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

CONSOLIDATED FINANCIAL STATEMENTS FOR THE
YEAR ENDED DECEMBER 31, 2020
TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT

CAIRO AMMAN BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
DECEMBER 31, 2020

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Independent Auditor's Report

AM/009489

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cairo Amman Bank (the "Bank") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of December 31, 2020, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in owners' equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Cairo Amman Bank as of December 31, 2020, and its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the Central Bank of Jordan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the Bank's consolidated financial statements in Jordan, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

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

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

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

Key Audit Matters	How our audit addressed the key audit matter
1. Allowance for Credit Losses on Credit Facilities As described in Notes 11 and 22 to the consolidated financial statements, the Bank had direct credit facilities of JD 1,794 million as at 31 December 2020 representing 54% of total assets, in addition to indirect credit facilities amounted to JD 352 million as off-Statement of Financial position items, with relation to expected credit losses amounted to JD 2.8 million. The Bank expected credit losses are calculated against credit exposures, according to the requirements of International Financial Reporting Standard 9 Financial Instruments (IFRS 9) as adopted by the Central Bank of Jordan (CBJ). Credit exposures granted directly to the Jordanian Government as well as credit exposures guaranteed by the Jordanian Government are excluded from the determination of the allowance for expected credit losses. In addition, expected credit losses are also adjusted to take into consideration any special arrangements with the Central Bank of Jordan. The recognition of ECL under IFRS 9, as adopted by the CBJ, is a complex accounting policy, which requires considerable judgement in its implementation and consequently we have considered this to be a key audit matter. ECL is dependent on management's judgement in assessing significant increase in credit risk (SICR), credit-impairment status (default) and classification of credit facilities into various stages, development of models for assessing the probability of default of customers and estimating cash flows from recovery procedures.	We established an audit approach which includes both testing the design and operating effectiveness of internal controls over the determination of expected credit losses and risk-based substantive audit procedures. Our procedures over internal controls focused on the governance over the process controls around the ECL methodology, completeness and accuracy of credit facilities data used in the expected loss models, management review of outcomes, management validation and approval processes, the assignment of borrowers' risk classification, consistency of application of accounting policies and the process for calculating allowances. The primary substantive procedures which we performed to address this key audit matter included, but were not limited to, the following: • For a risk-based sample of individual loans, we performed a detailed credit review, assessed the appropriateness of information for evaluating the credit-worthiness and staging classification of individual borrowers and challenged the assumptions underlying the expected credit loss allowance calculations, such as estimated future cash flows, collateral valuations and estimates of recovery as well as considered the consistency of the Bank's application of its impairment policy. Further, we evaluated controls over approval, accuracy and completeness of impairment allowances and governance controls, including assessing key management and committee meetings that form part of the approval process for credit impairment allowances;

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Key Audit Matters	How our audit addressed the key audit matter
Recognition of specific provisions on impaired facilities under the CBJ instructions is based on the rules prescribed by the CBJ on the minimum provisions to be recognised together with any additional provisions to be recognised based on management's estimate of expected cash flows related to those credit facilities. In calculating expected credit losses, the Bank considered credit quality indicators for each loan and portfolios, stratifies credit facilities by risk grades and estimates losses for each facility based upon their nature and risk profile. Auditing these complex judgements and assumptions involves especially challenging auditor judgement due to the nature and extent of audit evidence and effort required to address these matters. As disclosed in Note 51, the COVID-19 pandemic significantly impacted management's determination of the ECL and required the application of heightened judgment. To address the uncertainties inherent in the current and future environment and to reflect all relevant risk factors not captured in the Bank's modelled results, management applied quantitative and qualitative adjustments for the impacts of the unprecedented specific scenarios arising from the pandemic, the temporary effects of the bank and government led payment support programs, which may not completely mitigate future losses, and the impacts to particularly vulnerable sectors affected by COVID-19. The Bank made amendments on the expected credit loss calculation models to take into consideration the potential impact of the COVID 19 pandemic to address the impact on certain sectors or specific customers based on relative cashflow forecasts. For further information on this key audit matter refer to Note 41 to the consolidated financial statements.	• For credit facilities not tested individually, we evaluated controls over the modelling process, including model monitoring, validation and approval. We tested controls over model outputs and the mathematical accuracy and computation of the expected credit losses by re-performing or independently calculating elements of the expected credit losses based on relevant source documents with the involvement of our modelling specialists. We challenged key assumptions, inspected the calculation methodology and traced a sample back to source data. We evaluated key assumptions such as thresholds used to determine SICR and including the related weighting; • We evaluated post model adjustments and management overlays in the context of key model and data limitations identified by the Bank in order to assess the reasonableness of these adjustments, focusing on PD and LGD used for corporate loans, and challenged their rationale; • We assessed the amendments made by management to respond to COVID-19 by evaluating the model adjustments in relation to macroeconomic factors and the forward looking scenarios which were incorporated into the impairment calculations by utilizing our internal specialists to challenge the multiple economic scenarios chosen and weighting applied to capture non-linear losses; and • We determined if the amount recorded as the allowance for expected credit losses was determined in accordance with the instructions of the Central Bank of Jordan. • We tested, utilizing our internal specialists, the application used in the credit impairment process and verified the integrity of data used as input to the models including the transfer of data between source systems and the impairment models. • We evaluated system-based and manual controls over the recognition and measurement of impairment allowances, including the consideration of the economic disruptions caused by COVID 19.

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

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

Other Information
Management is responsible for other information. The other information comprises the other information in the annual report, excluding the consolidated financial statements and the independent auditors' report thereon. We expect that the annual report will be made available to us after the date of our audit report. Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance or conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the Central Bank of Jordan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

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

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

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

Deloitte & Touche

Amman – Jordan
February 25, 2021

Deloitte & Touche (M.E) - Jordan

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

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

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

CAIRO AMMAN BANK

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN – THE HASHEMITE KINGDOM OF JORDAN

CONSOLIDATED STATEMENT OF INCOME

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

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CAIRO AMMAN BANK

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the Year Ended December 31,	
	2020	2019
	JD	JD
Profit for the year	17,473,257	27,506,810
Add: Other comprehensive income items after tax which will not be reclassified subsequently to the consolidated statement of Income:		
Net change in fair value reserve	1,775,070	1,662,487
Translation of foreign currency reserve	(3,188,744)	-
Total Comprehensive income for the year	16,059,583	29,169,297
Total Comprehensive income for the year attributable to:		
Bank's shareholders	16,747,506	29,757,972
Non-controlling interests	(687,923)	(588,675)
Total Comprehensive income for the year	16,059,583	29,169,297

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

CAIRO AMMAN BANK

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Authorized and Paid up Capital	Statutory Reserve	General Banking Risk Reserve *	Cyclical Fluctuations Reserve	Fair Value Reserve - Net	Foreign Currencies Translation Reserve	Retained Earnings	Total Bank Shareholders' Equity	Non-controlling Interests	Total Shareholders' Equity
For the Year Ended December 31, 2020	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at January 1, 2020	190,000,000	79,007,427	3,854,197	10,894,653	(7,848,900)	-	73,967,732	349,875,109	9,354,257	359,229,366
Total comprehensive income for the year	-	-	-	-	1,775,070	(3,188,744)	18,161,180	16,747,506	(687,923)	16,059,583
Transferred from reserves	-	3,040,452	42,986	-	-	-	(3,083,438)	-	-	-
Loss from sale of financial assets at fair value through Other Comprehensive Income	-	-	-	-	85,200	-	(85,200)	-	-	-
Balance at December 31, 2020	190,000,000	82,047,879	3,897,183	10,894,653	(5,988,630)	(3,188,744)	88,960,274	366,622,615	8,666,334	375,288,949
For the Year Ended December 31, 2019										
Balance at January 1, 2019	180,000,000	74,578,456	3,230,765	10,891,362	(9,789,482)	-	77,486,036	336,397,137	9,942,932	346,340,069
Total comprehensive income for the year	-	-	-	-	1,662,487	-	28,095,485	29,757,972	(588,675)	29,169,297
Transferred from reserves	-	4,428,971	623,432	3,291	-	-	(5,055,694)	-	-	-
Increase in capital	10,000,000	-	-	-	-	-	(10,000,000)	-	-	-
Capital increase costs	-	-	-	-	-	-	(80,000)	(80,000)	-	(80,000)
Loss from sale of financial assets at fair value through Other Comprehensive Income	-	-	-	-	278,095	-	(278,095)	-	-	-
Cash Dividends distributed **	-	-	-	-	-	-	(16,200,000)	(16,200,000)	-	(16,200,000)
Balance at December 31, 2019	190,000,000	79,007,427	3,854,197	10,894,653	(7,848,900)	-	73,967,732	349,875,109	9,354,257	359,229,366

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

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

- As of December 31, 2020, the restricted retained earnings balance resulting from the early implementation of IFRS 9 amounted to JD 13,909,822 .
- The retained earnings balance includes deferred tax assets amounting to JD 10,120,740 and is restricted from use in accordance with the instructions of the Central Bank of Jordan.
- The Bank cannot use the negative balance of the fair value reserve in accordance with the instructions of the Central Bank of Jordan and the Jordanian Securities Commission.
- The Bank cannot use a restricted amount of JD 1,155,916 which represents the remaining balance of the general banking risk reserve included in retained earnings in accordance with the instructions of the Central Bank of Jordan.
- Distributable profits amounted to JD 51,400,595 as of December 31, 2020.

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

CAIRO AMMAN BANK

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AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONSOLIDATED STATEMENT OF CASH FLOWS

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

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

1. General

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

- The Bank provides its banking and financial services through its head office located in Amman and 93 branches located in Jordan, and 22 branches in Palestine and 1 in Bahrain, and its subsidiaries.

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

- The consolidated financial statements were authorized for issue by the bank's Board of Directors in their meeting held on February 7,2021 , and are subject to the approval of the General Assembly of the shareholders and the Central Bank of Jordan.

2. Significant Accounting Policies

Basis of Preparation of Consolidated Financial Statement

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

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

- Provisions for expected credit losses are calculated in accordance with the Central Bank of Jordan (CBJ) instructions No. (13/2018) "International Financial Reporting Standard No. (9) Implementation" dated June 6, 2018 and in accordance with the regulatory authorities instructions in the countries that the Bank operates whichever is more strict, the main significant differences are as follows:

  - Exclusion of the Debt instruments issued or guaranteed by the Jordanian Government, so that credit exposures issued or guaranteed by the Jordanian Government are treated with no credit losses.

  - When calculating credit losses against credit exposures, the calculation results in accordance to International Financial Reporting Standards (9) are compared with the calculation as per the instructions of the Central Bank of Jordan No. (47/2009) dated December 10, 2009 for each stage separately and the stricter results are recorded.

- In accordance with the instructions of the Central Bank of Jordan and the instructions of the supervisory authorities in the countries in which the bank operates, interest and commissions are suspended on non-performing credit facilities.

- Assets seized by the Bank are shown in the consolidated statement of financial position among other assets at their current value when seized by the Bank or at fair value, whichever is lower, and are individually reassessed on the date of the consolidated financial statements. Any impairment loss is recorded in the consolidated statement of profit or loss while any increase in the value is not recorded as revenue. Subsequent increase is taken to the consolidated statement of profit or loss to the extent of not exceeding the previously recorded impairment. A gradual provision was made for assets seized against debts in accordance to the Central Bank of Jordan Circular No. 10/1/16239 dated November 21, 2019, the deduction of the provisions required against seized assets should continue at a rate of 5% of the total book values of these properties from the year of 2021, untill the required percentage of 50% is reached by the end of 2029.

