to measure the expected credit loss provisions.

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' given 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 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 compared to a financial instrument with a higher PD.

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 with customers who face financial difficulties to increase collection and reduce the risk of default. The terms of repayment of the loan are facilitated in cases where the borrower has made all reasonable efforts to pay under the original contractual terms, and an important risk of default or default has occurred and it is expected that the borrower will be able to fulfil 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 a waiting policy that applies to corporate and individual lending.

When a financial asset is modified, the bank assesses whether this amendment leads to de-recognition. As per the Bank's policy, the modification leads to de-recognition when it causes a significant difference in the terms.

- Qualitative factors, such as the non-existence of contractual cash flows after modification as SPPI, change in currency or change in the counterparty, or extent of change in interest rate, maturity. If this does not clearly indicate a fundamental modification, then;
- Conducting a quantitative evaluation to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows in accordance with the revised terms, and deduct both amounts based on the original effective interest.

In the case where the financial asset is derecognised, the loss allowance for ECL is remeasured at the date of de-recognition 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 de-recognition. 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 as credit- impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Bank monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in de-recognition, 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 PD at the reporting date based on the revised terms.

For financial assets modified as part of the Bank's forbearance policy, where modification did not result in de-recognition, the estimate of PD reflects the Bank's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural 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 behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to de-recognition, 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 derecognises a financial asset only when the contractual rights to the asset's cash flows expire, 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 recognises 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 recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition 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 recognised in OCI and accumulated in equity is recognised in the statement of profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/ loss previously recognised in OCI is not subsequently reclassified to the statement of profit or loss.

Write-off

Financial assets are written off when there is no reasonable expectation of recovery, such as the customer not participating in a payment plan with the Bank. The Bank classifies the funds or amounts due for write-off after exhausting all possible payment methods. However, if the financing or receivable is written off, the Bank continues the enforcement activity to try to recover the outstanding receivables, which are recognised in the consolidated statement of profit or loss upon recovery.

Loss allowances for ECL presented in the consolidated statement of financial position as follows

Loss allowances for ECL are presented in the consolidated statement of financial position as follows:

- For financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- For debt instruments measured at FVTOCI: no loss allowance is recognised in the consolidated statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investment's revaluation reserve;
- 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

Issued Debt and equity instruments 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 that are potentially unfavourable to the Bank or a contract that will or may be settled in the Bank's own equity instruments and is a non-derivative contract for which the Bank is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Bank's own equity instruments.

2.8 Loans and advances

The "loans and advances" included in the statement of financial position comprise the following:

- Loans and advances measured at amortised cost; initially measured at fair value plus incremental direct transaction costs, and subsequently measured at amortised cost using the effective interest method;
- Loans and advances, which are measured at FVTPL or designated as at FVTPL; are measured at fair value with changes recognised immediately in profit or loss; and
- Lease payables.
- Interest and commissions are suspended on non-performing credit facilities granted to clients in accordance with the instructions of the Central Bank of Jordan.
- Credit facilities and their suspended interest covered by provisions are transferred entirely off the consolidated statement of financial position, in accordance with the decisions of the Board of Directors in this regard.

When the Group purchases a financial asset and concludes an agreement simultaneously to resell the asset (or a substantially similar asset) at a fixed price at a later date (repurchase or borrowing shares), the consideration paid is calculated as a loan or advance, and the asset is not recognised in the Group's financial statements.

Equity instruments

Share 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 recognised at the proceeds received, net of direct issue costs.

Treasury shares

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

Financial liabilities

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

Financial liabilities at fair value through the statement of profit or loss

Financial liabilities are classified at fair value through the statement of profit or loss when financial liabilities (1) are held for trading or (2) are classified at fair value through the statement of profit or loss. A financial liability is classified as held for trading if:

- It is incurred principally for the purpose of repurchasing in the near term;
- Upon initial recognition it is part of a portfolio of identified financial instruments that the Bank manages 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 the purpose of trading or the potential consideration that a buyer may pay as part of a business combination at fair value is determined through the statement of profit or loss upon initial recognition if:
- This designation substantially eliminates or reduces the inconsistency of the measurement or recognition that may otherwise arise;

- 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
- If the financial obligation forms part of a contract that contains one derivative or more. IFRS 9 allows a fully hybrid contract (composite) to be determined at fair value through the statement of profit or loss.

Financial liabilities at fair value through the statement of profit or loss are stated at fair value. Any gains or losses arising on remeasurement are recognised in the statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/ loss recognised in the statement of profit or loss includes any interest paid on the financial liabilities and is incorporated in the item "net profit or loss from other financial instruments" at fair value through the statement of profit or loss.

However, in respect of non-derivative financial liabilities classified at fair value through the statement of profit or loss, the amount of the change in the fair value of the financial liabilities that resulted from changes in the credit risk of those liabilities is recognised in other comprehensive income, unless recognition of the effects of changes in the credit risk of liabilities in other comprehensive income would create or increase accounting mismatch in the consolidated statement of profit or loss. The remaining amount of changes in the fair value of the liability is recognised in the consolidated statement of profit or loss, and changes in the fair value attributable to the credit risk of financial liabilities recognised in other comprehensive income are not reclassified subsequently to the statement of profit or loss. Instead, it is transferred to retained earnings upon de-recognition of the financial liability.
With regard to liabilities for issued loans and financial guarantee contracts classified as fair value through the statement of profit or loss, all gains and losses are recognised in the consolidated statement of profit or loss.

When determining whether recognition of changes in the credit risk of liabilities in other comprehensive income will create or increase the accounting mismatch in the consolidated statement of profit or loss, the Bank assesses whether it expects to offset the effects of changes in the credit risk of the liabilities in the consolidated statement of profit or loss with a change in the fair value of another financial instrument that has been measured at fair value through the consolidated statement of profit or loss.

Other financial liabilities

The effective interest method is a method for calculating the amortised cost of a financial liability and allocating interest expenses over the relevant period. An effective interest rate is the rate that exactly discounts estimated future cash payments during the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount at initial recognition to obtain details on the effective interest rate.

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

De-recognition of financial liabilities

The Bank derecognises financial liabilities when, and only when, the Bank's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in consolidated statement of profit or loss.

The exchange between the Bank and its existing lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Likely, the Bank treats the significant modification of the outstanding obligation conditions or part thereof as extinguishment of the original financial liabilities and the recognition of new liabilities. The terms are assumed to be 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 interest rate, is at least 10% 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 maintained to manage exposure to interest rate risk, credit risk, and foreign exchange rate risk. Financial derivatives include foreign currency forward contracts, interest rate swaps, interest rate swaps across currencies and credit default swaps.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value at the date of each statement of financial position. The resulting profits/ losses are recognised in the statement of profit or loss immediately unless the derivative is identified and are effective as a hedging instrument, in which case the timing of recognition in the statement of profit or loss depends on the nature of the hedge relationship. The Bank identifies certain derivatives as either fair value hedges for recognised assets and liabilities, or for the company's obligations (fair value hedges), potential forecasting hedges, foreign currency risk hedges for fixed obligations (cash flow hedges) or net investments in foreign operations (net investment hedges).

Derivatives with positive fair value are recognised as a financial asset, while derivatives with negative fair value are recognised as financial liabilities. Derivatives are presented as non-current assets or non-current liabilities if the residual maturity of the instrument is more than (12) months and is not expected to be realised 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 the statement of 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 realised 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 incurred because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.
Financial guarantee contracts issued by the Bank's entity are initially measured at their fair value, and if they are not determined at fair value through the statement of profit or loss that does not result from the transfer of a financial asset, they are subsequently measured:

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

- The amount initially recognised, less, where appropriate, the amount of accumulated profit or loss recognised in accordance with the Bank's revenue collection policies, whichever is greater.

Financial guarantee contracts that are not designated at fair value through the statement of profit or loss are presented as provisions in the consolidated statement of financial position and remeasurement is presented in other income.

The Bank did not specify any financial guarantee contracts at fair value through the statement of profit or loss.

Commitments to provide a loan at an interest rate lower than the market price.

Commitments to provide a loan at an interest rate lower than the market price are measured initially at their fair value, and if they are not determined at fair value through the consolidated statement of profit or loss, they are subsequently measured:

- The amount of the loss allowance determined in accordance with IFRS (9); and
- The amount initially recognised, less, where appropriate, the amount of accumulated profit or loss recognised in accordance with the Bank's revenue collection policies, whichever is greater.

Commitments to provide a loan at an interest rate lower than the market price, which are not designated at fair value through the consolidated statement of profit or loss are presented as provisions in the consolidated statement of financial position, and remeasurement is presented in other income.

The bank did not designate any commitments to provide a loan at an interest rate lower than the market price, which are designated at fair value through the consolidated statement of profit or loss.

Financial derivatives

Financial derivatives for trading

The fair value of derivatives of financial instruments held for trading purposes (such as foreign exchange forward contracts, future interest contracts, swaps contracts, foreign exchange rate options rights) is recognised in the consolidated statement of financial position and the fair value is determined according to the prevailing market rates, In the event that market rates are not available, the valuation method is mentioned. The amount of changes in the fair value is recorded in the consolidated statement of profit or loss.

Hedge accounting

The Bank identifies certain derivatives as hedging instruments with respect to foreign currency risk and interest rate risk in fair value hedges, cash flow hedges or net investment hedges in foreign operations, as appropriate. Foreign exchange risk hedges on the Bank's commitments are also accounted for as cash flow hedges. The Bank does not apply fair value hedge accounting to hedges of interest rate risk portfolio. In addition, the Bank does not use the hedge accounting rules as per IAS (39), i.e. the Bank applies the hedge accounting rules as per IFRS (9).

- At the beginning of the hedge relationship, the Bank documents the relationship between the hedging instrument and the hedged item, as well as the risk management objectives and strategy for undertaking various hedging transactions. Furthermore, at the commencement of the hedging and on a continuous basis, the Bank documents whether the hedging instrument is effective in offsetting changes in the fair value or cash flows of the hedged item that can be attributed to the hedged risk, and for which all hedging relationships meet the following hedging 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 this economic relationship; and
- The hedge ratio for the hedge relationship is the same as that results from the amount of the hedged item to which the Bank actually hedges and the amount of the hedging instrument that the Bank actually uses to hedge that amount of the hedged item.

The Bank rebalances the hedging relationship in order to comply with the requirements of the hedging rate when necessary. In such cases, the suspension may apply to only part of the hedging relationship. For example, the hedging ratio may be adjusted in such a way that part of the hedged item is not part of the hedging relationship, and therefore the hedge accounting is suspended only for the size of the hedging item that is no longer part of the hedging relationship. The Bank rebalances the hedging relationship in order to comply with the requirements of the hedging rate when necessary. In such cases, the suspension may apply to only part of the hedge relationship. For example, the hedging ratio may be adjusted in such a way that part of the hedged item is not part of the hedging relationship, and therefore the hedging accounting is suspended only for the size of the hedging item that is no longer part of the hedging relationship.

If the hedging relationship ceases to meet the hedging effectiveness requirements related to the hedging ratio but the risk management objective of this hedging relationship remains the same, the Group adjusts the hedging ratio for the hedging relationship (such as the hedging rebalance) so that the qualification criteria are combined again.

In some hedging relationships, the Bank only determines the true value of the options. In this case, a change in the fair value of the component of the time value of the option in the other comprehensive income is deferred, over the hedging period, to the extent that it relates to the hedged item and is reclassified from equity to the statement of profit or loss when the hedged item does not lead to recognition of non-financial items. The Bank's risk management policy does not include hedging items that lead to recognition of non-financial items, because the Bank's risks relate to financial items only.

The hedged items determined by the Bank are hedging items related to the time period, which means that the original time value of the option related to the hedged item of equity is amortised to the statement of profit or loss on a rational basis (for example, according to the straight-line method) over the period of hedging relationship.

In some hedging relationships, the Bank does not determine the forward component of a forward contract or the difference on a currency basis for the hedging instrument across the currencies. In this case, a similar treatment applies to the time value of the options. It is optional to treat the forward component of the forward contract and the difference on a currency basis, and the option is applied on a hedging basis separately, other than treating the time value of options that are mandatory. With regard to hedging relationships and forward derivatives or foreign currencies such as interest rate swaps across currencies, when the forward component or the difference on the currency basis is excluded from classification, the Bank generally recognises the excluded item in other comprehensive income.

Details of 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 change in the fair value of the qualified hedging instrument is recognised in the consolidated statement of profit or loss except when the hedging instrument hedges the equity instrument designated at fair value through other comprehensive income, in which case it is recognised in other comprehensive income. The Bank has not specified fair value hedging relationships when the hedging instrument hedges the equity instrument designated at fair value through other comprehensive income.

The carrying amount of the hedged item that was not measured at fair value is adjusted for the change in the fair value, which can be attributed to the hedged risk and a corresponding recognition in the statement of profit or loss. For debt instruments that are measured at fair value through other comprehensive income, the carrying amount is not adjusted as it is at fair value, but the profit or loss portion of the fair value on the hedged item associated with the risk hedged is included in the statement of profit or loss instead of the other comprehensive income. When the hedged item has a fair value equity instrument determined through other comprehensive income, the hedging gains/ losses remain in the other comprehensive income to match the hedging instrument.

The Bank does not suspend hedging accounting except when the hedging relationship (or part of it) ceases to meet the qualifying criteria (after rebalancing, if any). This includes cases where the hedging instrument expires, is sold, terminated, or exercised, and exclusion is stated for the future effect. Amortisation is accounted for the fair value adjustment to the book value of the hedged items for which the effective interest method is used (i.e. tools we have measured at amortised cost or at fair value through other comprehensive income) that results from the hedged risk in the statement of profit or loss as of a date not later than the date of suspension of hedge accounting.

Cash flow hedges

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

Amounts previously recognised in other comprehensive income and the accumulation of shareholders' equity in the statement of profit or loss in the periods in which the hedging item affects profit or loss are reclassified in the same line of the hedged recognised item. If the Bank no longer expects the transaction to occur, then this amount is immediately reclassified to the statement of profit or loss.

The Bank does not suspend hedging accounting except when the hedging relationship (or part of it) ceases to meet the qualifying criteria (after rebalancing, if any). This includes cases where the hedging instrument expires, is sold, terminated, or exercised, or when the occurrence of a specific hedging transaction is not considered to be highly probable. Suspension is calculated with a future effect. Any gains/ losses recognised in other comprehensive income and accumulated in equity at that time remain in equity and recognised when the expected transaction is finally recorded in profit or loss. When the occurrence of a forecast transaction becomes unpredictable, the accumulated profits/ losses in shareholders' equity is reclassified and recognised directly in the statement of profit or loss.

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gains/ losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income and accumulated in the reserve of foreign exchange.

The profits and losses resulting from the hedging instrument related to the effective portion of the hedging accumulated in the foreign currency translation reserve are reclassified into profits or losses in the same way as the foreign exchange differences of the foreign operation as described above.

Offsetting

Financial assets and liabilities are offset, and net amounts are reported in the consolidated statement of financial position, only when legally enforceable rights are established and when such amounts are settled on a net basis, and when assets and liabilities are settled simultaneously.

2-9 Accounts managed for the interest of clients

Accounts managed by the Bank on behalf of clients are not considered as assets of the Bank. Fees and commissions for managing these accounts are shown in the statement of profit or loss. A provision is made against the decrease in the value of the capital-guaranteed portfolios, which are managed for the interest of clients.

2.10 Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Bank takes into account, when pricing the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value such as value as used in IAS (36). In addition, for the purposes of preparing financial reports, fair value measurements are categorised to level (1), (2) or (3) based on the clarity of the inputs in relation to the fair value measurements and the importance of the inputs in relation to the full fair value measurements, and they are defined as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs for the asset or liability that are not based on observable market data.

2.11 Assets seized by the Bank against debts

Assets seized by the Bank are recognised in the consolidated statement of financial position within the "other assets" item at the lower of the value seized by the Bank and the fair value, whichever is lesser and are revaluated at the consolidated financial statements date at fair value separately. Any impairment is recorded as a loss in the consolidated statement of profit or loss and any appreciation in value is not recognised as income. Subsequent increase is included in the consolidated statement of profit or loss to the extent that impairment value does not exceed the previously recorded value.

As of the beginning of 2015, a gradual provision was made for real estate acquired for more than 4 years against debts according to the Circular of the Central Bank of Jordan No. 4076/1/15 dated 27 March 2014 and No. 2510/1/10 dated 14 February 2017. Noting that the Central Bank of Jordan issued Circular No. 13967/1/10 dated 25 October 2018, in which the Circular No. 16607/1/10 dated 17 December 2017 was approved for extension. The Central Bank of Jordan also confirmed postponing the calculation of the provision until the end of the year 2019. According to the Central Bank's Circular No. 16239/1/10 dated 21 November 2019, deduction of the required provisions against real estate acquired is made at the rate of (5%) of the total book values of these properties (regardless of the period of violation) as of the year 2021, so that the required percentage of (50%) of these properties are reached by the end of the year 2029.

2.12 Property and equipment

Property and equipment are stated at cost, less the accumulated depreciation and any impairment. Property and equipment (excluding lands) are depreciated when they are ready for use through straight-line method over their expected useful lives using the following annual percentages:

	%
Buildings	3
Equipment, devices and furniture	9-15
Transport	15
Computers	20
Building Improvements	20

The value of an item of property and equipment is written down to its recoverable amount if its net carrying amount is greater than its recoverable amount. Impairment is recognised in the consolidated statement of income.

The useful lives of property and equipment are reviewed at the end of each year, and if the expectations of the useful lives differ from the estimates made previously, then the change in the estimate for subsequent years is recognised as a change in the estimates.

The property and equipment are derecognised at the disposal or when there are no expected future benefits from their use or disposal.

2.13 Intangible assets

Intangible assets that are acquired through the merger are stated at fair value at the date of acquisition. The intangible assets that are obtained by a method other than the merger are stated at cost.

Intangible assets are classified on the basis of their estimated lifetime for a definite or indefinite period. Intangible assets that have a definite lifetime are amortised during this lifetime and are recognised in the consolidated statement of income. For intangible assets that have an indefinite lifetime, their impairment is reviewed at the date of the consolidated financial statements and any impairment is recognised in the consolidated statement of income.

Intangible assets resulting from the Bank's business are not capitalised and are recognised in the consolidated statement of income in the same period.

Any indications of impairment in the value of intangible assets statements the consolidated financial statements date are reviewed. Furthermore, the estimated useful life of those assets are reviewed, and any adjustment is made in the subsequent periods.

Computer systems and software are amortised over their estimated useful lives using the straight-line method, at a rate of 20-33% annually.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash and cash balances that mature within three months. They include cash and balances with banks and financial institutions, less deposits with banks and banking institutions that mature within three months, as well as restricted balances.

2.15 Net non-current assets held for sale

Non-current assets are classified as held for sale if the recovery of restricted amounts will be mainly made through a sale rather than through continuing operations. The asset should be ready for sale in its current condition, and the sale order should be highly probable. In addition, the management should have a commitment to the sale plan, so that the sale is eligible to be recognised as a completed sale within one year from the date of this classification.

When the Bank is committed to a sale plan that includes the loss of control over a subsidiary, it must classify all its assets and liabilities as held for sale, when all the conditions referred to above are met.

Non-current assets classified as held for sale are measured at book value or fair value less costs to sell, whichever is lower. The results of that company's business are also shown in a separate line in the consolidated statement of income as net profit from discontinued operations.

2.16 Pledged financial assets

These are the financial assets pledged in favour of other parties, with the other party having the right to dispose of it (by selling or re-pledging). These assets continue to be evaluated according to the accounting policies used to evaluate each asset according to its original classification.

2.17 Foreign currencies

Exchange differences are recognised in the consolidated statement of profit or loss in the period in which they arise, except for:

Foreign currency exchange differences on transactions made in order to hedge foreign currency risk.

Foreign currency exchange differences on monetary items required to/ from a foreign operation that are not planned or unlikely to be settled in the near future (and therefore these differences are part of the net investment in the foreign operation), which is recognised initially in the calculation of other consolidated comprehensive income, and are reclassified from equity to the statement of profit or loss upon sale or partial disposal of net investment.

For the purpose of the presentation of the consolidated financial statements, assets and liabilities of foreign operations of the Bank are transferred according to the exchange rates prevailing at the date of the statement of financial position. Revenue is also transferred according to the average exchange rates for the period, unless exchange rates change significantly during that period, in which case exchange rates are used on the date of transactions. Emerging differences, if any, are recognised in the consolidated statement of comprehensive income and grouped into a separate component of equity.

2.18 Provision for employees' end of service indemnity

A provision is made to meet the statutory and contractual obligations of employees for the end of service or for the accumulated service period of employees at the date of the consolidated statement of financial position in accordance with the internal regulations of the Bank.

Annual compensations paid to employees who leave the service are paid from the provision. A provision for the Bank's obligations for employees' end of service is stated in the consolidated statement of income or comprehensive income in accordance with the provisions of IAS 19 relating to employees' benefits.

2-19 Provisions

Provisions are recognised when the Bank has obligations at the date of the consolidated statement of financial position arising from past events and obligations can be paid and measured reliably.

2.20 Income tax

Tax expenses represent amounts of tax payable and deferred tax.

Payable tax expenses are calculated based on taxable profits. Taxable profits are different from profits disclosed in the consolidated financial statements, as disclosed profits include revenue that is not subject to tax, expenses that are not recognizable in the financial year but in subsequent years or accumulated losses that are accepted in terms of tax, or items that are not taxable or recognisable for tax purposes.

Taxes are calculated as per the tax rates established by the laws, regulations and instructions applicable in the countries where the Bank operates.

Deferred tax is the tax expected to be paid or recovered as a result of temporary timing differences between the value of assets or liabilities in the consolidated financial statements and the value based on which taxable profit is calculated. Deferred tax is calculated using the liability method in the consolidated statement of financial position, and deferred tax is accounted for in accordance with tax rates expected to be applied to settle the tax liability or realise deferred tax assets.

Deferred tax assets and liabilities are reviewed at the date of the consolidated financial statements and written down when it is not probable to utilise tax assets partially or fully.

2.21 Net interest income

Interest income and expense for all financial instruments with the exception of those classified as held for trading or measured or those determined at fair value through the consolidated statement of profit or loss in "net interest income" as "interest income" and "interest expenses" are recognised in the consolidated statement of profit or loss using the effective interest method. Interest on financial instruments measured at fair value through the consolidated statement of profit or loss also included in the fair value movement during the period.

The effective interest rate (EIR) is the rate that discounts 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.

The interest income/ interest expense is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance), or to the amortised cost of financial liabilities. For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised 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 and are credit-impaired, the EIR reflects the ECL 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 for derivatives that are designated as hedging instruments in the cash flow hedges of interest rate risk. As for the fair value hedges of interest rate risk on interest expense and income, the effective portion of fair value changes for specific derivatives are also included, and fair value changes to the specific risks of the hedged item are also included in interest income and expense. Interest expenses also include the value of the interest against the lease obligations.

2.22 Net commission income

Commissions' net income and expense include fees other than those that are an integral part of EIR. The commissions included in this part of the Bank's consolidated statement of profit or loss also include commissions charged for the loan service, non-use commissions related to loan obligations when this is unlikely to result in a specific arrangement for lending and commissions of co-financing loans.

Commission's expenses with regard to services are accounted for upon receipt of services.

2.23 Net trading income

Net trading income includes all profit or loss from changes in the fair value of financial assets and financial liabilities held for trading. The Bank elected to present the movement of the full fair value of trading assets and liabilities within the trading income, including any relevant revenues, expenses and share dividends.

2.24 Net income of other financial instruments at fair value through the statement of profit or loss

Net income from financial instruments at fair value through the statement of profit or loss includes all gains and losses resulting from changes in the fair value of financial assets and financial liabilities at fair value through the statement of profit or loss, except for the assets held for trading. The Bank has elected to present the movement at the full fair value of the assets and liabilities at fair value through the statement of profit or loss in this line, including interest income, expenses and related stock dividends.

The movement in the fair value of derivatives held for economic hedging is presented where hedge accounting is not applied in "net income from other financial instruments at fair value through the statement of profit or loss". However, with respect to the designated and effective fair value hedge relationship, the gains and losses on the hedging instrument are presented on the same line item in the statement of profit or loss as a hedged item. With respect to certain and effective cash flows and hedge accounting relationships for net investment, the hedging instrument gains and losses, including any hedging ineffectiveness included in the statement of profit or loss, are included in the same item as a hedged item that affects the statement of profit or loss.

2.25 Dividends income

Dividends income is recognised when the right to receive payment is established, being the date preceding the dividends of listed shares, and usually the date on which the shareholders agree to dividends of unlisted shares.

Dividends distribution in the consolidated statement of profit or loss on the classification and measurement of the shares, i.e.:

- With regard to equity instruments held for trading, dividend income is included in the statement of profit or loss under the item of profit (loss) of financial assets at fair value through the statement of profit or loss;

- In the case of equity instruments classified as fair value through other comprehensive income, dividends are included in the statement of profit or loss as dividend from financial assets at fair value through other comprehensive income; and
- For equity instruments not designated at FVTOCI and not held for trading, dividend income is included as net income from financial instruments at fair value through the statement of profit or loss.

2.26 Impairment of non-financial assets

- The carrying value of the Group's non-financial assets is reviewed at the end of each fiscal year except for the deferred tax assets, to determine whether there is an indication of impairment. In the event of an indication of impairment, the amount recoverable from these assets will be estimated.
- If the carrying amount of the assets exceeds the recoverable amount from those assets, the impairment loss is recorded in those assets.
- The recoverable amount is the higher of an asset's fair value -less costs to sale - and the value in use.
- All impairment losses are taken to the consolidated statement of profit or loss and other comprehensive income.
- The impairment loss for goodwill is not reversed. For other assets, the impairment loss is reversed only if the carrying amount of the asset does not exceed the carrying amount that was determined after deduction of depreciation or amortisation if the impairment loss is not recognised.

2.27 Foreign currencies

Exchange differences are recognised in the consolidated statement of profit or loss in the period in which they arise, except for:

- Foreign currency exchange differences on transactions made in order to hedge foreign currency risk.

- Foreign currency exchange differences on monetary items required to/ from a foreign operation that are not planned or unlikely to be settled in the near future (and therefore these differences are part of the net investment in the foreign operation), which is recognised initially in the calculation of other consolidated comprehensive income, and are reclassified from equity to the statement of profit or loss upon sale or partial disposal of net investment.

For the purpose of the presentation of the consolidated financial statements, assets and liabilities of foreign operations of the Bank are transferred according to the exchange rates prevailing at the date of the statement of financial position. Revenue is also transferred according to the average exchange rates for the period, unless exchange rates change significantly during that period, in which case exchange rates are used on the date of transactions. Emerging differences, if any, are recognised in the consolidated statement of comprehensive income and grouped into a separate component of equity.

When excluding foreign operations (i.e. eliminating the Bank's entire share in foreign operations, or that resulting from the loss of control of a subsidiary within foreign operations or partial disposal of its share in a joint arrangement or an associate of a foreign nature in which the held share becomes a financial asset), all foreign currency exchange differences accumulated in the separate item that represent the equity of that operation attributable to the owners of the bank, are reclassified to the consolidated statement of profit or loss.

In addition, with regard to partial disposal of a subsidiary that includes foreign operations and does not result in the Bank losing control of the subsidiary, its share of the accumulated exchange differences is reversed to net comprehensive income at a rate that is excluded and is not recognised in the consolidated statement of profit or loss. As for all other partial liquidations (such as partial liquidation of associates or joint ventures that do not result in the Bank losing significant influence or joint control), the share of accumulated exchange differences is reclassified to the consolidated statement of profit or loss.

2.28 Leases

The Bank has implemented IFRS (16) "Leases" that have replaced existing guidance on lease contracts, including IAS (17) "Leases" and IFRIC (4) "Determining whether an arrangement contains a lease", SIC (15) "Operating lease -incentives" and SIC (27) "Evaluating the substance of transactions involving the legal form of a lease".

