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

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021
TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT

CAIRO AMMAN BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
DECEMBER 31, 2021

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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, 2021, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Amman – Jordan
22 February 2022

Deloitte & Touche (M.E) - Jordan

Deloitte & Touche (M.E.)
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CAIRO AMMAN BANK

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN – THE HASHEMITE KINGDOM OF JORDAN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

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

CAIRO AMMAN BANK

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AMMAN – THE HASHEMITE KINGDOM OF JORDAN

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

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AMMAN – THE HASHEMITE KINGDOM OF JORDAN

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

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AMMAN – THE HASHEMITE KINGDOM OF JORDAN

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

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

** In accordance with the Ordinary General Assembly meeting held on 29 April 2021, the bank has decided to distribute cash dividends at a rate of 12% equivalent to JOD 22,800,000 (No dividends were distributed to the Bank's shareholders as decided through the ordinary general Assembly meeting in June 10, 2020)

- As of December 31, 2021, the restricted retained earnings balance resulting from the early implementation of IFRS 9 amounted to JD13,051,148 .
- The retained earnings balance includes deferred tax assets amounting to JD 12,227,606 and is restricted from use in accordance with the instructions of the Central Bank of Jordan.
- The Bank cannot use the negative balance of the fair value reserve in accordance with the instructions of the Central Bank of Jordan and the Jordanian Securities Commission.
- The Bank cannot use a restricted amount of JD 1,155,916 which represents the remaining balance of the general banking risk reserve included in retained earnings in accordance with the instructions of the Central Bank of Jordan.
- Distributable profits amounted to JD 64,857,792 as of December 31, 2021.

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

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CONSOLIDATED STATEMENT OF CASH FLOWS

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

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

1. General Information

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

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

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

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

2. Significant Accounting Policies

Basis of Preparation of Consolidated Financial Statement

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

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

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

- Exclusion of the Debt instruments issued or guaranteed by the Jordanian Government, where 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 with International Financial Reporting Standards (9) are compared with the calculation as per the instructions of the Central Bank of Jordan No. (47/2009) dated December 10, 2009 for each stage separately and the stricter results are recorded.

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

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

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

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

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

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

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

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

Basis of Financial Statements Consolidation

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 its 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.

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

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

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

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

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

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

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

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

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

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

* During the year ended December 31,2021, the bank sold 3,280,000 shares of the shares invested in Al-Safa Bank at the par value of $1/share (0.709 Dinar/ share), this transaction resulted in a decrease in the Bank's ownership percentage in the bank to reach 74.6% as of December 2021 (79% as of December 2020).

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

Control is achieved when the Bank:

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

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

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

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

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

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

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

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

Segmental Reporting

- Business segments 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 profit or loss, are recognized in 'Net Interest Income' as 'Interest Income' and 'Interest Expense' in the consolidated statement of profit or loss using the effective interest method. Interest on financial instruments measured at fair value through profit or loss are included within the fair value movement during the period.

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

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

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

Net Commission Income

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

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

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

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

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

Dividend Income

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

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

- For equity instruments which are held for trading, dividend income is presented in the statement of income in gain (loss) from financial assets through profit or loss;
- For equity instruments classified at fair value through other comprehensive income, dividends are included in the consolidated statement of profit or loss under the item of cash distribution from financial assets at fair value through other comprehensive income; and
- For equity instruments not classified at fair value through other comprehensive income and not held for trading, dividend income is presented as net income from other instruments at fair value through profit or loss.

Financial Instruments

Initial recognition and measurement:

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributed to the acquisition or the issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities as appropriate on initial recognition. Transaction costs directly attributed to the acquisition of financial assets or financial liabilities at fair value through 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 consolidated statement of profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability or when derecognizing the instruments.

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

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

Specifically:

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

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

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

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

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

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

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

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

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

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

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

Assessment of Business Models

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

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

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

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

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

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

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

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

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

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

Financial Assets at fair Value through Profit or Loss

Financial assets at fair value through profit or loss are:

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

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

Reclassifications

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

Foreign Exchange Gains and Losses

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

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in the consolidated statement of profit or loss; and
- For debt instruments measured at fair value through other comprehensive income that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in the consolidated statement of profit or loss. Other exchange differences are recognized in other comprehensive income in the investment's revaluation reserve.
- For financial assets measured at fair value through profit and loss that are not part of a designated hedge accounting relationship, exchange differences are recognized in the consolidated statement of profit or loss ;
- For equity instruments measured at fair value through other comprehensive income, exchange differences are recognized in consolidated statement of other comprehensive income in the change in fair value reserve.

Fair Value Option

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

- If the selection leads to a significant mismatching of the accounting standards.

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

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

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

Impairment

The Bank recognizes loss allowances for expected credit losses on the following financial instruments that are not measured at fair value through profit or loss:

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

No impairment loss is recognized on equity investments. With the exception of purchased or originated credit-impaired (POCI) financial assets (which are considered separately below), ECL is 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, ECL is measured at an amount equal to the 12-month ECL.

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

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

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

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

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

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

- When calculating the credit losses against credit exposures, a calculation comparison according to IFRS 9 with Central Bank of Jordan instructions No. (2009/47) dated December 10, 2009 for each stage individual, the most restrictive are 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 embedded 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 is considered forward-looking, and the Bank uses the same methodologies and data used to measure the loss allowance for expected credit loss.

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

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

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

Modification and De-recognition of Financial Assets

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

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

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

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

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

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

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

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

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

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

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

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

Write-off

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

Presentation of the Allowance for Expected Credit Loss in the Consolidated Statement of Financial Position

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

- For financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;

- For debt instruments measured at fair value through other comprehensive income: no loss allowance is recognized in the consolidated statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investment's 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 collective loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

Financial Liabilities and Equity

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

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

Equity Instruments

Paid up Capital

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

Compound Instruments

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

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

Financial Liabilities

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

Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities are classified as at fair value through the profit or loss when the financial liability is (i) held for trading, or (ii) it is designated as at fair value through of profit or loss. A financial liability is classified as held for trading if:

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

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

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

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

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

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

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

For issued loan commitments and financial guarantee contracts designated as at fair value through profit or loss, all gains and losses are recognized in statement of 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 consolidated statement of profit or loss, the Bank assesses whether it expects that the effects of changes in the liability's credit risk will be offset in consolidated statement of profit or loss by a change in the fair value of another financial instrument measured at fair value through profit or loss.

Other Financial Liabilities

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

Derecognition of Financial Liabilities

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

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

Derivative Financial Instruments

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

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

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

Embedded derivatives

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

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

Financial Guarantee Contracts

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

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

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

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

The Bank has not designated any financial guarantee contracts as at fair value through profit or loss.

Commitments to Provide a Loan at a Below-Market Interest Rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at fair value through the statement of profit or loss, are subsequently measured at the higher of:

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

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

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

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

Hedge Accounting

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

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

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

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

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

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

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

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

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

Fair Value Hedges

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

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

Where hedging gains/losses are recognized in the consolidated statement of profit or loss, they are recognized in the same line as the hedged item.

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

Cash Flow Hedges

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

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

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

Hedges of Net Investments in Foreign Operations

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

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

Offsetting

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

Managed Accounts for the Benefit of Clients

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

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

Fair value

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

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

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

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

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

Provisions

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

End-of-Service Indemnity

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

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

Income Tax

- Tax expense comprises accrued tax and deferred taxes.

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

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

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

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

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

Assets owned by the Bank in fulfillment of outstanding debts

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

Mortgaged Financial Assets

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

Repurchase and Resale Agreements

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

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

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

The depreciation rates used are as follows:

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

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

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

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

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

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

Internally generated intangible assets are not capitalized and are expensed in the consolidated statement of profit or loss in the same period.