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

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

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

- The accounting policies adopted in preparing the consolidated financial statements are consistent with those applied in the year ended December 31, 2019, except for the effect of the items stated in the notes to the consolidated fianancial statements.

Basis of Consolidation of Financial Statements

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

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

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

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

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

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

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

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

The Bank owns the following subsidiaries as of 31 December 2020:

Company's Name	Paid-up Capital	Ownership Percentage	Nature of Operation	Country of Operation	Ownership Date
	JD	%			
Al-Watanieh for Financial Services Company	5,500,000	100	Brokerage and investment management	Jordan	1992
Al-Watanieh Securities Company	1,600,000	100	Brokerage	Palestine	1995
Tamallak for Financial Leasing	5,000,000	100	Finance Leasing	Jordan	2013
Safa Bank	53,175,000	79	Islamic Banking	Palestine	2016

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

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

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

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

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

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

Control is achieved when the Bank:

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

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

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

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

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

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the book value of any non-controlling interests.
- Derecognizes the transfer difference accumulated in Owners' Equity.
- Derecognizes the fair value of the consideration received controlling party.
- Derecognizes the fair value of any investment retained.
- Derecognizes any gain or loss in the statement of profit or loss.
- Reclassifies owners' equity already booked in other comprehensive income to the profit or loss statement, as appropriate.

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

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

Segmental Reporting

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

- The geographical sector relates to providing products or services in a specific economic environment subject to risk and returns different from those of sectors functioning in other economic environments.

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

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

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

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

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

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

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

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

Net Income from Other Financial Instruments at Fair Value through the Statement of Income

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

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

Dividend Income

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

The presentation of dividend income in the consolidated statement of the statement of income depends on the classification and measurement of the equity investment, i.e.:

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

Financial Instruments

Initial recognition and measurement:

Financial assets and financial liabilities are recognized in the Bank's consolidated statement of financial position when the Bank becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognized when they are recorded in the customer's account.

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

If the transaction price differs from fair value at initial recognition, the Bank will account for such difference as follows:

- If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognized in the statement of income on initial recognition (i.e. day 1 gain or loss);

- In all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 gain or loss will be deferred by including it in the initial carrying amount of the asset or liability).

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

Financial Assets

Initial Recognition

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

Subsequent Measurement

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

Specifically:

- Debt instruments held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortized cost;

- Debt instruments held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at fair value through other comprehensive income;

- All other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at fair value through the statement of income.

However, the Bank may irrevocably make the following selection /designation at initial recognition of a financial asset on an asset- by-asset basis:

- The Bank may irrevocably select to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, in other comprehensive income; and

- The Bank may irrevocably designate a debt instrument that meets the amortized cost or fair value through other comprehensive income criteria as measured at fair value through the statement of income, if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

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

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

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

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

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

Assessment of Business Models

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

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

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

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

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and

- How the business managers are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

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

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

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

Financial Assets at fair Value through the Profit or Loss
Financial assets at fair value through the statement of income are:

- Assets with contractual cash flows that are not SPPI; or/and
- Assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- Assets designated at fair value through the statement of income using the fair value option.

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

Reclassifications
If the business model under which the Bank holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model, which results in reclassifying the Bank's financial assets. During the current financial year and previous accounting period, there was no change in the business model under which the Bank holds financial assets; and therefore, no reclassifications were made. The changes in the contractual cash flows are considered under the accounting policy on the modification and de-recognition of financial assets described below.

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

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

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

- If the selection leads to a significant cancellation or reduction of the accounting mismatch.

- If the financial liabilities are part of a portfolio managed on a fair value basis, in accordance with a documented risk management or investment strategy; or

- If a derivative is included in the underlying financial or non-financial contract, and the derivative is not closely related to the underlying contract.

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

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

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

No impairment loss is recognized on equity investments.

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

- 12-month ECL, i.e. lifetime ECL that results from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or

- Full lifetime ECL, i.e. lifetime ECL that results from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

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

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

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

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

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

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

Credit-impaired Financial Assets

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

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

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

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

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

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

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

- The borrower is past due more than 90 days on any material credit obligation to the Bank; or

- The borrower is unlikely to pay its credit obligations to the Bank in full.

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

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

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

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

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

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

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

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

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

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

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

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

Modification and De-recognition of Financial Assets

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

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

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

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

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

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

- The remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with

- The remaining lifetime PD at the reporting date based on the modified terms.

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

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

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

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

Write-off

Financial assets are written off when the Bank has no reasonable expectations of recovering the financial asset. This is the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Bank may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

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

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

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

Financial Liabilities and Equity

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

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

Equity Instruments

Paid up Capital

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

Treasury Shares

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

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

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

Financial Liabilities
Financial liabilities are classified as either financial liabilities 'at fair value through the statement of income or 'other financial liabilities'.

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

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

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

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Bank's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire hybrid (combined) contract to be designated as at fair value through the statement of income.

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

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

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

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

Other Financial Liabilities
Other financial liabilities, including deposits and borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. For details on EIR, see the "net interest income section" above.

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

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

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

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

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

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

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

Financial Guarantee Contracts
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at fair value through profit or loss and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

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

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

The Bank has not designated any financial guarantee contracts as at fair value through Income statement.

Commitments to Provide a Loan at a Below-Market Interest Rate
Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at fair value through the statement of income, are subsequently measured at the higher of:

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

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

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

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

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

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

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

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

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

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

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

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

The fair values of the derivative instruments used for hedging purposes and movements in the hedging reserve are determined in equity.

Fair Value Hedges

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

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

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

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

Cash Flow Hedges

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

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

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

Hedges of Net Investments in Foreign Operations

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

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

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

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

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

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

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

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

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

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

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

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

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

Income Tax

- Tax expense comprises accrued tax and deferred taxes.

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

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

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

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

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

Assets seized by the Bank through calling upon collateral

Assets seized by the Bank are shown in the consolidated statement of financial position among other assets at their current value when seized by the Bank or at fair value, whichever is lower, and are individually reassessed on the date of the consolidated financial statements. Any impairment loss is recorded in the consolidated statement of profit or loss while any increase in the value is not recorded as revenue. Subsequent increase is taken to the consolidated statement of profit or loss to the extent of not exceeding the previously recorded impairment. Also effective beginning of 2015, a gradual provision was made for assets seized against debts for a period over 4 years, according to the Central Bank of Jordan Circular No. 15/1/4076 dated March 27, 2014 and No. 10/1/2510 dated February 14, 2017. The Central Bank of Jordan has issued Circular No. 10/1/13967 dated October 25, 2018, on which it approved the extension of Circular No. 10/1/16607 dated December 17, 2017, whereby it had confirmed to postpone the provision calculation until the end of 2019. According to the Central Bank of Jordan Circular No. 10/1/16239 dated November 21, 2019, the deduction of the provisions required against seized assets should continue at a rate of 5% of the total book values of these properties (regardless of the violation period) from the year of 2021, untill the required percentage of 50% is reached by the end of 2029.

Mortgaged Financial Assets

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

Repurchase and Resale Agreements

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

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

Property and Equipment
Property and equipment are measured at cost less accumulated depreciation and any impairment. Property and equipment (except land) are depreciated when ready for use using the straight line method over their expected useful life.

The depreciation rates used are as follows:

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

If such indication exists and when the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount, and the impairment is charged to consolidated statement of income.

The useful life of property and equipment is reviewed at each year end, and changes in the expected useful life are treated as changes in accounting estimates.

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

Intangible Assets
Intangible assets acquired through a business combination are recorded at their fair value on that date. Other intangible assets are measured on initial recognition at cost.

Intangible assets are classified on the basis of their useful life as definite and indefinite useful lives. Intangible assets with finite lives are amortized over the useful economic life, while intangible assets with indefinite useful lives are assessed for impairment at each reporting date or when there is an indication that the intangible asset may be impaired.

Internally generated intangible assets are not capitalized and are expensed in the consolidated statement of income.

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

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

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

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

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

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

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

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

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

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

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

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

Leasing payments included in the rental obligation measurement include:

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

Leasing obligations has to be presented as separate item to the consolidated statement of income.
Lease obligations are subsequently measured by increasing the book value to reflect interest on rental obligations (using the effective interest method) and by reducing the book value to reflect rental payments.

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

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

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

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

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

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

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

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

<u>The Bank as a lessor</u>
The Bank enters into lease contracts as a lessor in regard with some investment properties.

Leases in which the bank is leased are classified as financing or operating leases. If the terms of the lease transfer all the risks and benefits of the property to the tenant, the contract is classified as a financing lease and all other leases are classified as operating leases.

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

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

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

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

3. Application of New and Amended International Financial Reporting Standards

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

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

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

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

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

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

New and revised standards	Effective for annual periods beginning on or after
Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases) The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.	January 1, 2021
Amendments to IFRS 3 Business Combinations relating to Reference to the Conceptual Framework The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.	January 1, 2022
Amendments to IAS 16 Property, Plant and Equipment relating to Proceeds before Intended Use The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.	January 1, 2022
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets relating to Onerous Contracts - Cost of Fulfilling a Contract The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).	January 1, 2022
Annual Improvements to IFRS Standards 2018 – 2020 Makes amendments to the following standards: • IFRS 1 First-Time Adoption of International Financial Reporting Standards – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. • IFRS 9 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. • IFRS 16 Leases – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. • IAS 41 Agriculture – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.	January 1, 2022

New and revised standards	Effective for annual periods beginning on or after
Amendments to IAS 1 Presentation of Financial Statements relating to Classification of Liabilities as Current or Non-Current The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.	January 1, 2023
Amendments to IFRS 4 Insurance Contracts Extension of the Temporary Exemption from Applying IFRS 9 The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.	January 1, 2023
IFRS 17 Insurance Contracts IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023.	January 1, 2023
Amendments to IFRS 17 *Insurance Contracts* Amends IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 Insurance Contracts was published in 2017. The main changes are: • Deferral of the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023. • Additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk. • Recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognised in a business acquired in a business combination. • Clarification of the application of IFRS 17 in interim financial statements allowing an accounting policy choice at a reporting entity level. • Clarification of the application of contractual service margin (CSM) attributable to investment-return service and investment-related service and changes to the corresponding disclosure requirements. • Extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives. • Amendments to require an entity that at initial recognition recognises losses on onerous insurance contracts issued to also recognise a gain on reinsurance contracts held. • Simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts. • Additional transition relief for business combinations and additional transition relief for the date of application of the risk mitigation option and the use of the fair value transition approach.	January 1, 2023
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures (2011)* relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture	Effective date deferred indefinitely. Adoption is still permitted.

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

4. Significant Accounting Judgments and Key Sources of Estimates Uncertainty

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

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

Management believes that its estimates in the consolidated financial statements are reasonable. The details are as follows:

Critical judgements in applying the group's accounting policies

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

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

Establish groups of assets with similar credit risk characteristics

When the expected credit losses are measured on a collective basis, the financial instruments are grouped on the basis of common risk characteristics (e.g. instrument type, credit risk, collateral type, initial recognition date, remaining maturity period, industry, borrower's geographic location, etc.). The Bank monitors the appropriateness of credit risk characteristics on an ongoing basis to assess whether they are still similar. This is required to ensure that, in the event of a change in the credit risk characteristics, the asset is properly reallocated. This may result in the creation of new portfolios or the transfer of assets to an existing portfolio that better reflects the credit risk characteristics of that group of assets.