The Bank as a lessee

On the date of signing the contract, or on the date of the revaluation of the contract that contains the lease elements, the Bank distributes the entire contract value to the contract components in a proportional manner consistent with the value. It is to be noted that the Bank has decided for leases that include land and building to treat the components of the contract as one item.

Short-term leases and leases for low-value assets:

The Bank chose not to recognise the right of use assets and lease obligations for short-term leases for items with a 12-month lease term or less and the low-value leases. The Bank recognises the lease payments associated with these contracts as operating expenses on a straight-line basis over the lease term.

The Bank as a lessor

- When the Bank is lessor, at the start of the lease, it determines whether each lease is a finance lease or an operating lease.

- To classify each lease, the Bank performs a comprehensive evaluation to demonstrate whether the lease largely transfers all risks and benefits associated with ownership of this asset. If this is the case, the lease is a finance lease; if not, it is an operating lease. As part of this assessment, the Bank takes into account certain indicators such as whether the lease is the greater part of the economic life of the asset.

The Bank applies the requirements of de-recognition and impairment in IFRS 9 for net investment in the lease. The Bank performs a periodic review of the expected non-guaranteed residual value that was used to calculate the total investment amount in the lease.

2.29 Earnings per share

Basic and diluted earnings per share are calculated for ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the company's shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by adjusting the profit or loss for the year, which is attributable to the company's shareholders and the weighted average of ordinary shares, so that it shows the effect on the share's profit on all the ordinary shares traded during the year and its return is likely to decrease.

(3) Use of estimates

The preparation of the consolidated financial statements and the application of accounting policies require the Bank's management to make estimates and judgements that affect the amounts of assets and liabilities and disclosure of contingent liabilities. These estimates and judgments affect the revenues, expenses, provisions and reserve of valuation of financial assets at fair value. In particular, it requires the Bank's management to issue critical judgements to estimate the amounts of future cash flows and their timing. The mentioned estimates are necessarily based on multiple assumptions and factors involving varying degrees of judgment and uncertainty and that actual results may differ from the estimates as a result of changes resulting from the conditions and circumstances of those estimates in the future. Judgements, estimates and assumptions are reviewed on an ongoing basis. The impact of change in estimates is recognised in the reporting period in which this change occurs if the revision affects only that period and the effect of the change in estimates is recognised in the reporting period in which this change occurs and in future reporting periods if the revision affects both current and future periods.

The Bank's management believes that the estimates included in the consolidated financial statements are reasonable and are detailed as follows:

- **Impairment of seized assets**

Impairment of seized assets is recognised based on most recent property valuation approved by accredited valuators for the purposes of calculating the impairment. The impairment provisions for seized assets is reviewed periodically.

- **Expected credit loss provisions**

The Bank's management is required to use significant judgments and estimates to estimate future cash flows amounts and timings and estimate the risks of a significant increase in credit risk for financial assets after initial recognition and future measurement information for expected credit losses. The most significant policies and estimates used by the Bank's management are detailed in Note (3).

- **Leases**

Determination of lease term: In determining the lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The extension options (or periods after the termination options) are included only in the term of the lease 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 that affect this evaluation and that are under the control of the lessee. Extension and termination of leases options: these are included in a number of leases. These conditions are used to increase operational flexibility in terms of contract management. Most of the extension and termination options held are renewable by both the Bank and the lessor.

Discounting of lease payments: Lease payments are discounted using the bank's incremental borrowing rate ("IBR"). Management applied judgements and estimates to determine the incremental borrowing rate at the start of the lease.

- **Useful lives of tangible assets and intangible assets**

Management reassessed the useful lives of tangible assets and intangible assets periodically for the purpose of calculating annual depreciation and amortisation based on the overall condition of those assets and estimates of expected useful lives in the future useful lives. Impairment loss is taken to the consolidated statement of profit or loss for the year.

- **Assets and liabilities that are stated at cost**

Management reviews, on a regular basis, the assets and liabilities that are stated at cost to estimate impairments, if any. Impairment losses are recognised in the consolidated statement of profit or loss for the year.

- **Income tax**

The financial year is charged with its own income tax expense in accordance with the laws and regulations, and accounting standards. Deferred tax assets and liabilities and required tax provision are accounted for.

- **Provision for legal cases**

A provision is made for any potential legal obligations based on the legal study prepared by the Bank's legal advisor that identifies the potential risks that may occur in the future. Such study is reviewed periodically.

(4) Cash and balances with Central Banks

	2021	2020
	JD	JD
Cash on hand	61,795,532	64,496,865
Balances with central banks:		
Current and demand accounts	11,615,697	23,219,692
Term, notice deposits and certificate of deposits	173,036,213	202,208,130
Restricted cash reserve	70,757,703	71,944,918
Gross balances with central banks	255,409,613	297,372,740
Less: Expected credit loss provision for balances with central banks	-	-
Net balances with central banks	255,409,613	297,372,740
Total	**317,205,145**	**361,869,605**

- Excluding restricted cash reserve, there are no restricted balances as at 31 December 2021 and 2020.

- There are no balances that matures in a period of more than 3 months as at 31 December 2021 and 2020.

- Expected credit losses are not calculated on balances with central banks according to the instructions of the Central Bank of Jordan relating to the application of the IFRS (9).

The following is the distribution of total balances with central banks according to the Bank's internal classification categories as at 31 December 2021 and 2020:

Credit rating categories based on the Bank's internal regulations	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2021				
From (1) to (5)	-	-	-	-
From (6) to (7)	-	-	-	-
From (8) to (10)	2,493,743	-	-	2,493,743
Unrated	252,915,870	-	-	252,915,870
Total	**255,409,613**	-	-	**255,409,613**
31 December 2020				
From (1) to (5)	-	-	-	-
From (6) to (7)	-	-	-	-
From (8) to (10)	1,881,749	-	-	1,881,749
Unrated	295,490,991	-	-	295,490,991
Total	**297,372,740**	-	-	**297,372,740**

The following is the movement on balances with central banks during the years ended 31 December 2021 and 2020:

Description	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2021				
Balance at the beginning of the year	297,372,740	-	-	297,372,740
New balances during the year	611,994	-	-	611,994
Balances paid during the year	(42,575,121)	-	-	(42,575,121)
Transferred to Stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Write offs	-	-	-	-
Balance at the end of the year	**255,409,613**	-	-	**255,409,613**

Description	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2020				
Balance at the beginning of the year	351,555,800	-	-	351,555,800
New balances during the year	24,316,940	-	-	24,316,940
Balances paid during the year	(78,500,000)	-	-	(78,500,000)
Transferred to Stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Write offs	-	-	-	-
Balance at the end of the year	**297,372,740**	-	-	**297,372,740**

The following is the movement on balances with central banks during the years ended 31 December 2021 and 2020:

Description	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total	2020
	JD	JD	JD	JD	JD
31 December 2021					
Balance at the beginning of the year	-	-	-	-	-
Expected credit losses on new balances during the year	-	-	-	-	-
Recovered from expected credit losses on balances paid during the year	-	-	-	-	-
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Changes resulting from adjustments	-	-	-	-	
Write offs					
Balance at the end of the year	-	-	-	-	-

Description	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total	2020
	JD	JD	JD	JD	JD
31 December 2020					
Balance at the beginning of the year	-	-	-	-	-
Expected credit losses on new balances during the year	-	-	-	-	-
Recovered from expected credit losses on balances paid during the year	-	-	-	-	-
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Changes resulting from adjustments	-	-	-	-	-
Write offs					
Balance at the end of the year	-	-	-	-	-

(5) Balances at banks and financial institutions

	Local banks and financial institutions		Foreign banks and financial institutions		Total	
	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD
Current and demad accounts	5,163	6,344	145,679,545	140,158,467	145,684,708	140,164,811
Deposits mature within 3 months or less	-	-	2,570,146	2,643,288	2,570,146	2,643,288
Total	**5,163**	**6,344**	**148,249,691**	**142,801,755**	**148,254,854**	**142,808,099**
Less: interest in suspense	-	-	(201,193)	(80,808)	(201,193)	(80,808)
Less: provision for expected credit losses for balances at banks and financial institutions	-	-	(5,915,206)	(5,968,773)	(5,915,206)	(5,968,773)
Net total balances of cash at banks and financial institutions	**5,163**	**6,344**	**142,133,292**	**136,752,174**	**142,138,455**	**136,758,518**

- Balances at banks and financial institutions, for which it receives no interest amounted to JD 54,445,850 as at 31 December 2021 comapred to an amount of JD 53,234,983 as at 31 December 2020.

- Balances restricted for withdrawal amounted to JD 2,543,992 as at 31 December 2021 compared to an amount of JD 2,508,347 as at 31 December 2020.

he following is the distribution of deposits at banks and financial institutions according to the Bank's internal classification categories as at 31 December 2021 and 2020:

Credit rating categories based on the Bank's internal regulations	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2021				
From (1) to (5)	134,803,905	-	-	134,803,905
From (6) to (7)	108,333	-	-	108,333
From (8) to (10)	62,402	-	6,116,399	6,178,801
Unrated	7,163,815	-	-	7,163,815
Total	**142,138,455**	-	**6,116,399**	**148,254,854**
31 December 2020				
From (1) to (5)	131,728,110	-	-	131,728,110
From (6) to (7)	114,717	-	-	114,717
From (8) to (10)	92,952	-	6,049,581	6,142,533
Unrated	4,822,739	-	-	4,822,739
Total	**136,758,518**	-	**6,049,581**	**142,808,099**

The following is the movement on deposits at banks and financial institutions during the year ended 31 December 2021 and 2020:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2021				
Balance at the beginning of the year	136,758,517	-	6,049,582	142,808,099
New balances during the year	12,246,264	-	139,787	12,386,051
Paid during the year	(6,866,326)	-	(72,970)	(6,939,296)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Write offs	-	-	-	-
Balance at the end of the year	**142,138,455**	-	**6,116,399**	**148,254,854**

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2020				
Balance at the beginning of the year	130,187,939	3,899,500		134,087,439
New balances during the year	42,896,277	-	3,341,966	46,238,243
Paid during the year	(36,325,698)	-	(1,191,885)	(37,517,583)
Transferred to stage 1	-	-		-
Transferred to stage 2	-	-		-
Transferred to stage 3	-	(3,899,500)	3,899,500	-
Changes resulting from adjustments	-	-	-	-
Write offs	-	-		-
Balance at the end of the year	**136,758,518**	-	**6,049,581**	**142,808,099**

The following is the disclosure of the provision for expected credit losses on deposits with banks and banking institutions during the year ended 31 December 2021 and 2020:

Description	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2021				
Balance at the beginning of the year	-	-	5,968,773	5,968,773
New balances during the year	-	-	19,402	19,402
Balances paid during the year	-	-	(72,969)	(72,969)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Write offs	-	-	-	-
Balance at the end of the year	-	-	**5,915,206**	**5,915,206**

Description	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2020				
Balance at the beginning of the year	646	1,114	-	1,716
New balances during the year	-	-	5,967,659	5,967,659
Balances paid during the year	(646)	-	-	(646)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	(1,114)	1,114	-
Changes resulting from adjustments	-	-	-	-
Write offs	-	-	-	-
Balance at the end of the year	-	-	**5,968,773**	**5,968,773**

(6) A loan with a repurchase option at fair value through the statement of income

On June 4 2020, the Bank signed a share repurchase agreement, in which 10 million shares were purchased from a customer who owns the majority share of a public shareholding company registered in Jordan at a price of JD 1 per share, for a total amount of JD 10 million.

The repurchase agreement states that the seller has the right/option to repurchase those shares at the initial transaction price of 1 JD within a period of two years from the date of signing the agreement.

The above transaction did not meet the derecognition criteria from the seller perspective, as the agreement includes a repurchase option with a share price, as a result the Bank accounted for the transaction as a loan at fair value through profit and loss.

The fair value of the collateral represented by shares of a public shareholding company limited was 14,000,000 JD as at 31 December 2021 compared to an amount of JD 10,700,000 as at 31 December 2020.

(7) Direct credit facilities, net

	31 December 2021	31 December 2020
	JD	JD
Individuals (Retail):		
Overdrafts	72,441	82,850
Loans and bills*	252,062,593	192,437,760
Credit cards	11,072,361	9,767,487
Real estate mortgage	255,897,699	221,155,759
Corporates:		
Large		
Overdrafts	130,074,162	129,600,722
Loans and bills*	872,362,056	898,280,109
SMEs		
Overdrafts	14,099,500	17,317,291
Loans and bills*	129,482,604	115,119,148
Government and public sector	177,939,198	112,438,870
Total	**1,843,062,614**	**1,696,199,997**
Expected credit loss provisions	126,245,225	115,101,771
Interest in suspense	29,530,577	24,585,392
Net direct credit facilities	**1,687,286,812**	**1,556,512,833**

*Net after deducting interest and commissions received in advance amounting to JD 84,885 as 31 December 2021 compared to JD 78,089 as at 31 December 2020.

- Credit facilities within the third stage amounted to JD 147,323,386 which is equivalent to 7.99% of total direct credit facilities as at 31 December 2021, compared to JD 187,198,381, which is equivalent to 11% of the total direct credit facilities as at 31 December 2020.

- Credit facilities within the third stage less suspended interest amounted to JD 120,397,568 which is equivalent to 6.6% of total direct credit facilities as at 31 December 2021 compared to JD 162,819,622 which is equivalent to. 9.7% of total direct credit facilities as at 31 December 2020.

- The credit facilities granted and guaranteed by the Jordanian government amounted to JD 123,501,389 which is equivalent to 7.7% of total direct credit facilities as at 31 December 2021, compared to JD 58,001,061 which is equivalent to 4.1% as at 31 December 2020.

The following is the movement on the balance of direct credit facilities on gross basis during the year ended 31 Decembers 2021 and 2020:

	Stage1		Stage2		Stage3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
31 December 2021						
Balance at the beginning of the year	1,363,763,744	-	145,237,872	-	187,198,381	1,696,199,997
New facilities granted during the year	445,812,060	-	29,428,899	-	14,140,997	489,381,956
Facilities settled during the year	(275,058,045)	-	(15,555,771)	-	(30,450,270)	(321,064,086)
Transferred to stage 1	17,981,450	-	(15,618,662)	-	(2,362,788)	-
Transferred to stage 2	(29,007,831)	-	55,123,801	-	(26,115,970)	-
Transferred to stage 3	(11,484,391)	-	(14,883,898)	-	26,368,289	-
Changes resulting from adjustments	-	-	-	-	-	-
Written-off facilities (transferred off-the statement of financial position)	-	-	-	-	(21,455,253)	(21,455,253)
Currency exchange adjustments	-	-	-	-	-	-
Balance at the end of the year	**1,512,006,987**	-	**183,732,241**	-	**147,323,386**	**1,843,062,614**
31 December 2020						
Balance at the beginning of the year	1,375,872,189		150,351,075	-	143,460,322	1,669,683,586
New facilities granted during the year	222,555,961	-	10,463,376	-	7,540,001	240,559,337
Facilities settled during the year	(193,104,353)	-	(10,500,317)	-	(9,286,960)	(212,891,630)
Transferred to stage 1	15,584,490	-	(13,592,816)	-	(1,991,674)	-
Transferred to stage 2	(40,167,103)	-	44,446,517	-	(4,279,414)	-
Transferred to stage 3	(16,977,442)	-	(35,929,962)	-	52,907,404	-
Changes resulting from adjustments	-	-	-	-	-	-
Written-off facilities (transferred off-the statement of financial position)	-	-	-	-	(1,151,297)	(1,151,297)
Currency exchange adjustments	-	-	-	-	-	-
Balance at the end of the year	**1,363,763,744**	-	**145,237,872**	-	**187,198,381**	**1,696,199,997**

Expected credit loss provisions – direct credit facilities

The following is the movement in the expected credit loss provisions - direct credit facilities during the year:

Year 2021	Individuals	Real estate mortgage	Corporates Large	Corporates SMEs	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	16,387,972	22,961,285	67,607,919	8,037,169	107,426	115,101,771
Provision added during the period	7,001,258	6,684,316	29,231,623	4,978,817	428,998	48,325,012
Provision recovered (surplus) during the period	(3,784,111)	(4,745,111)	(7,429,623)	(1,977,251)	-	(17,936,096)
Provision of debts transferred off the statement of financial position	(512,554)	(227,520)	(17,164,329)	(1,341,059)	-	(19,245,462)
Balance at the end of the year	**19,092,565**	**24,672,970**	**72,245,590**	**9,697,676**	**536,424**	**126,245,225**
Total provisions - stage 1	8,774,489	1,123,340	11,907,740	359,997	536,424	22,701,990
Total provisions -stage 2	913,870	3,489,409	19,199,912	156,127	-	23,759,318
Total provisions -stage 3	9,404,206	20,060,221	41,137,938	9,181,552	-	79,783,917
Total	**19,092,565**	**24,672,970**	**72,245,590**	**9,697,676**	**536,424**	**126,245,225**

- The surplus includes an amount of JD 1,681,516 related to one of the subsidiaries that was reclassified during the year to be presented as assets held for sale.

Year 2020	Individuals	Real estate mortgage	Corporates		Government and public sector	Total
			Large	SMEs		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	11,838,317	15,725,946	44,445,561	4,816,981	403,242	77,230,045
Provision added during the period	7,677,227	8,796,367	25,053,263	4,048,290	-	45,575,147
Provision recovered (surplus) during the period	(2,324,962)	(1,505,864)	(1,890,905)	(727,239)	(295,815)	(6,744,787)
Provision of debts transferred off-the statement of financial position	(802,609)	(55,164)	-	(100,862)	-	(958,635)
Balance at the end of the year	**16,387,972**	**22,961,285**	**67,607,919**	**8,037,169**	**107,426**	**115,101,771**
Total provisions - stage 1	6,745,505	1,294,367	5,837,658	546,579	107,426	14,531,535
Total provisions -stage 2	740,634	2,903,993	5,904,996	818,895	-	10,368,519
Total provisions -stage 3	8,901,833	18,762,925	55,865,265	6,671,695	-	90,201,718
Total	**16,387,972**	**22,961,285**	**67,607,919**	**8,037,169**	**107,426**	**115,101,771**

- The value of provisions that were no longer needed as a result of settlements or repayment of debts and transferred against other debts amounted to 17,936,096 JD as at 31 December 2021 (6,744,787 JD as at 31 December 2020).

- The surplus includes an amount of JD 155,854 related to one of the subsidiaries that was reclassified during the year to be presented as assets held for sale.

- During the year 2021, direct credit facilities including interest in suspense were transferred off the statement of financial position at an amount of JD 21,455,252 (2020: 1,151,296), in accordance with the decision of the Board of Directors.

- The Bank adopts the policy of suspended interest for off balance sheet accounts. During the year 2021, JD 5,607,649 of interest was suspended in accordance with the Board of Directors decision compared to JD 14,283,412 during the year 2020, so that the total interest in suspense transferred off-the statement of financial position amounted to JD 42,438,132 as at 31 December 2021 compared to JD 36,830,483 as at 31 December 2020.

The following is the movement on the expected credit loss provisions of direct credit facilities on collective basis during the year ended 31 December 2021 and 2020:

31 December 2021	Retail	Real estate mortgage	Large	SMEs	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	16,387,972	22,961,285	67,607,919	8,037,169	107,426	115,101,771
Expected credit losses on new facilities during the year	7,001,258	6,684,316	29,231,623	4,978,817	428,998	48,325,012
Recovered from expected credit losses on facilities paid during the year	(3,784,111)	(4,745,111)	(7,429,623)	(1,977,251)	-	(17,936,096)
Transferred to stage 1	449,344	252,562	(134,398)	133,105	-	700,613
Transferred to stage 2	82,622	827,396	4,793,325	(355,152)	-	5,348,191
Transferred to stage 3	(531,966)	(1,079,958)	(4,658,927)	222,047	-	(6,048,804)
Changes resulting from adjustments	-	-	-	-	-	-
Provision of facilities transferred off-the statement of financial position	(512,554)	(227,520)	(17,164,329)	(1,341,059)	-	(19,245,462)
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Balance at the end of the year	**19,092,565**	**24,672,970**	**72,245,590**	**9,697,676**	**536,424**	**126,245,225**
Re-allocation:						
Provisions on an individual basis	**19,092,565**	**24,672,970**	**72,245,590**	**9,697,676**	**536,424**	**126,245,225**
Provisions on a collective basis	-	-	-	-	-	-

31 December 2020	Retail	Real estate mortgage	Companies Large	Companies SMEs	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	11,838,317	15,725,946	44,445,561	4,816,981	403,242	77,230,045
Expected credit losses on new facilities during the year	7,677,227	8,796,367	25,053,263	4,048,290	-	45,575,147
Recovered from expected credit losses on facilities paid during the year	(2,324,962)	(1,505,864)	(1,890,905)	(727,239)	(295,815)	(6,744,787)
Transferred to stage 1	635,781	132,881	(189,182)	59,362	-	638,841
Transferred to stage 2	(522,526)	(28,382)	(4,101,714)	195,358	-	(4,457,265)
Transferred to stage 3	(113,255)	(104,499)	4,290,897	(254,720)	-	3,818,423
Changes resulting from adjustments	-	-	-	-	-	-
Provision of facilities transferred off-the statement of financial position	(802,609)	(55,164)	-	(100,862)	-	(958,635)
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Balance at the end of the year	**16,387,972**	**22,961,285**	**67,607,919**	**8,037,169**	**107,426**	**115,101,771**
Re-allocation:						
Provisions on an individual basis	**16,387,972**	**22,961,285**	**67,607,919**	**8,037,169**	**107,426**	**115,101,771**
Provisions on a collective basis	-	-	-	-	-	-

Interest in suspense

The following is the movement in the interest in suspense during the year:

			Companies			
Year 2021	**Retail**	**Real estate mortgage**	**Large**	**SMEs**	**Government and public sector**	**Total**
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	1,478,294	7,594,260	14,088,077	1,424,761	-	24,585,392
Add: suspended interest during the year	554,809	2,245,478	4,565,544	1,702,241	-	9,068,071
Less: suspended interest transferred to revenues	(211,571)	(239,252)	(1,223,418)	(238,856)	-	(1,913,096)
Interest in suspense transferred off-the statement of financial position	(175,603)	(141,070)	(1,653,807)	(239,310)	-	(2,209,790)
Balance at the end of the year	**1,645,929**	**9,459,416**	**15,776,397**	**2,648,836**	**-**	**29,530,577**
Year 2020						
Balance at the beginning of the year	1,377,074	5,330,455	10,905,373	1,063,923	-	18,676,825
Add: suspended interest during the year	578,375	2,639,920	3,615,676	612,681	-	7,446,652
Less: suspended interest transferred to revenues	(306,421)	(359,272)	(432,972)	(246,758)	-	(1,345,423)
Interest in suspense transferred off-the statement of financial position	(170,734)	(16,842)	-	(5,086)	-	(192,662)
Balance at the end of the year	**1,478,294**	**7,594,260**	**14,088,077**	**1,424,761**	**-**	**24,585,392**

Retail

The following is the distribution of total retail facilities according to the Bank's internal rating categories as at 31 December 2021 and 2020:

Credit rating categories based on the bank's internal system	Stage 1 Individuals	Stage 2 Individual	Stage 3	Total
31 December 2021	**JD**	**JD**	**JD**	**JD**
From (1) to (5)	22,317,998	5,833,564	-	28,151,562
From (6) to (7)	-	-	-	-
From (8) to (10)	-	-	3,149,277	3,149,277
Unrated	218,387,004	3,625,285	9,894,267	231,906,556
Total	**240,705,002**	**9,458,849**	**13,043,544**	**263,207,395**
31 December 2020				
From (1) to (5)	14,645,900	2,279,800	-	16,925,700
From (6) to (7)	151		-	151
From (8) to (10)	-	-	3,541,597	3,541,597
Unrated	168,640,266	3,415,163	9,765,221	181,820,650
Total	**183,286,316**	**5,694,963**	**13,306,818**	**202,288,097**

The following is the movement on retail facilities balances during the year ended 31 December 2021 and 2020.