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

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

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

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

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

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

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

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

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

Cash and Cash Equivalents

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

Leases

The Bank as a lessee

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

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

Leasing payments included in the rental obligation measurement include:

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

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

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

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

- 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" line in the profit or loss consolidated statement.

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

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

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

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

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

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

3. Adoption of New and Revised Standards

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

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

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

Interest Rate Benchmark Reform

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

In the current year, the Group adopted the Phase 2 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Group to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk-free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of consolidated financial statements.

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

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

As per phase 2 amendments, changes to the basis for determining contractual cash flows as a result of interest rate benchmark reform are required as practical expedient to be treated as changes to floating interest rate, provided that, for the financial instruments, the takes place on an automatically equivalent basis.

The Group's strategy regarding fair value hedge will not change and the impact of the amendments on such hedge relationship is not material.

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

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

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

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

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

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.

- Any reduction in lease payments affects only payments originally due on or before 30 June 2022 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022).
- There is no substantive change to other terms and conditions of the lease.

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

b. <u>Standards issued but not effective</u>

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

New and revised IFRSs	Effective date
IFRS 17 Insurance Contracts (including the June 2020 amendments to IFRS 17) IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023. For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.	**The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.**
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.	**The effective date is yet to be set. Earlier application is permitted.**

New and revised IFRSs	Effective date
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	**The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.**
Amendments to IFRS 3 – Reference to the Conceptual Framework The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.	**The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references.**
Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.	**January 1, 2022, with early application permitted.**

New and revised IFRSs	Effective date
Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.	**January 1, 2022, with early application permitted.**
IFRS 1 First-time Adoption of International Financial Reporting Standards The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16 (a).	**January 1, 2022, with early application permitted.**
IFRS 9 Financial Instruments The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.	**The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.**
IFRS 16 Leases The amendment removes the illustration of the reimbursement of leasehold improvements.	**As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.**
IAS 41 Agriculture The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.	**January 1, 2022, with early application permitted.**

New and revised IFRSs	Effective date
Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.	**January 1, 2023, with earlier application permitted and are applied prospectively.** **The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.**
Amendments to IAS 8 - Definition of Accounting Estimates The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications: • A change in accounting estimate that results from new information or new developments is not the correction of an error • The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.	**January 1, 2023, with earlier application permitted**
Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.	**January 1, 2023, with earlier application permitted**

New and revised IFRSs	Effective date
The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises: • A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with: - Right-of-use assets and lease liabilities - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset • The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.	

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

4. Significant Accounting Judgments and Key Sources of Estimates Uncertainty

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

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

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

Critical judgements in applying the group’s accounting policies

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

Business Model Evaluation

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

Significant increase in credit risk

The expected credit loss is measured as a provision equal to the expected credit loss for a period of (12) months for the assets of the first stage, or the credit loss over the life of the assets of the second stage or the third stage. The asset moves to stage 2 if the credit risk has increased significantly since initial recognition. IFRS 9 does not specify what constitutes a significant increase in credit risk. In assessing whether the credit risk of any of the assets has increased significantly, the Bank considers quantitative and qualitative information that is reasonable and supportable. The estimates used by the bank’s management related to the significant change in credit risk that lead to a change in rating within the three stages (1, 2 and 3) are detailed in the notes to the consolidated financial statements.

Establish groups of assets with similar credit risk characteristics

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

Re-division of portfolios and movements between portfolios

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

Models and assumptions used

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

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

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

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

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

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

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

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

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

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

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

Determining the number and relative weight of scenarios, the outlook for each type of product / market, and the identification of future information relevant to each scenario.
When measuring the expected credit loss, the Bank uses reasonable and supported future information based on the assumptions of the future movement of the various economic drivers and the manner in which they affect each other.

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

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

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

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

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

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

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

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

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

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

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

5. Cash and balances at Central Banks - Net

The details of this balance is as follows:

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

- Restricted balances amounted to JD10,635,000 as of December 31, 2021 (JD 10,635,000 as of December 31, 2020). In addition to the statutory cash reserve as stated above.

- There are no balances that mature in a period more than three months as of December 31, 2021 and 2020.

- All balances at the Central Bank of Jordan are classified within stage 1 in accordance with the requirements of IFRS (9) and there are no transfers between stages 1, 2, and 3 or any written off balances as of December 31, 2021.

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

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

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

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

For the year ended December 31, 2021	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	**JD**	**JD**	**JD**
Balance at the beginning of the year	202,963,689	-	-	202,963,689
New balances during the year	60,987,962	-	-	60,987,962
Settled balances	(15,879,091)	-	-	(15,879,091)
Total Balance at the End of the Year	**248,072,560**	-	-	**248,072,560**

For the year ended December 31, 2020	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	**JD**	**JD**	**JD**
Balance at the beginning of the year	191,817,329	-	-	191,817,329
New balances during the year	25,291,783	-	-	25,291,783
Settled balances	(14,145,423)	-	-	(14,145,423)
Total Balance at the End of the Year	**202,963,689**	-	-	**202,963,689**

Movement on the provision for expected credit loss:

For the year ended December 31, 2021	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	17,476	-	-	17,476
New balances during the year	10,727	-	-	10,727
Settled balances	(13,896)	-	-	(13,896)
Total Balance at the End of the Year	**14,307**	**-**	**-**	**14,307**

For the year ended December 31, 2020	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	3,979	-	-	3,979
New balances during the year	29,670	-	-	29,670
Settled balances	(16,173)	-	-	(16,173)
Total Balance at the End of the Year	**17,476**	**-**	**-**	**17,476**

6. Balances at banks and financial institutions-Net

The details of this balance is as follow:

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

- Non-interest bearing balances at banks and financial institutions amounted to JD 77,385,789 as of December 31, 2021 (JD 71,730,989 as of December 31, 2020).

- There are no restricted balances as of December 31, 2021 and 2020.

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

As of December 31, 2021	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy				
From (Aaa) to (Baa3)	81,134,491	-	-	81,134,491
From (Ba1) to (Caa3)	39,086,552	-	-	39,086,552
From (1) to (6)	1,353,432	-	-	1,353,432
Total	**121,574,475**	**-**	**-**	**121,574,475**

As of December 31, 2020	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy				
From (Aaa) to (Baa3)	131,097,596	-	-	131,097,596
From (Ba1) to (Caa3)	22,150,997	-	-	22,150,997
From (1) to (6)	1,633,572	-	-	1,633,572
Total	**154,882,165**	**-**	**-**	**154,882,165**

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

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

For the year ended December 31, 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
Matured balances	(150,641,202)	-	-	(150,641,202)
Gross Balance at the End of the Year	154,882,165	-	-	154,882,165

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

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

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

7. Deposits at banks and financial institutions - Net

The details of this item are as follows:

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

- There are no restricted deposits as of December 31, 2021 and 2020.