Re-division of portfolios and movements between portfolios

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

Models and assumptions used

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

a. Classification and measurement of financial assets and liabilities

The Bank classifies financial instruments or components of financial assets at initial recognition either as a financial asset or a financial liability, or as an equity instrument in accordance with the substance of the contractual agreements and the definition of the instrument. The reclassification of a financial instrument is subject to the substance of the consolidated financial statements and not to its legal form.

The Bank shall determine the classification at initial recognition and reassess such determination, if possible and appropriate, at each date of the consolidated statement of financial position.

When measuring financial assets and liabilities, certain assets and liabilities of the Bank are re-measured at fair value for financial reporting purposes. In assessing the fair value of any assets or liabilities, the Bank uses available observable market data. In the absence of Level 1 inputs, the Bank conducts evaluations using professionally qualified independent evaluators. The Bank works closely with qualified external evaluators to develop appropriate valuation and data valuation techniques.

b. Fair value measurement

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

c. Derivative financial instruments

The fair values of derivative financial instruments measured at fair value are generally obtained by reference to quoted market prices, discounted cash flow models and, where appropriate, recognized pricing models. In the absence of prices, fair values are determined using valuation techniques that reflect observable market data. These techniques include comparison with similar instruments at observable market prices, discounted cash flow analysis, pricing option models and other valuation techniques commonly used by market participants. The main factors that Management takes into consideration when applying the model are:

- The expected timing and probability of future cash flows on the instrument where such cash flows are generally subject to the terms of the instrument, although Management's judgment may be required where the counterparty's ability to repay the instrument in accordance with contractual terms is in doubt; and

- An appropriate discount rate for the instrument. Management determines the instrument discount rate at a rate higher than the non-risk rate. In assessing the instrument by reference to comparative instruments, Management considers the maturity, structure, and degree of classification of the instrument based on the system in which the existing position is compared. When evaluating tools on a model basis using the fair value of the main components, Management also considers the need to make adjustments for a number of factors, such as bid differences, credit status, portfolio service costs, and uncertainty about the model.

Determining the duration of the lease

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

Impairment of intangable assets with infinite life

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

Key Sources of Uncertain Estimates

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

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

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

Probability of default

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

Loss given default

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

Fair value measurement and valuation procedures

When estimating the fair value of financial assets and financial liabilities, the Bank uses available observable market data. In the absence of Level 1 inputs, the Bank conducts evaluations using appropriate valuation models to determine the fair value of financial instruments.

Provision for expected credit losses

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

Impairment of property acquired

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

Productive lifespan of tangible assets and intangible assets

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

Income tax

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

Litigation provision

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

Assets and liabilities at cost

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

Extension and termination options in leases

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

Discounting of lease payments

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

5. Cash and Balances at Central Banks

The details of this balance is as follow:

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

- Restricted balances amounted to JD 10,635,000 as of December 31, 2020 (JD 10,635,000 as of December 31, 2019). In addition to the statutory cash reserve as stated above.

- There are no balances that mature in a period more than three months as of December 31, 2020 and 2019.

- All balances at the Central Bank of Jordan are classified within stage 1 in accordance with the requirements of IFRS (9) and there are no transfers between stages 1, 2, and 3 or any written of balances as of December 31, 2020.

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

	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy				
From (Caa3) to (Ba1)	202,963,689	-	-	202,963,689
Total	202,963,689	-	-	202,963,689

	2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy				
From (Caa3) to (Ba1)	191,817,329	-	-	191,817,329
Total	191,817,329	-	-	191,817,329

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

	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	191,817,329	-	-	191,817,329
New balances during the year	25,291,783	-	-	25,291,783
Settled balances	(14,145,423)	-	-	(14,145,423)
Total Balance at the End of the Year	202,963,689	-	-	202,963,689

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

Movement on the provision for expected credit losses:

	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance as of January 1, 2020	3,979	-	-	3,979
New balances during the year	29,670	-	-	29,670
Settled balances	(16,173)	-	-	(16,173)
Total Balance at the End of the Year	17,476	-	-	17,476

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

6. Balances at Banks and Financial Institutions

	December 31, 2020	December 31, 2019
	JD	JD
Local Banks and Financial Institutions:		
Current and demand accounts	862,998	93,368
Deposits maturing within 3 months or less	54,012,296	75,035,381
Total	54,875,294	75,128,749
Foreign Banks and Financial Institutions:		
Current and demand accounts	70,867,991	36,856,493
Deposits maturing within 3 months or less	29,138,880	46,851,382
Total	100,006,871	83,707,875
	154,882,165	158,836,624
Less: provision for expected credit losses (balances at banks)	(85,535)	(51,367)
Total	154,796,630	158,785,257

- Non-interest bearing balances at banks and financial institutions amounted to JD 71,730,989 as of December 31, 2020 (JD 35,204,542 as of December 31, 2019).

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

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

	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy				
From (Aaa) to (Baa3)	131,097,596	-	-	131,097,596
From (Ba1) to (Caa3)	22,150,997	-	-	22,150,997
From (1) to (6)	1,633,572	-	-	1,633,572
Total	154,882,165	-	-	154,882,165

	2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy				
From (Aaa) to (Baa3)	96,230,789	-	-	96,230,789
From (Ba1) to (Caa3)	61,579,221	-	-	61,579,221
From (1) to (6)	1,026,614	-	-	1,026,614
Total	158,836,624	-	-	158,836,624

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

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

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

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

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

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

7. Deposits at Banks and Financial Institutions

The details of this item are as follows:

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

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

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

	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the				
Bank's internal policy				
From (Aaa) to (Baa3)	52,694,192	-	-	52,694,192
From (Ba1) to (Caa3)	27,512,235	-	-	27,512,235
Total	80,206,427	-	-	80,206,427

	2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the				
Bank's internal policy				
From (Aaa) to (Baa3)	63,279,090	-	-	63,279,090
From (Ba1) to (Caa3)	25,000,000	-	-	25,000,000
Total	88,279,090	-	-	88,279,090

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

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

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

Movement on the provision for expected credit losses:

	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance as of January 1, 2020	239,076	-	-	239,076
Expected credit loss on balances and new deposits for the year	6,393	-	-	6,393
Reversed credit loss on balances and settled amounts	(11,581)	-	-	(11,581)
Changes resulting from adjustments	108,163	-	-	108,163
Balance at the End of the Year	342,051	-	-	342,051

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

8. Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

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

9. Financial Assets at Fair Value through Other Comprehensive Income

The details of this item are as follows:

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

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

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

10/A. Financial Assets at Amortized Cost - Net

The details of this item are as follows:

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

10/B. Financial assets pledged as collaterals

The details of this item are as follows:

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

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

Disclosure of the allocation of total financial assets at amo... ..ed cost according to the bank's internal rating catego... :

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

	2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy				
From (Aaa) to (Baa3)	17,505,427	-	-	17,505,427
From (Ba1) to (Caa3)	678,572,121	-	-	678,572,121
From (1) to (6)	54,250,000	-	-	54,250,000
Total	750,327,548	-	-	750,327,548

The movement on financial assets at amortized cos , as follows:

	2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Fair value at the beginning of the year	750,327,548	-	-	750,327,548
New investments during the year	158,301,261	-	-	158,301,261
Accrued investments	(94,568,092)	-	-	(94,568,092)
Total Balance at the End of the Year	814,060,717	-	-	814,060,717

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

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

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

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

11. Direct Credit Facilities - Net

The details of this item are as follows:

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

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

- Non-performing credit facilities, in accordance with the instructions of the Central Bank of Jordan, amounted to JD 109,313,840 as of December 31, 2020 (JD 91,543,362 as of December 31, 2019) representing 5.79% (2019: 5.46%) of gross direct credit facilities granted.

- Non-performing credit facilities, net of suspended interest, amounted to JD 96,423,451 as of December 31, 2020 (JD 80,631,264 as of December 31, 2019), representing 5.14% (2019: 4.84%) of gross direct credit facilities granted after excluding the suspended interest.

- Credit facilities granted to the Government of Jordan amounted to JD 55,167,746 as of December 31, 2020 (JD 84,591,574 as of December 31, 2019), representing 2.92% (2019: 5.04%) of gross direct credit facilities granted.

- Credit facilities granted to the public sector in Palestine amounted to JD 87,151,326 as of December 31, 2020 (JD 69,697,758 as of December 31, 2019), representing 4.61% (2019: 4.16%) of gross direct credit facilities granted.

Disclosure on the movement of facilities at a collective level at th ›d of the year:

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

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

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

		Residential	Corporates		Government and	
	Consumer	Loans	Corporates	SMEs	Public Sector	Total
For the year ended December 31, 2020	JD	JD	JD	JD	JD	JD
Balance as of January 1, 2020	38,795,804	6,648,056	9,294,100	9,485,381	3,011,508	67,234,849
Credit loss on new facilities during the year	6,531,796	2,434,479	3,158,768	3,170,245	302,256	15,597,544
Reversed from credit losses on settled facilities	(1,445,653)	(628,716)	(1,511,048)	(1,857,983)	(102,005)	5,545,405-
Transferred to stage 1	5,703,439	862,710	1,023,097	262,069	4,111	7,855,426
Transferred to stage 2	1,669,907	327,479	(602,141)	85,470	1,544,104	3,024,819
Transferred to stage 3	(7,373,346)	(1,190,189)	(420,956)	(347,539)	(1,548,215)	10,880,245-
Effect on the provision at the end of the year - resulting from						-
the reclassification between the three stages during the year	(466,651)	955,034	5,532,326	2,435,990	(1,382,754)	7,073,945
Changes resulting from adjustments	179,769	(291,971)	1,835,071	(157,600)	(1,144,822)	420,447
Written off facilities	(3,395,729)	(24,787)	-	(10,760)	-	3,431,276-
Valuation differences	134,812	44,059	228,433	121,125	-	528,429
Balance at the End of the Year	40,334,148	9,136,154	18,537,650	13,186,398	684,183	81,878,533
For the year ended December 31, 2019						
Balance as of January 1, 2019	40,799,652	5,120,597	7,072,595	6,843,433	1,679,470	61,515,747
Credit loss on new facilities during the year	4,238,894	957,196	1,359,739	1,384,404	575,557	8,515,790
Reversed from credit losses on settled facilities	(1,651,466)	(1,009,412)	(1,287,848)	(880,419)	(109,067)	4,938,212-
Transferred to stage 1	3,408,626	334,341	124,466	32,882	150,229	4,050,544
Transferred to stage 2	559,283	268,353	(62,002)	810,523	(150,229)	1,425,928
Transferred to stage 3	(3,967,909)	(602,694)	(62,464)	(843,405)	-	5,476,472-
Effect on the provision at the end of the year - resulting from						-
the reclassification between the three stages during the year	2,521,774	1,634,964	3,061,977	2,711,365	(144,622)	9,785,458
Changes resulting from adjustments	(4,864,119)	(82,404)	(1,111,595)	(608,399)	1,010,170	5,656,347-
Written off facilities	(2,348,355)	-	-	(43,163)	-	2,391,518-
Valuation differences	99,424	27,115	199,232	78,160	-	403,931
Balance at the End of the Year	38,795,804	6,648,056	9,294,100	9,485,381	3,011,508	67,234,849

Suspended Interest

The movement on suspended interest is as follows:

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

	2019					
	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	24,526	8,795	2,089	31,054	10,222,084	10,288,548
Suspended interest on new exposures during the year	(334)	4,459	-	6,010	1,978,236	1,988,371
Suspended interest on settled exposures transferred to revenue during the year	(1,019)	(69,082)	(56,876)	(32,617)	(906,926)	(1,066,520)
Transferred to stage 1	(23,058)	78,803	24,073	(4,384)	(75,434)	-
Transferred to stage 2	(112)	(1,698)	55,289	31,864	(85,343)	-
Transferred to stage 3	(3)	(930)	(487)	(3,627)	5,047	-
Effect on suspended revenue at the end of the year - resulting from the reclassification between the three stages during the year	(23,173)	75,611	78,875	23,853	(155,730)	(564)
Suspended interest on written off exposures	-	-	-	-	(115,645)	(115,645)
Adjustments resulting from changes in exchange rates	-	-	-	(5,949)	-	(5,949)
Gross Balance at the End of the Year	-	20,347	24,088	22,351	11,022,019	11,088,805

The movement on suspended interest is as follows:

	Consumer	Residential Loans	Corporates: Corporates	Corporates: SMEs	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD
For the year ended December 31, 2020						
Balance at the beginning of the year	2,149,457	411,444	6,606,420	1,722,329	199,155	11,088,805
Suspended interest on new exposures during the year	513,021	258,208	1,458,881	757,766	-	2,987,876
Suspended interest on settled exposures transferred to	(255,492)	(46,239)	(116,067)	(300,338)	(199,155)	(917,291)
revenue during the year	124,810	11,565	-	618	-	136,993
Transferred to stage 1	39,953	23,377	(24,075)	41,375	199,155	279,785
Transferred to stage 2	(164,763)	(34,942)	24,075	(41,993)	199,155-	(416,778)
Transferred to stage 3						-
Effect on suspended revenue at the end of the year - resulting						-
from the reclassification between the three stages during	-	-	-	-	-	-
the year	(75,014)	(1,879)	-	(219)	-	(77,112)
Adjustments resulting from changes in exchange rates	-	-	-	-	-	-
Balance at the End of the Year	2,331,972	621,534	7,949,234	2,179,538	-	13,082,278
For the year ended December 31, 2019						
Balance at the beginning of the year	1,996,485	278,066	6,411,115	1,314,025	288,857	10,288,548
Suspended interest on new exposures during the year	531,542	187,196	580,343	689,290	-	1,988,371
Suspended interest on settled exposures transferred to						-
revenue during the year	(346,678)	(53,818)	(385,038)	(280,986)	-	(1,066,520)
Transferred to stage 1	67,421	8,191	(24,190)	1,581	-	53,003
Transferred to stage 2	13,554	11,691	24,187	53,296	-	102,728
Transferred to stage 3	(80,975)	(19,882)	3	(54,877)	-	(155,731)
Effect on suspended revenue at the end of the year - resulting						-
from the reclassification between the three stages during						-
the year	(25,943)	-	-	-	(89,702)	(115,645)
Adjustments resulting from changes in exchange rates	(5,949)	-	-	-	-	(5,949)
Balance at the End of the Year	2,149,457	411,444	6,606,420	1,722,329	199,155	11,088,805

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

As of December 31, 2020

	In accordance with IFRS (9) as adopted by the central bank of Jordan											
	Stage 1			Stage 2			Stage 3			Total		
	Total	Expected Credit Losses	Suspended Interest	Total	Expected Credit Losses	Suspended Interest	Total	Expected Credit Losses	Suspended Interest	Total	Expected Credit Losses	Suspended Interest
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Individuals	636,160,092	6,689,840	57,876	48,957,926	1,626,590	1,835	40,015,268	32,017,718	2,272,261	725,133,286	40,334,148	2,331,972
Realestate Mortgages	203,921,585	2,759,327	2,023	32,439,800	1,207,376	49,434	13,535,778	5,169,451	570,077	249,897,163	9,136,154	621,534
Corporates	375,100,943	458,049	-	112,154,586	4,372,730	-	37,585,709	13,706,871	7,949,234	524,841,238	18,537,650	7,949,234
SMEs	111,650,324	346,694	-	47,987,288	1,965,379	27,700	25,151,109	10,874,325	2,151,838	184,788,721	13,186,398	2,179,538
Government and Public Sector	198,875,558	516,324	-	5,296,329	167,859	-	-	-	-	204,171,887	684,183	-
	1,525,708,502	10,770,234	59,899	246,835,929	9,339,934	78,969	116,287,864	61,768,365	12,943,410	1,886,832,295	81,878,533	13,082,278

As of December 31, 2019

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

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

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

	2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:				
From (1) to (6)	334,497,633	74,328,557	-	408,826,190
(7)	-	26,491,848	-	26,491,848
From (8) to (10)	-	-	23,717,373	23,717,373
Total	334,497,633	100,820,405	23,717,373	459,035,411

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Balance as of January 1, 2020	3,870,742	738,826	34,186,236	38,795,804
Credit loss on new facilities during the year	3,504,405	372,931	2,654,460	6,531,796
Reversed from credit loss on accrued facilities	(677,745)	(112,490)	(655,418)	(1,445,653)
Transferred to stage 1	6,055,228	(319,701)	(5,735,527)	-
Transferred to stage 2	(257,626)	2,197,327	(1,939,701)	-
Transferred to stage 3	(94,163)	(207,719)	301,882	-
Effect on the provision at the end of the year - resulting from the				-
reclassification between the three stages during the year	(5,787,799)	(1,055,106)	6,376,254	(466,651)
Changes resulting from adjustments	(11,969)	-	191,738	179,769
Written off facilities	-	-	(3,395,729)	(3,395,729)
Adjustments resulting from changes in exchange rates	88,767	12,522	33,523	134,812
Gross Balance at the End of the Year	6,689,840	1,626,590	32,017,718	40,334,148

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

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

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

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

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

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

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

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

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

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

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

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

	2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:				
From (1) to (6)	190,241,940	4,236,843	-	194,478,783
(7)	-	-	2,901,056	2,901,056
Total	190,241,940	4,236,843	2,901,056	197,379,839

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

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

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

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

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

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

12. Property and Equipment - Net

The details of this item are as follows:

	Land	Buildings	Tools, Furniture & Fixtures	Vehicles	Computers	Projects In Progress	Total
For the year ended December 31, 2020	JD	JD	JD	JD	JD	JD	JD
Cost:							
Balance at the beginning of the year	3,649,204	24,367,957	44,027,718	1,718,209	28,813,747	3,232,534	105,809,369
Additions	1,230,380	913,386	1,561,990	-	1,820,876	1,059,479	6,606,111
Transfers	-	214,751	1,783,780	-	876,188	(2,874,719)	-
Disposals	-	-	(382,208)	(132,252)	(285,679)		(800,139)
Balance at the End of the Year	4,879,584	25,496,094	47,011,280	1,585,957	31,225,132	1,417,294	111,615,341
Accumulated Depreciation:							
Balance at the beginning of the year	-	5,468,046	35,082,414	1,440,483	21,296,955	-	63,287,898
Depreciation for the year	-	572,846	2,620,990	110,483	3,094,573	-	6,398,892
Disposals	-	-	(371,494)	(84,822)	(218,092)	-	(674,408)
Balance at the End of the Year	-	6,040,892	37,331,910	1,466,144	24,173,436	-	69,012,382
Net Book Value at the End of the Year	**4,879,584**	**19,455,202**	**9,679,370**	**119,813**	**7,051,696**	**1,417,294**	**42,602,959**
For the year ended December 31, 2019							
Cost:							
Balance at the beginning of the year	3,649,204	23,452,906	44,859,020	1,736,399	32,662,668	1,920,254	108,280,451
Additions	-	529,117	1,142,734	-	1,650,134	2,606,566	5,938,551
Transfers	-	385,934	245,988	-	662,364	(1,294,286)	-
Disposals	-	-	(2,220,024)	(18,190)	(6,171,419)	-	(8,409,633)
Balance at the End of the Year	3,649,204	24,367,957	44,027,718	1,718,209	28,813,747	3,232,534	105,809,369
Accumulated Depreciation:							
Balance at the beginning of the year	-	4,924,470	34,359,467	1,332,835	24,431,334	-	65,048,106
Depreciation for the year	-	543,576	2,670,044	125,837	3,031,613	-	6,371,070
Disposals	-	-	(1,947,097)	(18,189)	(6,165,992)	-	(8,131,278)
Balance at the End of the Year	-	5,468,046	35,082,414	1,440,483	21,296,955	-	63,287,898
Net Book Value at the End of the Year	**3,649,204**	**18,899,911**	**8,945,304**	**277,726**	**7,516,792**	**3,232,534**	**42,521,471**
Annual Depreciation Rate %	-	2	15 - 9	15	20	-	

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

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

13. Intangible Assets - Net

The details of this item are as follows:

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

14. Other Assets

The details of this item are as follows:

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

* The instruction of the Central Bank of Jordan require the Bank to dispose the assets it seizes during a maximum

period of two years from the acquisition date, the Central Bank of Jordan might provide an exceptional exemption for an additional period of 2 years.

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

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

A summary of the movement on repossessed assets previous:		
Balance-beginning of the year	1,685,900	1,685,900
Additions	26,281	-
Balance - End of the Year	**1,712,181**	**1,685,900**

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

15. Banks and financial institutions' deposits

The details of this item are as follows:

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

16. Customers' Deposits

The details of this item are as follows:

	Consumer	Corporates	SMEs	Government and Public Sector	Total
	JD	JD	JD	JD	JD
For the Year Ended December 31, 2020					
Current and demand accounts	295,750,303	148,362,038	56,281,437	112,418,781	612,812,559
Saving deposits	546,490,517	8,063,786	7,735,971	170,587	562,460,861
Time and notice deposits	468,675,648	306,320,584	38,999,870	237,160,915	1,051,157,017
Total	1,310,916,468	462,746,408	103,017,278	349,750,283	2,226,430,437
For the Year Ended December 31, 2019					
Current and demand accounts	244,293,300	123,709,181	53,463,869	58,381,179	479,847,529
Saving deposits	506,004,381	6,143,261	3,705,943	239,803	516,093,388
Time and notice deposits	479,791,141	295,698,530	45,503,808	234,021,599	1,055,015,078
Total	1,230,088,822	425,550,972	102,673,620	292,642,581	2,050,955,995

- The Government of Jordan and the public sector deposits inside the Kingdom amounted to JD 338,093,612 equivalent to 15.19% of total deposits as of December 31, 2020 (JD 273,518,953, equivalent to 13.34% of total deposits of December 31, 2019).

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

- Non-interest bearing deposits amounted to JD 496,395,865 equivalent to 23% of total deposits as of December 31, 2019 (JD 417,426,268 equivalent to 20.35% of total deposits as of December 31, 2019).

- Dormant accounts amounted to JD 58,140,668 as of December 31, 2020 (JD 35,166,834 as of December 31, 2019).