	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
31 December 2021	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	183,286,316	5,694,963	13,306,818	202,288,097
New facilities granted during the year	87,781,451	2,333,857	1,890,013	92,005,321
Facilities settled during the year	(26,479,252)	(1,226,077)	(2,692,537)	(30,397,866)
Transferred to stage 1	3,006,580	(2,504,795)	(501,785)	-
Transferred to stage 2	(5,336,067)	6,623,370	(1,287,303)	-
Transferred to stage 3	(1,554,027)	(1,462,469)	3,016,496	-
Changes resulting from adjustments	-	-	-	-
Write offs (transferred off the statement of financial position)	-	-	(688,158)	(688,158)
Amendments resulting from changes in currency exchange	-	-	-	-
Balance at the end of the year	**240,705,002**	**9,458,849**	**13,043,544**	**263,207,395**
31 December 2020				
Balance at the beginning of the year	144,111,322	4,713,354	12,288,703	161,113,378
New facilities granted during the year	59,986,952	2,008,669	1,437,921	63,433,543
Facilities settled during the year	(18,531,026)	(816,555)	(1,937,901)	(21,285,481)
Transferred to stage 1	3,333,437	(2,574,954)	(758,482)	-
Transferred to stage 2	(3,116,993)	3,681,950	(564,957)	-
Transferred to stage 3	(2,497,376)	(1,317,501)	3,814,877	-
Changes resulting from adjustments	-	-	-	-
Write offs (transferred off the statement of financial position)	-	-	(973,343)	(973,343)
Amendments resulting from changes in currency exchange	-	-		-
Balance at the end of the year	**183,286,316**	**5,694,963**	**13,306,818**	**202,288,097**

The following is the movement on expected credit loss provisions on retail credit facilities during the year ended 31 December 2021 and 2020:

	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
31 December 2021	JD	JD	JD	JD
Balance at the beginning of the year	6,745,505	740,634	8,901,833	16,387,972
Expected credit losses on new facilities granted during the year	3,055,664	534,537	3,411,057	7,001,258
Recovered from expected credit losses on facilities settled during the year	(1,476,024)	(443,922)	(1,864,165)	(3,784,111)
Transferred to stage 1	615,431	(312,922)	(302,509)	-
Transferred to stage 2	(105,571)	639,810	(534,239)	-
Transferred to stage 3	(60,516)	(244,267)	304,783	-
Changes resulting from adjustments	-	-	-	-
Write offs	-	-	(512,554)	(512,554)
Amendments resulting from changes in currency exchange	-	-	-	-
Balance at the end of the year	**8,774,489**	**913,870**	**9,404,206**	**19,092,565**

	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
31 December 2020				
Balance at the beginning of the year	5,557,870	997,362	5,283,085	11,838,317
Expected credit losses on new facilities granted during the year	2,043,147	435,532	5,198,548	7,677,227
Recovered from expected credit losses on facilities settled during the year	(1,491,292)	(169,734)	(663,937)	(2,324,962)
Transferred to stage 1	826,468	(551,037)	(275,432)	-
Transferred to stage 2	(97,795)	319,269	(221,474)	-
Transferred to stage 3	(92,893)	(290,758)	383,651	-
Changes resulting from adjustments	-	-	-	-
Write offs	-	-	(802,609)	(802,609)
Amendments resulting from changes in currency exchange	-	-	-	-
Balance at the end of the year	**6,745,505**	**740,634**	**8,901,833**	**16,387,972**

The following is a disclosure of the distribution of total real estate facilities according to the Bank's internal classification categories as at 31 December 2021 and 2020

Credit rating categories based on the bank's internal system	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2021	JD	JD	JD	JD
From (1) to (5)	56,569,691	7,715,629	-	64,285,320
From (6) to (7)	78,941	17,041,032	-	17,119,973
From (8) to (10)	-	-	30,528,213	30,528,213
Unrated	123,199,460	7,280,590	13,484,143	143,964,193
Total	**179,848,092**	**32,037,251**	**44,012,356**	**255,897,699**

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2020	JD	JD	JD	JD
From (1) to (5)	37,453,802	5,742,285	-	43,196,087
From (6) to (7)	59,500	18,433,999	-	18,493,499
From (8) to (10)	-	-	32,057,589	32,057,589
Unrated	104,831,396	7,344,788	15,232,400	127,408,584
Total	**142,344,699**	**31,521,072**	**47,289,989**	**221,155,759**

Real Estate facilities

The following is the disclosure of the movement on real estate facilities balances during the year ended 31 December 2021 and 2020:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2021	JD	JD	JD	JD
Balance at the beginning of the year	142,344,699	31,521,072	47,289,989	221,155,759
New facilities during the year	63,221,222	2,080,020	2,667,102	67,968,345
Facilities paid during the year	(22,588,422)	(3,834,895)	(6,434,498)	(32,857,815)
Transferred to stage 1	6,118,672	(4,531,577)	(1,587,095)	-
Transferred to stage 2	(4,521,865)	8,867,960	(4,346,095)	-
Transferred to stage 3	(4,726,214)	(2,065,329)	6,791,543	-
Changes resulting from adjustments	-	-	-	-
Write offs (transferred off the statement of financial position)	-	-	(368,590)	(368,590)
Amendments resulting from changes in currency exchange	-	-	-	-
Balance at the end of the year	**179,848,092**	**32,037,251**	**44,012,356**	**255,897,699**
31 December 2020				
Balance at the beginning of the year	165,489,174	28,963,596	44,039,022	238,491,792
New facilities during the year	12,460,670	1,204,463	1,193,099	14,858,232
Facilities paid during the year	(24,942,933)	(2,530,051)	(4,649,275)	(32,122,259)
Transferred to Stage 1	4,192,921	(3,143,222)	(1,049,699)	-
Transferred to stage 2	(9,815,244)	11,225,560	(1,410,316)	-
Transferred to stage 3	(5,039,890)	(4,199,274)	9,239,164	-
Changes resulting from adjustments	-	-	-	-
Write offs (transferred off the statement of financial position)	-	-	(72,006)	(72,006)
Amendments resulting from changes in currency exchange	-	-	-	-
Balance at the end of the year	**142,344,699**	**31,521,072**	**47,289,989**	**221,155,759**

The following is the movement on the expected credit loss provisions of real estate facilities during the year ended 31 December 2021 and 2020:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2021	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	1,294,367	2,903,994	18,762,925	22,961,285
Expected credit losses on new facilities during the year	526,411	892,859	5,265,045	6,684,316
Recovered from expected credit losses on facilities paid during the year	(950,000)	(1,134,839)	(2,660,272)	(4,745,111)
Transferred to stage 1	533,478	(145,622)	(387,856)	-
Transferred to stage 2	(260,858)	1,162,828	(901,970)	-
Transferred to stage 3	(20,059)	(189,809)	209,868	-
Changes resulting from adjustments	-	-	-	-
Provision for written off facilities	-	-	(227,520)	(227,520)
Amendments resulting from changes in currency exchange	-	-	-	-
Balance at the end of the year	**1,123,340**	**3,489,409**	**20,060,221**	**24,672,970**
31 December 2020				
Balance at the beginning of the year	1,099,270	2,027,354	12,599,322	15,725,946
Expected credit losses on new facilities during the year	572,682	1,003,754	7,219,931	8,796,367
Recovered from expected credit losses on facilities paid during the year	(510,467)	(98,732)	(896,665)	(1,505,864)
Transferred to stage 1	288,026	(140,350)	(147,675)	-
Transferred to stage 2	(101,558)	250,167	(148,609)	-
Transferred to stage 3	(53,587)	(138,200)	191,786	-
Changes resulting from adjustments	-	-	-	-
Provision for written off facilities	-	-	(55,164)	(55,164)
Amendments resulting from changes in currency exchange	-	-	-	-
Balance at the end of the year	**1,294,367**	**2,903,993**	**18,762,925**	**22,961,285**

Large Companies'

The following is a disclosure of the distribution of the total large companies' facilities according to the bank's internal classification categories as at 31 December 2021 and 2020:

Credit rating categories based on the bank's internal system	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2021	**JD**	**JD**	**JD**	**JD**
From (1) to (5)	561,314,669	15,040,998	-	576,355,667
From (6) to (7)	241,576,010	111,559,292	-	353,135,302
From (8) to (10)	-	-	72,738,661	72,738,661
Unrated	158,797	38,280	9,511	206,588
Total	**803,049,476**	**126,638,570**	**72,748,172**	**1,002,436,218**

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2020	**JD**	**JD**	**JD**	**JD**
From (1) to (5)	738,169,607	11,512,001	-	749,681,608
From (6) to (7)	81,921,445	83,458,860	-	165,380,304
From (8) to (10)	-	-	112,430,264	112,430,264
Unrated	87,247	10	301,397	388,655
Total	**820,178,299**	**94,970,871**	**112,731,661**	**1,027,880,831**

The following is the disclosure of the movement on the large companies' facilities balances during the year ended 31 December 2021 and 2020:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2021	JD	JD	JD	JD
Balance at the beginning of the year	820,178,299	94,970,871	112,731,661	1,027,880,831
New facilities during the year	178,126,641	17,100,629	4,061,402	199,288,672
Facilities paid during the year	(181,470,526)	(7,814,383)	(16,630,240)	(205,915,149)
Transferred to stage 1	5,294,265	(5,294,265)	-	-
Transferred to stage 2	(15,817,373)	35,690,546	(19,873,173)	-
Transferred to stage 3	(3,261,830)	(8,014,828)	11,276,658	-
Changes resulting from adjustments	-	-	-	-
Write offs (transferred off the statement of financial position)	-	-	(18,818,136)	(18,818,136)
Amendments resulting from changes in currency exchange	-	-	-	-
Balance at the end of the year	**803,049,476**	**126,638,570**	**72,748,172**	**1,002,436,218**

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2020				
Balance at the beginning of the year	859,369,291	108,096,351	76,366,404	1,043,832,046
New facilities during the year	94,467,768	3,742,251	3,614,486	101,824,505
Facilities paid during the year	(111,193,526)	(5,905,969)	(676,225)	(117,775,721)
Transferred to stage 1	5,432,581	(5,427,726)	(4,855)	-
Transferred to stage 2	(21,716,555)	23,684,769	(1,968,214)	-
Transferred to stage 3	(6,181,260)	(29,218,805)	35,400,066	-
Changes resulting from adjustments	-	-	-	-
Write offs (transferred off the statement of financial position)	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-
Balance at the end of the year	**820,178,298**	**94,970,871**	**112,731,661**	**1,027,880,831**

The following is the disclosure of the movement on the provision for expected credit losses of large companies facilities during the year ended 31 December 2021 and 2020:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2021	JD	JD	JD	JD
Balance at the beginning of the year	5,837,658	5,904,996	55,865,265	67,607,919
Expected credit losses on new facilities during the year	8,552,579	10,180,758	10,498,286	29,231,623
Recovered from expected credit losses on facilities paid during the year	(2,348,099)	(1,679,167)	(3,402,357)	(7,429,623)
Transferred to stage 1	193,272	(193,272)	-	-
Transferred to stage 2	(26,002)	7,714,538	(7,688,536)	-
Transferred to stage 3	(301,668)	(2,727,941)	3,029,609	-
Changes resulting from adjustments	-	-	-	-
Provision for written off facilities	-	-	(17,164,329)	(17,164,329)
Amendments resulting from changes in currency exchange	-	-	-	-
Balance at the end of the year	**11,907,740**	**19,199,912**	**41,137,938**	**72,245,590**

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2020				
Balance at the beginning of the year	3,620,708	7,411,315	33,413,538	44,445,561
Expected credit losses on new facilities during the year	2,854,930	3,089,846	19,108,488	25,053,263
Recovered from expected credit losses on facilities paid during the year	(448,797)	(494,451)	(947,658)	(1,890,905)
Transferred to stage 1	56,193	(54,411)	(1,782)	-
Transferred to stage 2	(168,511)	652,390	(483,878)	-
Transferred to stage 3	(76,864)	(4,699,693)	4,776,557	-
Changes resulting from adjustments	-	-	-	-
Provision for written off facilities	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-
Balance at the end of the year	**5,837,658**	**5,904,996**	**55,865,265**	**67,607,919**

Small and Medium Companies

The following is a disclosure of the distribution of total SME facilities according to the Bank's internal classification categories as at 31 December 2021 and 2020:

Credit rating categories based on the bank's internal system	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2021	JD	JD	JD	JD
From (1) to (5)	99,688,353	12,797,452	-	112,485,805
From (6) to (7)	10,741,789	-	-	10,741,789
From (8) to (10)	-	2,762,525	17,107,662	19,870,187
Unrated	35,077	37,594	411,652	484,323
Total	**110,465,219**	**15,597,571**	**17,519,314**	**143,582,104**

31 December 2020	Stage 1 Individuals JD	Stage 2 Individuals JD	Stage 3 JD	Total JD
From (1) to (5)	94,245,332	8,398,695	-	102,644,027
From (6) to (7)	11,215,228	4,637,768	-	15,852,997
From (8) to (10)	-	-	13,399,087	13,399,087
Unrated	55,000	14,502	470,827	540,329
Total	**105,515,560**	**13,050,966**	**13,869,914**	**132,436,439**

The following is the disclosure of the movement on SME facilities balances during the year ended 31 December 2021 and 2020:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2021	JD	JD	JD	JD
Balance at the beginning of the year	105,515,560	13,050,966	13,869,914	132,436,440
New facilities during the year	43,181,404	7,914,391	5,522,480	56,618,275
Facilities paid during the year	(36,518,830)	(2,680,415)	(4,692,997)	(43,892,242)
Transferred to stage 1	3,561,933	(3,288,025)	(273,908)	-
Transferred to stage 2	(3,332,527)	3,941,926	(609,399)	-
Transferred to stage 3	(1,942,321)	(3,341,272)	5,283,593	-
Changes resulting from adjustments	-	-	-	-
Write offs (transferred off the statement of financial position)	-	-	(1,580,369)	(1,580,369)
Amendments resulting from changes in currency exchange	-	-	-	-
Balance at the end of the year	**110,465,219**	**15,597,571**	**17,519,314**	**143,582,104**
31 December 2020				
Balance at the beginning of the year	78,464,240	8,577,774	10,766,193	97,808,208
New facilities during the year	55,638,906	3,507,992	1,294,495	60,441,392
Facilities paid during the year	(22,436,868)	(1,247,742)	(2,023,559)	(25,708,169)
Transferred to stage 1	2,625,551	(2,446,914)	(178,637)	-
Transferred to stage 2	(5,518,311)	5,854,238	(335,927)	-
Transferred to stage 3	(3,257,958)	(1,194,382)	4,453,297	957
Changes resulting from adjustments	-	-	-	-
Write offs (transferred off the statement of financial position)	-	-	(105,948)	(105,948)
Amendments resulting from changes in currency exchange	-	-	-	-
Balance at the end of the year	**105,515,560**	**13,050,966**	**13,869,913**	**132,436,439**

- The following is the disclosure of the movement on the provision for expected credit losses of SME facilities during the year ended 31 December 2021 and 2020:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2021	JD	JD	JD	JD
Balance at the beginning of the year	546,579	818,895	6,671,695	8,037,169
Expected credit losses on new facilities during the year	129,860	37,730	4,811,227	4,978,817
Recovered from expected credit losses on facilities paid during the year	(449,546)	(345,346)	(1,182,359)	(1,977,251)
Transferred to stage 1	161,520	(43,761)	(117,759)	-
Transferred to stage 2	(21,690)	300,909	(279,219)	-
Transferred to stage 3	(6,726)	(612,300)	619,026	-
Changes resulting from adjustments	-	-	-	-
Provision for written off facilities	-	-	(1,341,059)	(1,341,059)
Amendments resulting from changes in currency exchange	-	-	-	-
Balance at the end of the year	**359,997**	**156,127**	**9,181,552**	**9,697,676**

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2020				
Balance at the beginning of the year	222,586	410,975	4,183,419	4,816,981
Expected credit losses on new facilities during the year	422,462	425,237	3,200,591	4,048,290
Recovered from expected credit losses on facilities paid during the year	(158,788)	(212,675)	(355,776)	(727,239)
Transferred to stage 1	130,016	(21,282)	(108,734)	-
Transferred to stage 2	(22,622)	231,705	(209,084)	-
Transferred to stage 3	(47,075)	(15,065)	62,141	-
Changes resulting from adjustments	-	-	-	-
Provision for written off facilities	-	-	(100,862)	(100,862)
Amendments resulting from changes in currency exchange	-	-	-	-
Balance at the end of the year	**546,579**	**818,895**	**6,671,695**	**8,037,169**

Government and Public Sector

The following is a disclosure of the distribution of total government and public sector facilities according to the Bank's internal classification categories as at 31 December 2021 and 2020:

Credit rating categories based on the bank's internal system	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2021	JD	JD	JD	JD
From (1) to (5)	89,887,857	-	-	89,887,857
From (6) to (7)	88,051,341	-	-	88,051,341
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**177,939,198**	-	-	**177,939,198**

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2020	**JD**	**JD**	**JD**	**JD**
From (1) to (5)	62,438,870	-	-	62,438,870
From (6) to (7)	50,000,000	-	-	50,000,000
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**112,438,870**	-	-	**112,438,870**

The following is the disclosure of the movement on government and public sector facilities balances during the year ended 31 December 2021 and 2020:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2021	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	112,438,870	-	-	112,438,870
New facilities during the year	73,501,342	-	-	73,501,342
Facilities paid during the year	(8,001,014)	-	-	(8,001,014)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Write offs (transferred off the statement of financial position)	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-
Balance at the end of the year	**177,939,198**	-	-	**177,939,198**
31 December 2020				
Balance at the beginning of the year	128,438,162	-	-	128,438,162
New facilities during the year	708	-	-	708
Facilities paid during the year	(16,000,000)	-	-	(16,000,000)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Write offs (transferred off the statement of financial position)	-	-	-	-
Amendments resulting from changes in currency exchange	-	-		-
Balance at the end of the year	**112,438,870**	-	-	**112,438,870**

The following is the disclosure of the movement on the provision for expected credit losses of government and public sector facilities during the year ended 31 December 2021 and 2020:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2021	JD	JD	JD	JD
Balance at the beginning of the year	107,426	-	-	107,426
Expected credit losses on new facilities during the year	428,998	-	-	428,998
Recovered from expected credit losses on facilities paid during the year	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written off facilities	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-
Balance at the end of the year	**536,424**	**-**	**-**	**536,424**
31 December 2020				
Balance at the beginning of the year	403,242	-	-	403,242
Expected credit losses on new facilities during the year	-	-	-	-
Recovered from expected credit losses on facilities paid during the year	(295,815)	-	-	(295,815)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written off facilities	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-
Balance at the end of the year	**107,426**	**-**	**-**	**107,426**

- Based on the instructions of the Central Bank of Jordan related to the application of IFRS (9), no provision was calculated for expected credit losses on credit facilities granted or guaranteed by the Jordanian government.

(8) Financial assets at fair value through statement of income

The details of this item are as follows:

	31 December 2021	31 December 2020
	JD	JD
Shares listed in an active market	4,133,548	-
Total financial assets through statement of income	**4,133,548**	**-**

- Total unrealized losses from the valuation of shares at fair value through statement of income amounted to JD 288,817 during 2021, which was recorded within the consolidated income statement.

- Total realized losses from sale of shares at fair value through statement of income amounted to JD 14,966 during 2021, which was recorded within the consolidated income statement.

(9) Financial assets at fair value through other comprehensive income

	31 December 2021	31 December 2020
	JD	JD
Shares listed in an active market	19,114,012	17,784,848
Shared unlisted	26,204,532	25,505,244
Total shares	**45,318,545**	**43,290,092**
Bonds listed in active markets	24,660,562	29,366,838
Bonds unlisted in active markets	5,000,000	13,210,344
Total bonds (debt instruments)	**29,660,562**	**42,577,182**
Total financial assets at fair value through other comprehensive income	74,979,107	85,867,274

Analysis of bills and bonds:

Fixed rate	24,660,562	29,366,838
Floating rate	5,000,000	13,210,344
Total	**29,660,562**	**42,577,182**

- Total income realized from the sale of shares at fair value through comprehensive income amounted to JD 393,798 during the year 2021 compared to JD 7,315 during the year 2020, which were credited directly to retained earnings in the consolidated statement of equity.

- Total losses realized from sale of bonds at fair value through comprehensive income amounted JD 89,987 compared to JD 407,041 in profits during the year 2020 that were credited directly in the consolidated statement of income.

- Cash dividends on the above investments amounted to JD 1,068,858) for the year ended 31 December 2021 (2020: JD 2,768,310)

The following is a disclosure of the distribution of total debt instruments at fair value through other comprehensive income according to the Bank's internal classification categories as at 31 December 2021 and 2020:

Credit rating categories based on the bank's internal system	**Stage 1 Individuals**	**Stage 2 Individuals**	**Stage 3**	**Total**
31 December 2021	**JD**	**JD**	**JD**	**JD**
From (1) to (5)	763,026	-	-	763,026
From (6) to (7)	28,206,261	-	-	28,206,261
From (8) to (10)	-	-	691,275	691,275
Unrated	-	-	-	-
Total	**28,969,287**	-	**691,275**	**29,660,562**

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2020	**JD**	**JD**	**JD**	**JD**
From (1) to (5)	5,238,582	-	-	5,238,582
From (6) to (7)	29,172,901	-	-	29,172,901
From (8) to (10)	-	-	10,154,668	10,154,668
Reclassification of expected credit loss	(96,432)	-	(1,892,538)	(1,988,970)
Total	**34,411,484**	**-**	**8,262,130**	**42,577,182**

The following is the disclosure of movement in the balance of debt instruments at fair value through other comprehensive income for the years ended 31 December 2021 and 2020:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2021	**JD**	**JD**	**JD**	**JD**
Fair value at beginning of the year	34,315,052	-	8,262,130	42,577,182
New debt instruments during the year	33,656	-	-	33,656
Paid debt instruments during the year	(5,379,421)	-	(1,438,005)	(6,817,426)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off debt instruments	-	-	(6,132,850)	(6,132,850)
Fair value at end of the year	**28,969,287**	**-**	**691,275**	**29,660,562**
31 December 2020				
Fair value at beginning of the year	33,433,864	9,584,794	8,731,925	51,750,583
New debt instruments during the year	8,210,475	-	474,456	8,684,931
Paid debt instruments during the year	(7,232,856)	(6,429,744)	(2,206,763)	(15,869,362)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	(3,155,050)	3,155,050	-
Changes resulting from adjustments*	(96,432)	-	(1,892,538)	(1,988,970)
Written off debt instruments	-	-	-	-
Fair value at end of the year	34,315,052	-	8,262,130	42,577,182

* The adjustments resulted from re-stating the expected credit losses to be included in the valuation reserve in equity.

The following is the disclosure of the movement in the provision for expected credit losses for debt instruments at fair value through other comprehensive income during the years ended 31 December 2021 and 2020:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2021	JD	JD	JD	JD
Balance at the beginning of the year	96,432	-	7,127,980	7,224,412
Expected credit losses on new debt instruments during the year	139,298	-	335,768	475,066
Recovered from expected credit losses on debt instruments paid during the year*	(40,636)	-	(918,022)	(958,658)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written off debt instruments	-	-	(6,132,850)	(6,132,850)
Balance at the end of the year	195,094	-	412,876	607,970

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2020	JD	JD	JD	JD
Balance at the beginning of the year	81,629	440,745	918,923	1,441,297
Expected credit losses on new debt instruments during the year*	62,332	-	5,894,628	5,956,960
Recovered from expected credit losses on debt instruments paid during the year	(47,529)	(126,315)	-	(173,844)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	(314,430)	314,430	-
Changes resulting from adjustments	-	-	-	-
Provision for written off debt instruments	-	-	-	-
Balance at the end of the year	**96,432**	-	**7,127,980**	**7,224,412**

*Represents private sector coporate bonds that were reclassified from financial assets at fair value through statement of comprehensive income to investments at amortised cost during 2021.

- The Bank has not calculated expected credit loss provisions on debt instruments issued by the Jordanian government in accordance with the Central Bank of Jordan's instructions regarding the application of IFRS (9).

(10) Financial assets at amortised cost

	31 December 2021	31 December 2020
	JD	JD
Financial assets with available market prices:		
Foreign government bills and treasury bonds	6,245,547	-
Total financial assets with no available market prices	6,245,547	-
Less: impairment provisions for financial assets at amortised cost	(171,056)	-
Net financial assets with available market prices	6,074,491	-
Financial assets with no available market prices:		
Bills and treasury bonds	482,250,189	402,110,610
Corporate loans bonds	8,720,000	-
Total financial assets with no available market prices	490,970,189	402,110,610
Less: impairment provisions for financial assets at amortised cost	(2,475,375)	-
Net financial assets with no available market prices	**488,494,814**	**402,110,610**
Total	**494,569,305**	**402,110,610**
Analysis of bills and bonds:		
With fixed rate	488,495,736	402,110,610
With floating rate	8,720,000	-
Total	**497,215,736**	**402,110,610**

- Total income realized from the sale of bonds at amrotised cost amounted to JD 2,132,280 during 2021, which was recorded within the consolidated income statement.

- Based on the instructions of the Central Bank of Jordan related to the application of IFRS (9), no expected credit loss provisions were calculated on the Jordanian government treasury bonds and bills.

- The following is a disclosure of the distribution of total financial assets at amortised cost according to the Bank's internal classification categories as at 31 December 2021 and 2020.

Credit rating categories based on the bank's internal system	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2021	JD	JD	JD	JD
From (1) to (5)	488,495,736	-	-	-
From (6) to (7)	-	-	-	488,495,736
From (8) to (10)	-	-	8,720,000	8,720,000
Unrated	-	-	-	-
Total	**488,495,736**	-	**8,720,000**	**497,215,736**

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2020	JD	JD	JD	JD
From (1) to (5)	402,110,610	-	-	402,110,610
From (6) to (7)	-	-	-	-
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**402,110,610**	-	-	**402,110,610**

- The following is the disclosure of the movement on financial assets at amortised cost balance during the years ended 31 December 2021 and 2020:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2021	JD	JD	JD	JD
Balance at the beginning of the year	402,110,610	-	-	402,110,610
New investments during the year	217,763,801	-	8,720,000	226,483,801
Paid investments during the year	(131,378,675)	-	-	(131,378,675)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off investments	-	-	-	-
Balance at the end of the year	**488,495,736**	-	**8,720,000**	**497,215,736**
31 December 2020				
Balance at the beginning of the year	308,656,110	-	-	308,656,110
New investments during the year	199,896,282	-	-	199,896,282
Paid investments during the year	(106,441,782)	-	-	(106,441,782)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off investments	-	-	-	-
Balance at the end of the year	**402,110,610**	-	-	**402,110,610**

The following is the disclosure of the movement on the provision for expected credit losses of financial assets at amortised cost during the years ended 31 December 2021 and 2020:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2021	JD	JD	JD	JD
Balance at the beginning of the year	-	-	-	-
Expected credit losses on new investments during the year	228,409	-	2,418,022	2,646,431
Recovered from expected credit losses on investments paid during the year	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written off investments	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-
Balance at the end of the year	**228,409**	-	**2,418,022**	**2,646,431**

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2020	JD	JD	JD	JD
Balance at the beginning of the year	-	-	-	-
Expected credit losses on new investments during the year	-	-	-	-
Recovered from expected credit losses on investments paid during the year	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written off investments	-	-	-	-
Balance at the end of the year	-	-	-	-

- Based on the instructions of the Central Bank of Jordan related to the application of IFRS (9), no expected credit loss provisions were calculated on the Jordanian government treasury bonds and bills.

The following is the disclosure of the movement on investments balance during the years ended 31 December 2021 and 2020:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2021	JD	JD	JD	JD
Balance at the beginning of the year	436,522,094	-	10,154,668	446,676,762
New investments during the year	217,797,457	-	14,569,612	232,367,069
Investments matured during the year	(136,854,528)	-	(9,180,155)	(146,034,683)
Change in fair value	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off investments	-	-	(6,132,850)	(6,132,850)
Balance at the end of the year	**517,465,023**	-	**9,411,275**	**526,876,298**

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2020	JD	JD	JD	JD
Balance at the beginning of the year	342,089,978	9,584,794	8,731,925	360,406,696
New investments during the year	208,106,754		474,456	208,581,209
Investments matured during the year	(113,674,637)	(6,429,744)	(2,206,763)	(122,311,144)
Change in fair value	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	(3,155,050)	3,155,050	-
Changes resulting from adjustments	-	-	-	-
Written off investments	-	-	-	-
Balance at the end of the year	**436,522,094**	-	**10,154,668**	**446,676,762**

The following is the disclosure of the movement on investments expected credit losses during the year ended 31 December 2021 and 2020:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2021	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	96,432	-	7,127,980	7,224,412
New investments during the year	367,706	-	2,753,791	3,121,497
Investments matured during the year	(40,636)	-	(918,022)	(958,658)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written off investments	-	-	(6,132,850)	(6,132,850)
Balance at the end of the year	**423,502**	**-**	**2,830,899**	**3,254,401**
31 December 2020				
Balance at the beginning of the year	81,629	440,745	918,923	1,441,297
New investments during the year	62,332	-	5,894,628	5,956,960
Investments matured during the year	(47,529)	(126,315)	-	(173,844)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	(314,430)	314,430	-
Changes resulting from adjustments	-	-	-	-
Provision for written off investments	-	-	-	-
Balance at the end of the year	**96,432**	**-**	**7,127,980**	**7,224,412**

(11) Property and equipment- net

A - The details of this item are as follows:

	Lands	Buildings	Equipment, devices and furniture	Vehicles	Devices and Computers	Leasehold improvements	Total
	JD	JD	JD	JD	JD	JD	
31 December 2021							
Cost:							
Balance at the beginning of the year	4,136,712	14,548,109	16,283,465	1,188,459	16,831,725	18,849,546	71,838,015
Impact of reconsolidation of a subsidiary	-	469,906	249,830	115,902	134,282	97,249	1,067,169
Adjusted beginning balance	4,136,712	15,018,015	16,533,295	1,304,361	16,966,007	18,946,795	72,905,184
Additions	3,448,821	2,216,600	2,122,427	-	1,042,324	2,694,961	11,525,133
Less: disposals and reclassification	-	4,052,079	286,027	76,477	850,151	-	5,264,734
Balance at the end of the year	**7,585,533**	**13,182,536**	**18,369,695**	**1,227,884**	**17,158,180**	**21,641,756**	**79,165,583**
Accumulated depreciation:							
Balance at the beginning of the year	-	2,708,112	11,263,006	915,590	14,472,440	15,611,723	44,970,871
Impact of reconsolidation of a subsidiary	-	143,577	244,013	102,582	130,650	95,996	716,818
Adjusted beginning balance	-	2,851,689	11,507,019	1,018,172	14,603,090	15,707,719	45,687,689
Depreciation for the year	-	259,248	1,153,202	126,587	932,005	1,388,203	3,859,245
Less: disposals	-	-	273,112	525	841,268	-	1,114,905
Balance at the end of the year	-	**3,110,937**	**12,387,109**	**1,144,234**	**14,693,827**	**17,095,922**	**48,432,029**
Net book value of property and equipment	7,585,533	10,071,598	5,982,586	83,650	2,464,353	4,545,834	30,733,554
Add: Payments on purchase account of property and equipment			3,117,360	-	-	-	3,117,360
Net book value of property and equipment at the end of the year	**7,585,533**	**10,071,598**	**9,099,946**	**83,650**	**2,464,353**	**4,545,834**	**33,850,914**

	Lands	Buildings	Equipment, devices and furniture	Vehicles	Devices and Computers	Leasehold improvements	Total
	JD	JD	JD	JD	JD	JD	
31 December 2020							
Cost:							
Balance at the beginning of the year	4,136,712	11,379,902	16,301,223	1,195,925	15,844,712	17,010,404	65,868,877
Additions	-	3,168,207	221,957	50,214	988,619	1,839,142	6,268,139
Less: disposals	-	-	66,715	57,680	1,607	-	126,001
Balance at the end of the year	**4,136,712**	**14,548,109**	**16,456,465**	**1,188,459**	**16,831,725**	**18,849,546**	**72,011,015**
Accumulated depreciation:							
Balance at the beginning of the year	-	2,514,922	10,092,838	840,814	13,449,383	14,196,791	41,094,747
Depreciation for the year	-	193,190	1,226,597	124,407	1,031,225	1,414,932	3,990,351
Less: disposals	-	-	56,429	49,630	8,168	-	114,227
Balance at the end of the year	**-**	**2,708,112**	**11,263,006**	**915,590**	**14,472,440**	**15,611,723**	**44,970,871**
Net book value of property and equipment	4,136,712	11,839,996	5,020,459	272,869	2,359,285	3,237,823	26,867,144
Add: Payments on purchase account of property and equipment	-	-	1,660,554	-	-	-	1,660,554
Net book value of property and equipment at the end of the year	**4,136,712**	**11,839,996**	**6,681,013**	**272,869**	**2,359,285**	**3,237,823**	**28,527,698**

- Fully depreciated assets as at 31 December 2021 amounted to JD 33,937,412 compared to JD 30,914,613 as at 31 December 2020.