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

As on December 31, 2021	**Stage 1 Individual**	**Stage 2 Individual**	**Stage 3**	**Total**
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy				
From (Aaa) to (Baa3)	72,368,276	-	-	72,368,276
From (Ba1) to (Caa3)	28,902,479	-	-	28,902,479
Total	**101,270,755**	**-**	**-**	**101,270,755**

As on December 31, 2020	**Stage 1 Individual**	**Stage 2 Individual**	**Stage 3**	**Total**
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy				
From (Aaa) to (Baa3)	52,694,192	-	-	52,694,192
From (Ba1) to (Caa3)	27,512,235	-	-	27,512,235
Total	**80,206,427**	**-**	**-**	**80,206,427**

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

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

For the year ended December 31, 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 deposits	(13,619,655)	-	-	(13,619,655)
Gross Balance at the End of the Year	**80,206,427**	**-**	**-**	**80,206,427**

Movement on the provision for expected credit losses:

For the year ended December 31, 2021	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	342,051	-	-	342,051
Expected credit loss on balances and new deposits for the year	15,942	-	-	15,942
Reversed credit loss on balances and settled amounts	(5,789)	-	-	(5,789)
Changes resulting from ad ustments	(136,169)	-	-	(136,169)
Balance at the End of the Year	**216,035**	**-**	**-**	**216,035**

For the year ended December 31, 2020	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	239,076	-	-	239,076
Expected credit loss on balances and new deposits for the year	6,393	-	-	6,393
Reversed credit loss on balances and settled amounts	(11,581)	-	-	(11,581)
Changes resulting from ad ustments	108,163	-	-	108,163
Balance at the End of the Year	**342,051**	**-**	**-**	**342,051**

8. Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

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

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

The details of this item are as follows:

	December 31,	
	2021	**2020**
	JD	**JD**
uoted Shares	58,284,132	43,528,787
n- uoted Shares	7,303,740	6,120,190
Bonds with available market prices	209,205	-
	65,797,077	**49,648,977**
Less: Provision for expected credit losses (Bonds)	(4,336.00)	-
Total	**65,792,741**	**49,648,977**

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

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

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

10/A. Financial Assets at Amortized Cost - Net

The details of this item are as follows:

	December 31,	
	2021	**2020**
	JD	**JD**
Financial assets with quoted market prices:		
Governmental treasury bills	6,069,503	-
Foreign government treasury bonds	14,007,499	2,916,349
Bonds and corporate loan bonds	22,037,086	24,450,252
Total quoted investments	**42,114,088**	**27,366,601**
Financial assets with unquoted prices:		
Governmental treasury bills	40,257,102	9,770,801
Governmental / government guaranteed debt securities	585,972,667	640,782,315
Corporate debt securities	65,000,000	63,000,000
Total unquoted investments	**691,229,769**	**713,553,116**
Gross Balance	733,343,857	740,919,717
Less: Provision for expected credit losses (financial assets at amortized cost)	(939,058)	(1,135,611)
	732,404,799	**739,784,106**
Analysis of bonds:		
Fixed income	733,343,857	740,919,717
Total	**733,343,857**	**740,919,717**

10/B. Financial assets pledged as collaterals

The details of this item are as follows:

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

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

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

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

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

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

For the year ended December 31, 2021	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the year	814,060,717	-	-	814,060,717
New investments during the year	202,087,060	-	-	202,087,060
Matured investments	(208,600,920)	-	-	(208,600,920)
Total Balance at the End of the Year	**807,546,857**	**-**	**-**	**807,546,857**

For the year ended December 31, 2020	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the year	750,327,548	-	-	750,327,548
New investments during the year	158,301,261	-	-	158,301,261
Matured investments	(94,568,092)	-	-	(94,568,092)
Total Balance at the End of the Year	**814,060,717**	**-**	**-**	**814,060,717**

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

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

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

11. Direct Credit Facilities - Net

The details of this item are as follows:

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

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

- Non-performing credit facilities, in accordance with the instructions of the Central Bank of Jordan, amounted to JD 107,568,549 as of December 31, 2021 (JD 109,313,840 as of December 31, 2020) representing 5.23% (2020: 5.79%) of gross direct credit facilities granted.

- Non-performing credit facilities, net of suspended interest, amounted to JD 97,015,679 as of December 31, 2021 (JD 96,423,451 as of December 31, 20120), representing 4.74% (2020: 5.14%) of gross direct credit facilities granted after excluding suspended interest.

- Credit facilities granted to the Government of Jordan amounted to JD 25,783,194 as of December 31, 2021 (JD 55,167,746 as of December 31, 2020), representing 1.25% (2020: 2.92%) of gross direct credit facilities granted.

- Credit facilities granted to the public sector in Palestine amounted to JD 79,649,701 as of December 31, 2021 (JD 87,151,326 as of December 31, 2020), representing 4.61% (2020: 4.61%) of gross direct credit facilities granted.

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

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

For the year ended December 31, 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 ad ustments	-	-	-	-	-	-
ritten off facilities	-	-	-	-	(3,508,389)	(3,508,389)
Balance at the End of the Year	**677,476,471**	**848,232,031**	**164,739,542**	**82,096,387**	**116,287,864**	**1,888,832,295**

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

	Consumer	Residential Loans	Corporates: Corporates	Corporates: SMEs	Government and Public Sector	Total
For the Year Ended December 31, 2021	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	40,334,148	9,136,154	18,537,650	13,186,398	684,183	81,878,533
Credit loss on new facilities during the year	4,399,728	2,239,975	3,890,962	1,459,085	453,756	12,443,506
Reversed from credit losses on settled facilities	(3,823,275)	(1,116,180)	(3,292,064)	(3,134,627)	(232,160)	(11,598,306)
Transferred to stage 1	3,117,789	482,557	2,967,480	890,287	(318,696)	7,139,417
Transferred to stage 2	1,159,348	344,727	(2,359,700)	678,735	318,696	141,806
Transferred to stage 3	(4,277,137)	(827,284)	(607,780)	(1,569,022)	-	(7,281,223)
Effect on the provision at the end of the year - resulting from						-
the reclassification between the three stages during the year	3,323,033	896,285	(1,679,000.00)	(245,063)	1,670,009	3,965,264
Changes resulting from ad ustments	5,389,367	167,044	5,809,307	1,162,253	-	12,527,971
ritten off facilities	(2,417,091)	(323,871)	(962,382)	(128,185)	-	(3,831,529)
aluation differences	63,005	-	100,252	-	-	163,257
Balance at End of the Year	**47,268,915**	**10,999,407**	**22,404,725**	**12,299,861**	**2,575,788**	**95,548,696**
For the Year Ended December 31, 2020						
Balance at the beginning of the year	38,795,804	6,648,056	9,294,100	9,485,381	3,011,508	67,234,849
Credit loss on new facilities during the year	6,531,796	2,434,479	3,158,768	3,170,245	302,256	15,597,544
Reversed from credit losses on settled facilities	(1,445,653)	(628,716)	(1,511,048)	(1,857,983)	(102,005)	5,545,405-
Transferred to stage 1	5,703,439	862,710	1,023,097	262,069	4,111	7,855,426
Transferred to stage 2	1,669,907	327,479	(602,141)	85,470	1,544,104	3,024,819
Transferred to stage 3	(7,373,346)	(1,190,189)	(420,956)	(347,539)	(1,548,215)	10,880,245-
Effect on the provision at the end of the year - resulting from						-
the reclassification between the three stages during the year	(466,651)	955,034	5,532,326	2,435,990	(1,382,754)	7,073,945
Changes resulting from ad ustments	179,769	(291,971)	1,835,071	(157,600)	(1,144,822)	420,447
ritten off facilities	(3,395,729)	(24,787)	-	(10,760)	-	(3,431,276)
aluation differences	134,812	44,059	228,433	121,125	-	528,429
Balance at End of the Year	**40,334,148**	**9,136,154**	**18,537,650**	**13,186,398**	**684,183**	**81,878,533**

Suspended Interest

The movement on suspended interest is as follows:

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

For the year ended December 31, 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)
Balance at the End of the Year	**-**	**59,899**	**27,700**	**51,269**	**12,943,410**	**13,082,278**

The movement on suspended interest is as follows:

	Consumer	Residential Loans	Corporates: Corporates	Corporates: SMEs	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD
For the year ended December 31, 2021						
Balance at the beginning of the year	2,331,972	621,534	7,949,234	2,179,538	-	13,082,278
Suspended interest on new exposures during the year	530,510	279,978	843,555	261,138	-	1,915,181
Suspended interest on settled exposures transferred to						-
revenue during the year	(279,455)	(102,619)	(145,478)	(110,468)	-	(638,020)
Transferred to stage 1	44,039	12,992	4,763	27,681	-	89,475
Transferred to stage 2	32,111	2,180	33,757	(2,859)	-	65,189
Transferred to stage 3	(76,150)	(15,172)	(38,520)	(24,822)	-	(154,664)
Effect on suspended revenue at the end of the year - resulting from the						
reclassification between the three stages during the year	-	-	-	-	-	-
Suspended interest on written off exposures	(37,087)	(17,571)	(3,675,986)	(3,664)	-	(3,734,308)
Balance at the End of the Year	**2,545,940**	**781,322**	**4,971,325**	**2,326,544**	**-**	**10,625,131**
For the year ended December 31, 2020						
Balance at the beginning of the year	2,149,457	411,444	6,606,420	1,722,329	199,155	11,088,805
Suspended interest on new exposures during the year	513,021	258,208	1,458,881	757,766	-	2,987,876
Suspended interest on settled exposures transferred to	(255,492)	(46,239)	(116,067)	(300,338)	(199,155)	(917,291)
revenue during the year	124,810	11,565	-	618	-	136,993
Transferred to stage 1	39,953	23,377	(24,075)	41,375	199,155	279,785
Transferred to stage 2	(164,763)	(34,942)	24,075	(41,993)	(199,155)	(416,778)
Transferred to stage 3						-
Effect on suspended revenue at the end of the year - resulting from						-
the reclassification between the three stages during the year	(75,014)	(1,879)	-	(219)	-	(77,112)
Balance at the End of the Year	**2,331,972**	**621,534**	**7,949,234**	**2,179,538**	**-**	**13,082,278**

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

As of December 31, 2021

	In accordance with IFRS (9) as adopted by the central bank of Jordan											
	Stage 1			Stage 2			Stage 3			Total		
	Total	Expected Credit Losses	Suspended Interest	Total	Expected Credit Losses	Suspended Interest	Total	Expected Credit Losses	Suspended Interest	Total	Expected Credit Losses	Suspended Interest
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Individuals	677,656,398	5,762,898	16,202	54,041,125	2,290,321	2,282	45,683,998	39,215,696	2,527,456	777,381,521	47,268,915	2,545,940
Realestate Mortgages	231,933,829	3,147,152	42	44,313,910	2,111,231	22,628	15,789,381	5,741,024	758,652	292,037,120	10,999,407	781,322
Corporates	436,855,572	1,655,572	-	128,898,145	3,348,290	-	30,588,668	17,400,863	4,971,325	596,342,385	22,404,725	4,971,325
SMEs	142,141,546	736,539	-	46,520,672	1,019,068	-	23,220,782	10,544,254	2,326,544	211,883,000	12,299,861	2,326,544
Government and Public Sector	102,681,606	443,763	-	76,945,050	2,132,025	-	-	-	-	179,626,656	2,575,788	-
	1,591,268,951	**11,745,924**	**16,244**	**350,718,902**	**10,900,935**	**24,910**	**115,282,829**	**72,901,837**	**10,583,977**	**2,057,270,682**	**95,548,696**	**10,625,131**

As of December 31, 2020

	In accordance with IFRS (9) as adopted by the central bank of Jordan											
	Stage 1			Stage 2			Stage 3			Total		
	Total	Expected Credit Losses	Suspended Interest	Total	Expected Credit Losses	Suspended Interest	Total	Expected Credit Losses	Suspended Interest	Total	Expected Credit Losses	Suspended Interest
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Individuals	636,160,092	6,689,840	57,876	48,957,926	1,626,590	1,835	40,015,268	32,017,718	2,272,261	725,133,286	40,334,148	2,331,972
Realestate Mortgages	203,921,585	2,759,327	2,023	32,439,800	1,207,376	49,434	13,535,778	5,169,451	570,077	249,897,163	9,136,154	621,534
Corporates	375,100,943	458,049	-	112,154,586	4,372,730	-	37,585,709	13,706,871	7,949,234	524,841,238	18,537,650	7,949,234
SMEs	111,650,324	346,694	-	47,987,288	1,965,379	27,700	25,151,109	10,874,325	2,151,838	184,788,721	13,186,398	2,179,538
Government and Public Sector	198,875,558	516,324	-	5,296,329	167,859	-	-	-	-	204,171,887	684,183	-
	1,525,708,502	**10,770,234**	**59,899**	**246,835,929**	**9,339,934**	**78,969**	**116,287,864**	**61,768,365**	**12,943,410**	**1,888,832,295**	**81,878,533**	**13,082,278**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For the year ended December 31, 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	-
ritten off facilities	-	-	-	-	(10,979)	(10,979)
Balance at the End of the Year	**103,499,970**	**8,150,354**	**47,288,627**	**698,661**	**25,151,109**	**184,788,721**

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

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

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

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

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

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

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

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

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

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

For the year ended December 31, 2021

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

For the year ended December 31, 2020

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For the year ended December 31, 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 ad ustments		-	(1,144,822)	(1,144,822)
Balance at the End of the Year	**516,324**	**167,859**	**-**	**684,183**

12. Property and Equipment - Net

The details of this item are as follows:

	Land	Buildings	Tools, Furniture & Fixtures	Vehicles	Computers	Projects in Progress	Total
	JD	JD	JD	JD	JD	JD	JD
For the year ended December 31, 2021							
Cost:							
Balance at the beginning of the year	4,879,584	25,496,094	47,011,280	1,585,957	31,225,132	1,417,294	111,615,341
Additions	-	7,931	983,288	130,500	3,696,592	2,361,996	7,180,307
Transfers	-	-	289,217	-	282,974	(572,191)	-
Disposals	-	-	(789,480)	(220,086)	(407,767)	-	(1,417,333)
Balance at the End of the Year	**4,879,584**	**25,504,025**	**47,494,305**	**1,496,371**	**34,796,931**	**3,207,099**	**117,378,315**
Accumulated Depreciation:							
Balance at the beginning of the year	-	6,040,892	37,331,910	1,466,144	24,173,436	-	69,012,382
Depreciation for the year	-	581,804	2,351,943	87,713	2,962,202	-	5,983,662
Disposals	-	-	(761,859)	(220,076)	(406,550)	-	(1,388,485)
Balance at the End of the ear	-	6,622,696	38,921,994	1,333,781	26,729,088	-	73,607,559
Net Book Value at the End of the Year	**4,879,584**	**18,881,329**	**8,572,311**	**162,590**	**8,067,843**	**3,207,099**	**43,770,756**
For the year ended December 31, 2020							
Cost:							
Balance at the beginning of the year	3,649,204	24,367,957	44,027,718	1,718,209	28,813,747	3,232,534	105,809,369
Additions	1,230,380	913,386	1,581,990	-	1,820,876	1,059,479	6,606,111
Transfers	-	214,751	1,783,780	-	876,188	(2,874,719)	-
Disposals	-	-	(382,208)	(132,252)	(285,679)		(800,139)
Balance at the End of the Year	**4,879,584**	**25,496,094**	**47,011,280**	**1,585,957**	**31,225,132**	**1,417,294**	**111,615,341**
Accumulated Depreciation:							
Balance at the beginning of the year	-	5,468,046	35,082,414	1,440,483	21,296,955	-	63,287,898
Depreciation for the year	-	572,846	2,620,990	110,483	3,094,573	-	6,398,892
Disposals	-	-	(371,494)	(84,822)	(218,092)	-	(674,408)
Balance at the End of the ear	-	6,040,892	37,331,910	1,466,144	24,173,436	-	69,012,382
Net Book Value at the End of the Year	**4,879,584**	**19,455,202**	**9,679,370**	**119,813**	**7,051,696**	**1,417,294**	**42,602,959**
Annual Depreciation Rate %	-	2	9 -15	15	20	-	

- Fully depreciated property and equipment amounted to JD 55,071,457 as of December 31, 2021 (JD 43,276,563 as of December 31, 2020) and are still being used by the Bank.