17. Margin Accounts

The details of this item are as follows:

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

18. Borrowed Funds

A.Borrowed Funds

The details of this item are as follows:

	Amount	No. of Installments Total	No. of Installments Outstanding	Payment frequency	Maturity Date	Collaterals	Interest Rate
	JD						
December 31, 2020							
Amounts borrowed from overseas investment company (OPIC)	15,598,000	1	1	At maturity	2034	None	4.895%-4.845%
Amounts borrowed from French Development Agency	1,595,250	20	9	Semi- annually	2025	None	3.359%
Amounts borrowed from Central Bank of Jordan*	5,650,000	10	6	Annually	2028	None	2.700%
Amounts borrowed from Central Bank of Jordan**	64,397,097	263	263	At maturity / per Loan	2021-2035	Treasury Bills	1.75% - 0.5%
Amounts borrowed from Central Bank of Jordan**	34,536,095	243	243	At maturity / per Loan	2022 - 2024	None	0.000%
Amounts borrowed from Central Bank of Jordan*	1,223,952	14	7	Semi- annually	2028	None	2.500%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	1,011,429	7	1	Semi- annually	2021	None	4.750%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	10,128,571	7	5	Semi- annually	2025	None	5.500%
Amounts borrowed from Central Bank of Jordan*	3,895,000	20	18	Semi- annually	2030	None	2.8%
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2024	None	5.000%
Jordan Mortgage Refinance Company ***	30,000,000	1	1	At maturity	2024	None	5.750%
Amounts borrowed from Central Bank of Jordan	3,941,315	34	34	Semi- annually	2039	None	3.000%
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2022	None	5.350%
Amounts borrowed from Central Bank of Jordan	8,333,333	1	1	At maturity	2021	Treasury Bills	2.000%
Amounts borrowed from Central Bank of Jordan	12,613,636	1	1	At maturity	2021	Treasury Bills	2.000%
Amounts borrowed from Central Bank of Jordan	6,250,000	1	1	At maturity	2021	Treasury Bills	2.000%
Amounts borrowed from Central Bank of Jordan	33,582,090	1	1	At maturity	2021	Treasury Bills	2.000%
Amounts borrowed from Central Bank of Jordan	13,550,136	1	1	At maturity	2021	Treasury Bills	2.000%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	2,532,143	7	5	Semi- annually	2023	None	2.240%
Amounts borrowed from French Development Agency	7,823,929	20	20	Semi- annually	2031	None	1.273%
Palestine Monetary Authority	3,652,748	1	1	-	None	None	0.500%
Etihad Bank	1,300,000	8	8	Quarterly	2024	None	3.750%
Societe Generale de Banque Jordanie	177,778	45	8	Monthly	2021	None	5.250%
Housing Bank for Trade and Finance	30,468,727	1	1	Overdraft	2021	None	3.500%
Arab Jordan Investment Bank	48,665	1	1	Overdraft	2021	None	6.500%
Amounts borrowed from International Financial Markets (FMI)	1,074,224	1	1	-	None	None	-
Total	314,384,118						
December 31, 2019							
Amounts borrowed from overseas investment company (OPIC)	15,598,000	1	1	At maturity	2034	None	4.895%-4.845%
Amounts borrowed from French Development Agency	1,949,750	20	11	Semi- annually	2025	None	3.358%
Amounts borrowed from Central Bank of Jordan*	7,600,800	10	7	Annually	2028	None	2.700%
Amounts borrowed from Central Bank of Jordan**	34,163,765	184	184	At maturity / per Loan	2018 - 2026	Treasury Bills	2.5% - 1%
Amounts borrowed from Central Bank of Jordan*	1,559,984	14	9	Semi- annually	2028	None	2.500%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	3,034,286	7	3	Semi- annually	2021	None	4.750%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	1,012,857	7	1	Semi- annually	2020	None	3.25%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	14,180,000	7	7	Semi- annually	2025	None	5.500%
Amounts borrowed from Central Bank of Jordan*	4,100,000	20	20	Semi- annually	2031	None	2.8%
Jordan Mortgage Refinance Company ***	30,000,000	1	1	At maturity	2024	None	5.750%
Jordan Mortgage Refinance Company ***	5,000,000	1	1	At maturity	2020	None	5.750%
Amounts borrowed from Central Bank of Jordan	7,857,982	34	34	Semi- annually	2039	None	3.000%
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2020	None	5.900%
Amounts borrowed from Central Bank of Jordan	70,000,000	1	1	At maturity	2020	Treasury Bills	4.000%
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2020	None	5.900%
Amounts borrowed from French Development Agency	4,262,506	20	20	Semi- annually	2031	None	1.433%
Amounts borrowed from French Development Agency	2,393,800	20	20	Semi- annually	2031	None	1.433%
Amounts borrowed from French Development Agency	852,501	1	1	-	None	None	-
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	3,545,000	7	7	Semi- annually	2023	None	4.047%
Amounts borrowed from French Development Agency	7,498,807	20	20	Semi- annually	2031	None	1.433%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	3,545,000	7	7	Semi- annually	2023	None	4.047%
Etihad Bank	2,700,000	32	32	Quarterly	2023	None	6.000%
Societe Generale de Banque Jordanie	444,444	45	20	Monthly	2021	None	7.000%
Housing Bank for Trade and Finance	25,049,944	1	1	Overdraft	2020	None	4.750%
Arab Jordan Investment Bank	2,998,649	1	1	Overdraft	2020	None	7.000%
Amounts borrowed from International Financial Markets (FMI)	1,074,224	1	1	-	None	None	-
Total	265,410,499						

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

** The borrowed funds from Central Bank of Jordan for industrial, energy, agriculture and tourism financing loans were re-lent on an average interest rate of 3.5%-4%.

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

19. Subordinated loans

The details of this item are as follows:

	Amount	No. of Installments Total	No. of Installments Outstanding	Payment frequency	Maturity Date	Collaterals	Interest Rate
December 31, 2020	JD						
Green for Growth Fund	7,905,350	1	1	At maturity	2026	None	6.00%
Sanad fund for MSME	10,635,000	1	1	At maturity	2027	None	6.30%
Total	18,540,350						
December 31,2019	JD						
Green for Growth Fund	7,905,350	1	1	At maturity	2026	None	6.00%
Sanad fund for MSME	10,635,000	1	1	At maturity	2027	None	6.30%
Total	18,540,350						

20. Sundry Provisions

The details of this item are as follows:

	Balance - Beginning of the Year	Additions during the Year	Utilized during the Year	Reversed to Income	Balance - End of the Year
	JD	JD	JD	JD	JD
2020					
Provision for lawsuits against the Bank	1,354,397	1,418,000	(25,896)	-	2,746,501
Provision for end of service indemnity	9,543,302	1,186,998	(598,468)	-	10,131,832
Provision against other contingent liabilities	13,758	2,483	(3)	-	16,238
Total	10,911,457	2,607,481	(624,367)	-	12,894,571
2019					
Provision for lawsuits against the Bank	1,490,438	-	(136,041)	-	1,354,397
Provision for end of service indemnity	9,748,144	551,399	(756,241)	-	9,543,302
Provision against other contingent liabilities	6,951	9,793	(2,986)	-	13,758
Total	11,245,533	561,192	(895,268)	-	10,911,457

21. Income Tax

A- Income Tax Provision

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

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

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

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

- The statutory tax rate on banks in Jordan is 38% starting from January 1, 2019 ,and the statutory tax rate on foreign branches and subsidiaries range between 0%-31% (income tax rate for banks in Palestine is 15% plus VAT of 16%).

- The Bank reached a final settlement with the Income and Sales Tax Department for the year ended December 31, 2018 for the branches in Jordan.

- A final settlement was reached with the tax authorities for Palestine branches for the year ended December 31, 2017, and the department has not reviewed the accounts for the year 2019 and 2018 till the date of these consolidated financial statement.

- Al-Wataneih Financial Services Company reached a final settlement with the Income and Sales Tax Department up to the year 2014. The Income and Sales Tax Department has reviewed the years 2015, 2016 and 2017 records and estimated the tax payable for these years at JD 1,361,990 for the amounts paid. This decision was objected by the Company to the tax court of appeal. The Income and Sales Tax Department accepted the self assessment return submitted by the company for the years 2019 and 2018.

- Al-Wataneih Securities Company – Palestine reached a final settlement with the income tax Department till the end of the year 2019.

- Tamallak for leasing Company financial statements has reached a final settlement with the Income and Sales tax Department for the year 2018. The records of the company for the year ended December 31, 2019 were not reviewed up to the date of these consolidated financial statements.

- In the opinion of the Bank's management, income tax provisions as of December 31, 2020 are sufficient to face any future tax liabilities.

C - Deferred Tax Assets and Liabilities

The details of this item are as follows:

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

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

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

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

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

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

22. Other Liabilities

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

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

	2020					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	16,520,798	209,272,556	316,428	49,021,275	550,026	275,681,083
New exposures during the year	9,140,868	108,050,821	373,475	9,603,825	47,611	127,216,604
Accrued exposures	(2,685,540)	(33,234,008)	(263,469)	(14,170,853)	(212,241)	(50,566,111)
Transferred to stage 1	120,329	7,387,095	(74,939)	(7,360,095)	(72,390)	-
Transferred to stage 2	(827,724)	(5,079,184)	846,999	5,085,684	(25,775)	-
Transferred to stage 3	(88,442)	(11,720)	(32,934)	(16,500)	149,596	-
Gross Balance at the End of the Year	22,180,289	286,385,560	1,165,564	42,163,336	436,827	352,331,576

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

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

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

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

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

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

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

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

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

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

The disclosure on the movement of the provision for expected credit losses [illegible] follows:

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

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

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

	2020					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:						
From (Aaa) to (Baa3)	-	7,077,683	-	-	-	7,077,683
From (Ba1) to (Caa3)	-	1,541,312	-	-	-	1,541,312
From (Ca) to (C)	-	-	-	-	-	-
From (1) to (6)	-	42,106,253	-	6,526,260	-	48,632,513
(7)	-	-	-	1,001,820	-	1,001,820
From (8) to (10)	-	-	-	-	258,213	258,213
Total	-	50,725,248	-	7,528,080	258,213	58,511,541

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

Disclosure on the movement of indirect facilities:

	2020					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	-	42,064,421	-	10,146,698	319,221	52,530,340
New exposures during the year	-	19,577,779	-	864,882	1,060	20,443,721
Accrued exposures	-	(12,060,042)	-	(2,349,690)	(52,788)	(14,462,520)
Transferred to stage 1	-	2,890,037	-	(2,863,037)	(27,000)	-
Transferred to stage 2	-	(1,735,227)	-	1,741,727	(6,500)	-
Transferred to stage 3	-	(11,720)	-	(12,500)	24,220	-
Gross Balance at the End of the Year	-	50,725,248	-	7,528,080	258,213	58,511,541

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

The disclosure on the movement of the provision for expected credit loss~ ,s as follows:

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

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

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

	2020					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:						
From (Aaa) to (Baa3)	-	-	-	-	-	-
From (Ba1) to (Caa3)	-	-	-	-	-	-
From (Ca) to (C)	-	-	-	-	-	-
From (1) to (6)	-	179,110,658	-	30,973,472	-	210,084,130
(7)	-	-	-	2,519,797	-	2,519,797
From (8) to (10)	-	-	-	-	9,800	9,800
Uncategorized	22,180,289	-	1,165,564	-	168,814	23,514,667
Total	22,180,289	179,110,658	1,165,564	33,493,269	178,614	236,128,394

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

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

	2020					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	16,520,798	131,754,408	316,428	37,150,793	230,805	185,973,232
New exposures during the year	9,140,868	56,346,115	373,479	8,387,591	46,551	74,294,604
Accrued exposures	(2,685,540)	(9,952,992)	(263,469)	(11,077,989)	(159,453)	(24,139,443)
Transferred to stage 1	120,329	4,123,598	(74,939)	(4,123,598)	(45,390)	-
Transferred to stage 2	(827,724)	(3,160,471)	846,999	3,160,471	(19,275)	-
Transferred to stage 3	(88,442)		(32,934)	(4,000)	125,376	-
Gross Balance at the End of the Year	22,180,289	179,110,658	1,165,564	33,493,268	178,614	236,128,393

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

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

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

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

23. Paid-up Capital

Authorized and paid-in capital amounted to JD 190 million divided into 190 million shares at a par value of JD 1 per share as of December 31, 2020 and JD 190 million divided into 190 million shares as of December 31, 2019.