(12) Intangible assets – net

The details of this item are as follows:

	Software and programmes	
	31 December	
	2021	2020
For the year 2021	JD	JD
Balance at the beginning of the year	1,964,717	1,357,766
Additions	4,311,495	1,332,250
Amortisation for the year	611,226	725,298
Balance at the end of the year	**5,664,986**	**1,964,717**
Annual amortization rate %	**20-33**	

(13) Leased assets and liabilities

The Bank implemented IFRS (16) "Leases" as at 1 January 2019. The application resulted in the recognition of the right to use of the leased assets amounting to JD 12,844,569 as at 31 December 2021 (2020: JD 13,347,577) and the liabilities arising against it amounting to JD 12,530,503 as at 31 December 2021 (2020: JD 12,389,957), the recognized amounts represent the present value of the expected future payments on the basis of each contract separately using a discount rate equivalent to the incremental borrowing rate of the Bank.

All contracts that were processed under IFRS 16 represent the leasing of locations and branches of the Bank. The Bank chose to use the exemption available in the standard by not recognizing the right of use leased assets for contracts of less than one year with immaterial amounts.

Assets recognised in the financial position are amortized using the straight-line method and over the expected period of the right of use, for each asset, as the value of amortization for the period amounted to JD 2,713,528 for 31 December 2021 compared to JD 2,163,762 as at 31 December 2020.

The liability is amortized by reducing the payments made to the lessor, less interest resulting from the present value. Interest expense amounted to JD 1,212,858 for 31 December 2021 compared to JD 1,085,669 as at 31 December 2020.

(14) Other assets

The details of this item are as follows:

	31 December 2021	31 December 2020
	JD	JD
Accrued interest	30,698,981	25,013,351
Prepaid expenses	2,034,183	1,867,437
Assets seized by the Bank in settlement of debts, net	131,966,150	133,538,182
Debtors*	1,157,017	3,918,612
Clearing cheques	6,422,079	301,063
Others*	6,698,181	5,936,309
Total	**178,976,591**	**170,574,955**

- Items of debtors, assets seized by the bank in settlement of debts and other assets include balances pertaining to subsidiaries amounting to JD 6,245,421 as at 31 December 2021 compared to JD 68,636 as at 31 December 2020.
- The instructions of the Central Bank of Jordan require the diposal of the assets seized by the bank in settlement of debts within a maximum period of two years from the date of its acquisition. The Central Bank, in exceptional cases, may extend this period for a maximum of two consecutive years.

Below is the movement on the assets seized by the Bank:

	2021		
	Seized properties	**Other seized assets**	**Total**
	JD	JD	JD
Balance at the beginning of the year - net	133,538,182	-	133,538,182
Additions *	15,793,842	1,040,275	16,834,117
Disposals	(14,013,762)	-	(14,013,762)
Recovered from provision in accordance with the instructions of the Central Bank of Jordan	896,846	-	896,846
Impairment	(5,289,233)	-	(5,289,233)
Balance at the end of the year	**130,925,875**	**1,040,275**	**131,966,150**

	2020		
	Seized properties	**Other seized assets**	**Total**
	JD	JD	JD
Balance at the beginning of the year - net	136,505,006	-	136,505,006
Additions	2,497,686	-	2,497,686
Disposals	(5,099,082)	-	(5,099,082)
Impairment	(365,428)	-	(365,428)
Balance at the end of the year	**133,538,182**	-	**133,538,182**

*This amount represents seized shares during 2021 against debts in one of the Arab Banks.

- Real estate provision has not been deducted in accordance with the instructions of the Central Bank of Jordan Circular No. 16239/1/10 dated on 21 November 2019, as the Circular has been postponed for one year. So that the required percentage of 50% of these properties are to be reached by the end of 2030.

(15) Banks and financial institutions deposits

	31 December 2021		
	Inside the Kingdom	**Outside the Kingdom**	**Total**
	JD	JD	JD
Current and at call accounts	-	38,791,340	38,791,340
Term deposits*	46,085,000	82,069,117	128,154,117
Total	**46,085,000**	**120,860,457**	**166,945,457**

	31 December 2020		
	Inside the Kingdom	**Outside the Kingdom**	**Total**
	JD	JD	JD
Current and at call accounts	-	25,995,596	25,995,596
Term deposits*	24,815,000	122,877,081	147,692,081
Total	**24,815,000**	**148,872,677**	**173,687,677**

*Deposits of banks and financial institutions maturing within a period of more than 3 months amounted to JD 37,614,010 as at 31 December 2021, compared to JD 126,893,677 as at 31 December 2020.

(16) Customer's deposits

The details of this item are as follows:

		31 December 2021			
		Corporates			
31 December 2021	Individuals	Large	SMEs	Government and public sector	Total
	JD	JD	JD	JD	JD
Current and at call accounts	280,396,214	118,948,896	242,280,968	2,246,868	643,872,946
Saving deposits	179,887,171	636,766	3,147,265	2,148,391	185,819,593
Term and notice deposits	716,137,590	224,012,363	97,043,392	70,282,107	1,107,475,452
Certificates of deposit	131,479	-	-	-	131,479
Total	**1,176,552,454**	**343,598,025**	**342,471,625**	**74,677,366**	**1,937,299,470**

		31 December 2020			
		Corporates			
31 December 2020	Individuals	Large	SMEs	Government and public sector	Total
	JD	JD	JD	JD	JD
Current and at call accounts	264,911,036	128,604,511	201,007,560	2,185,827	596,708,934
Saving deposits	170,693,583	224,385	3,828,672	1,320,951	176,067,591
Term and notice deposits	714,346,562	243,313,314	84,195,942	62,869,582	1,104,725,400
Certificates of deposit	48,558	-	-	-	48,558
Total	**1,149,999,739**	**372,142,209**	**289,032,174**	**66,376,361**	**1,877,550,483**

- The Jordanian government and public sector deposits within the Kingdom amounted to JD 74,677,366, i.e. 3.9% of total deposits as at 31 December 2021 (JD 66,376,361, i.e. 3.5% as at 31 December 2020).
- The non-interest-bearing deposits amounted to JD 586,779,824, i.e. 30.3% of total deposits as at 31 December 2021 (JD 543,698,415, i.e. 29% as at 31 December 2020).
- The deposits (restricted) amounted to JD 29,375,093, i.e. 1.5% of the total deposits as at 31 December 2021 (JD 27,228,796, i.e. 1.5% as at 31 December 2020).
- Dormant deposits amounted to JD 31,057,498 as at 31 December 2021 (JD 61,461,964 as at 31 December 2020).

(17) Cash margins

The details of this item are as follows:

	2021	2020
	JD	JD
Cash margins against direct facilities	62,744,733	51,630,723
Cash margins against indirect facilities	30,334,475	22,264,594
Total	93,079,208	73,895,317

(18) Borrowed funds

Borrowings were obtained under agreements signed with different financial institutions, for the purpose of financing micro companies and SMEs, in a schedule as follows:

	Loan Amount/ JD	Total number of installments	Remaining	installments Periodic payment of	Collaterals	Interest rate	Fixed/Variable
31 December 2021							
Loan from Central Bank of Jordan	2,400,000	20	12	Semi-annual	-	1.96%	Variable
Loan from Central Bank of Jordan	1,110,000	14	5	Semi-annual	-	2.51%	Fixed
Loan from Central Bank of Jordan	3,963,975	20	17	Semi-annual	-	2.00%	Variable
Loan from Central Bank of Jordan	4,426,400	34	34	Semi-annual	-	3.00%	Fixed
Loan from Central Bank of Jordan	480,769	30	29	Semi-annual	-	1.54%	Variable
Advances from Central Bank of Jordan	666,668	3	2	Under tranches - every 6 months over 2 years	Promissory notes on demand	0.50%	Fixed
Advances from Central Bank of Jordan	999,245	27	20	Under tranches - every 6 months over 10 years	Promissory notes on demand	0.50%	Fixed
Advances from Central Bank of Jordan	994,034	17	11	Under tranches - every 9 months over 10 years	Promissory notes on demand	0.50%	Fixed
Advances from Central Bank of Jordan	461,050	36-57	3-36	Monthly over the year	Promissory notes on demand	0.50%	Fixed
Advances from Central Bank of Jordan	2,675,667	3-64	1-38	Monthly over 5 years	Promissory notes on demand	0.50%	Fixed
Advances from Central Bank of Jordan	7,902,631	6-114	3-82	Monthly over 10 years	Promissory notes on demand	0.50%	Fixed
Advances from Central Bank of Jordan	749,404	5-68	1-27	Monthly over the year	Promissory notes on demand	1.00%	Fixed
Advances from Central Bank of Jordan	4,764,717	2-60	1-50	Monthly over 5 years	Promissory notes on demand	1.00%	Fixed
Advances from Central Bank of Jordan	4,313,978	22-101	9-101	Monthly over 10 years	Promissory notes on demand	1.00%	Fixed
Advances from Central Bank of Jordan - Covid 19	549,442	14-54	14-50	Monthly over the year	-	0.00%	Fixed
Advances from Central Bank of Jordan - Covid 19	21,704,804	6-27	1-13	Monthly over 3 years	-	0.00%	Fixed
Advances from Central Bank of Jordan - Covid 19	5,310,084	12-54	10-50	Monthly over 5 years	-	0.00%	Fixed
Loan from Jordan Mortgage Refinance	20,000,000	1	1	Paid in one instalment during 2022	-	4.23%	Fixed
Loan from Jordan Mortgage Refinance	10,000,000	1	1	Paid in one instalment during 2022	-	4.23%	Fixed
Loan from Jordan Mortgage Refinance	10,000,000	1	1	Paid in one instalment during 2024	-	6.45%	Fixed
Loan from Jordan Mortgage Refinance	10,000,000	1	1	Paid in one instalment during 2028	-	4.90%	Fixed
Loan from Jordan Mortgage Refinance	9,000,000	1	1	Paid in one instalment during 2024	-	4.50%	Fixed
European Investment Bank (EIB) loan	84,583,700	9	9	Semi-annual interest	-	1.79%	Fixed
Housing Bank for Trade & Finance	36,322	-	-	Annual interest	-	5.50%	Variable
Cairo Bank	3,405,535	36	19	Paid in 36 instalments as of the date of utilization	-	5.00%	Variable
Capital Bank	3,737,851	36	7-29	Paid in 36 instalments as of the date of utilization	-	5.25%	Variable
Housing Bank for Trade & Finance	7,873,675	36	21-31	Paid in 36 instalments as of the date of utilization	-	5.50%	Variable
Societe Generale Bank	2,005,685	36	2-24	Paid in 36 instalments as of the date of utilization	-	5.40%	Variable
Loan from Jordan Mortgage Refinance	10,000,000	1	1	Payable in one payment during the year 2024 - semi-annual interest	-	4.85%	Fixed
Loan from Jordan Mortgage Refinance	5,000,000	1	1	Payable in one payment during the year 2022 - semi-annual interest	-	4.78%	Fixed
Total	239,115,636						

	Loan Amount / JD	Total number of installments	Remaining	Instalments Periodic payment of	Collaterals	Interest rate	Fixed/Variable
31 December 2020							
Loan from Central Bank of Jordan	2,800,000	20	14	Semi annual	-	2.07%	Variable
Loan from Central Bank of Jordan	1,530,000	14	7	Semi annual	-	2.51%	Fixed
Loan from Central Bank of Jordan	4,430,325	20	19	Semi annual	-	2.11%	Variable
Loan from Central Bank of Jordan	4,426,400	34	34	Semi annual	-	3.00%	Fixed
Loan from Central Bank of Jordan	500,000	30	30	Semi annual	-	1.67%	Variable
Advances from Central Bank of Jordan	1,000,000	4	4	Under tranches - every 6 months over 2 years	Promissory notes on demand	0.50%	Fixed
Advances from Central Bank of Jordan	1,000,000	20	7	Under tranches - every 6 months over 10 years	Promissory notes on demand	0.50%	Fixed
Advances from Central Bank of Jordan	390,460	13	1	Under tranches - every 9 months over 10 years	Promissory notes on demand	0.50%	Fixed
Advances from Central Bank of Jordan	1,219,129	12	7	Monthly payments for 1 year	Promissory notes on demand	0.50%	Fixed
Advances from Central Bank of Jordan	3,379,170	60	46	Monthly payments for 5 year	Promissory notes on demand	0.50%	Fixed
Advances from Central Bank of Jordan	7,754,497	120	77	Monthly payments for 10 year	Promissory notes on demand	0.50%	Fixed
Advances from Central Bank of Jordan	561,982	12	3	Monthly payments for 1 year	Promissory notes on demand	1.00%	Fixed
Advances from Central Bank of Jordan	5,671,715	60	9	Monthly payments for 5 year	Promissory notes on demand	1.00%	Fixed
Advances from Central Bank of Jordan	820,500	120	28	Monthly payments for 10 year	Promissory notes on demand	1.00%	Fixed
Advances from Central Bank of Jordan - Covid 19	11,418,314	12	12	Monthly payments for 1 year	-	0.00%	Without interest
Advances from Central Bank of Jordan - Covid 19	9,755,013	36	36	Monthly payments for 3 year	-	0.00%	Without interest
Loan from Jordan Mortgage Refinance	20,000,000	1	1	Paid on one instalment during 2022	-	4.23%	Fixed
Loan from Jordan Mortgage Refinance	10,000,000	1	1	Paid on one instalment during 2022	-	4.23%	Fixed
Loan from Jordan Mortgage Refinance	10,000,000	1	1	Paid on one instalment during 2024	-	6.45%	Fixed
Bank Audi	961,452	36	19-26	Paid in 36 instalments as of the date of utilization	-	6.50%	Variable
Housing Bank for Trade & Finance	11,659,810	24-36	16-33	Paid in 24-36 instalments as of the date of utilization	-	6.25%	Variable
Societe Generale De Banque	3,976,677	24-36	9-33	Paid in 24-36 instalments as of the date of utilization	-	6.00%	Variable
Loan from Jordan Mortgage Refinance	10,000,000	1	1	Paid on one instalment on 4 July 2021	-	6.55%	Fixed
Loan from Jordan Mortgage Refinance	5,000,000	1	1	Paid in one instalment on 26 April 2022	-	4.78%	Fixed
Total	128,255,444						

(19) Other provisions

The details of this item are as follows:

	Balance at Beginning of the year	(Reversed) through other comprehensive income *	Added through income statement for the year**	Paid / Utilised during the year	Balance at end of the year
	JD	JD	JD	JD	JD
Year 2021					
End of service provision	12,844,516	(2,373,223)	2,342,268	2,043,855	10,769,706
Provision for lawsuits filed against the bank and potential claims	1,459,097	-	600,000	350,572	1,708,525
Total	**14,303,613**	**(2,373,223)**	**2,942,268**	**2,394,427**	**12,478,231**

*The change appears as a result of actuarial assumptions with equity rights immediately after deducting the deferred tax assets, and the positive reserve is JD 558,921 as at 31 December 2021, compared to a negative reserve of JD 565,736 as at 31 December 2020.

** Added through income includes an amount of JD 642,226 compared to JD 563,693 which appears within the interest receivable for specific employee benefits obligations.

	Balance at Beginning of the year	Added through other comprehensive income *	Added through income statement for the year**	Paid / Utilised during the year	Balance at end of the year
	JD	JD	JD	JD	JD
Year 2020					
End of service provision	11,302,931	912,477	2,288,712	1,659,604	12,844,516
Provision for lawsuits filed against the bank and potential claims	1,105,721	-	360,000	6,624	1,459,097
Total	**12,408,652**	**912,477**	**2,648,712**	**1,666,228**	**14,303,613**

(20) Bonds

On 15 October 2020, bonds were issued by one of the bank's subsidiary amounting to JD 11 million. The bonds mature as a one payment on 15 October 2023, noting that the bond is not listed. Average interest rate amounted to 5% annually, to be paid on a semi-annual basis on 15 April and 15 October.

(21) Income tax

A- Income tax Provision

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

	2021	2020
	JD	JD
Balance at the beginning of the year	2,176,841	14,760,848
Income tax expense	9,638,474	3,627,641
Income tax paid	(2,069,670)	(16,211,648)
Balance at the end of the year	**9,745,645**	**2,176,841**

B- Income tax expense

Income tax expense charged to the consolidated statement of income are as follows:

	2021	2020
	JD	JD
Income tax expense	9,638,474	3,627,641
Impact of deferred tax assets for the year	(5,270,611)	(5,233,932)
Total	**4,367,863**	**(1,606,291)**

C- Tax Position

The tax position of the bank's branches and subsidiaries is as follows:

	tax-assessment report submitted up to the end of the year	Final clearance until the end of the year	Payment to the Tax Authorities	Disputed years
Branches / subsidiaries				
Jordan branches	2020	2018	Accrued taxes have been paid	N/A
Cyprus branch	2021	2021	Accrued taxes have been paid	N/A
Ejara Finance Leasing Company	2020	2019	Accrued taxes have been paid	N/A
United Financial Investments Company	2020	2018	Accrued taxes have been paid	N/A

D- **Deferred Tax assets/ liabilities**

The details of this item are as follows:

31 December 2021

	Opening balance of the year	Amount released	Added	Balance at end of year	Tax Deferred
	JD	JD	JD	JD	JD
A- Deferred tax assets					
Provision for end of service benefits	12,844,516	2,956,332	2,342,268	12,230,452	4,647,572
Provision for seized assets	21,661,774	896,846	5,289,233	26,054,161	9,900,581
Provision for lawsuits filed against the Bank	1,459,097	350,572	600,000	1,708,525	649,240
Provision for direct facilities	42,467,084	13,884,804	34,652,782	63,235,062	24,029,324
Provision for finance lease contracts - subsidiaries	187,671	87,671	-	100,000	28,000
Provision for accounts receivable and accrued revenues - subsidiaries	-	-	3,813,207	3,813,207	1,067,698
Provision for indirect facilities	6,845,591	5,486,907	4,015,589	5,374,273	2,042,224
Provision for investments	75,055	23,268	189,406	241,193	91,653
Losses from valuation of financial assets at fair value through the statement of income	3,704,811	991,712	-	2,713,099	1,030,978
Taxable loss for the year	7,431,725	7,431,725	-	-	-
Total	**96,677,324**	**32,109,837**	**50,902,486**	**115,469,972**	**43,487,269**
B-Deferred tax liabilities *					
Financial assets valuation reserve at fair value	-	-	106,012	106,012	40,285
End of service indemnity - actuarial losses	-	-	2,373,223	2,373,223	901,825
Reserve for financial assets valuation *	6,724,042	-	3,015,061	9,739,103	3,700,859
Total	**6,724,042**	**-**	**5,494,296**	**12,218,338**	**4,642,968**

31 December 2020

	Opening balance of the year	Amount released	Added	Balance at end of year	Tax Deferred
	JD	JD	JD	JD	JD
A- Deferred tax assets					
Provision for end of service benefits	11,302,931	1,659,604	3,201,189	12,844,516	4,880,915
Provision for seized assets	21,333,537	91,763	420,000	21,661,774	8,231,474
Provision for lawsuits filed against the Bank	1,105,721	6,624	360,000	1,459,097	554,457
Provision for direct facilities	39,347,169	11,681,559	14,801,474	42,467,084	16,137,492
Provision for finance lease contracts - subsidiaries	87,674	-	99,997	187,671	52,548
Provision for accounts receivable and accrued revenues - subsidiaries	155,854	155,854	-	-	-
Provision for indirect facilities	5,352,631	2,033,606	3,526,566	6,845,591	2,601,325
Provision for investments	1,044,753	969,698	-	75,055	28,521
Provision for deposits with banks	6,288	6,288	-	-	-
Losses from valuation of financial assets at fair value through the statement of income	2,301,919	-	1,402,892	3,704,811	1,407,828
Taxable loss for the year	-	-	7,431,725	7,431,725	2,824,056
Total	**82,038,477**	**16,604,996**	**31,243,843**	**96,677,324**	**36,718,616**
B-Deferred tax liabilities *					
Reserve for financial assets valuation *	9,183,684	6,242,564	3,782,922	6,724,042	2,555,136
Total	**9,183,684**	**6,242,564**	**3,782,922**	**6,724,042**	**2,555,136**

*Deferred tax liabilities resulting from the profits of financial assets valuation are shown at fair value through the statement of comprehensive income within financial assets valuation reserve and deferred tax liabilities which relates to actuarial losses and gains that results from defined contribution plan reassessment in the consolidated statement of equity.

- The deferred tax assets and liabilities were calculated based on tax law with rates between 28% to 38%, based on amended income tax law amended and effective as of 1 January 2019.

The movement on the account of deferred tax assets/ liabilities during the year is as follows:

	2021		2020	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance at the beginning of the year	36,718,616	2,555,136	31,137,943	3,489,800
Added during the year	18,961,624	2,087,833	8,879,005	1,437,510
Disposed of during the year	12,192,971	-	3,298,332	2,372,174
Balance at the end of the year	**43,487,269**	**4,642,969**	**36,718,616**	**2,555,136**

E- The accounting profit reconciliation against tax profit is summarised as follows:

The accounting profit reconciliation with the taxable profit for the year is detailed below:

	2021	2020
	JD	JD
Accounting loss - statement (b)	12,072,700	(5,578,751)
Add: non-deductible tax expenses	(1,814,879)	(21,456,059)
Less: non-taxable profits	33,550,339	30,354,281
Taxable profit	**43,808,160**	**3,319,471**

Statutory income tax rate:

Bank's branches in Jordan	38%	38%
Bank's branches in Cyprus	12.5%	12.5%
Subsidiaries	28%	21-28%

(22) Other liabilities

The details of this item are as follows:

	2021	2020
	JD	JD
Accrued interest payable	10,069,169	10,402,054
Incoming transfers	2,670,405	1,915,411
Accounts payable	2,356,210	737,365
Accrued expenses	988,903	895,906
Provisional deposits (a)	1,568,069	10,290,860
Provisional deposits - customers	3,316,385	3,873,467
Shareholders' deposits (b)	4,122,701	4,265,588
Certified and acceptable checks	6,301,930	6,931,979
Vaults insurance	511,986	504,536
Subscription deposits (b)	79,741	80,217
Expected credit losses against indirect facilities - Note (45)	5,576,858	6,889,297
Other liabilities	13,063,167	9,332,980
Total	**50,625,524**	**56,119,661**

- Accounts payable and other liabilities include balances attributable to subsidiaries amounting to JD 4,467,265 as at 31 December 2021 (JD 1,477,905 as at 31 December 2020).

(A) This item represents provisional deposits paid to public shareholding companies and others.

(b) This amount represents proceeds from subscription refunds in public shareholding companies under establishment.

(23) Subscribed and paid-in capital

The Bank's general assembly, approved in its meeting held on 4 May 2020, to distribute bonus shares to shareholders at half share per share, i.e. 50 million shares/ JD.

The stock dividends were capitalised from the voluntary reserve balance the subscribed and paid-in capital of the bank after the distribution amounted to 150 million shares/JD (against 100 million shares/JD as at 31 December 2019).

(24) Reserves

The details of these reserves as at 31 December 2021 and 2020 are as follows:

A- Statutory

This item represents the accumulated balances transferred from annual profit before tax at 10% during the year and the previous years as per the Jordanian Laws of Banks and Companies and is not available for distribution to shareholders.

B- Voluntary reserve

This amount represents the accumulated balances transferred from the annual profit before tax that do not exceed 20% during the year and the previous years. The voluntary reserve may be used for such purposes as deemed appropriate by the Board of Directors and is available for distribution wholly or partially by the general assembly as profit to shareholders.

The Bank's general assembly, in its meeting held on 4 May 2020, approved to distribute bonus shares to shareholders at one-half share per existing share, i.e. 50 million shares/ JD.

They are capitalised from the voluntary reserve account. The movement in voluntary reserve is as follows:

- Restricted reserves are as follows:

Reserve name	31 December 2021	31 December 2020	Nature of restriction
	JD	JD	
Statutory reserve	97,254,251	96,043,640	Restricted under the Jordanian Companies Law and the Law of Banks.

(25) Net reserve for valuation of financial assets at fair value after tax

The movement in this item during the year is as follows:

	2021	2020
	JD	JD
Balance at the beginning of the year	4,571,425	2,296,466
Unrealised gains / (losses) - net	2,808,550	(3,887,833)
Transfer from valuation reserve to the statement of income - expected credit losses against debt instruments	416,509	5,235,443
Realised losses / (gains)	393,798	(7,315)
Impact of deferred tax liabilities	(1,145,723)	934,664
Balance at the end of the year**	**7,044,559**	**4,571,425**

** The financial assets valuation reserve is shown at fair value net of deferred tax liabilities in an amount pf JD (3,700,859) as at 31 December 2021 against JD (2,555,136) as at 31 December 2020. It is not available for transfer to the consolidated statement of income.

(26) Retained earnings

The movement in this item during the year is as follows:

	2021	2020
	JD	JD
Balance at the beginning of the year	75,381,421	80,186,800
(Losses)/realised on financial assets at fair value through other comprehensive income - Note (8)	(393,798)	7,315
Profit/(loss) for the year - Statement (b)	7,738,243	(4,511,275)
Share capital increase expenses	-	(301,419)
Transferred to reserves	(3,631,833)	-
Balance at the end of the year	**79,094,033**	**75,381,421**

Retained earnings include a restricted amount of JD 43,487,269 as at 31 December 2021 according to the request of the Central Bank of Jordan in exchange for deferred tax assets against JD 36,718,616 as at 31 December 2020.

- Retained earnings balance includes an amount of JD 3,009,704 as at 31 December 2021 against an amount of (JD 3,246,661 as at 31 December 2020), that is only available for disposal as per the instructions of the Securities Commission for the impact of the adoption of IFRS (9) at the amount actually realised from it through sale operations, representing financial assets' revaluation differences.

- Disposal of the outstanding balance of financial asset valuation reserve is only permitted under the prior approval of the Central Bank of Jordan.

(27) Distributed and Suggested Dividends

The Board of Directors recommended the distribution of cash dividends to shareholders at 7% of the total paid in capital and that from the voluntary reserve .This percentage is subject to the approval of the Central Bank of Jordan and the General Assembly of Shareholders

The Bank's general assembly, approved in its meeting held on 4 May 2020, to distribute bonus shares to shareholders at half share per share, i.e. 50 million shares/ JD. The stock dividends were capitalised from the voluntary reserve balance the subscribed and paid-in capital of the bank after the distribution amounted to 150 million shares/JD (against 100 million shares/JD as at 31 December 2019).