The estimated cost to complete of the pro ects under construction amounted to JD 2,471,528 as of December 31, 2021 (JD 1,592,859 as of December 31, 2020).

13. Intangible Assets - Net

The details of this item are as follows:

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

14. Other Assets

The details of this item are as follows:

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

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

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

	2021	2020
	JD	JD
Balance - beginning of the year	12,556,317	13,624,736
Additions	5,349,503	502,086
Transferred to bank property	-	(1,522,176)
Disposals	(1,277,405)	(1,570,505)
Total	**16,628,415**	**12,556,317**
Impairment of repossessed assets	(541,265)	(496,275)
Impairment of repossessed assets as per the Central Bank of Jordan instructions	(1,685,675)	(1,215,906)
Balance - End of the Year	**14,401,475**	**10,844,136**

A summary of the movement on repossessed assets previous:		
Balance-beginning of the year	1,712,181	1,685,900
Additions	514,759	26,281
Balance - End of the Year	**2,226,940**	**1,712,181**

15. Banks and financial institutions' deposits

The details of this item are as follows:

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

16. Customers' Deposits

The details of this item are as follows:

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

- The Government of Jordan and the public sector deposits inside the ingdom amounted to JD 341,267,864 equivalent to 14 % of total deposits as of December 31, 2021 (JD 338,093,612, equivalent to 15.19% of total deposits of December 31, 2019).

- There are no restricted deposits as of December 31, 2021 and 2020.

- Non-interest bearing deposits amounted to JD 599,643,817 equivalent to 24.55% of total deposits as of December 31, 2020 (JD 496,395,865 equivalent to 22.3 % of total deposits as of December 31, 2020).

- Dormant accounts amounted to JD 58,323,012 as of December 31, 2021 (JD 58,140,668 as of December 31, 2020).

17. Margin Accounts

The details of this item are as follows:

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

18. Borrowed Funds

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, 2021							
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	1,240,750	20	7	Semi- annually	2025	None	3.358%
Amounts borrowed from Central Bank of Jordan*	5,700,000	10	4	Semi- annually	2028	None	2.700%
Amounts borrowed from Central Bank of Jordan**	85,560,776	437	437	At maturity / per Loan	2022-2035	Treasury Bills	1.75 - 0.5
Amounts borrowed from Central Bank of Jordan**	32,539,540	391	391	At maturity / per Loan	2022 - 2024	None	0.000%
Amounts borrowed from Central Bank of Jordan*	888,000	14	5	Semi- annually	2024	None	2.500%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	14,180,000	3	2	Semi- annually	2022	None	2.020%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	6,077,143	7	3	Semi- annually	2023	None	5.500%
Amounts borrowed from Central Bank of Jordan*	3,485,000	20	16	Semi- annually	2030	None	2.8
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	2024	None	5.000%
Jordan Mortgage Refinance Company ***	30,000,000	34	34	At maturity	2024	None	5.750%
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2022	None	5.350%
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2026	None	4.750%
Jordan Mortgage Refinance Company ***	4,000,000	1	1	At maturity	2028	None	4.650%
Amounts borrowed from Central Bank of Jordan	12,658,228	1	1	At maturity	2022	Treasury Bills	2.000%
Amounts borrowed from Central Bank of Jordan	6,250,000	1	1	At maturity	2022	Treasury Bills	2.000%
Amounts borrowed from Central Bank of Jordan	34,188,034	1	1	At maturity	2022	Treasury Bills	2.000%
Amounts borrowed from Central Bank of Jordan	14,662,757	1	1	At maturity	2022	Treasury Bills	2.000%
Amounts borrowed from Central Bank of Jordan	9,259,259	1	1	At maturity	2022	Treasury Bills	2.000%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	1,519,286	7	3	Semi- annually	2023	None	2.200%
Amounts borrowed from French Development Agency	9,948,638	20	19	Semi- annually	2031	None	1.273%
Palestine Monetary Authority	4,263,488	1	1	-	None	None	0.500%
Etihad Bank	6,000,000	8	8	uarterly	2024	None	3.750%
ousing Bank for Trade and Finance	30,815,178	Overdraft		-	2022	None	3.500%
Arab Jordan Investment Bank	60,249	Overdraft		-	2022	None	5.750%
Amounts borrowed from International Financial Markets (FMI)	1,074,224	1	1	-	None	None	-
Total	**363,909,865**						
December 31, 2020							
Amounts borrowed from overseas investment company (OPIC)	15,598,000	1	1	At maturity	2034	None	4.895 -4.845
Amounts borrowed from French Development Agency	1,595,250	20	9	Semi- annually	2025	None	3.358%
Amounts borrowed from Central Bank of Jordan*	6,650,000	10	6	Annually	2028	None	2.700%
Amounts borrowed from Central Bank of Jordan**	64,397,097	263	263	At maturity / per Loan	2021-2035	Treasury Bills	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	uarterly	2024	None	3.750%
Societe Generale de Banque Jordanie	177,778	45	8	Monthly	2021	None	5.250%
ousing Bank for Trade and Finance	30,468,727	1	1	Overdraft	2021	None	3.500%
Arab Jordan Investment Bank	48,665	1	1	Overdraft	2021	None	6.500%
Amounts borrowed from International Financial Markets (FMI)	1,074,224	1	1	-	None	None	-
Total	**314,384,118**						

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

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

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

19. Subordinated loans

The details of this item are as follows:

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

20. Sundry Provisions

The details of this item are as follows:

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

21. Income Tax

A- Income Tax Provision

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

	For the year ended December 31,	
	2021	2020
	JD	JD
Balance - beginning of the year	16,002,794	16,954,411
Income tax paid	(15,571,667)	(17,454,437)
Income tax payable	19,379,228	16,502,820
Balance - End of the Year	**19,810,355**	**16,002,794**

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

	For the year ended December 31,	
	2021	2020
	JD	JD
Income tax for the year	19,379,228	16,502,820
Deferred Tax liabilities	(32,377)	(8,382)
Deferred Tax Assets	(726,974)	(3,266,763)
Income Tax for the Year's Profits	**18,619,877**	**13,227,675**

The income tax rate for banks in Jordan is 38%, and the income tax rate in countries where the bank has companies and branches ranges between zero and 31%. (Banks in Palestine are sub ect to an income tax rate of 15% and value added tax 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, the files for the year 2019 & 2020 were not reviewed yet by the department

- 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 2018, 2019 and 2020 .

- A final settlement was reached with the Income and Sales Tax Department of the Al atanieh for Financial Services Company (Jordan) Awraq until the end of the year 2014, as the Income and Sales Tax Department has reviewed the company's records for the years 2015, 2016, 2017, where the tax due for these years was estimated at JOD 1,361,990 for the amounts paid. This decision was ob ected 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 2018 and 2019 and the income & sales department has not reviewed yet the accounts for the year 2020.

- Al- atanieh Securities Company Palestine reached a final settlement with the income tax Department till the end of the year 2020.

- Tamallak for leasing Company financial statements has reached a final settlement with the Income and Sales tax Department for the year 2018. The records of the company were not reviewed for the years 2019 and 2020.

- In the opinion of the Bank's management, income tax provisions as of December 31, 2021 are sufficient to face any future tax liabilities.