24. Reserves

Statutory Reserve

This reserve represents amounts transferred from income before tax at a rate of 10% during the previous years. The statutory reserve may not be distributed to shareholders.

General Banking Risk Reserve

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

Cyclical Fluctuations Reserve

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

Restricted reserves are as follows:

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

25. Suggested Dividends to be distributed

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

26. Fair Value Reserve - Net

The details of this item are as follows:

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

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

27. Retained Earnings

The details of this item are as follows:

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

- Retained earnings balance include unrealized gains amounting to JD 13,909,822 resulting from the early implementation of IFRS 9. This amount is not available for distribution in accordance with the Securities Commission instructions, except for the amounts realized through the sale of the financial assets.

- Retained earnings include deferred tax assets amounted to JD13,316,167 as of December 31, 2020 which is not available for distribution in accordance with the Central Bank of Jordan instructions (JD 9,325,649 as of December 31, 2019).

- The amount JD 5,988,630 represents negative change for the assets in fair value reserve through other comprehensive income restricted from use as per the Central Bank of Jordan and the Securities Commission instructions.

- The amount JD 1,155,916 represents the remaining balance of the general banking risk reserve restricted from use as per the Central Bank of Jordan instructions.

28. Interest Income

The details of this item are as follows:

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

29. Interest Expense

The details of this item are as follows:

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

30. Net Commission

The details of this item are as follows:

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

31. Gain from Foreign Currencies

The details of this item are as follows:

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

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

The details of this item are as follows:

	Realized Gains (Losses)	Unrealized (Losses)	Stock Dividends	Total
	JD	JD	JD	JD
December 31, 2020				
corporate stocks	(154,358)	(1,911,241)	93,164	(1,972,435)
bonds	496,044	-	-	496,044
Total	341,686	(1,911,241)	93,164	(1,476,391)
December 31, 2019				
corporate stocks	137,885	(783,474)	708,238	62,649
Total	137,885	(783,474)	708,238	62,649

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

The details of this item are as follows:

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

34. Other Income - Net

The details of this item are as follows:

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

35. Employees' Costs

The details of this item are as follows:

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

36. Other Expenses

The details of this item are as follows:

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

37. Provision for Expected Credit Losses

The details of this item are as follows:

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

38. Earnings per Share

The details of this item are as follows:

	2020	2019
	JD	JD
Profit for the year attributable to bank's shareholders (JD)	18,161,180	28,095,485
Weighted average number of shares (share)	190,000,000	190,000,000
	Fils/JD	Fils/JD
Basic and diluted earnings per share (Bank's Shareholders)	0/096	0/148

The weighted average for earnings per shares was calculated from the basic and diluted profit attributable to the shareholders of the bank based on the number of shares authorized for the years ended December 31, 2020 and 2019, according to the requirements of International Accounting Standard (33).

39. Cash and Cash Equivalents

The details of this item are as follows:

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

40. Balances and Transactions with Related Parties

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

Company Name	Ownership	Paid in Capital	
		2020	2019
	%	JD	JD
Al-Watanieh Financial Services Company Limited Liability	100	5,500,000	5,500,000
Al-Wataniah Securities Company private shareholding	100	1,600,000	1,600,000
Tamallak for Financial Leasing Company	100	5,000,000	5,000,000
Safa Bank	79	53,175,000	53,175,000

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

The following related party transactions took place during the year:

	Related Parties			Total	
	Board of Directors and Relatives	Executive Management	Other *	2020	2019
	JD	JD	JD	JD	JD
Statement of Financial Position Items:					
Direct credit facilities	32,004,782	3,150,943	31,776,857	66,932,582	51,126,108
Deposits at the Bank	93,257,135	2,865,249	23,415,605	119,537,989	61,565,392
Margin accounts	-	38,551	24,077	62,628	176,186
Off Statement of Financial Position Items:					
Indirect credit facilities	3,772,762	133,338	346,615	4,252,715	2,026,181
				For the Year Ended December 31,	
				2020	2019
Income Statements Items:				JD	JD
Interest and commission income	1,169,612	165,452	647,896	1,982,960	3,216,585
Interest and commission expense	1,990,637	90,161	90,561	2,171,359	1,901,979

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

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

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

41. Risk Management

IFRS (9) Disclosures

First: Descriptive Disclosures:

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

Definition of default:

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

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

- Default handling mechanism:

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

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

- Corporate portfolio:

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

  The Bank uses the Creditlens Systems developed by Moody's to measure the risk rating of customers within (7) grades for the performing accounts and (3) grades for the non-performing accounts. The probability of default (PD) increases as risk rating increases. Three segments are adopted at each grade for performing loans - with the exception of grade (1) where grade (1) is the best and grade (10) is the worst.

- Retail portfolio:

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

  The scoring terms are set based on historical performance in terms of granting, default and collection. The scoring is periodically reviewed and the terms are updated based on performance.

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

The calculation for each stage is as follows:

- Stage (1): the expected credit losses are calculated within the next 12 months from the date of preparing the financial statements for debt instruments within this phase and in which there has not been a significant or significant increase in its credit risk since the initial recognition of the exposure / instrument, or that it has a low credit risk at the date of preparing the financial statements.
- Stage (2): Expected credit losses are calculated for the entire life of the debt instrument during the remaining period of the life of the debt instrument for debt instruments that fall within this stage and for which there has been a significant or significant increase in its credit risk since its initial recognition, but it has not reached the default stage.
- Stage (3): Expected credit losses are computed for the entire life of the debt instrument for debt instruments that fall within this stage and for which there is evidence / evidence that they have become non-performing (irregular).

The following debt instruments are included in the calculation:

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

4. **Governance of the application of IFRS (9) requirements including the responsibility of the Board of Directors and executive management**
Roles and responsibilities:

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

- Providing an appropriate governance structure and procedures that ensure the proper application of the standard by defining the roles of committees, departments and work units in the bank, and ensuring the integrity of work.

- Provide the appropriate infrastructure for the application.

- Ensuring that the supervisory units of the bank represented in risk management and the audit department carry out all necessary work to verify the correctness and integrity of the methodologies and systems used in the application of Standard 9 and provide the necessary support for them.

Risk Management Committee:
- Review the policies for implementing IFRS 9.

- Viewing the results of calculating the expected credit losses in the financial statements.

Facilities Committee:

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

The Audit Committee:

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

IFRS 9 Steering Committee:

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

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

Risk Management:

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

Financial Management:

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

- Preparing the statements required from the Central Bank in cooperation with the relevant departments.
- Presenting the financial statements, including the results of calculating the provisions, to the audit committee to ensure the adequacy of the expected credit loss

Corporate Credit, SME Loans and Bank Pooling Management:

- Classifying clients within the internal rating classification on a periodic basis to measure clients' risk based on the rating classification
- Periodically updating data for credit facilities and guarantees within the classification system.

Internal Audit Management:

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

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

1. Probability of Default (PD):

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

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

2. Exposure at Default (EAD):

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

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

3. Loss Given Default (LGD):

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

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

6. **The Bank's policy for determining common elements (criteria) that credit risk and expected credit losses on a collective basis have been measured with.**
Credit risk and expected credit losses for retail have been calculated at an individual level for each account separately and not at a collective level.

7. **Economic indicators used by the Bank in calculating expected credit losses (PD).**
A group of economic indicators have been reviewed such as (gross domestic product, equities, interest rates, unemployment, and inflation) and the following approved indicators have shown a strong correlation between the indicator value and the default rate for each portfolio using historical information:

- Corporate portfolio: gross domestic product and shares prices.
- Retail portfolio – Jordan: gross domestic product, real gross domestic product, domestic product deflator and shares prices.
-

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

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

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

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

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

1. The Board of Directors' responsibility for risk management. The risk committee of the board of directors does a periodic review of policies, strategies and risk management procedures of the bank, including setting acceptable risk limits.

2. The responsibility of the Board of Directors, represented by the Risk Committee in the development of the internal assessment of capital and analysis of current and future requirements for capital and as appropriate with the structure of the Bank's risk and strategic goals and taking action on particular in addition to its responsibility in ensuring a good system to evaluate the types of risks faced by the Bank and the development of the system to link these risks with the level of capital required to cover.

3. The responsibility of the Board of Directors to approve the policies developed by the executive management.

4. The risk management department, which is independent of other Bank's operations, reports to the Risk Committee on risk issues. For daily operations it is linked with the General Manager, and analyses all the risks including credit, market, liquidity and operational risk in addition to the development of measurement methodologies and controls for each type of risk as needed. The Risk Management Department also manages the process of Internal evaluation Capital Adequacy ICAAP in Cairo Amman Bank by using the comprehensive manner which is appropriate within their risk profile it also implements Basel requirements. .

5. Internal Audit department provides independent confirmation of the compliance of the working units with the policies and procedures of the risk committee set to manage risks and their efficiency.

6. Managing risk is considered the responsibility of each unit and every employee of the Bank, in relation to those risks which are within their functions.

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

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

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

The general framework for Credit Risk Management includes:

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

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

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

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

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

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

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

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

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

1- Reclassified credit exposures

A- Gross reclassified credit exposures

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

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

B- Expected credit losses of reclassified exposures:

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

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

2- Allocation of exposures according to industrial sectors:

A- Allocation of exposures according to financial instruments - net

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

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

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

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

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

3- Allocation of exposures according to geographical locations:

a. Allocation of exposures according to geographical regions - net

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

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

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

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

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

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

- The above table represents the maximum credit risk for the bank as of December 31, 2020 and 2019 without taking the collaterals or effect of mitigation into consideration.

- The exposure mentioned above for on-statement of financial position items is based on the balance shown in the statement of financial position.

Types of collaterals against loans and credit facilities are as follows:

- Real estate properties.
- Financial instruments (equities and bonds).
- Bank guarantees.
- Cash collateral
- Government guarantees.

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

Rescheduled Loans:
These represent loans previously classified as non-performing loans and reclassified as other than non-performing loans according to proper scheduling to watch list during the year 2020. Moreover, it amounted to JD 27,856,882 as of the current year against JD 32,506,472 as of the previous year.

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

Restructured Loans:
Restructuring means rearranging the status of operating credit facilities in terms of adjusting premiums, prolonging the life of credit facilities, postponing some instalments, or extending the grace period, based on customer cash flows and helping them meet their obligations towards the Bank. The value of these loans amounted to about JD 25,281,932 as of December 31, 2020 against JD 55,405,182 as of December 31, 2019.

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

Rating grade	Rating Agency	Financial Assets at Amortized Cost or Financial Assets Pledged as Collateral
		JD
Baa1	Moody's	354,648
BAA3	Moody's	941,642
Ba1	Moody's	-
Ba2	Moody's	141,562
Un-rated		86,012,400
Governmental		726,610,465
Total		**814,060,717**

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

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

Market risk is measured and monitored through sensitivity analysis, stress testing and stoploss limits.