(28) Interests income

The details of this item are as follows:

	2021	2020
	JD	JD
Direct credit facilities:		
Individuals (retail)		
Overdrafts	34,594	4,251
Loans and bills	14,980,273	12,211,673
Credit cards	1,426,219	1,778,327
Real estate mortgage	15,766,268	15,075,986
Companies		
Large		
Overdrafts	8,097,478	8,749,554
Loans and bills	49,295,288	59,721,494
SMEs		
Overdrafts	1,193,416	1,174,841
Loans and bills	6,514,124	6,233,071
Government and public sector	7,610,884	7,915,981
Balances with central banks	3,075,534	4,237,680
Balances and deposits with banks and financial institutions	25,890	340,311
Financial assets at amortised cost	17,293,456	15,131,045
Financial assets at fair value through other comprehensive income	1,850,147	2,934,239
Total	**127,163,571**	**135,508,453**

(29) Interest expense

The details of this item are as follows:

	2021	2020
	JD	JD
Deposits with banks and banking institutions	2,046,461	2,772,800
Customers' deposits		
Current and held at call accounts	156,139	211,363
Saving deposits	569,242	643,809
Term and call deposits	28,730,061	36,623,293
Certificate of deposits	2,516	592
Cash margins	1,515,571	1,626,272
Borrowings	5,585,795	4,797,489
Deposits guarantees fees	2,362,639	2,372,028
Interests against liabilities of leased assets	1,212,858	1,085,669
Interests against defined benefit obligations	642,226	563,693
Total	**42,823,508**	**50,697,008**

(30) Net commissions income

The details of this item are as follows:

	2021	2020
	JD	JD
Direct credit facilities commissions	2,326,251	2,474,340
Indirect credit facilities commissions	4,782,100	4,006,398
Other commission	2,554,345	1,950,178
Total	**9,662,696**	**8,430,916**

(31) Foreign currency gain

The details of this item are as follows:

	2021	2020
	JD	JD
resulting from trading/ transaction	2,728,574	2,937,609
(loss) Profits resulting from valuation	(5,854)	3,141
Total	**2,722,720**	**2,940,750**

(32) Other income

The details of this item are as follows:

	2021	2020
	JD	JD
Vaults and safes rent	202,964	192,302
Stamp's revenues	29,636	51,579
Credit cards income	5,607,614	5,361,711
Bad debts recovered	885,926	636,994
Telecommunication revenues	93,258	283,453
Transfers income	1,160,154	1,001,732
Gain from sale of property and equipment	4,535	16,550
Recovered from impairment losses on assets held for sale (note 47)	1,529,842	-
Others	2,841,981	2,127,483
Total	**12,355,910**	**9,671,804**

(33) Employee expenses

The details of this item are as follows:

	2021	2020
	JD	JD
Employees' salaries, benefits and bonuses	24,497,761	23,867,803
Social Security contribution	2,886,336	2,611,304
Medical expenses	1,980,882	1,874,591
Employees training	177,157	159,122
Per diems	259,001	159,866
Employees' life insurance expenses	91,098	195,314
Total	**29,892,235**	**28,868,000**

(34) Other expenses

The details of this item are as follows:

	2021	2020
	JD	JD
Rent	60,870	63,297
Stationary	585,459	505,562
Advertisement	1,319,939	1,255,420
Subscriptions	281,136	341,663
Communication expenses	1,536,708	1,433,062
Maintenance and repairs	4,723,033	4,322,511
Insurance expenses	1,499,578	1,305,838
Judicial charges and fees	190,205	212,714
Electricity, water and fuel	642,794	494,274
Fees, levies and stamps	1,344,303	1,076,481
Professional fees	307,307	141,038
Card service expenses	4,378,826	3,959,510
Transportation expenses	251,213	146,849
Corresponding bank service expenses	373,019	294,917
Safety and security services	529,310	370,589
Donations and social responsibility	545,770	2,563,441
Hospitality	123,263	68,105
Board of Directors remunerations	90,000	25,000
Seized assets provisions	4,392,387	365,428
Loss on sale of seized assets	2,319,793	533,974
Management fees	-	904,684
Impairment losses of assets held for sale	-	35,160
Amortisation of right of use leased assets	2,712,528	2,163,762
Others	4,398,192	3,321,425
Total	**32,605,633**	**25,904,705**

(35) (Loss) earnings per share for the year attributable to the bank's shareholders (basic and diluted)

The details of this item are as follows:

	2021	2020
	JD	JD
Profit (Loss) for the year	7,738,243	(4,511,275)
Profit (Loss) for the year from continuing operations	7,738,243	(3,972,460)
Loss for the year from discontinued operations	-	(538,815)
	Share	Share
Weighted average of the number of shares	150,000,000	150,000,000
(Loss) earnings per share for the year (Basic and diluted)	JD/ share	JD/ share
Profit (Loss) for the year	0.052	(0.030)
Profit (Loss) for the year from continuing operations	0.052	(0.026)
(Loss) for the year from discontinuing operations	-	(0.004)

(36) Cash and cash equivalents

	2021	2020
	JD	JD
Cash and balances at Central Banks with maturity within three months	317,205,145	361,869,605
Add: Balances at banks and financial institutions with maturity within three months	142,138,455	136,758,518
Less: Deposits at banks and financial institutions with maturity within three months	129,331,447	46,793,738
Restricted balances - Note (5)	2,543,992	2,508,347
Total	**327,468,161**	**449,326,038**

(37) Transactions with related parties

The bank has entered into transactions with subsidiaries, sister companies, major shareholders, members of the board of directors and senior management within the normal activities of the bank, using interest rates and commercial commissions. All credit facilities granted to related parties are considered operational and no provisions were taken for them as of the date of the consolidated financial statements.

Transactions with related parties during the year summarized as follows:

	Related party					
	Affiliates	Subsidiaries	Directors *	Executive Directors	Other **	Total
31 December 2021	JD	JD	JD	JD	JD	
Items in the consolidated statement of financial position:						
Direct credit facilities *	38,161,200	1,149,649	65,207	342,927	-	39,718,982
Deposits at banks and financial institutions	23,086,597	-	-	-	6,435,084	29,521,681
Customers' deposits	-	51,514	71,876,157	1,350,031	885,252	74,162,953
Deposits with the banks and banking corporates	230,979	-	-	-	-	230,979
Cash margins	-	4,000	-	-	15,125	19,125
Financial assets at fair value through comprehensive income	18,319,142	-	-	-	14,269,220	32,588,362
Right of use of leased assets	-	-	346,545	-	-	346,545
Liabilities against the right of use assets	-	-	294,297	-	-	294,297
Bonds	-	5,000,000	-	-	-	5,000,000
Items off the consolidated statement of financial position:						
Guarantees	3,833,600	1,190,858	-	1,000	2,560,585	7,586,043
Letters of credit	-	-	-	-	4,254,000	4,254,000
Items on the consolidated statement of income:						
Interest and commissions income ***	2,075,549	101,510	82,368	18,647	9,661	2,287,735
Interests and commissions expense ****	60,759	-	1,664,485	25,611	302,167	2,053,022
Financial asset dividends	162,690	-	-	-	297,628	460,318
Amortisation of right of use leased assets	-	-	29,999	-	-	29,999
Interests against liabilities of leased assets	-	-	40,035	-	-	40,035

	Related party					
	Affiliates	Subsidiaries	Directors *	Executive Directors	Other **	Total
1 December 2020	JD	JD	JD	JD	JD	
tems in the consolidated statement of financial osition:						
irect credit facilities *	-	57,645	1,587,268	2,126,358	-	3,771,271
eposits at banks and financial institutions	67,960,882	-	-	-	2,535,208	70,496,090
eposits	-	61,309,180	88	1,063,795	1,365,973	63,739,036
eposits at banks and financial institutions	225,708	-	-	-	-	225,708
ash margins	-	-	-	-	13,175	13,175
inancial assets at fair value through comprehensive ncome	21,969,533	-	-	-	13,186,506	35,156,039
ssets held for sale	-	-	-	5,642,817	-	5,642,817
iabilities directly associated with assets held for sale	-	-	-	1,529,164	-	1,529,164
ight of use of leased assets	-	376,569	-	-	-	376,569
iabilities against the right of use assets	-	320,569	-	-	-	320,569
onds	-	-	-	-	5,000,000	5,000,000
tems off the consolidated statement of financial osition:						
uarantees	3,833,600	10,300	67,858	-	1,439,064	5,350,822
etters of credit	70,905	-	-	-	4,268,180	4,339,085
tems on the consolidated statement of income:						
nterest and commissions income ***	171,744	9,630	6,925	102,111	11,113	301,523
nterests and commissions expense ****	1,354,617	3,482,690	-	22,556	184,982	5,044,845
Management fees	904,684	-	-	-	-	904,684
inancial asset dividends	2,458,035	-	-	-	-	2,458,035
mortisation of right of use leased assets	-	4,184	-	-	-	4,184
nterests against liabilities of leased assets	-	9,728	-	-	-	9,728

*Direct credit facilities granted to the board of directors and executive directors include an amount of JD 96,005 relating to credit granted to board members of Ijarah Financial Leasing Company (a subsidiary company) and JD 9,852 to the United Financial Investments Company (subsidiary) and related parties as at 31 December 2021.
**Represents companies in which the bank has the right to vote at their board meetings.
***Interest income rates ranges from (0.75) % to (8) %.
****Interest expense rates range from (0.1) % to (3.75) %.

The bank is represented by two board members United Financial Investments Company's board of directors, three members in Ejara Finance Leasing Company's board of directors and two members in The Specialized Managerial Company for Investment and Financial Consultation's board of directors.

Executive management salaries and remuneration

Salaries of executive management of the Bank and its subsidiaries amounted to JD 3,366,416 for the year 2021 compared to JD 3,777,624 for the year 2020.

(38) Fair value of financial assets and financial liabilities that are not shown at fair value in the consolidated financial statements

There are no material differences between the carrying value and the fair value of the financial assets and liabilities as at the end of 2021 and 2020.

(39) Risk Management

A- The responsibilities of the Risk Management Department of the Bank include all the Bank's departments and branches operating inside and outside the Kingdom as well as its subsidiaries through identifying, determining, measuring and managing risks under international best practices and within the limits of the functions and responsibilities of Risk Management.

The responsibilities of the Risk Management Department in the Bank include the following areas:

- **Credit risk:**

This represents the potential loss resulting from the customer's inability or unwillingness to meet its obligations on time. These risks are one of the most significant risks to Banks.

- **Market risk:**

This represents the losses that the Bank may be exposed to as a result of any financial positions on or off the balance sheet due to any changes occurring in the market prices.

- **Liquidity risk:**

This represents the losses that the Bank may be exposed to due to lack of funds needed to finance the increase of its investments or to repay its obligations when they become due on time with appropriate cost. (This is part of asset and liability management (ALM). Reports, in this regard, are prepared by Risk Management).

- **Interest rate risk:**

This represents the exposure to adverse movements in interest rates that affects the profitability of the Bank due to the change in net interest income and in the economic value of the cash flows of assets and liabilities.

- **Operational risk:**

This represents the loss resulting from the failure or inadequacy of internal procedures, human element, systems, or external events. This definition includes legal risk but not the strategic and reputation risk.

- **Information security & business continuity management risks:**

This represents the loss resulting from the use of information by unauthorised persons, or the disclosure, distribution, modification, destruction of deletion of such information. This definition applies to any type of information whether written on paper or in a file on Internet. This also includes business continuity and disaster recovery.

Detailed responsibilities and functions of risk management sections

1. Credit risk:

- The Risk Management Department reviews the credit policy periodically and in coordination with the representatives of corporate and individual facilities. The policy is the indicator and the basic guide for the different duty stations in clarifying the degree of credit risk acceptable to these stations.

- Opinions on credit applications are expressed by the Risk Management within the credit terms specified by the Board without financial responsibility.

- The internal credit rating system is reviewed and evaluated independently of the credit marketing departments through the Risk Management. The Bank has a system documented and approved by the Board. Any element that may contribute to the expectation of a client's default is taken into consideration, which helps in measuring and classifying customer risks. This should facilitate the decision-making process, pricing facilities and determining customer and product profitability, credit management and the review and analysis of credit portfolio. In addition, it helps to retain the necessary data that facilitate the application of foundation internal ratings-based approach (FIRB) to credit risk within the Basel requirements. An automated credit rating system is implemented to support this. The Scoring Card System is used in the same framework.

- The Risk Department recommends, independently of the credit marketing departments, to set specific controls and limits, documented with clear policies and procedures to ensure compliance therewith. Such limits are reviewed periodically and adjusted, if necessary. There are specific limits set out and approved by the Board of Directors in dealing with banks, countries and various economic sectors. One of its tasks includes defining limits for any possible concentration of credit guarantees or products.

- The Risk Management Department prepares an analysis of the credit portfolio whereby the Board of Directors is clearly provided with an indication of the quality and different ratings thereof. The Board is also provided with any concentrations as well as historical benchmarking comparisons along with the banking sector where possible. Thereafter, appropriate recommendations to mitigate existing risks are made.

2. Market risk:

The Bank has specific policies and procedures approved by the Board of Directors for identifying, measuring, monitoring and controlling the market risk. These are periodically reviewed, and the implementation thereof is monitored. Such policies include:

- Investment policy: the representatives of Treasury and Risk Departments develop and review this policy and amend it annually, if required. They also present it to the Investment Committee and the Assets and Liabilities Committee.

- The Bank has a written market risk policy approved by the Board of Directors that describes how to identify, measure, control and mitigate market risks. The Bank also has written policies approved by the Board of Directors, which define the fundamentals of portfolio management and investment funds, including operational bases, desired investment instruments and effective controls, in addition to a policy clarifying the basis for dealing between the Bank and its customers in convertible foreign currencies and major precious metals on a margin basis. The Risk Management Department develops such policies in cooperation with the concerned departments. Periodic (daily and monthly) reports are submitted by Middle Office under market risk/ risk management for adherence with the above policies.

- The Risk Management Department prepares Value at Risk ('VAR') and measures sensitivity analysis, interest rate risk, limits and other reports included in the relevant policies approved.

3. Liquidity risk:

- The Risk Management Department, in cooperation with the Treasury Department, develops / updates a written policy for liquidity risk management which is approved by the Board of Directors of the Bank.
- The Risk Management Department monitors the Bank's commitment to liquidity ratios set by the Central Bank of Jordan and the supervisory authorities under which the Bank's branches operate. The Bank's liquidity is monitored on a daily basis by the Treasury Department.

- Liquidity is also monitored by the Asset and Liability Management Committee chaired by the Director General and comprises the Head of Risk Management. It is governed by the ALCO Policy through periodic reports prepared by the Risk Management Departments and the Treasury Department. They are presented and considered by the Committee members who make appropriate recommendations in this regard.
- The Risk Management Department, in coordination with the Treasury Department, prepares a written policy for a Liquidity Contingency Plan to address any liquidity problems at the Bank, at various levels and scenarios, which is approved by the Board of Directors of the Bank.

4. Operational risk:

- The Risk Management Department prepares, and reviews documented policies and procedures for identifying, evaluating, mitigating and controlling operational risks. This is done to ensure compliance with the Basel requirements and to enhance the efficiency and effectiveness of the Bank's control environment. The Bank uses an automated operational risk system covering the Self-Assessment areas and Events Collection system and identifies and analyses Key Risk Indicators (KRI) to the Bank's operation centres.
- The Risk Management Department combines the tasks of different risk management when setting controls and procedures to make sure that all risks are covered and to achieve the Enterprise Risk Management concept. The Bank also has Standard Operating Procedures (SOP's) working procedures documented, reviewed and adjusted periodically by the concerned departments and under the supervision of the Operations Development Department. Any procedures that are modified or developed, including any new products, are presented to departments of internal audit, compliance and risks to study possible risks and adequacy of existing controls.

5. Information security & business continuity management:

- The Risk Management Department develops a clear, documented, and approved Business Continuity Plan. The necessary tests are made regularly thereto, in accordance with the broad concept of Business Continuity Management supported by the DRS automated system for more efficient business continuity management, and in line with the instructions issued by the Central Bank of Jordan, and in accordance with international best practices in this regard.

- A team for Information Technology Security has been mobilised, reporting directly to Risk Management in order to support them. Such team is independent in its reporting from the Director of Information Systems Department. This is done in accordance with the international best practices including the ISO27001 and PCI requirements.

- Risk Management participates in the preparation of an appropriate risk assessment in the event of a new activity or product on the verge of being launched in a particular market.

6. Interest rate risk:

The Risk Management Department prepares a documented interest rate risk policy that governs the identification, measurement and control of interest rate risk within the ALM's framework - ALCO, approved by the Board of Directors. The Risk Management Department prepares the necessary reports and submits to the ALCO Committee in the Bank.

7. Compliance with Basel requirements:

The Department oversees the implementation of the requirements of the various Basel decisions, including the accounting of Basel III capital adequacy ratios including liquidity ratios, and effectively contributes to capital budgeting.

The Department prepares stress tests, evaluates internal capital and issues analytical reports on capital.

The Department also issues various financial analyses of banks with the preparation of new analyses specialised in specific aspects by taking advantage of the disclosures issued by banks.

Credit risk exposures after netting related provisions, interest in suspense and collaterals:

	31 December 2021	31 December 2020
	JD	JD
Items in the consolidated statement of financial position		
Balances at central banks	255,409,613	297,372,740
Balances at banks and financial institutions	142,138,456	136,758,518
Direct credit facilities:		
For individuals	242,468,901	184,421,832
Real estate mortgage	221,765,313	190,600,214
For corporates		
Large companies	914,414,231	946,184,834
SMEs	131,235,592	122,974,509
For government and public sector	177,402,774	112,331,444
Bills, bonds and notes:		
Within financial assets at fair value through other comprehensive income	29,660,562	42,577,182
Within financial assets at amortised cost	488,494,814	402,110,610
Other assets	38,278,077	29,233,026
Items off the consolidated statement of financial position		
Guarantees	221,364,280	228,453,152
Letters of credit	44,167,815	38,102,803
Acceptances	30,516,124	15,815,575
Utilised facilities (direct and indirect)	356,998,821	316,402,478
Total	**3,294,315,373**	**3,063,338,917**

The following is the distribution of the fair value of collaterals provided against direct credit facilities which are valued as per the requirements of the Central Bank of Jordan by independent experts at least once every two years, while the cash deposits balance is presented at fair value based on the exchange rates issued by the Central Bank of Jordan and are accounted for individually provided that the cash deposits balance does not exceed credit facilities balance in all cases:

Distribution of fair value of collaterals against credit exposures as at 31 December 2021

	Gross amount of exposure	Cash deposits	Quoted shares	Bank guarantees accepted	Real estate	Vehicles and machineries	Other	Gross amount of collaterals	Net exposures after collaterals	Expected credit loss
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	255,409,613	-	-	-	-	-	-	-	255,409,613	-
Balances at banks and financial institutions	148,254,854	-	-	-	-	-	-	-	148,254,854	5,915,206
Direct credit facilities:										
Retail	263,207,395	2,190,512	4,255,624	-	59,083,746	20,065,280	267,686	85,862,848	177,344,547	19,092,565
Real estate mortgage	255,897,699	4,135,416	1,887,443	7,655,349	328,948,163	1,884,609	545,002	345,055,982	-	24,672,970
Large companies	1,002,436,218	13,323,813	145,381,215	13,297,943	317,901,178	4,230,918	3,147,213	497,282,279	505,153,939	72,245,589
SMEs	143,582,104	18,892,516	15,205,335	-	69,982,853	13,100,940	19,621,568	136,803,213	6,778,891	9,697,676
Government and public sector	177,939,198	-	-	-	-	-	-	-	177,939,198	536,424
Bills, bonds and notes:										
Within financial assets at fair value through the statement of comprehensive income	29,660,562	-	-	-	-	-	-	-	29,660,562	607,970
Within financial assets at amortised cost	497,215,736	-	6,992,031	-	9,390,766	-	-	16,382,797	480,832,939	2,646,431
Other assets	39,252,700	-	-	-	1,325,639	-	-	-	37,927,061	-
Total	**2,812,856,080**	**38,542,258**	**173,721,648**	**20,953,291**	**786,632,344**	**39,281,748**	**23,581,469**	**1,081,387,118**	**1,819,301,606**	**135,414,832**
Financial guarantees	223,681,984	34,862,193	8,734,717	412,345	64,393,402	1,018,405	1,960,974	111,382,036	112,299,948	2,317,704
Letters of credit	44,478,714	1,868,116	-	-	2,412,496	52,965	125,440	4,459,016	40,019,698	310,899
Other liabilities	390,463,199	23,689,360	10,413,948	-	65,813,701	2,728,205	4,700,240	107,345,453	283,117,746	2,948,255
Total	**658,623,897**	**60,419,669**	**19,148,665**	**412,345**	**132,619,598**	**3,799,575**	**6,786,653**	**223,186,505**	**435,437,392**	**5,576,858**
Grand Total	**3,471,479,977**	**98,961,926**	**192,870,312**	**21,365,636**	**919,251,942**	**43,081,323**	**30,368,122**	**1,304,573,623**	**2,254,738,998**	**140,991,689**

The following is the distribution of the fair value of collaterals provided against direct credit facilities which are valued as per the requirements of the Central Bank of Jordan by independent experts at least once every two years, while the cash deposits balance is presented at fair value based on the exchange rates issued by the Central Bank of Jordan and are accounted for individually provided that the cash deposits balance does not exceed credit facilities balance in all cases:

Distribution of fair value of collaterals against credit exposures as at 31 December 2020:

	Gross amount of exposure	Cash deposits	Quoted shares	Bank guarantees accepted	Real estate	Vehicles and machineries	Other	Gross amount of collaterals	Net exposures after collaterals	Expected credit loss
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	297,372,740	-	-	-	-	-	-	-	297,372,740	-
Balances at banks and financial institutions	142,808,362	-	-	-	-	-	-	-	142,808,362	5,968,773
Direct credit facilities:										
Retail	202,288,098	2,281,274	196,636	-	44,516,572	21,236,340	314,982	68,545,803	133,742,294	16,387,972
Real estate mortgage	221,155,759	2,797,384	-	-	304,484,324	2,001,957	223,795	309,507,460	-	22,961,285
Large companies	1,027,880,830	16,264,602	101,599,579	20,961,699	366,083,537	11,518,214	1,671,823	518,099,456	509,781,375	67,607,919
SMEs	132,436,439	14,311,580	6,909,820	-	69,265,785	13,284,241	16,120,717	119,892,143	12,544,296	8,037,169
Government and public sector	112,438,870	-	-	-	-	-	-	-	112,438,870	107,426
Bills, bonds and notes:										
Within financial assets at fair value through the statement of comprehensive income	44,566,152	-	7,264,028	-	8,590,602	-	-	15,854,630	28,711,522	1,988,969
Within financial assets at amortised cost	402,110,610	-	-	-	-	-	-	-	402,110,610	-
Other assets	29,233,026	-	-	-	-	-	-	-	29,233,026	-
Total	**2,612,290,887**	**35,654,839**	**115,970,064**	**20,961,699**	**792,940,821**	**48,040,752**	**18,331,317**	**1,031,899,492**	**1,668,743,095**	**123,059,514**
Financial guarantees	231,865,186	25,562,941	7,358,992	403,937	65,830,148	1,201,732	1,738,937	102,096,686	129,768,499	3,412,034
Letters of credit	38,279,039	1,737,525	56,537	-	2,431,764	19,029	19,738	4,264,593	34,014,446	176,236
Other liabilities	335,519,081	20,571,692	52,592,369	-	73,701,498	2,812,437	4,151,013	153,829,010	181,690,071	3,301,027
Total	**605,663,306**	**47,872,158**	**60,007,898**	**403,937**	**141,963,410**	**4,033,198**	**5,909,688**	**260,190,289**	**345,473,017**	**6,888,297**
Grand Total	**3,217,954,192**	**83,526,998**	**175,977,962**	**21,365,636**	**934,904,230**	**52,073,950**	**24,241,005**	**1,292,089,781**	**2,014,216,112**	**129,947,811**

Scheduled debts

These are the debts that were previously classified as non-performing credit facilities and were taken out of the classification of non-performing credit facilities under a rescheduling agreement and classified as watch list, total debts rescheduled amounted to JD 42,258,899 during 2021 and were classified as watch list, rescheduled debts balance during 2020 amounted to JD 14,033,426.

Restructured debt

Restructuring refers to the rearrangement of credit facilities position in terms of instalments, extending the life of credit facilities, deferring certain instalments or extending the grace period , restructured but not classified debts' balance amounted to JD 17,402,034 during 2021 (compared to JD 10,808,718 during 2020).