C - Deferred Tax Assets and Liabilities

The details of this item are as follows:

	For the year ended December 31,2021					As of December 31, 2020
	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	23,338,748	-	859,620	24,198,368	8,780,591	8,477,624
Interest in suspense	703,930	-	163,168	867,098	242,787	197,100
Sundry provisions	1,187,023	(3,300)	350,000	1,533,723	582,815	451,069
Impairment on repossessed assets	1,685,900	-	500,000	2,185,900	830,642	640,642
nrealized Losses financial assets at fair value through Other Comprehensive income	11,029,423	(10,859,095)	780,867	951,195	1,436,466	3,195,427
Foreign currency translation effects	3,543,049	-	-	3,543,049	354,305	354,305
	41,488,073	**(10,862,395)**	**2,653,655**	**33,279,333**	**12,227,606**	**13,316,167**
Deferred tax liabilities						
nrealized gain financial assets financial assets at fair value through Other Comprehensive income	2,069,840	(198,317)	1,754,456	3,625,979	313,552	224,474
nrealized gain financial assets at fair value through profit or loss (early IFRS 9 implementation)	5,442,830	(296,205)	-	5,146,625	552,116	584,493
	7,512,670	**(494,522)**	**1,754,456**	**8,772,604**	**865,668**	**808,967**

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

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

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

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

	For the year ended December 31,	
	2021	2020
	JD	JD
Accounting profit	51,308,174	30,700,932
Non-taxable profit	(9,408,334)	(4,490,120)
Non-deductible expenses	9,801,123	10,055,579
Taxable profit	**51,700,963**	**36,266,391**
Effective rate of income tax	**36.29**	**43.09**

22. Other Liabilities

The details of this item are as follows:

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

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

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

For the year ended December 31, 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	373,479	9,603,825	47,611	127,216,604
Accrued exposures	(2,685,540)	(33,234,008)	(263,469)	(14,170,853)	(212,241)	(50,566,111)
Transferred to stage 1	120,329	7,387,095	(74,939)	(7,360,095)	(72,390)	-
Transferred to stage 2	(827,724)	(5,079,184)	846,999	5,085,684	(25,775)	-
Transferred to stage 3	(88,442)	(11,720)	(32,934)	(16,500)	149,596	-
Balance at the End of the Year	**22,180,289**	**286,385,560**	**1,165,564**	**42,163,336**	**436,827**	**352,331,576**

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

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

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

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

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

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

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

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

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

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

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

For the year ended December 31, 2020	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	-	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 ad ustments	-	-	-	(847)	-	(847)
Balance at the End of the Year	**-**	**440,812**	**-**	**31,780**	**-**	**472,592**

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

	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:						
From (Aaa) to (Baa3)	-	7,830,361	-	-	-	7,830,361
From (Ba1) to (Caa3)	-	855,884	-	-	-	855,884
From (Ca) to (C)	-	-	-	-	-	-
From (1) to (6)	-	42,523,839	-	9,052,177	-	51,576,016
(7)	-	-	-	2,250,349	-	2,250,349
From (8) to (10)	-	-	-	-	411,961	411,961
Total	**-**	**51,210,084**	**-**	**11,302,526**	**411,961**	**62,924,571**

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

Disclosure on the movement of indirect facilities:

	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	-	50,725,248	-	7,528,080	258,213	58,511,541
New exposures during the year	-	10,485,823	-	2,884,123	24,895	13,394,841
Accrued exposures	-	(7,598,633)	-	(1,345,346)	(37,832)	(8,981,811)
Transferred to stage 1	-	458,297	-	(325,797)	(132,500)	-
Transferred to stage 2	-	(2,826,151)	-	2,826,151	-	-
Transferred to stage 3	-	(34,500)	-	(264,685)	299,185	-
Balance at the End of the Year	**-**	**51,210,084**	**-**	**11,302,526**	**411,961**	**62,924,571**

	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
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	-
Balance at the End of the Year	**-**	**50,725,248**	**-**	**7,528,080**	**258,213**	**58,511,541**

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

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

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

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

	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:						
From (1) to (6)	-	234,587,409	-	33,026,739	-	267,614,148
(7)	-	-	-	6,471,400	-	6,471,400
From (8) to (10)	-	-	-	-	48,056	48,056
ncategorized	20,102,040	-	1,800,173	-	491,599	22,393,812
Total	**20,102,040**	**234,587,409**	**1,800,173**	**39,498,139**	**539,655**	**296,527,416**

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

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

For the year ended December 31, 2021	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	22,180,289	179,110,658	1,165,564	33,493,268	178,614	236,128,393
New exposures during the year	3,739,256	98,167,159	534,942	10,342,640	214,872	112,998,869
Accrued exposures	(5,084,500)	(38,195,427)	(394,446)	(8,775,750)	(149,723)	(52,599,846)
Transferred to stage 1	307,414	2,267,560	(266,529)	(2,267,560)	(40,885)	-
Transferred to stage 2	(764,663)	(6,702,541)	822,375	6,705,541	(60,712)	-
Transferred to stage 3	(275,756)	(60,000)	(61,733)	-	397,489	-
Gross Balance at the End of the Year	**20,102,040**	**234,587,409**	**1,800,173**	**39,498,139**	**539,655**	**296,527,416**

	Stage 1		Stage 2			
For the year ended December 31, 2020	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	16,520,798	131,754,408	316,428	37,150,793	230,805	185,973,232
New exposures during the year	9,140,868	56,346,115	373,479	8,387,591	46,551	74,294,604
Accrued exposures	(2,685,540)	(9,952,992)	(263,469)	(11,077,989)	(159,453)	(24,139,443)
Transferred to stage 1	120,329	4,123,598	(74,939)	(4,123,598)	(45,390)	-
Transferred to stage 2	(827,724)	(3,160,471)	846,999	3,160,471	(19,275)	-
Transferred to stage 3	(88,442)		(32,934)	(4,000)	125,376	-
Gross Balance at the End of the Year	**22,180,289**	**179,110,658**	**1,165,564**	**33,493,268**	**178,614**	**236,128,393**

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

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

For the year ended December 31, 2020	Stage 1		Stage 2			
	Collective	**Individual**	**Collective**	**Individual**	**Stage 3**	**Total**
	JD	**JD**	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	452,094	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 ad ustments	(677)	1,837	(222)	(464)	-	474
Balance at the End of the Year	**671,283**	**260,743**	**70,446**	**817,510**	**51,544**	**1,871,526**

23. Authorized and Paid-up Capital

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

24. Reserves

Statutory Reserve

This reserve represents amounts transferred from income before tax at a rate of 10% during the previous year according to the Bank's Law and Companies Law. And it's not distributable 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	86,711,919	Banking law and corporate law
General banking risk	4,341,429	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 14, 2022 the board of directors has recommended the approval to the general assembly to approve the distribution of 9% cash dividends amounting to JOD 17.100.000 million and 16,078,984 shares of Al-Safa Bank / Palestine shares owned by Cairo Amman Bank to its shareholders in proportion to the shareholders' ownership in the bank's capital, this recommendation is subject to the approval of the Central Bank of Jordan, Palestinian Capital Monetary Authority, other regulators and General Assembly.

26. Fair Value Reserve - Net

The details of this item are as follows:

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

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

27. Retained Earnings

The details of this item are as follows:

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

- Retained earnings balance includes JD 13,051,148 as of december 31,2021 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 sale transactions.

- Retained earnings includes deferred tax assets amounting to JD 12,227,606 as of December 31, 2021 which is not available for distribution in accordance with the Central Bank of Jordan instructions (JD 13,316,167 as of December 31, 2020).

- The amount JD 1,155,916 represents the remaining balance of the general banking risk reserve included within the retained earning which is restricted from use per the Central Bank of Jordan instructions.