Interest Rate Risk

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

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

Interest Rate Risk Management

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

The following table demonstrates the sensitivity analysis of interest rates:

2020

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

2019

Currency	Increase in interest rate	Sensitivity of net interest income (profit or loss)	Change (decrease) in interest rate	Sensitivity of net interest income (profit or loss)
	Basis points	JD	Basis points	JD
USD	100	(479,139)	100	479,139
EURO	100	(530,166)	100	530,166
GBP	100	24,094	100	(24,094)
JPY	100	-	100	-
Other Currencies	100	260,404	100	(260,404)

Interest Rate Re-Pricing Gap

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

As of December 31, 2020	Less than 1 Month	1 - 3 Months	3 - 6 Months	6 - 12 Months	1 - 3 Years	More than 3 Years	Non-Interest Bearing	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Assets								
Cash and balances at Central Bank of Jordan	160,885,036	-	-	-	-	-	152,076,383	312,961,419
Balances at banks and financial institutions	72,983,883	10,081,758	-	-	-	-	71,730,989	154,796,630
Deposits at banks and financial institutions	-	-	58,507,701	4,266,860	17,089,815	-	-	79,864,376
Financial assets at fair value through profit or loss	-	-	-	-	-	-	7,406,964	7,406,964
Financial assets at fair value through OCI	-	-	-	-	-	-	49,648,977	49,648,977
Financial assets at amortized cost	25,000,930	32,725,962	55,784,933	94,068,757	283,391,114	321,953,410	-	812,925,106
Direct credit facilities - Net	373,572,937	684,624,917	121,161,668	184,715,557	219,597,293	210,199,112	-	1,793,871,484
Property and equipment	-	-	-	-	-	-	42,602,959	42,602,959
Intangible assets	-	-	-	-	-	-	5,193,184	5,193,184
Deferred tax assets	-	-	-	-	-	-	13,316,167	13,316,167
Other assets	-	-	-	-	-	-	80,648,211	80,648,211
Total Assets	632,442,786	727,432,637	235,454,302	283,051,174	520,078,222	532,152,522	422,623,834	3,353,235,477
Liabilities								
Banks and financial institutions' deposits	77,730,682	20,212,143	30,000,000	37,143,000	30,000,000	-	39,095,512	234,181,337
Customers' deposits	570,019,745	323,511,969	246,550,549	386,039,863	146,129,666	57,782,780	496,395,865	2,226,430,437
Margin accounts	6,013,890	3,728,341	3,277,541	3,365,818	7,948,847	6,267,151	26,356,653	56,958,241
Borrowed funds	82,510,499	48,156,144	23,277,916	20,115,186	53,303,840	85,946,309	1,074,224	314,384,118
Subordinated Loans	-	-	-	-	-	18,540,350	-	18,540,350
Sundry provisions	-	-	-	-	-	-	12,894,571	12,894,571
Income tax provision	-	-	-	-	-	-	16,002,794	16,002,794
Deferred tax liabilities	-	-	-	-	-	-	808,967	808,967
Other liabilities	-	-	-	-	-	-	97,745,713	97,745,713
Total Liabilities	736,274,816	395,608,597	303,106,006	446,663,867	237,382,353	168,536,590	690,374,299	2,977,946,528
Interest Rate Re-Pricing Gap	(103,832,030)	331,824,040	(67,651,704)	(163,612,693)	282,695,869	363,615,932	(267,750,465)	375,288,949

As of December 31, 2019								
Total Assets	929,231,993	238,375,252	366,693,430	115,719,226	551,621,581	425,429,139	502,572,014	3,129,642,635
Total Liabilities	789,236,523	326,110,489	344,518,039	306,248,513	209,372,596	169,475,672	625,451,437	2,770,413,269
Interest Rate Re-Pricing Gap	139,995,470	(87,735,237)	22,175,391	(190,529,287)	342,248,985	255,953,467	(122,879,423)	359,229,366

Currency Risk:

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

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

	2020			2019		
	Increase in Exchange Rate	Effect on Profit or Loss	Sensitivity on Equity	Increase in Exchange Rate	Effect on Profit or Loss	Sensitivity on Equity
	%	JD	JD	%	JD	JD
EURO	+1	745	-	+1	1,200	-
GBP	+1	(1,430)	-	+1	(1,361)	-
YEN	+1	97	-	+1	(290)	-
Other	+1	188,971	-	+1	(248,970)	-

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

Concentration in foreign currency risk:

As of December 31, 2020	US Dollar	Sterling Pound	Japanese Yen	Euro	Other Currencies	Total
	JD	JD	JD	JD	JD	JD
Assets						
Cash and balances at Central Banks	77,399,431	430,670	-	8,334,574	75,719,178	161,883,853
Balances at banks and financial institutions	73,031,299	8,915,179	597,727	20,672,761	47,815,663	151,032,629
Deposits at banks and financial institutions	-		-	17,426,500	1,266,860	18,693,360
Financial assets at fair value through profit or loss	305,840	-	-	-	-	305,840
Direct credit facilities - net	220,170,538	1	3,684,531	4,670,298	267,968,808	496,494,176
Financial assets at fair value through OCI	882,272	-	-	139,425	11,054,835	12,076,532
Financial assets at amortized cost	142,122,605	-	-	-	1,741,679	143,864,284
Intangible assets	431,524	-	-	-	-	431,524
Property and equipment - net	10,187,871	-	-	-	-	10,187,871
Right of use Assets - Net	2,859,148	-	-	-	-	2,859,148
Other assets	4,851,874	8,192	3,396	30,687	7,048,391	11,942,540
Total Assets	532,242,402	9,354,042	4,285,654	51,274,245	412,615,414	1,009,771,757
Liabilities						
Banks and financial institution deposits	92,441,679	41,249	-	788,641	6,658,247	99,929,816
Customers' deposits	398,264,087	9,102,696	584,326	37,122,514	310,174,970	755,248,593
Cash margins	19,422,188	14	-	7,591,121	6,558,185	33,571,508
Borrowed funds	24,809,392	-	-	7,498,807	-	32,308,199
Subordinated loans	18,540,350	-	-	-	-	18,540,350
Sundry provisions	654,516	-	-	-	-	654,516
Income tax liability	-	-	-	-	1,467,688	1,467,688
Sundry provisions	2,889,388	-	-	-	-	2,889,388
Other liabilities	7,563,727	132,667	-	109,109	(1,363,359)	6,442,144
Total Liabilities	564,585,327	9,276,626	584,326	53,110,192	323,495,731	951,052,202
Net concentration on consolidated statement of financial position	(32,342,925)	77,416	3,701,328	(1,835,947)	89,119,683	58,719,555
Contingent liabilities off consolidated statement of financial position	55,230,211	246,044	17,313	44,513,242	15,674,225	115,681,035
As of December 31, 2019						
Total Assets	478,285,684	8,486,642	525,666	41,814,023	368,584,769	897,696,784
Total Liabilities	556,224,027	8,484,222	554,664	41,742,117	249,208,284	856,213,314
Net concentration on consolidated statement of financial position	(77,938,343)	2,420	(28,998)	71,906	119,376,485	41,483,470
Contingent liabilities off the consolidated statement of financial position	46,272,813	12,558	390,152	18,720,658	11,654,786	77,050,967

Change in Equity Price Risk

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

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

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

Liquidity Risk

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

Diversification of funding sources

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

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

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

Analyzing and monitoring the maturities of assets and liabilities

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

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

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

Cash reserves with Central Banks

The Bank maintains statutory cash reserve with the Central Banks amounting to JD 104,658,821.

First: The table below summarizes the maturity profile of the Bank's financial liabilities based on contractual (undiscounted) repayment obligations as of the date of the financial statements:

As of December 31, 2020	Less than 1 Month	1 - 3 Months	3 - 6 Months	6 - 12 Months	1 - 3 Years	More than 3 Years	No Fixed Maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities								
Banks and financial institution deposits	117,061,485	20,343,944	30,391,252	38,111,819	31,565,009	-	-	237,473,509
Customers' deposits	759,705,382	409,630,109	318,596,471	452,303,543	249,630,838	57,782,781	-	2,247,649,124
Cash margins	7,641,450	11,044,650	8,910,414	7,265,239	16,128,405	6,614,557	-	57,604,715
Borrowed funds	82,534,858	48,327,891	23,280,024	20,176,804	55,098,588	111,322,789	1,074,224	341,815,178
Subordinated loans	-	-	-	-	-	24,617,508	-	24,617,508
Sundry provisions	52,531	148,735	374,826	1,285,746	1,534,643	8,078,090	1,420,000	12,894,571
Income tax liabilities	3,150,000	100,000	6,300,000	5,183,476	1,269,318	-	-	16,002,794
Deferred tax liabilities	-	-	-	-	-	-	808,967	808,967
Other liabilities	34,737,580	14,864,039	9,336,611	9,408,093	11,089,343	18,310,047	-	97,745,713
Total Liabilities	1,004,883,286	504,459,368	397,189,598	533,734,720	366,316,144	226,725,772	3,303,191	3,036,612,079
Total Assets (as per their expected maturities)	570,449,631	152,953,269	217,792,394	322,767,737	867,494,880	1,106,290,482	115,487,084	3,353,235,477

As of December 31, 2019	Less than 1 Month	1 - 3 Months	3 - 6 Months	6 - 12 Months	1 - 3 Years	More than 3 Years	No Fixed Maturity	Total
Liabilities								
Banks and financial institution deposits	120,823,640	26,555,653	43,871,429	49,641,675	32,052,093	-	-	272,944,490
Customers' deposits	779,258,712	354,284,478	349,275,484	304,203,012	234,274,044	54,078,379	-	2,075,374,109
Cash margins	6,144,587	7,514,546	14,706,580	10,726,678	13,925,778	6,434,806	-	59,452,975
Borrowed funds	98,300,424	13,443,764	7,095,757	3,186,421	27,993,603	116,718,001	12,118,031	278,856,001
Subordinated loans	-	-	-	-	-	26,438,734	-	26,438,734
Sundry provisions	500,000	500,000	319,938	1,682,270	2,750,981	150,000	9,166,268	15,069,457
Income tax liabilities	3,700,000	300,000	7,200,000	4,052,127	1,781,673	-	-	17,033,800
Deferred tax liabilities	-	-	-	-	210,985	-	593,957	804,942
Other liabilities	28,792,917	18,860,478	15,984,290	17,603,836	3,975,015	5,468,048	479,143	91,163,727
Total Liabilities	1,037,520,280	421,458,919	438,453,478	391,096,019	316,964,172	209,287,968	22,357,399	2,837,138,235
Total Assets (as per their expected maturities)	692,124,149	104,637,360	113,689,446	258,808,213	862,552,931	977,448,038	120,382,498	3,129,642,635

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

As of December 31, 2020	Up to 1 Year	1 - 5 Years	More than 5 Years	Total
	JD	JD	JD	JD
Acceptances and letters of credit	57,679,057	-	-	57,679,057
Letters of guarantee	54,139,815	4,371,726	-	58,511,541
Unutilized limits	171,498,249	-	-	171,498,249
Total	283,317,121	4,371,726	-	287,688,847
As of December 31, 2019				
Acceptances and letters of credit	37,037,079	-	-	37,037,079
Letters of guarantee	50,292,949	2,237,391	-	52,530,340
Unutilized limits	142,591,250	-	-	142,591,250
Total	229,921,278	2,237,391	-	232,158,669

Operational Risk

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

The general framework for the operational risk management:

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

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

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

Compliance Risk

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

The main objectives of the compliance department are as follows:

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

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

The main objectives of the AML Department are as follows:

1. Ensure the bank's compliance with all AML/CFT Policies and procedures as approved by the competent authority within the bank.