Bills, bonds and notes

The following table describes classification of bills, bonds and notes as per the external rating institutions as at 31 December 2021 and 2020:

Grade Classification	Institutions Classification	Under assets Financial assets at fair value through comprehensive income	Under assets Financial assets at amortised cost	31 December 2021
		JD	JD	JD
CC	Fitch	691,275	-	691,275
B1	Moody's	23,206,261	-	23,206,261
B2	Moody's	-	6,245,547	6,245,547
B3	Moody's	763,026	-	763,026
Government		-	482,250,189	482,250,189
Unrated		5,000,000	8,720,000	13,720,000
Total		**29,660,562**	**497,215,736**	**526,876,298**

Grade Classification	Institutions Classification	Under assets Financial assets at fair value through comprehensive income	Under assets Financial assets at amortised cost	31 December 2020
		JD	JD	JD
BB	S&P	2,162,446	-	2,162,446
+B	S&P	725,361	-	725,361
B1	Moody's	24,172,900	-	24,172,900
BAA3	Moody's	2,306,131	-	2,306,131
Government	-	-	402,110,610	402,110,610
Unrated	-	13,210,345	-	13,210,345
Total		**42,577,183**	**402,110,610**	**444,687,793**

Distribution of fair value of collaterals against credit exposures for stage 3 for 2021:

	Gross amount of exposure	Cash deposits	Quoted shares	Bank guarantees accepted	Real estate	Vehicles and machineries	Other	Gross amount of collaterals	Net exposures after collaterals	Expected credit loss
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks										
Balances at banks and financial institutions	6,049,582	-	-	-	-	-	-	-	6,049,582	5,968,773
Direct credit facilities:										
Retail	11,973,741	50,373	-	-	2,661,388	4,028,306	20,000	6,760,067	5,213,674	8,695,694
Real estate mortgage	40,300,408	941	-	-	31,321,807	279,083	-	31,601,831	8,698,577	17,384,231
Large companies	112,222,165	2,926,484	171,701	-	53,607,501	31,500	-	56,737,186	55,484,979	55,509,665
SMEs	10,347,018	98,373	-	-	7,463,623	2,451,268	158,978	10,172,241	174,776	5,605,664
Bills, bonds and notes:										
Within financial assets at fair value through the statement of comprehensive income	9,180,155	-	7,264,028	-	8,690,602	-	-	15,854,630	-	918,022
Total	**190,073,068**	**3,076,170**	**7,435,729**	**-**	**103,644,920**	**6,790,157**	**178,978**	**121,15,955**	**75,621,588**	**94,082,050**
Financial guarantees	956,662	57,600	-	-	413,892	47,082	-	518,573	438,089	1,749,925
Other liabilities	522,075	10,654	169	-	403,425	51,149	-	465,396	56,678	275,368
Total	**1,478,737**	**68,254**	**169**	**-**	**817,316**	**98,231**	**-**	**983,970**	**494,768**	**2,025,293**
Grand Total	**191,551,805**	**3,144,424**	**7,435,898**	**-**	**104,462,236**	**6,888,388**	**178,978**	**122,109,924**	**76,116,356**	**96,107,343**

Distribution of fair value of collaterals against credit exposures for stage 3 for 2020:

	Gross amount of exposure	Cash deposits	Quoted shares	Bank guarantees accepted	Real estate	Vehicles and machineries	Other	Gross amount of collaterals	Net exposures after collaterals	Expected credit loss
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	-	-	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	6,116,399	-	-	-	-	-	-	-	6,116,399	5,915,206
Direct credit facilities:										
Retail	13,043,545	20,452	850,936	-	1,842,413	4,739,786	-	7,453,587	5,589,958	9,404,206
Real estate mortgage	44,012,356	25,312	-	-	38,818,451	190,806	-	39,034,568	4,977,788	20,060,221
Large companies	72,748,172	3,109,353	434,779	-	25,590,519	63,000	-	29,197,651	43,550,521	41,137,938
SMEs	17,519,314	111,073	934,915	-	11,727,997	3,425,847	545,159	16,744,992	774,322	9,181,552
Bills, bonds and notes:										
Within financial assets at fair value through the statement of comprehensive income	691,275	-	-	-	-	-	-	-	691,275	412,876
Within financial assets at amortised cost	8,720,000	-	6,992,031	-	9,390,766	-	-	16,382,797	-	2,418,022
Total	**162,851,060**	**3,266,190**	**9,212,661**	**-**	**87,370,146**	**8,419,439**	**545,159**	**108,813,595**	**61,700,261**	**88,530,021**
Financial guarantees	845,008	77,335	-	-	445,779	58,958	566	582,638	262,370	527,059
Letters of credit	-	-	-	-	-	-	-	-	-	-
Other liabilities	237,622	19,155	5,153	-	174,441	14,645	-	213,394	24,228	135,583
Total	**1,082,631**	**96,489**	**5,153**	**-**	**620,220**	**73,603**	**566**	**796,032**	**286,599**	**662,642**
Grand Total	**163,933,690**	**3,362,680**	**9,217,814**	**-**	**87,990,366**	**8,493,043**	**545,726**	**109,609,627**	**61,986,860**	**89,192,663**

A- Total distribution of exposures by financial instruments

31 December 2021	Financial	Manufacturing	Commercial	Properties	Agricultural	Shares	Individuals	Government and public sector	Services	Other	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	-	-	-	-	-	-	-	255,409,613	-	-	255,409,613
Balances at banks and financial institutions	140,872,591	-	-	-	-	1,265,865	-	-	-	-	142,138,456
Credit facilities	92,755,784	340,867,832	231,486,201	220,846,746	30,859,538	3,794,998	257,156,203	177,402,768	332,116,741	-	1,687,286,812
Bills, bonds and notes:											
Within financial assets at fair value through the statement of other comprehensive income.	5,000,000	-	-	-	-	-	-	24,660,562	-	-	29,660,562
Within financial assets at amortised cost	-	-	6,301,978	-	-	-	-	488,267,327	-	-	494,569,305
Other assets	36,952,438	-	-	-	-	-	1,325,639	-	-	-	38,278,077
Financial guarantees	42,416,024	36,799,065	36,814,263	-	1,387,115	1,072,240	1,403,699	-	101,471,873	-	221,364,280
Letters of credit	4,251,917	10,630,352	25,254,616	-	308,499	-	-	-	3,722,431	-	44,167,815
Other liabilities	15,108,388	100,342,501	134,390,768	-	14,187,861	810,732	26,503,929	-	96,170,765	-	387,514,945
Grand Total	**337,357,141**	**488,639,750**	**434,247,826**	**220,846,746**	**46,743,014**	**6,943,835**	**286,389,471**	**945,740,271**	**533,481,810**	**-**	**3,300,389,865**

B- Distribution of exposures by classification stages under IFRS 9

	Stage 1 Individuals	Stage 1 Collective	Stage 2 Individuals	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Financial	299,755,591	-	600,042	-	49,071	300,404,703
Industrial	430,787,524	-	48,370,923	-	9,481,303	488,639,750
Commercial	389,898,510	-	30,965,832	-	13,383,484	434,247,826
Properties	183,499,044	-	24,750,363	-	12,597,340	220,846,746
Agricultural	34,634,316	-	11,944,423	-	164,275	46,743,014
Shares	6,943,835	-	-	-	-	6,943,835
Individuals	263,996,642	-	12,700,146	-	8,367,044	285,063,831
Government and public sector	945,048,996	-	-	-	691,275	945,740,271
Services	497,716,941	-	32,471,767	-	3,293,101	533,481,810
Others	-	-	-	-	-	-
Total	**3,052,281,398**	**-**	**161,803,496**	**-**	**48,026,893**	**3,262,111,787**

31 December 2020	Financial	Manufacturing	Commercial	Properties	Agricultural	Shares	Individuals	Government and public sector	Services	Other	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	-	-	-	-	-	-	-	297,372,740			297,372,740
Balances at banks and financial institutions	136,217,561	-	-	-	-	540,957	-	-	-	-	136,758,518
Credit facilities	61,592,440	347,149,023	236,628,918	173,901,107	30,624,965	2,476,157	220,921,045	112,331,444	370,887,733	-	1,556,512,832
Bills, bonds and notes:											
Within financial assets at fair value through the statement of other comprehensive income.	4,948,212	-	8,262,132	-	-	-	-	24,898,262	4,468,576	-	42,577,182
Within financial assets at amortised cost	-	-	-	-	-	-	-	402,110,610	-	-	402,110,610
Other assets	25,403,292	-	-	3,829,734	-	-	-	-	-	-	29,233,026
Financial guarantees	33,837,445	39,508,122	40,162,318	-	1,568,102	1,933,036	3,490,641	-	107,953,489	-	228,453,152
Letters of credit	4,229,345	11,395,154	19,356,863	-	138,693	-	195,361	-	2,787,387	-	38,102,803
Other liabilities	17,416,185	62,154,699	127,461,391	-	8,904,387	1,097,942	32,626,279	-	82,557,170	-	332,218,054
Grand Total	**283,644,481**	**460,206,998**	**431,871,623**	**177,730,841**	**41,236,147**	**6,048,091**	**257,233,325**	**836,713,056**	**568,654,355**	**-**	**3,063,338,917**

Distribution of exposures by classification stages under IFRS 9

	Stage 1 Individuals	Stage 1 Collective	Stage 2 Individuals	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Financial	283,575,202	-	11,686	-	57,593	283,644,481
Industrial	397,834,052	-	49,607,462	-	12,765,485	460,206,998
Commercial	380,727,542	-	34,494,566	-	16,649,514	431,871,623
Properties	137,576,212	-	23,292,977	-	16,861,652	177,730,841
Agricultural	30,371,879	-	31,388	-	10,832,880	41,236,147
Shares	6,048,091	-	-	-	-	6,048,091
Individuals	223,154,715	-	11,016,608	-	23,062,003	257,233,325
Government and public sector	836,713,056	-	-	-	-	836,713,056
Services	539,374,040	-	28,112,460	-	1,167,855	568,654,355
Total	**2,835,374,790**	**-**	**146,567,147**	**-**	**81,396,981**	**3,063,338,917**

Comparison of the credit exposures as per the classification instructions No. (47/2009) and comparatively with IFRS (9) for 2021:

	As per the classification instructions No. (47/2009)			
Item	**Total**	**Interest in suspense**	**Balance**	**Provision**
Performing	1,543,974,609	82,239	1,543,892,370	-
Watch list	153,338,274	2,586,103	150,752,170	20,704,847
Non-performing	145,749,731	26,862,235	118,887,496	79,011,891
Sub-standard	8,255,872	73,094	8,182,778	1,465,545
Doubtful	9,375,463	347,292	9,028,171	3,444,208
Loss	128,118,396	26,441,849	101,676,548	74,102,137
Total	**1,988,812,345**	**56,392,812**	**1,932,419,533**	**178,728,629**

	As per IFRS (9)			As per IFRS (9)			As per IFRS (9)		
	Stage 1			Stage 2			Stage 3		
Item	**Total**	**ECL**	**Interest in suspense**	**Total**	**ECL**	**Interest in suspense**	**Total**	**ECL**	**Interest in suspense**
Performing	1,511,901,055	22,701,990	32,766	30,705,606	1,533,404	1,179	2,121,026	568,934	18,812
Watch list	-	-	-	152,686,668	22,225,901	2,570,816	910,076	188,097	15,288
Non-performing	105,932	-	-	339,967	12	-	144,292,284	79,026,886	26,891,718
Sub-standard	-	-	-	-	-	-	6,083,816	1,345,779	1,668
Doubtful	-	-	-	-	-	-	6,120,722	3,095,902	215,156
Loss	105,932	-	-	339,967	12	-	132,087,746	74,585,205	26,674,893
Total	**1,512,006,987**	**22,701,990**	**32,766**	**183,732,241**	**23,759,317**	**2,571,994**	**147,323,386**	**79,783,917**	**26,925,818**

Comparison of the credit exposures as per the classification instructions No. (47/2009) and comparatively with IFRS (9) for 2020:

As per the classification instructions No. (47/2009)

Item	Total	Interest in suspense	Balance	Provision
Performing	1,405,946,495	133,579	1,405,812,916	-
Watch list	108,010,602	148,752	107,861,850	1,735,331
Non-performing	182,242,899	24,303,061	157,939,838	89,750,610
Sub-standard	4,036,808	59,975	3,976,832	807,204
Doubtful	34,249,587	1,084,332	33,165,255	13,645,465
Loss	143,956,505	23,158,754	120,797,751	75,297,940
Total	**1,696,199,997**	**24,585,392**	**1,671,614,604**	**91,485,940**

	As per IFRS (9)			As per IFRS (9)			As per IFRS (9)		
	Stage 1			Stage 2			Stage 3		
Item	Total	ECL	Interest in suspense	Total	ECL	Interest in suspense	Total	ECL	Interest in suspense
Performing	1,363,761,321	14,531,535	54,970	35,551,154	1,621,448	9,295	6,070,664	1,277,106	55,430
Watch list	2,423	-	-	109,686,718	8,747,071	142,369	523,411	237,502	6,384
Non-performing	-	-	-	-	-	-	180,604,306	88,687,109	24,316,944
Sub-standard	-	-	-	-	-	-	2,804,183	745,166	30,603
Doubtful	-	-	-	-	-	-	32,211,892	13,351,564	1,025,650
Loss	-	-	-	-	-	-	145,588,231	74,590,379	23,260,691
Total	**1,363,763,744**	**14,531,535**	**54,970**	**145,237,872**	**10,368,519**	**151,664**	**187,198,381**	**90,201,718**	**24,378,759**

A- Total distribution of exposures by geographical areas:

	Inside the Kingdom	Other Middle East	Europe	Asia	Africa	America	Other countries	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	252,915,871	-	2,493,743	-	-	-	-	255,409,613
Balances at banks and financial institutions	5,293	4,097,510	39,659,469	705,093	104,776	88,382,703	9,183,612	142,138,456
Credit facilities	1,531,128,796	-	156,158,016	-	-	-	-	1,687,286,812
Bills, bonds and notes:								
Within financial assets at fair value through the statement of other comprehensive income	28,206,261	1,454,301	-	-	-	-	-	29,660,562
Within financial assets at amortised cost	484,891,253	-	-	-	9,678,052	-	-	494,569,305
Other assets	38,278,077	-	-	-	-	-	-	38,278,077
Total/ current year	**2,335,425,551**	**5,551,810**	**198,311,228**	**705,093**	**9,782,828**	**88,382,703**	**9,183,612**	**2,647,342,825**
Financial guarantees	193,911,055	-	27,453,225	-	-	-	-	221,364,280
Letters of credit	33,078,623	-	11,089,192	-	-	-	-	44,167,815
Other liabilities	369,680,977	-	17,833,968	-	-	-	-	387,514,945
Grand Total	**2,932,096,205**	**5,551,810**	**254,687,613**	**705,093**	**9,782,828**	**88,382,703**	**9,183,612**	**3,300,389,864**

B- Distribution of exposures by classification stages under IFRS 9

	Stage 1 Individuals	Stage 1 Collective	Stage 2 Individuals	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Inside the Kingdom	2,724,643,750	-	160,303,374	-	47,149,081	2,932,096,205
Other Middle East Countries	4,860,535	-	-	-	691,275	5,551,810
Europe	253,000,953	-	1,500,122	-	186,537	254,687,613
Asia	705,093	-	-	-	-	705,093
Africa	9,782,828	-	-	-	-	9,782,828
America	88,382,703	-	-	-	-	88,382,703
Other countries	9,183,612	-	-	-	-	9,183,612
Total	**3,090,559,475**	**-**	**161,803,496**	**-**	**48,026,893**	**3,300,389,864**

Credit exposure concentration as per the geographical distribution as at 31 December 2020:

Geographic region / Description	Inside the Kingdom	Middle East Countries other	Europe	Asia *	Africa *	America	Other countries	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Total/ comparative figures	**2,671,735,096**	**7,829,868**	**284,076,339**	**883,483**	**104,815**	**87,749,231**	**10,960,085**	**3,063,338,917**

* Except Middle East Countries.

Credit exposures reclassified

A. Gross exposures reclassified

31 December 2021	Stage 2		Stage 3			
	Gross amount of exposure JD	Exposures reclassified JD	Gross amount of exposure JD	Exposures reclassified JD	Gross exposures reclassified JD	Percentage of exposures reclassified JD
Balances at central banks	-	-	-	-	-	
Balances at banks and financial institutions	-	-	6,116,399	-	-	0.00%
Credit facilities:						0.00%
Retail	9,458,849	3,126,679	13,043,545	1,486,815	4,613,494	20.50%
Real estate mortgage	32,037,251	6,362,255	44,012,356	5,331,132	11,693,388	15.38%
Large companies	126,638,571	15,588,848	72,748,172	-	15,588,848	7.82%
SMEs	15,597,571	6,290,868	17,519,314	860,950	7,151,818	21.60%
Bills, bonds and notes:						0.00%
Within financial assets at fair value through the statement of comprehensive income	-	-	-	691,275	-	0.00%
Within financial assets at amortised cost	-	-	-	8,720,000	-	0.00%
Total	**183,732,241**	**31,368,651**	**153,439,785**	**17,090,172**	**39,047,548**	**11.58%**
Financial guarantees	3,569,588	2,636,010	845,008	19,150	2,655,160	60.15%
Letters of credit	-	17,577	-	-	17,577	0.00%
Other liabilities	1,063,531	628,472	237,622	151,267	779,739	59.93%
Total	4,633,119	3,282,060	1,082,631	170,417	3,452,477	60.40%
Grand Total	**188,365,360**	**34,650,711**	**154,522,415**	**17,260,589**	**42,500,025**	**12.06%**

31 December 2020	Stage 2		Stage 3			
	Gross amount of exposure JD	Exposures reclassified JD	Gross amount of exposure JD	Exposures reclassified JD	Gross exposures reclassified JD	Percentage of exposures reclassified JD
Balances at central banks	-	-	6,049,582	-	-	0.00%
Credit facilities:						
Retail	5,694,964	2,979,667	13,306,818	1,108,546	4,088,213	21.51%
Real estate mortgage	31,521,072	6,789,242	47,289,989	2,356,648	9,145,889	11.60%
Large companies	94,970,871	35,220,166	112,731,661	1,952,824	37,172,990	17.90%
SMEs	13,050,966	2,967,162	13,869,914	287,988	3,255,150	12.09%
Bills, bonds and notes:						
Within financial assets at fair value through the statement of comprehensive income	-	948,288	10,154,668	-	948,288	9.34%
Total	**145,237,872**	**48,904,524**	**203,402,631**	**5,706,006**	**54,610,530**	**15.66%**
Financial guarantees	6,323,477	946,524	2,020,162	264,500	1,211,024	14.51%
Letters of credit	242,797	-	-	-	-	0.00%
Other liabilities	5,875,293	1,743,476	528,411	166,316	1,909,792	29.82%
Total	12,441,568	2,690,000	2,548,573	430,816	3,120,816	20.82%
Grand Total	**157,679,440**	**51,594,524**	**205,951,204**	**6,136,822**	**57,731,346**	**15.88%**

B. ECL of exposures reclassified

	Exposures reclassified			ECL of exposures reclassified				
31 December 2021	Gross exposures reclassified from Stage 2 JD	Gross exposures reclassified from Stage 3 JD	Gross reclassified exposures JD	Stage 2 Individuals JD	Stage 2 Collective JD	Stage 3 Individuals JD	Stage 3 Collective JD	Total JD
Credit facilities:								
Retail	3,126,679	1,486,815	4,613,494	616,973	-	173,685	-	790,658
Real estate mortgage	6,362,255	5,331,132	11,693,388	335,989	-	71,526	-	407,515
Large companies	15,588,848	-	15,588,848	4,618,373	-	-	-	4,618,373
SMEs	6,290,868	860,950	7,151,818	1,702,436	-	3,744	-	1,706,179
Bills, bonds and notes:								
Total	**31,368,651**	**7,678,897**	**39,047,548**	**7,273,770**	**-**	**248,954**	**-**	**7,522,725**
Financial guarantees	2,636,010	19,150	2,655,160	103,874	-	48	-	103,922
Letters of credit	17,577	-	17,577	77	-	-	-	77
Other liabilities	628,472	151,267	779,739	71,431	-	22,940	-	94,371
Total	**3,282,060**	**170,417**	**3,452,477**	**175,382**	**-**	**22,988**	**-**	**198,369**
Grand Total	**34,650,711**	**7,849,314**	**42,500,025**	**7,449,152**	**-**	**271,942**	**-**	**7,721,094**

31 December 2020	Exposures reclassified			ECL of exposures reclassified				
	Gross exposures reclassified from Stage 2 JD	Gross exposures reclassified from Stage 3 JD	Gross reclassified exposures JD	Stage 2 Individuals JD	Stage 2 Collective JD	Stage 3 Individuals JD	Stage 3 Collective JD	Total JD
Credit facilities:								
Retail	2,979,667	1,108,546	4,088,213	904,108	-	149,734	-	1,053,842
Real estate mortgage	6,789,242	2,356,648	9,145,889	715,366	-	112,533	-	827,899
Large companies	35,220,166	1,952,824	37,172,990	9,820,433	-	384,084	-	10,204,516
SMEs	2,967,162	287,988	3,255,150	527,455	-	4,977	-	532,433
Bills, bonds and notes:								
Financial assets at fair value through statement of income	948,288	-	948,288	948,288	-	-	-	948,288
Total	**48,904,524**	**5,706,006**	**54,610,530**	**12,915,650**	-	**651,328**	-	**13,566,978**
Financial guarantees	946,524	264,500	1,211,024	71,265	-	1,220	-	72,485
Letters of credit	-	-	-	-	-	-	-	-
Other liabilities	1,743,476	166,316	1,909,792	40,852	-	60,189	-	101,041
Total	2,690,000	430,816	3,120,816	112,117	-	61,409	-	173,526
Grand Total	**51,594,524**	**6,136,822**	**57,731,346**	**13,027,767**	-	**712,737**	-	**13,740,504**

Credit exposure distribution

Bank's internal rating grade	Rating category as per the instructions (2009/47)	Gross amount of exposure	Expected credit losses (ECL)	Probability of Default (PD)	Rating according to external rating institutions	Exposure at default (EAD) in JD millions	Loss given default (LGD)%
STAGE 1							
	Normal	650,795,630	10,167,080	0.265 TO 52.199%		390,703,559	0.000 TO 53.493%
	Normal	42,815,919	776	0.154%	2	8,026,102	48.898%
	Normal	677,172			2-		
	Normal	354,523			2+		
	Normal	34,125,828	1,201	0.351 TO 0.487%	3	746,405	48.941 TO 50.319%
	Normal	37,659,541	12,812	0.465 TO 0.647%	3-	4,376,725	48.959 TO 49.961%
	Normal	23,966,426			3+		
	Normal	58,442			4-		
	Normal	7,276,419	1,174	0.813%	4+	361,590	50.519%
	Normal	27,114	100	2.254%	5	21,270	49.962%
	Normal	2,491,877	14,704	3.281 TO 3.342%	5-	1,117,526	50.821 TO 52.689%
	Normal	16,019,349	430,061	4.585 TO 6.769%	6	15,911,016	44.253 TO 52.689%
	Normal	1,204,543	3,691	7.030%	6-	1,204,543	49.673%
	Normal	502,011,506	811	1.409 TO 7.531%	6+	65,917,404	47.687 TO 53.493%
	Normal	2,556,146		9.468%	7+	2,493,743	57.756%
2+	Normal	708,616	28	0.098%		708,616	9.459%
2-	Normal	42,367,354	21,283	0.096 TO 0.375%		42,367,354	0.000 TO 40.268%
3+	Normal	134,420,930	5,609,297	0.119 TO 0.549%		134,420,930	0.000 TO 50.317%
3	Normal	50,321,807	37,763	0.171 TO 0.666%		50,321,440	0.000 TO 47.349%
3-	Normal	94,530,328	94,210	0.245 TO 0.768%		94,530,328	0.000 TO 52.689%
4+	Normal	99,269,389	234,523	0.351 TO 0.965%		99,451,235	0.000 TO 52.689%
4	Normal	156,134,444	321,437	0.507 TO 1.245%		156,134,444	0.000 TO 49.350%
4-	Normal	261,283,474	826,158	0.725 TO 1.934%		261,532,187	0.000 TO 52.689%
5+	Normal	132,058,218	497,937	1.023 TO 2.375%		132,058,212	0.000 TO 52.689%
5	Normal	158,373,500	1,079,505	1.476 TO 2.892%		158,363,824	0.000 TO 52.689%
5-	Normal	184,944,943	1,349,181	2.158 TO 4.096%		187,873,750	0.000 TO 49.109%
6+	Normal	119,298,462	2,413,286	2.746 TO 4.565%		119,298,462	0.000 TO 52.940%
6	Normal	311,218,856	4,055,072	3.452 TO 7.119%		312,462,715	0.000 TO 50.014%
6-	Normal	315,814	9,258	6.504 TO 9.335%		315,814	0.000 TO 47.192%
7+	Normal	9,776,129	537,168	5.986 TO 12.910%		9,776,129	0.070 TO 51.374%
7	Normal	2,759,598	90,639	11.221 TO 19.262%		2,754,931	2.691 TO 50.773%
5-	Loss	105,932		2.340%		105,932	10.000%

Credit exposure distribution

Bank's internal rating grade	Rating category as per the instructions (2009/ 47)	Gross amount of exposure	Expected credit losses (ECL)	Probability of Default (PD)	Rating according to external rating institutions	Exposure at default (EAD) in JD millions	Loss given default (LGD)%
STAGE 2							
	Normal	8,151,242	892,265	0.265 TO 100.000%		8,150,224	0.000 TO 53.493%
4+	Normal	10,000		0.351 TO 0.494%		10,000	0.000%
4	Normal	24,445	99	0.715 TO 0.966%		24,445	10.313 TO 19.281%
5+	Normal	211,456	869	1.205 TO 1.521%		211,456	0.000 TO 48.650%
5	Normal	3,408,602	20,733	1.508 TO 2.716%		3,429,027	0.000 TO 52.689%
5-	Normal	10,339,524	155,841	2.068 TO 3.553%		10,342,439	5.995 TO 50.288%
6+	Normal	843,805	8,900	3.417 TO 4.376%		843,805	0.000 TO 50.357%
6	Normal	1,452,375	13,735	3.601 TO 6.316%		1,452,375	5.716 TO 31.483%
6-	Normal	518,645	4,768	6.123 TO 8.348%		518,645	5.070 TO 8.292%
7+	Normal	9,331,092	502,514	7.946 TO 13.294%		9,331,092	21.914 TO 49.833%
7	Normal	5,000	24	15.545%		5,000	7.149%
7-	Normal	720,366	108,851	9.981 TO 27.583%		720,366	30.334 TO 51.032%
	Watch	3,384,144	350,489	0.265 TO 80.893%		3,383,954	0.000 TO 53.493%
4	Watch	1,846,118	3,872	0.856%		1,846,118	9.721%
4-	Watch	6,000,000	11,575	0.955%		6,000,000	9.223%
5+	Watch	11,751,237	2,548,135	1.052 TO 1.521%		11,750,848	10.490 TO 52.689%
5	Watch	596,679	6,632	1.665 TO 2.100%		596,659	17.785 TO 48.393%
5-	Watch	7,245,755	119,994	2.158 TO 3.140%		7,229,102	5.849 TO 49.695%
6+	Watch	13,078,754	800,684	2.861 TO 4.357%		13,078,754	15.440 TO 50.413%
6	Watch	45,777,865	6,320,064	3.420 TO 6.433%		45,777,865	11.868 TO 52.689%
6-	Watch	20,433,164	5,990,308	4.529%		17,881,219	37.130%
7	Watch	20,274,479	3,361,377	7.542 TO 9.970%		20,274,479	7.683 TO 10.000%
7-	Watch	22,620,645	2,768,128	10.309 TO 27.264%		23,169,286	9.704 TO 22.586%
5-	Loss	339,967	12	2.953 TO 3.907%		639,967	10.113 TO 10.181%
STAGE 3							
	Normal	1,748,280	359,378	100.000%		1,743,123	0.000 TO 100.000%
	Normal	15,527,674	8,746,104	100.000%	10	15,739,357	10.000 TO 99.990%
10	Normal	735,560	537,704	100.000%		735,308	0.000 TO 99.990%
	Watch	728,864	128,353	100.000%		721,176	0.000 TO 55.979%
10	Watch	181,712	60,024	100.000%		175,025	10.000 TO 99.990%
	Sub_Standard	2,059,943	495,363	100.000%		2,058,275	0.000 TO 57.493%
10	Sub_Standard	4,112,515	900,383	100.000%		4,112,515	8.834 TO 99.990%
	Doubtful	2,341,744	1,262,131	100.000%		2,275,800	0.000 TO 100.000%
10	Doubtful	3,975,037	1,932,688	100.000%		3,825,825	8.824 TO 99.990%
	Loss	17,158,364	10,575,009	100.000%		13,865,119	0.000 TO 100.000%
10	Loss	115,363,997	64,195,526	100.000%		92,026,929	0.000 TO 99.990%

40/A Market risk

Market risks are losses of the value arising from changes in market prices as the change in interest rates, foreign exchange rates, prices of financial instruments and therefore changes in fair value of the cash flows of financial instruments within and outside the consolidated statement of financial position.

The bank has defined policies and procedures for identifying, measuring, monitoring and controlling market risks, they are reviewed periodically and their implementation is monitored, where the investment policy committee studies and recommends them after confirming their compliance with the instructions of the Central Bank of Jordan, they are then implemented and approved by the board of directors.

The acceptable risk policy is determined under treasury operations and includes limits for market risk control, where they are complied with and their implementation is verified periodically and continuously by monitoring their implementation by the risk management department and submitting various periodic reports which in turn are presented to the Assets and Liabilities Committee and the board of directors.

The bank holds a share and bond portfolio for trading purposes (Financial Assets at Fair Value though Profit or Loss), for which the sensitivity analysis method is used, where risks are currently measured through the standard approach to calculate the minimum share capital as recommended by Basel Committee.

40/B Interest rate risk:

Interest rate risk arises from the probability of change in interest rates, consequently affecting cash flows or air value of the financial instrument. The bank is exposed to interest rate risk as a result of time gaps for repricing between assets and liabilities, such gaps are monitored on a periodic basis by the Assets and Liabilities Committee, and sometimes various hedging methods are used to remain within acceptable limits of interest rate risk gaps.

- Sensitivity analysis:

For 2021

Currency	Change of increase in interest rate (percentage point)	Sensitivity of interest income (profit and loss)	Sensitivity of equity
	%	JD	JD
USD	1	260,356	(433,592)
Euro	1	(34,065)	-
GBP	1	(68,015)	-
JPY	1	-	-
Other currencies	1	(39,354)	-

Currency	Change (decrease) in interest rate (percentage point)	Sensitivity of interest income (profit and loss)	Sensitivity of equity
	%	JD	JD
USD	1	(260,356)	490,875
Euro	1	34,065	-
GBP	1	68,015	-
JPY	1	-	-
Other currencies	1	39,354	-

For 2020

Currency	Change of increase in interest rate (percentage point)	Sensitivity of interest income (profit and loss)	Sensitivity of equity
	%	JD	JD
USD	1	18,454	(265,152)
Euro	1	(47,833)	-
GBP	1	(69,179)	-
JPY	1	-	-
Other currencies	1	(100,540)	-

Currency	Change (decrease) in interest rate (percentage point)	Sensitivity of interest income (profit and loss)	Sensitivity of equity
	%	JD	JD
USD	1	(18,454)	347,701
Euro	1	47,833	-
GBP	1	69,179	-
JPY	1	-	-
Other currencies	1	100,540	-

- Currency risk:

The table below shows the currencies that the Bank is exposed to and the effect of a possible and reasonable change on their prices against the Jordanian Dinar on the consolidated statement of income, and the currency position are monitored on a daily basis to verify they remain within the specified limits and submits reports thereon to the Assets and Liabilities Committee as well as to the Board of Directors.