28. Interest Income

The details of this item are as follows:

	For the year ended December 31	
	2021	2020
Direct Credit Facilities:	JD	JD
Consumer lending		
Overdrafts	1,751,368	1,763,245
Loans and bills	56,482,391	58,169,703
Credit cards	2,841,390	2,676,690
Margin accounts financial services	909,847	369,933
Residential mortgages	13,958,062	13,894,830
Corporate lending		
Large Corporate		
Overdrafts	6,771,899	7,030,913
Loans and bills	26,931,154	24,468,791
Small and medium enterprises lending		
Overdrafts	1,547,420	1,632,050
Loans and bills	7,404,659	6,733,722
Public and governmental sectors	12,503,043	11,778,597
Balances at Central Banks	55,705	208,224
Balances and deposits at banks and financial institutions	2,752,876	3,250,666
Financial assets at amortized cost	38,088,471	39,044,624
Total	**171,998,285**	**171,021,988**

29. Interest Expense

The details of this item are as follows:

	For the year ended December 31	
	2021	2020
	JD	JD
Banks and financial institution deposits	6,052,314	8,035,479
Customers' deposits:		
Current and demand accounts	2,102,527	2,084,118
Saving accounts	1,272,913	237,481
Time and notice placements	34,482,146	39,307,470
Deposit Certificates		-
Margin accounts	422,968	746,947
Borrowed funds	8,952,019	8,934,208
Deposit guarantee fees	2,827,006	3,052,348
Total	**56,111,893**	**62,398,051**

30. Net Commission

The details of this item are as follows:

	For the year ended December 31	
	2021	2020
	JD	JD
Commission from Direct credit facilities	5,060,164	5,014,116
Commission from Indirect credit facilities	2,459,476	1,749,588
Other commissions	12,980,172	11,275,165
Less: commission expense	(155,568)	(154,502)
Total Net Commission	**20,344,244**	**17,884,367**

31. Gain from Foreign Currencies

The details of this item are as follows:

	For the year ended December 31	
	2021	2020
	JD	JD
Trading / operations in foreign currencies	235,087	226,377
Revaluation of positions	4,181,722	4,306,409
Total	**4,416,809**	**4,532,786**

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

The details of this item are as follows:

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

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

The details of this item are as follows:

	For the year ended December 31,	
	2021	2020
	JD	JD
Dividend income from companies shares	2,603,330	2,152,730
Total	**2,603,330**	**2,152,730**

34. Other Income - Net

The details of this item are as follows:

	For the year ended December 31,	
	2021	2020
	JD	JD
Suspended interest transferred to revenue	447,445	858,912
Safety rental income	126,137	132,525
Revenues from issuing check books	42,255	34,448
Collections of debts previously written off	1,513,163	1,356,087
Income from ATMS and credit cards	2,284,738	2,125,424
Gain (Loss) from sale of property and equipment	87,520	(165,290)
Gains from sale of assets repossessed by the Bank	780,188	182
Building rent revenue	26,257	1,334
Brokerage commission	1,148,557	785,861
Others	168,046	187,737
Total	**6,624,306**	**5,317,220**

35. Employees' Costs

The details of this item are as follows:

	For the year ended December 31,	
	2021	2020
	JD	JD
Employees' salaries, benefits and remuneration	36,689,877	35,800,198
Bank's contribution to social security	2,758,392	2,729,603
Bank's contribution to savings fund	487,392	490,128
End of service indemnity	744,658	41,121
Medical expenses	2,881,456	2,710,703
Employees' training	164,473	97,084
Employees' uniforms	283,193	39,823
Others employees expenses	56,796	33,361
Total	**44,066,237**	**41,942,021**

36. Other Expenses

The details of this item are as follows:

	For the year ended December 31,	
	2021	2020
	JD	JD
Rent	5,273,431	5,165,934
Cleaning and maintenance	2,053,310	2,194,714
ater, heat and electricity	2,624,961	2,571,922
License and governmental fees	1,269,485	1,347,385
Printings and stationery	621,717	573,587
Donations and subvention	751,189	2,078,247
Insurance expenses	1,501,833	1,220,932
Subscriptions	825,347	785,751
Telephone and telex	608,897	542,302
Legal fees and expenses	858,455	544,899
Professional fees	1,165,958	1,136,054
Mail and money transfer	788,594	736,996
Advertising expense	3,072,189	2,965,486
Board of directors expenses and remuneration	1,137,093	987,143
Information systems expenses and compensation	7,900,112	8,343,853
Travel and transportation	495,995	447,602
Consultation expenses	419,348	367,752
Safeguarding expenses	821,507	763,196
External expenses	402,769	738,514
Other expenses	638,600	555,376
Total	**33,230,790**	**34,067,645**

37. Provision for Expected Credit Losses

The details of this item are as follows:

	For the year ended December 31,	
	2021	2020
	JD	JD
Balances at central banks	(3,169)	13,497
Balances at banks and financial institutions	(39,304)	34,168
Deposits at banks and financial institutions	(126,016)	102,975
Financial assets at fair value through other comprehensive income	4,336	-
Financial assets at amortized cost	(196,553)	375,325
Direct credit facilities	17,338,435	17,546,531
Indirect credit facilities	650,706	448,151
Total	**17,628,435**	**18,520,647**

38. Earnings per Share

The details of this item are as follows:

	For the year ended December 31,	
	2021	2020
	JD	JD
Profit for the year attributable to bank's shareholders (JD)	32,799,711	18,161,180
eighted average number of shares (share)	190,000,000	190,000,000
	Fils/JD	Fils/JD
Basic and diluted earnings per share (Bank's Shareholders)	0/173	0/096

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

39. Cash and Cash Equivalents

The details of this item are as follows:

	For the year ended December 31,	
	2021	2020
	JD	JD
Cash and balances with Central Banks maturing within 3 months	413,509,026	312,978,895
Add: Balances at banks and financial institutions' maturing within 3 months	121,574,475	154,882,165
Less: Banks and financial institutions' deposits maturing within 3 months	105,012,987	133,032,487
Restricted cash balances	10,635,000	10,635,000
Total	**419,435,514**	**324,193,573**

40. Balances and Transactions with Related Parties

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

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

The Bank entered into transactions with subsidiaries, ma or 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 *	For the year ended December 31, 2021	2020
	JD	JD	JD	JD	JD
Consolidated Statement of Financial Position Items:					
Direct credit facilities	18,475,111	4,450,927	19,686,363	42,612,401	66,932,582
Deposits at the Bank	95,712,589	4,159,591	18,331,451	118,203,631	119,537,989
Margin accounts	661,035	24,076	264,235	949,346	62,628
Off Consolidated Statement of Financial Position Items:					
Indirect credit facilities	1,933,316	300	264,235	2,197,851	4,252,715
				For the Year Ended December 31, 2021	2020
Consolidated Statement of profit or loss Items:				JD	JD
Interest and commission income	1,257,717	235,875	1,476,122	2,969,714	1,982,960
Interest and commission expense	1,975,665	79,240	549,603	2,604,508	2,171,359

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

- Credit interest rates on credit facilities in Jordanian Dinar range between 3.75% 13.54%
- Credit interest rates on credit facilities in foreign currency range between 4% 4.75%
- Debit interest rates on deposits in Jordanian Dinar range between zero% 4.25%
- Debit interest rates on deposits in foreign currency range between zero% 2.1%

Salaries, wages and bonuses of executive management amounted to JD 3,269,359 as of December 31, 2021 (JD 3,223,772 as of December 31, 2020).

41. Risk Management

IFRS (9) Disclosures

First: Descriptive Disclosures:

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

- **Definition of default:**

The bank has adopted the definition of default according to the instructions for applying the International Financial Reporting Standard 9 No. 13/2018 in addition to the Central Bank's instructions No. 47/2009, whereby any debt instrument was considered among the bad debts if there is evidence / evidences that it has become non-performing (unstable), 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 regulatory authorities in the countries where it operates.