2. Ensure the bank's compliance with all applicable laws and regulations issued by competent authorities.

3. Prohibit and protect the bank's reputation and image from any allegation of involvement with money laundering and terrorist financing.

4. Prohibit the use of banking products and services in money laundering and terrorist financing transactions.

5. Participate in national and international efforts and initiatives relevant to anti-money laundering and combating terrorism financing.

6. Protect the bank and its employees from being exposed to AML/CFT risks which might lead to material financial losses or regulatory, legal, administrative, civil and criminal sanctions and liability.

42- Segment Information

a. Information on the Bank's Segments:

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

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

Following is the Bank's segment information:

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

As follows, the Bank's segment information:

B- Geographical Information:

The following table represents the geographical segments of the bank's business. The bank practices its activities mainly in the Kingdom, which represent businesses inside the Kingdom, and the bank practices activities in Palestine

Below is the distribution of the revenues, assets and capital expenditures as per the geographical information:

	Inside Jordan 2020	Inside Jordan 2019	Outside Jordan 2020	Outside Jordan 2019	Total 2020	Total 2019
	JD	JD	JD	JD	JD	JD
Total revenue	160,354,503	174,555,986	39,078,197	41,520,923	199,432,700	216,476,909
Capital expenditures	4,559,327	4,239,858	4,090,924	2,700,215	8,650,251	6,940,073

	Inside Jordan December 31 2020	2019	Outside Jordan December 31 2020	2019	Total December 31 2020	2019
	JD	JD	JD	JD	JD	JD
Total assets	2,534,322,286	2,350,514,591	818,913,191	779,128,044	3,353,235,477	3,129,642,635

43. Capital Management

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

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

As per the Central Bank of Jordan the adequate capital adequacy ratio must not be less than 14.5%.

The Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. No changes were made in the objectives, policies and processes from previous years.

Description of what is considered capital

As per Central Bank of Jordan regulations capital consists of Tier 1 capital, which comprises share capital, share premium, reserves, declared reserves, retained earnings, Non-Controlling interest allowed to be recognized, other comprehensive income items less proposed dividends, goodwill, cost of treasury stocks, deficit in requested provisions, deferred tax assets related to non-performing loans and any other restricted amounts. The other component of regulatory capital is Tier 2 capital, which includes subordinated long term debt that may be transferred to shares, preference shares not accrued interest and non-controlling allowed to be recognized. The third component of capital is Tier 3 (which is aid to Tier 2 capital) which is used against market risk. Investments in the capital of banks and other financial institutions are deducted from regulatory capital if not consolidated in addition to investments in the capital of insurance companies. Also, excess over 10% of the Bank's capital if invested in an individual company investee as per the Central Bank of Jordan regulations.

On November 31, 2016 The Central Bank of Jordan issued instructions regarding capital adequacy in accordance with Basel III and canceled the instructions of regulatory capital adequacy according to Basel II.

The capital adequacy percentage is calculated in accordance with the Central Bank of Jordan according to Basel committee decision. Below is the capital adequacy as per Basel III:

	December 31	
	2020	2019
	JD	JD
Ordinary Share Rights		
Paid up capital	190,000,000	190,000,000
Retained earnings after subtracting the expected accumulated distributions	66,160,274	73,967,732
Accumulated change in fair value reserve in total	(5,988,630)	(7,848,900)
Statutory reserve	82,047,879	79,007,427
Other reserves approved by the Central Bank	10,894,653	10,894,653
Minority rights allowed to be recognized	(3,188,744)	-
Total ordinary share capital	3,379,941	2,463,485
	343,305,373	**348,484,397**
Regulatory Adjustments (Capital deductible)		
Intangible assets	5,193,184	6,085,563
Deferred tax assets that should be deducted	13,288,293	8,737,910
Deferred provisions approved by the Central Bank of Jordan	5,244,185	
Net ordinary shareholders' equity	**319,579,711**	**333,660,924**
Additional capital		
Minority rights allowed to be recognized		
Net primary capital (Tier I)		
Tier II Capital		
Subordinated loans	18,540,350	18,540,350
General banking risk reserve	3,897,183	3,854,197
Required provisions against debt instruments for stage 1 according to IFRS (9)	13,839,086	7,519,550
Minority rights allowed to be recognized	1,502,196	492,697
Tier II Capital	37,778,815	30,406,794
Adjustment (deducted from capital)		
Net Tier II	37,778,815	30,406,794
Regulatory capital	**357,358,526**	**364,067,718**
Total risk weighted assets	**2,237,707,255**	**2,021,871,964**
Capital adequacy (%)	**15.97%**	**18.01%**
Capital adequacy (primary capital) (%)	**14.28%**	**16.50%**
Subordinated capital (%)+A12`+A12	**1.69%**	**1.50%**

44. Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled:

December 31, 2020	Up to 1 Year	More than 1 Year	Total
	JD	JD	JD
Assets			
Cash and balances at Central Banks	312,961,419	-	312,961,419
Balances at banks and financial institutions	154,796,630	-	154,796,630
Deposits at banks and financial institutions	37,774,561	42,089,815	79,864,376
Financial assets at fair value through profit or loss	7,406,964	-	7,406,964
Financial assets at fair value through other comprehensive income	-	49,648,977	49,648,977
Direct credit facilities	207,580,582	605,344,524	812,925,106
Financial assets at amortized cost	518,613,582	1,275,257,902	1,793,871,484
Property and equipment	6,382,226	36,220,733	42,602,959
Intangible assets	3,100,000	2,093,184	5,193,184
Deferred tax assets	3,273,054	10,043,113	13,316,167
Other assets	39,598,203	41,050,008	80,648,211
Total Assets	1,291,487,221	2,061,748,256	3,353,235,477
Liabilities			
Banks and financial institution deposits	189,181,337	45,000,000	234,181,337
Customers' deposits	1,886,374,923	340,055,514	2,226,430,437
Cash margins	34,773,957	22,184,284	56,958,241
Borrowed funds	124,923,619	189,460,499	314,384,118
Subordinated loans	-	18,540,350	18,540,350
Sundry provisions	3,281,838	9,612,733	12,894,571
Income tax liabilities	14,733,476	1,269,318	16,002,794
Deferred tax liabilities	808,967	-	808,967
Other liabilities	68,346,323	29,399,390	97,745,713
Total Liabilities	2,322,424,440	655,522,088	2,977,946,528
Net	(1,030,937,219)	1,406,226,168	375,288,949

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

45. Fiduciary Accounts

Fiduciary accounts amounted to JD 434,342 as of 31 December 2020 (JD 432,448 as of December 31, 2019). Such assets or liabilities are not included in the Bank's statement of financial position.

46. Contingent Liabilities and Commitments

a. The total outstanding commitments and contingent liabilities are as follows:

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

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

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

47. Lawsuits raised against the Bank

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

In the management and attorneys estimates, the bank will not have any obligations to meet against these lawsuits that might fall above the amount of provision booked.

On January 1, 2019 multiple civil lawsuits have been filed at US courts against multiple banks and financial institutions claiming financial compensation using the US antiterrorism law for damages allegedly resulting from attacks by groups listed under the US sanctions list in 2001. These lawsuits have been filed at courts hours before their filing deadline, and have been filed by an attorney office which has filed several similar complaints against other banking institutions on behalf of the same plaintiffs claiming the damages. Cairo Amman Bank is one of the banks the aforementioned lawsuit has been filed against. The lawsuit is still in the preliminary and discussion phases.

In the opinion of the group's management, no provisions should be recorded for the lawsuits filed at US courts against the Bank as of December 31, 2020 as the Bank has consulted with legal consultants specialized in US courts and concluded that the legal status of the lawsuits is in favor of the Bank and that there is no legal or judicial grounds for the lawsuits. As there are no legal basis and the position of Cairo Amman Bank Group is strong.

In the opionion of the legal consultant, the legal position of the lawsuit falls with the bank based on the suggestion of admisal of all the complaints raised for the aforementioned reasons above. Also, based on the opinion of the legal consultant the amount of the complaint cannot be estimated as no specific amount was set against the bank.

48. Leases

a. Right of use assets

The bank leases many assets, including lands and buildings, the average lease term is 7 years, and the following is the movement over the right to use assets during the year:

	For the Year Ended December 31	
	2020	2019
	JD	JD
Beginning balance (Amended)	27,979,663	27,146,550
Add: additions during the year	3,587,091	4,368,171
Less: Depreciation for the year	(3,896,233)	(3,535,058)
Cancelled contracts	(238,279)	-
Balance – End of the Year	**27,432,242**	**27,979,663**

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

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

b. lease liabilities

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

Maturity of lease liabilities analysis:

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

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

Undiscounted lease liabilities analysis:

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

50. Comparative Figures

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

1- Regulatory Capital

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

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

2- Investments impairment provision

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

3- Deposits of banks and financial institutions / borrowed funds

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

51. The impact of the Coronavirus ("Covid-19")

The new Corona epidemic ("Covid-19") has spread across different geographic regions around the world, causing disruption of commercial and economic activities. The Coronavirus ("Covid-19") created a state of uncertainty in the global economic environment.

The Bank is closely monitoring the situation and has activated its business continuity plan and other risk management practices to manage the potential disruptions that the Coronavirus ("Covid-19") outbreak may cause to the Bank's business, operations and financial performance.

The Bank conducted an assessment of the impact of the Coronavirus ("Covid-19") pandemic, which led to the following changes in the ECL methodology and valuation estimates and judgments as on and for the year ending December 31, 2020:

A. expected credit losses

The uncertainty caused by the Coronavirus ("Covid-19") necessitated the bank to update the inputs and assumptions used to determine the expected credit losses as of December 31, 2020. The expected credit losses were estimated based on a range of expected economic conditions at that date, and in view of the rapid developments in the situation, the bank took into account the impact of high volatility on future macroeconomic factors when determining the severity and likelihood of economic scenarios for determining expected credit losses.

This volatility has been reversed by modifying the scenarios construction methods, the basic weights assigned to these scenarios, and the forward-looking factors (credit index) used from the historical observed credit index. The credit index is used to predict the likelihood of projected hypothetical situations in a bank's credit portfolio.

In addition to the above assumptions, the bank has paid special attention to the impact of Coronavirus ("Covid-19") on the qualitative and quantitative factors when determining the large increase in credit risk, and evaluating indicators of impairment of risks in the sectors likely to be affected. The bank also reflected the bank's management estimates in assessing the impact on certain sectors or specific customers based on the study of each sector or customer separately.

B. Valuation estimates and judgments

The bank's management has studied the potential effects of the current economic fluctuations in determining the declared amounts of the group's financial and non-financial assets, which represent management's best estimates based on observable information.

C. Deferred installments

Based on the instructions of the supervisory authorities to the operating banks, during the year 2020 the bank postponed the installments due or that would be due on some customers without considering this as a structuring, and without affecting also the customers' credit rating.

49- Fair Value Hierarchy

A. The fair value of financial assets and financial liabilities of the Company specified at fair value on an ongoing basis:

Some financial assets and liabilities of the Company are measured at fair value at the end of each fiscal period. The following table shows information about how the fair value of these financial assets and liabilities is determined (valuation methods and inputs used).

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

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

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

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

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

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