For 2021

Currency	Change in foreign currency rates	Impact on profit and loss	Impact on Equity
	%	JD	JD
Euro	5	(24,113)	-
GBP	5	5,551	-
JPY	5	384	-
Other currencies	5	(80,637)	-

For 2020

Currency	Change in foreign currency rates	Impact on profit and loss	Impact on Equity
	%	JD	JD
Euro	5	2,912	-
GBP	5	1,373	-
JPY	5	1,617	-
Other currencies	5	14,217	-

- Risk of change in shares prices:

It is the risk of a decrease in the fair value of the shares portfolio because of the change in the value of shares indices and the change in the value of individual shares.

For 2021

Index	Change in index	Impact on profit and loss	Impact on Equity
	%	JD	JD
Amman market index	5	-	225,486
Palestine market index	5	-	321,141
Kuwait market index	5	-	65,825
NASDAQ – USA	5	-	-

For 2020

Index	Change in index	Impact on profit and loss	Impact on Equity
	%	JD	JD
Amman market index	5	-	194,290
Palestine market index	5	-	269,225
Kuwait market index	5	-	2,765
NASDAQ – USA	-	-	-

Re-pricing interest gap:

The Bank follows a consistent policy in the amounts of assets and liabilities and aligns the maturities to reduce the gaps by dividing assets and liabilities into multiple timing categories or maturities on review interest rates, whichever is less, to reduce risk in interest rates, study gaps in interest rates associated with them, and use hedging policies through advanced tools such as derivatives.

Classification is made on the basis of interest repricing or maturity periods, whichever is earlier.

Interest rate sensitivities are as follows:

	Re-pricing interest gap							
	Less than 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	From 1 year to 3 years	3 years or more	Elements non-bearing interest	Total
31 December 2021	JD	JD	JD	JD	JD	JD	JD	JD
Assets:								
Cash and balances at Central Banks	-	-	-	-	-	-	317,205,145	317,205,145
Balances at banks and financial institutions	79,075,364	8,617,241	-	-	-	-	54,445,850	142,138,455
Direct credit facilities, net	537,107,136	150,538,222	135,315,255	693,490,686	93,029,238	77,806,275	-	1,687,286,812
Loan with right to repurchase at fair value	-	-	-	-	-	-	10,000,000	10,000,000
Financial assets at fair value through statement of income	-	-	-	-	-	-	4,133,548	4,133,548
Financial assets at fair value through the statement of comprehensive income	-	-	-	-	9,349,892	20,310,670	45,318,545	74,979,107
Financial assets at amortised cost	-	35,509,983	31,618,060	74,603,783	265,301,785	87,535,694	-	494,569,305
Property and equipment, net	-	-	-	-	-	-	33,850,914	33,850,914
Intangible assets, net	-	-	-	-	-	-	5,664,986	5,664,986
Deferred tax assets	-	-	-	-	-	-	43,487,269	43,487,269
Right of use leased assets	-	-	51,152	2,654,345	5,195,994	4,943,078	-	12,844,569
Other assets	9,337,559	5,188,228	5,941,335	8,978,396	5,163,242	9,183,200	135,184,631	178,976,591
Total assets	**625,520,059**	**199,853,674**	**172,925,802**	**779,727,210**	**378,040,151**	**199,778,917**	**649,290,888**	**3,005,136,701**

	Re-pricing interest gap							
	.ess than 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	From 1 year to 3 years	3 years or more	Elements non-bearing interest	Total
Liabilities:	JD	JD	JD	JD	JD	JD	JD	JD
Deposits with banks and banking institutions	82,524,929	-	58,635,107	23,434,008	-	-	2,351,413	166,945,457
Customers' deposits	340,837,049	635,851,391	200,072,789	173,631,769	126,648	-	586,779,824	1,937,299,470
Cash margins	29,582,643	32,742,066	11,336,964	18,823,304	507,943	5,000	81,288	93,079,208
Borrowings	40,740	303,858	30,445,675	6,005,946	70,664,986	131,654,431	-	239,115,636
other provisions	-	-	-	-	-	-	12,478,231	12,478,231
Bond	-	-	-	-	11,000,000	-	-	11,000,000
Provision for income tax	-	-	-	-	-	-	9,745,645	9,745,645
Deferred tax liabilities	-	-	-	-	-	-	4,642,969	4,642,969
Liabilities against right of use leased assets	-	-	49,592	2,654,345	5,195,994	4,630,572	-	12,530,503
Other liabilities	19,442,364	6,323,669	5,346,529	5,976,536	6,752,671	-	6,783,755	50,625,524
Total liabilities	**472,427,725**	**675,220,984**	**305,886,656**	**230,525,908**	**94,248,242**	**136,290,003**	**622,863,125**	**2,537,462,643**
Non-controlling interests	-	-	-	-	-	-	277,710	277,710
Re-pricing interest gap	**153,092,334**	**(475,367,310)**	**(132,960,854)**	**549,201,302**	**283,791,909**	**63,488,914**	**26,150,053**	**467,396,348**

	Re-pricing interest gap							
	.ess than 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	From 1 year to 3 years	3 years or more	Elements non-bearing interest	Total
31 December 2020	JD	JD	JD	JD	JD	JD	JD	JD
Assets:								
Cash and balances at Central Banks	339,661,475	22,208,130	-	-	-	-	-	361,869,605
Balances at banks and financial institutions	125,508,378	5,985,255	-	-	-	-	5,264,885	136,758,518
Direct credit facilities, net	115,789,483	666,117	36,475	179,055,553	737,822,667	360,322,916	162,819,622	1,556,512,833
Loan with right to repurchase at fair value	-	-	-	-	10,000,000	-	-	10,000,000
Financial assets at fair value through the statement of comprehensive income	8,262,132	-	-	-	7,254,344	27,060,707	43,290,091	85,867,274
Financial assets at amortised cost	-	66,399,251	-	46,089,618	270,806,848	18,814,894	-	402,110,610
Property and equipment, net	-	-	-	-	-	-	28,527,698	28,527,698
Intangible assets, net	-	-	-	-	-	-	1,964,717	1,964,717
Right of use of leased assets	-	-	-	-	-	-	13,347,577	13,347,577
Deferred tax assets	-	-	-	-	-	-	36,718,616	36,718,616
Other assets	3,775,736	5,382,126	5,897,814	9,406,061	4,818,715	10,398,389	130,896,114	170,574,955
Assets held for sale, net	-	-	-	-	-	-	5,642,817	5,642,817
Total assets	**592,997,205**	**100,640,878**	**5,934,289**	**234,551,232**	**1,030,702,573**	**416,596,906**	**428,472,137**	**2,809,895,220**

	Re-pricing interest gap							
	.ess than 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	From 1 year to 3 years	3 years or more	Elements non-bearing interest	Total
Liabilities:	JD	JD	JD	JD	JD	JD	JD	JD
Deposits with banks and banking institutions	43,147,143	-	105,016,534	25,524,000	-	-	-	173,687,677
Customers' deposits	229,448,307	661,282,777	182,266,266	260,271,310	583,408	-	543,698,415	1,877,550,483
Cash margins	26,799,110	24,778,388	9,285,936	13,016,603	15,280	-	-	73,895,317
Borrowings	4,323,252	-	-	10,000,000	71,229,126	42,703,066	-	128,255,444
other provisions	-	-	-	-	-	-	14,303,613	14,303,613
Bond	-	-	-	-	11,000,000	-	-	11,000,000
Provision for income tax	-	-	-	-	-	-	2,176,841	2,176,841
Deferred tax liabilities	-	-	-	-	-	-	2,555,136	2,555,136
Liabilities against right of use leased assets	1,007,045	544,306	544,306	1,088,613	4,922,993	4,282,694	-	12,389,957
Other liabilities	14,525,679	7,735,885	7,597,559	8,034,611	9,757,373	8,167,135	-	56,119,661
Liabilities directly associated with assets held for sale	-	-	-	-	-	-	1,529,164	1,529,164
Total liabilities	**319,551,955**	**694,341,356**	**304,710,602**	**317,935,137**	**97,508,180**	**55,152,895**	**564,263,169**	**2,353,463,293**
Re-pricing interest gap	**273,445,250**	**(593,700,478)**	**(298,776,312)**	**(83,383,905)**	**933,194,393**	**361,444,011**	**(135,791,032)**	**456,431,927**

Concentration in foreign exchange risk

	USD	Euro	GBP	JPY	Others	Total
31 December 2021	JD	JD	JD	JD	JD	JD
Assets:						
Cash and balances with Central Banks	51,502,885	6,828,178	894,724	-	751,272	59,977,059
Balances with banks and banking institutions	89,595,125	31,008,598	11,442,026	510,339	9,398,819	141,954,907
Direct credit facilities - net	403,691,381	2,019,391	2,101,207	-	-	407,811,979
Financial assets at fair value through comprehensive income	53,701,490	46,498	-	-	1,186,038	54,934,026
Financial assets at amortised cost	109,302,397	-	-	-	3,603,561	112,905,958
Property and equipment	931,005	-	-	-	-	931,005
Intangible assets	6,766	-	-	-	-	6,766
Other assets	6,172,328	1,599,743	190,784	-	29,157	7,992,012
Total assets	**714,903,377**	**41,502,408**	**14,628,741**	**510,339**	**14,968,847**	**786,513,712**
Liabilities:						
Deposits with banks and banking institutions	136,801,655	620,925	-	-	3,983,539	141,406,119
Customers' deposits	400,152,568	40,167,751	14,251,493	502,663	11,980,534	467,055,009
Cash margins	27,083,512	380,008	255,765	-	1,025,294	28,744,579
Borrowings	84,583,700	-	-	-	-	84,583,700
Provision for Income tax	-	354,100	-	-	-	354,100
Other liabilities	5,992,872	431,694	10,460	-	3,162	6,438,188
Total liabilities	**654,614,307**	**41,954,478**	**14,517,718**	**502,663**	**16,992,529**	**728,581,695**
Net concentration in the consolidated statement of financial position for the current year	**60,289,070**	**(452,070)**	**111,023**	**7,676**	**(2,023,682)**	**57,932,017**
Contingent liabilities off-the consolidated statement of financial position for the current year	**122,692,333**	**10,478,123**	**180,195**	**-**	**3,337,531**	**136,688,182**

	USD	Euro	GBP	JPY	Others	Total
31 December 2020	JD	JD	JD	JD	JD	JD
Assets:						
Cash and balances with Central Banks	61,075,632	4,713,291	515,252	-	802,081	67,106,256
Balances with banks and banking institutions	89,478,876	28,338,729	12,127,191	181,734	12,498,433	142,624,963
Direct credit facilities - net	350,981,367	2,599,365	2,370,001	-	-	355,950,733
Financial assets at fair value through comprehensive income	54,310,861	98,415	-	-	2,975,577	57,384,853
Financial assets at amortised cost	73,879,503	-	-	-	-	73,879,503
Property and equipment	957,461	-	-	-	-	957,461
Intangible assets	17,979	-	-	-	-	17,979
Other assets	4,219,485	556,979	(24,864)	-	12,860	4,764,460
Total assets	**634,921,165**	**36,306,778**	**14,987,580**	**181,734**	**16,288,951**	**702,686,208**
Liabilities:						
Deposits with banks and banking institutions	135,646,612	103,962	111	239	6,173,011	141,923,936
Customers' deposits	391,801,799	35,273,814	14,205,150	149,152	8,907,150	450,337,065
Cash margins	15,120,396	487,612	750,520	-	1,722,074	18,080,602
Provision for Income tax	-	210,323	-	-	-	210,323
Other liabilities	3,920,058	164,513	4,336	-	121,762	4,210,669
Total liabilities	**546,488,866**	**36,240,224**	**14,960,117**	**149,391**	**16,923,998**	**614,762,595**
Net concentration in the consolidated statement of financial position for the current year	**88,432,299**	**66,554**	**27,463**	**32,343**	**(635,046)**	**87,923,613**
Contingent liabilities off-the consolidated statement of financial position for the current year	**148,868,454**	**10,080,408**	**44,901**	-	**5,011,791**	**164,005,554**

C- Liquidity risk

First: The table below summarizes the distribution of liabilities (not discounted) based on the remaining period for contractual maturity at the date of the financial statements:
Liquidity risk is defined as the losses that the Bank may be exposed to due to lack of funds needed to finance the increase of its investments or to repay its obligations when they become due at appropriate time and cost. (This is part of asset and liability management (ALM).

- The Bank is commitment to liquidity ratios set by the Central Bank and the supervisory authorities under which the Bank's external branches operate, and the Bank's liquidity is monitored on a daily basis.
- Liquidity is also monitored by the ALCO chaired by the Director General through periodic reports.

31 December 2021	Less than 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	From 1 year to 3 years	Over 3 years	Elements non-bearing interest	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities:								
Deposits with banks and banking institutions	84,876,342	44,455,105	14,180,000	23,434,010	-	-	-	166,945,457
Customers' deposits	283,743,927	635,851,391	200,072,789	173,631,769	126,648	-	643,872,946	1,937,299,470
Cash margins	29,663,931	32,742,068	11,336,964	18,823,302	507,943	5,000	-	93,079,208
Borrowings	40,740	303,858	30,445,675	6,005,946	70,664,986	131,654,431	-	239,115,636
Liabilities against right of use leased assets	-	-	49,592	2,654,345	5,195,994	4,630,572	-	12,530,503
bond	-	-	-	-	11,000,000	-	-	11,000,000
other provisions	-	-	-	-	-	-	12,478,231	12,478,231
Provision for income tax	-	-	-	-	-	-	9,745,645	9,745,645
Deferred tax liabilities	-	-	-	-	-	-	4,642,969	4,642,969
Other liabilities	19,408,958	6,323,669	5,346,529	5,976,536	6,752,671	6,817,161	-	50,625,524
Total	**417,733,898**	**719,676,091**	**261,431,549**	**230,525,908**	**94,248,242**	**143,107,164**	**670,739,791**	**2,537,462,643**
Total assets	**484,309,681**	**345,025,251**	**127,472,452**	**199,679,955**	**548,600,449**	**1,022,409,018**	**277,639,895**	**3,005,136,701**

31 December 2020	Less than 1 month JD	1 month to 3 months JD	3 months to 6 months JD	6 months to 1 year JD	From 1 year to 3 years JD	Over 3 years JD	Elements non-bearing interest JD	Total JD
Liabilities:								
Deposits with banks and banking institutions	46,794,000	-	101,369,677	25,524,000	-	-	-	173,687,677
Customers' deposits	176,437,788	661,282,777	182,266,266	260,271,310	583,408	-	596,708,934	1,877,550,483
Cash margins	26,799,110	24,778,388	9,285,936	13,016,603	15,280	-	-	73,895,317
Borrowings	4,323,252	-	-	10,000,000	71,229,126	42,703,066	-	128,255,444
Liabilities against right of use leased assets	1,007,045	556,527	532,085	1,088,613	4,922,993	4,282,694	-	12,389,957
bond	-	-	-	-	11,000,000	-	-	11,000,000
other provisions	-	-	-	-	-	-	14,303,613	14,303,613
Provision for income tax	-	-	-	-	-	-	2,176,841	2,176,841
Deferred tax liabilities	-	-	-	-	-	-	2,555,136	2,555,136
Other liabilities	14,525,679	7,735,885	7,597,559	8,034,611	9,757,373	8,468,554	-	56,119,661
Liabilities directly associated with assets held for sale	-	1,529,164	-	-	-	-	-	1,529,164
Total	**269,886,874**	**695,882,741**	**301,051,524**	**317,935,137**	**97,508,180**	**55,454,314**	**615,744,524**	**2,353,463,293**
Total assets	**594,088,884**	**79,022,800**	**6,524,341**	**263,582,281**	**1,036,039,307**	**589,240,372**	**241,397,236**	**2,809,895,220**

Second: Items off-the financial position (Total):

31 December 2021

	Up to one year	1 to 5 years	Over 5 years	Total
	JD	JD	JD	JD
Letters of credits and acceptances	75,318,898	-	-	75,318,898
Un-utilised limits (direct and indirect)	317,600,010	39,850,445	2,172,560	359,623,015
Guarantees	189,858,199	33,760,860	62,925	223,681,984
Total	**582,777,107**	**73,611,305**	**2,235,485**	**658,623,897**

31 December 2020

	Up to one year	1 to 5 years	Over 5 years	Total
	JD	JD	JD	JD
Letters of credits and acceptances	54,196,154	-	-	54,196,154
Un-utilised limits (direct and indirect)	315,545,147	4,056,820	-	319,601,966
Guarantees	211,310,002	20,555,184	-	231,865,186
Total	**581,051,302**	**24,612,004**	**-**	**605,663,306**

(41) Information about the Bank's business segments

- The Bank is organized for administrative purposes through four main business segments that are measured according to the reports that are used by the CEO and the main decision-makers at the Bank. The Bank also has a subsidiary specialized in financial brokerage services and a subsidiary specialized in financial leasing services as at the date of the consolidated financial statements:

- Retail accounts: Includes handling individual customers' deposits, and providing credit facilities, credit cards and other services.

- Corporates' accounts: Includes handling deposits, credit facilities, and other banking services related to corporates' customers.

- Treasury: Includes providing trading and treasury services and the management of the Bank's funds.

- Others: Includes activities inapplicable to the definition of the Bank's above mentioned segments.

- Financial brokerage services: Practicing most of the brokerage and financial consultation services.

- Financial leasing services: Practicing financial leasing services and real estate development projects.

- Financial consultation services and issues: Practicing financial consultation services and management of issues.

The following is information on the Bank's business segments distributed by activity:

	Retail	Corporates	Treasury	Financial brokerage	Finance leasing	Financial consultations	Others	Total for the year ended 31 December 2021
31 December 2021	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Total income for the year - statement (b)	17,780,856	55,178,429	32,855,834	74,369	5,999,269	-	-	111,888,757
Less: expected credit losses	5,156,352	22,194,371	2,089,215	(5,564)	1,113,302	-	-	30,547,676
Segment business results	12,624,504	32,984,058	30,766,619	79,933	4,885,967	-	-	81,341,081
Less: unallocated expenses on segments	-	-	-	912,298	1,127,441	-	67,228,642	69,268,381
Profit for the year before income tax	12,624,504	32,984,058	30,766,619	(832,365)	3,758,526	-	(67,228,642)	12,072,700
Less: income tax for the year	-	-	-	83,299	1,475,812	-	2,808,752	4,367,863
Profit for the year - statement (b)	**12,624,504**	**32,984,058**	**30,766,619**	**(915,664)**	**2,282,714**	**-**	**(70,037,394)**	**7,704,837**
Capital expenses							10,326,927	10,326,927
Depreciations and amortisations							4,470,471	4,470,471
Segment assets	484,105,094	1,115,294,267	1,033,023,020	10,237,138	87,650,312	-	-	2,730,309,831
Unallocated assets on segments	-	-	-	-	-	-	274,826,870	274,826,870
Total assets	**484,105,094**	**1,115,294,267**	**1,033,023,020**	**10,237,138**	**87,650,312**	**-**	**274,826,870**	**3,005,136,701**

31 December 2020	Retail JD	Corporates JD	Treasury JD	Financial brokerage JD	Finance leasing JD	Financial consultations JD	Others JD	Total for the year ended 31 December 2020 JD
Total income for the year - statement (b)	13,454,069	52,168,647	34,466,273	-	5,344,320	-	2,782,875	108,216,184
Less: provision for impairment of direct credit facilities	12,798,621	24,788,612	11,749,634	-	1,398,981	-	1,485,714	52,221,562
Segment business results	655,448	27,380,035	22,716,639	-	3,945,339	-	1,297,161	55,994,621
Less: unallocated expenses on segments	-	-	-	-	-	-	61,573,372	61,573,372
Loss for the year before income tax	655,448	27,380,035	22,716,639	-	3,945,339	-	(60,276,211)	(5,578,751)
Less: income tax for the year	-	-	-	-	1,231,922	-	(2,838,213)	(1,606,291)
Loss for the year from continued operations - statement (b)	655,448	27,380,035	22,716,639	-	2,713,417	-	(57,437,998)	(3,972,460)
Net Loss for the year from discontinued operations - statement (b)	-	-	-	(379,547)	-	(159,268)	-	(538,815)
Net profit for the year - statement (b)	**655,448**	**27,380,035**	**22,716,639**	**(379,547)**	**2,713,417**	**(159,268)**	**(57,437,998)**	**(4,511,275)**
Capital expenses							**4,968,669**	**4,968,669**
Depreciations and amortisations							**4,715,649**	**4,715,649**
Segment assets	374,223,618	1,203,283,863	999,983,701	6,727,012	85,309,793	445,648	-	2,669,973,635
Unallocated assets on segments	-	-	-	-	-	-	139,921,585	139,921,585
Total assets	**374,223,618**	**1,203,283,863**	**999,983,701**	**6,727,012**	**85,309,793**	**445,648**	**134,223,559**	**2,809,895,220**

B. Geographical distribution information

This note represents the geographical distribution of the Bank's businesses. The Bank conducts its activities mainly in the Hashemite Kingdom of Jordan, which represents local businesses. The Bank also carries out international activities through the Bank's branch in Cyprus.

The following is the distribution of the Bank's revenues, assets, and capital expenses by geographical sector:

	Inside the Kingdom		Outside the Kingdom		Total	
	For the year ended 31 December		For the year ended 31 December		For the year ended 31 December	
	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD
Total income - statement (b)	102,732,664	99,866,853	9,156,093	8,349,331	111,888,757	108,216,184
Capital expenses	10,326,927	4,968,669	-	-	10,326,927	4,968,669
	31 December		31 December		31 December	
	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD
Total assets	2,578,368,766	2,403,245,279	426,767,935	406,649,941	3,005,136,701	2,809,895,220

(42) Capital management:

A. Description of what is considered to be capital.

Capital is classified into several categories as paid capital, economic capital and regulatory capital. The regulatory capital is defined as per the Banks Law by the total value of the items determined by the Central Bank for control purposes in order to meet the requirements of the capital adequacy ratio established in accordance with instructions issued by the Central Bank. The regulatory capital consists of two parts, the first part is called core capital (Tier 1) and consists of paid in capital, disclosed reserves (include statutory reserve, voluntary, share premium and treasury shares premium), retained earnings after deducting any amounts subject for any restrictions, non-controlling interest and deducting period losses, cost of treasury share purchases, deferred provision with the Central Bank of Jordan approval and goodwill. The second part additional paid in capital (Tier 2) consists of foreign currencies translation difference, general banking risk reserve, debt and equity securities that have the same characteristics, support debts and 45% from valuation of financial assets at fair value through other comprehensive income reserve if positive and deducted in full if negative.

There is third part (Tier 3) might be established in case the capital adequacy ratio dropped below 12% from the result of including market risk to the capital adequacy ratio. Investments in banks and subsidiaries financial institutions (if not consolidated) as well the investments in bank's, insurance companies and other financial institutions share capital.

B. Regulatory requirements for capital, and how to meet these requirements.

The instructions of the Central Bank require that the paid-up capital is not less than JD 100 million, and that the ratio of shareholders' equity to assets is not less than 6%. As for the regulatory capital, the instructions of the Central Bank require that its ratio to the weighted assets (capital adequacy ratio) is not less than 12% and the Bank ensures that it is compliant there with.

The Bank is committed to Article (62) of the Banks Law, which requires the Bank to deduct annually 10% of its net profit in the Kingdom to the legal reserve account and to continue to deduct it until such reserve reaches the equivalent of the Bank's subscribed capital, and this deduction corresponds to the statutory reserve stipulated in the Companies Law.
The Bank is committed to Article (41) of the Banks Law, which requires compliance with the limits set by the Central Bank relating to the following:

1- Risk ratios of its assets and risk-weighted assets, as well as the elements of capital, reserves, and regulatory accounts.
2- Ratio of the total borrowings to the regulatory capital that the Bank is allowed to grant for the benefit of a person and his associates or the related parties.
3- Ratio of the total borrowings granted to the Bank's top ten customers to the total amount of borrowings granted by the Bank.

C - How to achieve the objectives of capital management.

The Bank ensures the compatibility of the capital amount with the amount, nature and complexity of the risks to which the Bank is exposed to, in a manner that does not contradict with the legislation and instructions in force. The Bank reflects this in its strategic plans as well as its annual estimated budgets. For more precaution, and given the surrounding circumstances and economic cycles, the Board of Directors decided, within the Bank's strategy, that the capital adequacy ratio will not be less than 14%.

When entering into investments, effects on the capital adequacy ratio are recorded and capital and adequacy are monitored periodically as the capital adequacy ratio is calculated at the Group level as well as at the Bank's level on a quarterly basis. In addition to the continuous monitoring of capital ratios which are monitored on a monthly basis, including financial leverage ratios: assets to equity ratio, customer deposits to equity ratio, internal growth rate of equity ratio, provisions and free share capital, which achieves the appropriate financial leverage and achieves accordingly the targeted return on equity by which it does not drop below 10% in accordance with the bank's strategy.

No dividends will be distributed to shareholders from the regulatory capital components if such distribution would lead to failure to comply with the required minimum capital. The Bank focuses on the internal generation of capital and can resort to public offering to meet the requirements of expansions and future plans or the requirements of the regulatory authorities according to specific studies.

Capital adequacy

On 31 November 2016, the Central Bank of Jordan issued capital adequacy instructions in accordance with Basel III and cancelled the implementation of regulatory capital adequacy instructions in accordance with Basel II.

The Bank manages the capital in a way that ensures the continuity of its operations and achieves the highest possible return on equity, and the capital is as defined by Basel III, as shown in the following table:

	31 December	
	2021	2020
	JD	JD
Total basic capital for ordinary equity holders (CET 1)	456,896	456,432
Regulatory amendments (subtraction from basic capital for ordinary equity holders)	(55,513)	(51,091
Tier-II Capital	27,809	18,894
Regulatory capital	**429,192**	**424,234**
Risk-weighted assets	**2,266,033**	**2,188,199**
Capital adequacy ratio for ordinary equity holders (CET 1)	**17.71%**	**18.52%**
Capital adequacy ratio on Tier-I Capital	**17.71%**	**18.52%**
Regulatory capital adequacy ratio	**18.94%**	**19.39%**

* The basic capital was calculated after investing in banks and a financial subsidiary.

Liquidity coverage ratio (LCR):	31 December 2021	31 December 2020
Total high quality liquid assets	775,920	730,690
Total high quality liquid assets after subtracting the maximum adjustments	775,920	730,690
Net cash outflow	600,290	524,603
Liquidity coverage ratio	203.90%	139.30%
Liquidity coverage according to the average end of each month	**140.14%**	**147.88%**

(43) Analysis of maturities of assets and liabilities

The following table shows the analysis of assets and liabilities according to the expected period of recovery or settlement:

31 December 2021	Up to one year JD	Over one year JD	Total JD
Assets:			
Cash and balances with Central Banks	317,205,145	-	317,205,145
Balances with banks and banking institutions	142,138,455	-	142,138,455
Direct credit facilities - net	529,309,999	1,157,976,813	1,687,286,812
Loan with right to repurchase at fair value	10,000,000	-	10,000,000
Financial assets through income	-	4,133,548	4,133,548
Financial assets through comprehensive income	-	74,979,107	74,979,107
Financial assets at amortised cost	141,731,825	352,837,480	494,569,305
Property and equipment, net	-	33,850,914	33,850,914
Intangible assets, net	-	5,664,986	5,664,986
Right of use of leased assets	2,705,497	10,139,072	12,844,569
Deferred tax assets	-	43,487,269	43,487,269
Other assets	29,445,518	149,531,073	178,976,591
Total assets	**1,172,536,440**	**1,832,600,261**	**3,005,136,701**
Liabilities:			
Deposits with banks and banking institutions	166,945,457	-	166,945,457
Customers' deposits	1,937,172,822	126,648	1,937,299,470
Cash deposits	92,566,265	512,943	93,079,208
Borrowings	36,796,219	202,319,417	239,115,636
Liabilities against right of use leased assets	2,703,937	9,774,294	12,478,231
Loan bonds	-	11,000,000	11,000,000
Various provisions	-	9,745,645	9,745,645
Provision for income tax	4,602,684	-	4,602,684
Deferred tax liabilities	-	12,530,503	12,530,503
Other liabilities	37,089,098	13,576,711	50,665,809
Total liabilities	**2,277,876,482**	**259,586,161**	**2,537,462,643**
Net assets	**(1,105,340,042)**	**1,573,014,100**	**467,674,058**

	Up to one year	Over one year	Total
31 December 2020	**JD**	**JD**	**JD**
Assets:			
Cash and balances with Central Banks	361,869,605	-	361,869,605
Balances with banks and banking institutions	131,493,633	5,264,885	136,758,518
Deposits with banks and banking institutions	-	-	-
Direct credit facilities - net	295,547,628	1,260,965,205	1,556,512,833
	-	10,000,000	10,000,000
Financial assets through comprehensive income	8,262,132	77,605,142	85,867,274
Financial assets at amortised cost	112,488,869	289,621,741	402,110,610
Property and equipment, net	-	28,527,698	28,527,698
Intangible assets, net	-	1,964,717	1,964,717
Right of use of leased assets	3,451,885	9,895,692	13,347,577
Deferred tax assets	-	36,718,616	36,718,616
Other assets	24,461,737	146,113,218	170,574,955
Assets held for sale, net	5,642,817	-	5,642,817
Total assets	**943,218,306**	**1,866,676,914**	**2,809,895,220**
Liabilities:			
Deposits with banks and banking institutions	173,687,677	-	173,687,677
Customers' deposits	1,876,967,075	583,408	1,877,550,483
Cash deposits	73,880,037	15,280	73,895,317
Borrowings	14,323,252	113,932,192	128,255,444
Liabilities against right of use leased assets	3,184,271	9,205,686	12,389,957
Loan bonds	-	11,000,000	11,000,000
Various provisions	-	14,303,613	14,303,613
Provision for income tax	-	2,176,841	2,176,841
Deferred tax liabilities	-	2,555,136	2,555,136
Other liabilities	-	56,119,661	56,119,661
Liabilities directly associated with assets held for sale	1,529,164	-	1,529,164
Total liabilities	**2,143,571,475**	**209,891,817**	**2,353,463,293**
Net assets	**(1,200,353,170)**	**1,656,785,097**	**456,431,927**

(44) Fair value hierarchy

A. Fair value of financial assets and financial liabilities of the Bank designated at fair value on an ongoing basis:

Some of the Bank's financial assets and financial liabilities are valued at fair value at the end of each reporting period, and the following table shows information about how to determine the fair value of these financial assets and financial liabilities (valuation methods and inputs used).

Financial assets / financial liabilities	Fair value 31 December 2021	Fair value 31 December 2020	Level of Fair value	Valuation method and inputs used	Significant inputs unobservable	Relationship between significant inputs unobservable and fair value
	JD	JD				
Financial assets at fair value						
Financial assets at fair value through other comprehensive income	4,133,548	-	Level 1	uoted prices in financial markets		
Shares with available market prices	19,114,012	17,784,848	Level 1	uoted prices in financial markets	N/A	N/A
Shares with non-available market prices	26,204,532	25,505,244	Level 2	uoted prices in financial markets compared with the market value of a similar financial instrument	N/A	N/A
Bonds quoted in active markets	24,660,562	29,366,838	Level 1	uoted prices in financial markets	N/A	N/A
Bonds unquoted in active markets	5,000,000	13,210,344	Level 2	compared with the market value of a similar financial instrument	N/A	N/A
Total financial assets at fair value	79,112,655	85,867,273				

There were no transfers between level 1 and level 2 during the years 2021 and 2020.

B. Fair value of financial assets and financial liabilities of the Bank undesignated at fair value on an ongoing basis:

Except for what is described in the table below, we believe that the carrying amounts of the financial assets and financial liabilities shown in the Bank's financial statements approximate their fair values because the Bank's management believes that the carrying amount of the items below is approximately equivalent to their fair value due to their short-term maturities, or their interest rates are re-priced during the year.

	31 December 2021		31 December 2020		
	Carrying amount	Fair Value	Carrying amount	Fair Value	Fair value level
	JD	JD	JD	JD	JD
Financial assets undesignated at fair value					
Balances with central banks	255,409,613	255,434,435	297,372,740	297,402,329	Level 2
Balances with banks and banking institutions	142,138,455	142,138,455	136,758,518	137,907,866	Level 2
Direct credit facilities	1,687,286,812	1,689,123,101	1,556,512,833	1,576,233,016	Level 2
Financial assets at amortised cost	494,569,305	501,632,385	402,110,610	407,258,722	Levels 1 & 2
Total financial assets undesignated at fair value	**2,579,404,185**	**2,588,328,376**	**2,392,754,701**	**2,418,801,933**	
Financial liabilities undesignated at fair value					
Deposits with banks and banking institutions	166,945,457	167,156,130	173,687,677	174,487,555	Level 2
Customers' deposits	1,937,299,470	1,944,390,858	1,877,550,483	1,884,988,124	Level 2
Cash deposits	93,079,208	93,896,983	73,895,317	74,540,948	Level 2
Borrowings	239,115,636	240,350,421	128,255,444	128,873,630	Level 2
Total financial liabilities undesignated at fair value	**2,436,439,771**	**2,445,794,392**	**2,253,388,921**	**2,262,890,257**	

For the above items, the fair value of financial assets and financial liabilities for levels 2 and 3 is designated according to agreed pricing models which reflect the credit risk of the parties with which they are dealt.

(45) Contingent commitments and liabilities (off the statement of financial position)

A. Credit commitments and liabilities:

	31 December	
	2021	**2020**
	JD	**JD**
A. Letters of credits, guarantees and acceptances		
Letters of credit	44,478,714	38,279,039
Guarantees		
Payment	136,955,343	134,389,721
Performance bonds	62,481,131	70,233,996
Others	24,245,510	27,241,469
Acceptances	30,840,184	15,917,115
Total	**299,000,882**	**286,061,339**
B. Unutilised limits		
Unutilised direct credit facilities limits	265,242,287	206,560,567
Unutilised indirect credit facilities limits	94,380,728	113,041,399
Total	**359,623,015**	**319,601,966**
Total indirect facilities	**658,623,897**	**605,663,306**
C. Expected credit losses		
Letters of credit	310,899	176,236
Guarantees	2,317,704	3,412,034
Acceptances	324,060	101,539
Non-unutilised direct credit facilities limits	1,903,105	2,171,442
Non-unutilised indirect credit facilities limits	721,089	1,028,046
Expected credit losses net	**5,576,858**	**6,889,297**
net indirect facilities	**653,047,039**	**598,774,009**

D. Contractual liabilities (capital expenditure):

	31 December	
	2021	**2020**
	JD	**JD**
Contracts to purchase property and equipment	2,084,739	2,099,640
Project construction contracts	2,966,582	1,891,195
Other purchase contracts	5,275,606	977,834
Total	**10,326,927**	**4,968,669**

- Below is the disclosure of the movement on the balance of indirect credit facilities collectively during the years ended 31 December 2021 and 2020:

31 December 2021	Stage 1		Stage 2			Total
Description	Individually	Collectively	Individually	Collectively	Stage 3	
	JD	JD	JD	JD	JD	JD
31 December 2021						
Balance at the beginning of the year	590,673,165	-	12,441,568	-	2,548,573	605,663,306
New facilities during the year	220,298,845	-	510,611	-	28,917	220,838,373
Facilities payable during the year	(161,026,186)	-	(5,060,758)	-	(727,337)	(166,814,281)
Transferred to Stage 1	3,896,794	-	(3,852,267)	-	(44,527)	-
Transferred to stage 2	(738,192)	-	913,042	-	(174,850)	-
Transferred to stage 3	(196,278)	-	(319,076)	-	515,354	-
Changes resulting from adjustments	-	-	-	-	-	-
Facilities written off	-	-	-	-	(1,063,500)	(1,063,500)
Balance at the end of the year	**652,908,147**	**-**	**4,633,119**	**-**	**1,082,631**	**658,623,897**

	Stage 1		Stage 2			Total
Description	Individually	Collectively	Individually	Collectively	Stage 3	
	JD	JD	JD	JD	JD	JD
31 December 2020						
Balance at the beginning of the year	660,587,626	-	12,366,317	-	2,749,443	675,703,386
New facilities during the year	123,152,368	-	2,171,572	-	128,661	125,452,600
Facilities payable during the year	(191,459,694)	-	(3,286,199)	-	(746,787)	(195,492,680)
Transferred to Stage 1	2,860,626	-	(2,701,074)	-	(159,552)	-
Transferred to stage 2	(3,834,238)	-	4,083,891	-	(249,653)	-
Transferred to stage 3	(633,523)	-	(192,938)	-	826,461	-
Changes resulting from adjustments	-	-	-	-		
Facilities written off	-	-	-	-		
Balance at the end of the year	**590,673,165**	**-**	**12,441,568**	**-**	**2,548,573**	**605,663,306**

- Below is the disclosure of the movement on the provision for expected credit losses of indirect facilities collectively during the years ended 31 December 2021 and 2020:

Description	Stage 1		Stage 2		Stage 3	Total
	Individually	Collectively	Individually	Collectively		
	JD	JD	JD	JD	JD	JD
31 December 2021						
Balance at the beginning of the year	4,265,557	-	592,111	-	2,031,629	6,889,297
Expected credit losses on new facilities during the year	2,420,692	-	99,046	-	200,459	2,720,198
Recovered from expected credit losses on facilities paid during the year	(2,063,102)	-	(447,796)	-	(458,239)	(2,969,137)
Transferred to Stage 1	74,550	-	(50,228)	-	(24,321)	-
Transferred to stage 2	(10,839)	-	104,535	-	(93,696)	-
Transferred to stage 3	(3,195)	-	(67,114)	-	70,310	-
Changes resulting from adjustments	-	-	-	-	-	-
Facilities written off	-	-	-	-	(1,063,500)	(1,063,500)
Balance at the end of the year	**4,683,663**	**-**	**230,553**	**-**	**662,642**	**5,576,858**

Description	Stage 1		Stage 2		Stage 3	Total
	Individually	Collectively	Individually	Collectively		
	JD	JD	JD	JD	JD	JD
31 December 2020						
Balance at the beginning of the year	2,957,220	-	434,642	-	2,011,721	5,403,583
Expected credit losses on new facilities during the year	2,275,982	-	293,517	-	444,967	3,014,466
Recovered from expected credit losses on facilities paid during the year	(1,100,862)	-	(189,881)	-	(238,009)	(1,528,752)
Transferred to Stage 1	163,603	-	(98,980)	-	(64,622)	-
Transferred to stage 2	(22,362)	-	163,543	-	(141,181)	-
Transferred to stage 3	(8,023)	-	(10,730)	-	18,754	-
Changes resulting from adjustments	-	-	-	-	-	-
Facilities written off	-	-	-	-	-	-
Balance at the end of the year	**4,265,557**	**-**	**592,111**	**-**	**2,031,629**	**6,889,297**

- Below is the disclosure of the distribution of the total letters of credit according to the Bank's internal rating categories as at 31 December 2021 and 2020:

Credit rating categories based on the Bank's bylaw	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2021				
From (1) to (5)	38,383,855	-	-	38,383,855
From (6) to (7)	6,094,859	-	-	6,094,859
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**44,478,714**	-	-	**44,478,714**

Credit rating categories based on the Bank's bylaw	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2020				
From (1) to (5)	31,455,989	-	-	31,455,989
From (6) to (7)	6,580,253	242,797	-	6,823,050
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**38,036,242**	**242,797**	-	**38,279,039**

- Below is the disclosure of the movement on the balance of letters of credit during the years ended 31 December 2021 and 2020:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2021				
Balance at the beginning of the year	38,036,242	242,797	-	38,279,039
New facilities during the year	25,423,164	-	-	25,423,164
Facilities paid during the year	(18,980,692)	(242,797)	-	(19,223,489)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off facilities (written off and transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	**44,478,714**	-	-	**44,478,714**

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2020				
Balance at the beginning of the year	96,390,452	433,408	56,596	96,880,456
New facilities during the year	7,603,716	242,797	-	7,846,514
Facilities paid during the year	(66,010,424)	(380,911)	(56,596)	(66,447,931)
Transferred to stage 1	101,173	(101,173)	-	-
Transferred to stage 2	(48,676)	48,676	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off facilities (written off and transferred off the statement of financial position)	-	-	-	-
Balance at the end of the year	**38,036,242**	**242,797**	-	**38,279,039**

- Below is the disclosure of the movement on the provision for expected credit losses for letters of credit during the years ended 31 December 2021 and 2020:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2021				
Balance at the beginning of the year	176,100	136	-	176,236
Expected credit losses on new facilities during the year	270,388	-	-	270,388
Recovered from expected credit losses on facilities paid during the year	(135,589)	(136)	-	(135,724)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	**310,899**	-	-	**310,899**

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2020				
Balance at the beginning of the year	493,421	8,791	41,766	543,978
Expected credit losses on new facilities during the year	106,816	136	-	106,952
Recovered from expected credit losses on facilities paid during the year	(425,976)	(6,952)	(41,766)	(474,694)
Transferred to stage 1	2,371	(2,371)	-	-
Transferred to stage 2	(532)	532	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	**176,100**	**136**	**-**	**176,236**

- Below is the disclosure of the distribution of the total guarantees according to the Bank's internal rating categories as at 31 December 2021 and 2020:

Credit rating categories based on the Bank's by law	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2021				
From (1) to (5)	174,458,789	127,488	-	174,586,277
From (6) to (7)	44,808,599	3,442,100	-	48,250,698
From (8) to (10)	-	-	845,008	845,008
Unrated	-	-	-	-
Total	**219,267,388**	**3,569,588**	**845,008**	**223,681,984**

Credit rating categories based on the Bank's bylaw	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2020				
From (1) to (5)	205,911,190	309,361	-	206,220,551
From (6) to (7)	17,610,356	6,014,117	-	23,624,472
From (8) to (10)	-	-	-	-
Unrated	-	-	2,020,162	2,020,162
Total	**223,521,546**	**6,323,477**	**2,020,162**	**231,865,186**

- Below is the disclosure of the movement on the balance of guarantees during the years ended 31 December 2021 and 2020:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2021				
Balance at the beginning of the year	223,521,546	6,323,477	2,020,162	231,865,185
New facilities during the year	31,794,493	27,136	-	31,821,629
Facilities paid during the year	(38,218,696)	(328,921)	(393,714)	(38,941,330)
Transferred to stage 1	2,480,742	(2,480,742)	-	-
Transferred to stage 2	(233,197)	252,347	(19,150)	-
Transferred to stage 3	(77,500)	(223,710)	301,210	-
Changes resulting from adjustments	-	-	-	-
Written off facilities (written off and transferred off-the statement of financial position)	-	-	(1,063,500)	(1,063,500)
Balance at the end of the year	**219,267,388**	**3,569,587**	**845,008**	**223,681,984**

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2020				
Balance at the beginning of the year	229,423,531	5,054,012	2,140,042	236,617,584
New facilities during the year	42,148,859	23,695	15,000	42,187,554
Facilities paid during the year	(46,090,685)	(542,046)	(307,222)	(46,939,953)
Transferred to stage 1	1,021,545	(927,045)	(94,500)	-
Transferred to stage 2	(2,670,803)	2,842,803	(172,000)	-
Transferred to stage 3	(310,902)	(127,941)	438,843	-
Changes resulting from adjustments	-	-	-	-
Written off facilities (written off and transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	**223,521,546**	**6,323,477**	**2,020,162**	**231,865,185**

- Below is the disclosure of the movement on the provision for expected credit losses for guarantees during the years ended 31 December 2021 and 2020:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2021				
Balance at the beginning of the year	1,481,351	180,758	1,749,925	3,412,034
Expected credit losses on new facilities during the year	608,621	48,985	130,548	788,154
Recovered from expected credit losses on facilities paid during the year	(438,625)	(85,675)	(294,684)	(818,984)
Transferred to stage 1	5,300	(5,300)	-	-
Transferred to stage 2	(915)	4,881	(3,966)	-
Transferred to stage 3	(237)	(8,499)	8,736	-
Changes resulting from adjustments	-	-	-	-
Provision for written-off facilities	-	-	(1,063,500)	(1,063,500)
Balance at the end of the year	**1,655,495**	**135,150**	**527,059**	**2,317,704**

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2020				
Balance at the beginning of the year	643,496	83,044	1,692,245	2,418,785
Expected credit losses on new facilities during the year	945,368	92,365	233,562	1,271,295
Recovered from expected credit losses on facilities paid during the year	(138,928)	(97,660)	(41,458)	(278,046)
Transferred to stage 1	41,945	(2,377)	(39,568)	-
Transferred to stage 2	(7,988)	105,694	(97,706)	-
Transferred to stage 3	(2,541)	(308)	2,849	-
Changes resulting from adjustments	-	-	-	-
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	**1,481,351**	**180,758**	**1,749,925**	**3,412,034**

- Below is the disclosure of the distribution of the total acceptances according to the Bank's internal rating categories as at 31 December 2021 and 2020:

Credit rating categories based on the Bank's bylaw	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2021				
From (1) to (5)	19,159,405	-	-	19,159,405
From (6) to (7)	11,514,269	166,511	-	11,680,780
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**30,673,673**	**166,511**	**-**	**30,840,184**

Credit rating categories based on the Bank's bylaw	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2020				
From (1) to (5)	15,104,924	51,006	-	15,155,930
From (6) to (7)	761,184	-	-	761,184
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**15,866,108**	**51,006**	**-**	**15,917,115**

- Below is the disclosure of the movement on the balance of acceptances during the years ended 31 December 2021 and 2020:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2021				
Balance at the beginning of the year	15,866,108	51,006	-	15,917,115
New facilities during the year	22,265,950	166,511	-	22,432,461
Facilities paid during the year	(7,509,392)	-	-	(7,509,392)
Transferred to stage 1	51,006	(51,006)	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off facilities (written off and transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	**30,673,673**	**166,511**	**-**	**30,840,184**

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2020				
Balance at the beginning of the year	20,013,606	503,060	-	20,516,666
New facilities during the year	7,912,937	-	-	7,912,937
Facilities paid during the year	(12,024,027)	(488,461)	-	(12,512,489)
Transferred to stage 1	61,199	(61,199)	-	-
Transferred to stage 2	(97,607)	97,607	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off facilities (written off and transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	**15,866,108**	**51,006**	-	**15,917,115**

Below is the disclosure of the movement on the provision for expected credit losses for acceptances during the years ended 31 December 2021 and 2020:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2021				
Balance at the beginning of the year	100,957	582	-	101,539
Expected credit losses on new facilities during the year	290,520	168	-	290,688
Recovered from expected credit losses on facilities paid during the year	(68,167)	-	-	(68,167)
Transferred to stage 1	582	(582)	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	**323,893**	**168**	-	**324,060**

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2020				
Balance at the beginning of the year	91,044	16,886	-	107,930
Expected credit losses on new facilities during the year	61,341	-	-	61,341
Recovered from expected credit losses on facilities paid during the year	(52,309)	(15,424)	-	(67,733)
Transferred to stage 1	2,070	(2,070)	-	-
Transferred to stage 2	(1,190)	1,190	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	**100,957**	**582**	**-**	**101,539**

- Below is the disclosure of the distribution of the total non-utilized direct facilities limits according to the Bank's internal rating categories as at 31 December 2021 and 2020:

Credit rating categories based on the Bank's by law	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2021				
From (1) to (5)	188,084,989	258,653	-	188,343,642
From (6) to (7)	27,087,048	84,730	-	27,171,777
From (8) to (10)	-	-	-	-
Unrated	48,935,608	553,637	237,622	49,726,867
Total	**264,107,645**	**897,020**	**237,622**	**265,242,287**

Credit rating categories based on the Bank's bylaw	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2020				
From (1) to (5)	135,954,068	220,479	-	136,174,547
From (6) to (7)	24,124,148	2,185,185	-	26,309,333
From (8) to (10)	-	-	118,296	118,296
Unrated	42,970,282	577,995	410,115	43,958,392
Total	**203,048,499**	**2,983,658**	**528,411**	**206,560,567**

- Below is the disclosure of the distribution of the total non-utilized direct facilities limits according to the Bank's internal rating categories as at 31 December 2021 and 2020:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2021				
Balance at the beginning of the year	203,048,499	2,983,658	528,411	206,560,567
New facilities during the year	124,664,143	316,964	28,917	125,010,024
Facilities paid during the year	(64,139,980)	(1,854,702)	(333,623)	(66,328,305)
Transferred to stage 1	1,158,755	(1,114,228)	(44,527)	-
Transferred to stage 2	(504,995)	660,694	(155,700)	-
Transferred to stage 3	(118,778)	(95,366)	214,144	-
Changes resulting from adjustments	-	-	-	-
Written off facilities (written off and transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	**264,107,645**	**897,020**	**237,622**	**265,242,287**

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2020				
Balance at the beginning of the year	209,377,048	1,979,573	552,805	211,909,426
New facilities during the year	43,034,824	1,678,321	113,661	44,826,806
Facilities paid during the year	(49,070,165)	(722,531)	(382,969)	(50,175,664)
Transferred to stage 1	788,317	(723,265)	(65,052)	-
Transferred to stage 2	(758,904)	836,557	(77,653)	-
Transferred to stage 3	(322,621)	(64,997)	387,618	-
Changes resulting from adjustments	-	-	-	-
Written off facilities (written off and transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	**203,048,499**	**2,983,658**	**528,411**	**206,560,567**

- Below is the disclosure of the movement on the provision for expected credit losses for non-utilized direct facilities limits during the years ended 31 December 2021 and 2020:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2021				
Adjusted balance at the beginning of the year	1,695,606	194,132	281,704	2,171,442
Expected credit losses on new facilities during the year	963,578	49,893	69,912	1,083,383
Recovered from expected credit losses on facilities paid during the year	(1,039,437)	(148,728)	(163,555)	(1,351,720)
Transferred to stage 1	65,422	(41,101)	(24,321)	-
Transferred to stage 2	(9,925)	99,655	(89,730)	-
Transferred to stage 3	(2,959)	(58,615)	61,574	-
Changes resulting from adjustments	-	-	-	-
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	**1,672,287**	**95,235**	**135,583**	**1,903,105**

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2020				
Adjusted balance at the beginning of the year	1,286,348	148,307	277,710	1,712,364
Expected credit losses on new facilities during the year	727,999	109,150	211,405	1,048,554
Recovered from expected credit losses on facilities paid during the year	(389,837)	(44,853)	(154,786)	(589,476)
Transferred to stage 1	87,164	(62,110)	(25,054)	-
Transferred to stage 2	(10,585)	54,060	(43,475)	-
Transferred to stage 3	(5,482)	(10,423)	15,905	-
Changes resulting from adjustments	-	-	-	-
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	**1,695,606**	**194,132**	**281,704**	**2,171,442**

Below is the disclosure of the distribution of the total non-utilized indirect facilities limits according to the Bank's internal rating categories as at 31 December 2021 and 2020:

Credit rating categories based on the Bank's bylaw	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2021				
From (1) to (5)	78,539,659	-	-	78,539,659
From (6) to (7)	15,841,069	-	-	15,841,069
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**94,380,728**	**-**	**-**	**94,380,728**

Credit rating categories based on the Bank's bylaw	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2020				
From (1) to (5)	99,428,442	321,129	-	99,749,571
From (6) to (7)	10,772,328	2,519,500	-	13,291,828
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**110,200,770**	**2,840,629**	**-**	**113,041,399**

Below is the disclosure of the movement on the balance of non-utilized indirect facilities limits during the years ended 31 December 2021 and 2020:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2021				
Balance at the beginning of the year	110,200,770	2,840,629	-	113,041,399
New facilities during the year	16,151,095	-	-	16,151,095
Facilities paid during the year	(32,177,426)	(2,634,339)	-	(34,811,765)
Transferred to stage 1	206,290	(206,290)	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off facilities (written off and transferred off the statement of financial position)	-	-	-	-
Balance at the end of the year	**94,380,728**	**-**	**-**	**94,380,728**

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2020				
Balance at the beginning of the year	105,382,990	4,396,263	-	109,779,253
New facilities during the year	22,452,031	226,758	-	22,678,789
Facilities paid during the year	(18,264,393)	(1,152,250)	-	(19,416,643)
Transferred to stage 1	888,391	(888,391)	-	-
Transferred to stage 2	(258,249)	258,249	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off facilities (written off and transferred off the statement of financial position)	-	-	-	-
Balance at the end of the year	**110,200,770**	**2,840,629**	-	**113,041,399**

- Below is the disclosure of the movement on the provision for expected credit losses for -unutilized indirect facilities limits during the years ended 31 December 2021 and 2020:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2021				
Balance at the beginning of the year	811,543	216,503	-	1,028,046
Expected credit losses on new facilities during the year	287,586	-	-	287,586
Recovered from expected credit losses on facilities paid during the year	(381,284)	(213,258)	-	(594,542)
Transferred to stage 1	3,245	(3,245)	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	**721,089**	-	-	**721,089**

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2020				
Balance at the beginning of the year	442,912	177,614	-	620,525
Expected credit losses on new facilities during the year	434,458	91,866	-	526,324
Recovered from expected credit losses on facilities paid during the year	(93,812)	(24,992)	-	(118,804)
Transferred to stage 1	30,052	(30,052)	-	-
Transferred to stage 2	(2,068)	2,068	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	**811,543**	**216,503**	**-**	**1,028,046**

(46) Cases filed against the Bank

The value of the cases filed against the bank and its subsidiary amounted to JD 10,364,879 as on 31 December 2021, compared to JD 9,608,464 as on 31 December 2020 as the opinion of the management and the bank's legal advisor, the bank will not have obligations that exceed the allowance taken for it, which amounted to JD 1,708,525 as on 31 December 2021 compared to JD 1,459,097 as on 31 December 2020.

(47) Assets held for sale and discontinued operations

A. Investment in United Financial Investments Company:

According to the decision of the Board Committee for Management and Investment on 02 February 2020, it was decided to approve the merger of the United Financial Investments Company and the Specialized Managerial Company for Investment and Financial Consultation with a company that practices investment and brokerage businesses, and the merger process is expected to be completed within the next few months.

	31 December 2020
Profit for the year from discontinued operations	JD
Total revenue	222,034
Less: total expenses	889,641
Loss for the year before tax	**(667,607)**
Tax benefits	60,167
Net loss for the year	**(607,440)**
Parent's share in the loss of the subsidiary	**(379,547)**

	31 December 2020	
Assets held for sale	**Company's data**	**Share of Parent (The Bank)**
	JD	JD
Cash on hand and bank balances	281,983	176,192
Direct credit facilities, net	1,370,964	856,621
Financial assets at fair value through statement of income	4,261,622	2,662,793
Property and equipment, net	351,414	219,574
Deferred tax assets	1,136,512	710,128
Other assets	3,363,637	2,101,704
Total assets	10,766,132	6,727,012
Less: impairment loss of assets held for sale	-	(1,529,842)
	10,766,132	**5,197,170**
Liabilities associated with assets held for sale		
Provision for Income tax	59,454	37,149
Other liabilities	2,180,051	1,362,163
Total liabilities	**2,239,505**	**1,399,312**
Equity directly associated with assets held for sale	**(35,505)**	**(22,185)**

B. Investment in Specialized Managerial Company for Investment and Financial Consultation:

According to the decision of the Board Committee for Management and Investment on 02 February 2020, it was decided to approve the merger of the Specialized Managerial Company for Investment and Financial Consultation and the United Financial Investments Company with a company that practices investment and brokerage businesses, noting that the sale of the company to United Financial Investment Company occurred during the last quarter of 2021.

	For the year ended 31 December
	2020
	JD
Profit for the year from discontinued operations	
Total revenues	180,103
Total expenses	357,753
Loss for the period before tax	(177,650)
Tax expense / tax (surplus)	(18,382)
Net profit for the year	(159,268)

	Company's data	"Share of Parent (The Bank) "
	JD	JD
Assets held for sale		
Cash on hand and bank balances	232,319	232,319
Direct credit facilities, net	110,500	110,500
Property and equipment, net	10,026	10,026
Other assets	92,803	92,803
Total assets	**445,648**	**445,648**
Liabilities associated with assets held for sale		
Payables	110,000	110,000
Other liabilities	19,852	19,852
Total liabilities	**129,852**	**129,852**