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

- Corporate portfolio:

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

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

- Retail portfolio:

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

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

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

The calculation for each stage is as follows:

- **Stage (1):** Expected credit losses is 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 the financial statements preparation.
- **Stage (2):** Expected credit loss is 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 increase in its credit risk since its initial recognition, but it has not reached the default stage.
  Several determinants have been adopted as an indicator of the increase in credit risk to move the financial instrument from the first stage to the second stage, taking into account many indicators, including:

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

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

The following debt instruments are included in the calculation:

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

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

Roles and responsibilities:

<u>The Board of Directors:</u>

- Adopting the policy of calculating expected credit losses as per IFRS 9.

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

- Provide the appropriate infrastructure for the application.

- Ensuring that the supervisory units of the bank represented for the risk management and the internal audit department carry out all necessary work to verify the correctness and integrity of the methodologies and systems used in the application of IFRS 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 IFRS (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 of the head of the credit department, head of treasury, chief financial officer, chief risk officer, head of corporate credit and head of retail credit 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.
- Communicating the results of the calculation to all concerned parties.

Financial management and shareholders affairs:

- Contributing to the calculation process with the relevant departments and reviewing the calculation results.
- Making the necessary accounting adjustments and reconciliations after adoption of 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 adopt 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 of Jordan.
- Preparing the disclosures 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 provision.

Credit Management:

- Classifying clients within the internal rating classification on a periodic basis to measure clients' risk based on the rating classification
- Periodically updating data for credit facilities and guarantees within the classification system.
- Updating and evaluating the negative quantitative and qualitative indicators resulting from the high risks of customers and recommending their inclusion within the appropriate credit rating stages.
- Contribute to the review of the methodologies used and the results of calculating the credit allocations for the corporate portfolio.
- Submitting the necessary recommendations to the Steering Committee to implement IFRS 9 in the event of any exception.

Internal Audit Management:

- Verifying the adequacy and validity 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 head office, 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:
  The Probability of Default has been approved (Probability of Default – PD) data used by Moody's has been adopted as input to the calculation system, and the expected credit loss calculation system converts the probability of default (Through the Cycle Probability of Default - TTC PD) to (Point In Time Probability of Default - PIT PD) on the basis of each instrument and after taking into consideration the risks of the country and the economic sector of the client.

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 where 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 where 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 probability of default 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), 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, stock prices, 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 stock prices.
- Retail portfolio: gross domestic product, real gross domestic product, domestic product deflator and shares prices.
-

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

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

The Bank manages its risks through a comprehensive strategy for risk management by which the roles and responsibilities of all parties concerned are identified. These include the Board of Directors and subcommittees such as the Risk Committee, Investment Committee, Audit Compliance Management Committees, 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 accordance with local regulations as well as taking into account the best international practices in this regard. The Bank's set of principles include the following:

Responsibility of the board of directors:

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

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

- Adopting the bank's policies.

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

Responsibility of the board of directors:

- 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.

- Staying aware of developments affecting the bank's risk management.

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

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

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

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

- Risk Management Responsibility:

- Submitting reports and the risk system to the Risk Management Committee.
- Monitoring the compliance of the various departments of the bank with the limits of acceptable risks to ensure that these risks are within the acceptable limits.
- Analyzing all types of risks, in addition to developing methodologies for measuring and controlling each type of risk.
- Implementing systems related to evaluating the types of risks faced by the bank and developing related work procedures.

- Managing and applying the Bank's ICAAP methodology in an adequate and comprehensive manner commensurate with the risk structure faced by the Bank.
- Executing stressful situations tests within the policies and methodologies approved by the Board of Directors.
- Participation in the calculation of expected credit losses within the (IFRS 9), using specialized systems by an international company.
- Coordination with the concerned authorities to carry out examinations of business continuity plans and update them periodically.
  Orienting, training and guiding the bank's employees regarding the culture of risk management in the bank.
- Implementation of the Central Bank of Jordan's instructions related to risk management.
- Preparing, implementing, and reviewing the Recovery Plan.

Acceptable risk limits

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

Stress Testing:

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

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

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

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

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

Credit Risks:

Credit risk is the risk that may result from a breaches 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 limits 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 by the bank, stating authorities, collaterals and credit monitoring department the general framework 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.

Customers Credit Rating:
In order to develop credit risk management at the bank, credit risks assessment are performed internally, this 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.

Risk 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 some portfolios and structure additional provisions as one of the methods of mitigating risks. The management periodically monitors the market value of the collateral, and in the event of its decline, the bank requests additional collateral to enhance the deficit.

Credit Granting process management
The Bank adopts the principle of segregation of duties 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 performed 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

As of December 31,2021

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

As of December 31,2020

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

B- Expected credit losses of reclassified exposures:

As of December 31,2021

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

As of December 31,2020

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

2- Allocation of exposures according to industrial sectors:

A- Allocation of exposures according to financial instruments - net

As of December 31,2021	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	-	-	-	-	-	-	-	248,058,253	248,058,253
Balances at banks and financial institutions	121,528,244	-	-	-	-	-	-	-	121,528,244
Deposits at banks and financial institutions	101,054,720	-	-	-	-	-	-	-	101,054,720
Direct credit facilities	96,866,271	132,586,532	411,223,642	264,353,939	19,115,239	29,022,357	703,815,024	294,113,851	1,951,096,855
Financial assets at amortized cost	65,259,304	-	20,951,917	-	-	-	-	720,396,578	806,607,799
Other assets	8,692,751	3,570,699	12,615,585	179,287	665,423	451,058	2,190,450	7,209,797	35,575,050
Total	393,401,290	136,157,231	444,791,144	264,533,226	19,780,662	29,473,415	706,005,474	1,269,778,479	3,263,920,921
Financial guarantees	13,191,308	10,073,255	22,513,790	14,624,098	574,789	-	-	1,308,276	62,285,516
Letters of credit	22,227,303	16,974,094	50,423,154	-	-	-	-	4,602,124	94,226,675
Other liabilities	26,380,298	36,560,713	146,686,171	10,892,932	1,430,292	-	24,237,288	48,057,353	294,245,047
Total	**455,200,199**	**199,765,293**	**664,414,259**	**290,050,256**	**21,785,743**	**29,473,415**	**730,242,762**	**1,323,746,232**	**3,714,678,159**

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

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

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

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

3- Allocation of exposures according to geographical locations:

a. Allocation of exposures according to geographical regions - net

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

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

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

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

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

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

- The above table represents the maximum credit risk for the bank as of December 31, 2021 and 2020 without taking the effect of collaterals or mitigation procedures 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 due to proper rescheduling to watch list during the year 2021. Moreover, it amounted to JD 20,887,637 as of the current year against JD 27,856,882 as of the previous year.

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

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

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

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

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

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

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

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

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

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

The following table demonstrates the sensitivity analysis of interest rates:

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

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

Interest Rate Re-Pricing Gap

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

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

Currency Risk:

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

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

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

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

Concentration in foreign currency risk:

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

Change in Equity Price Risk

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

	2021			2020		
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+	251,031	435,885	5+	200,485	390,385
Palestine Stock Exchange	5+	-	1,300,65	5+	27,531	878,798
New York Stock Exchange	5+	-	-	5+	13,764	-
Others Markets	5+	4,237	665,093	5+	951	497,468

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

Liquidity Risk

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

Diversification of funding sources

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

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

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

Analyzing and monitoring the maturities of assets and liabilities

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

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

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

Cash reserves with Central Banks

The Bank maintains statutory cash reserve with the Central Banks amounting to JD 118,710,023.

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

As of December 31, 2021	Less than 1 Month	1 - 3 Months	3 - 6 Months	6 - 12 Months	1 - 3 Years	More than 3 Years	No Fixed Maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities								
Banks and financial institution deposits	80,999,079	24,951,197	60,658,622	37,401,475	-	-	-	204,010,373
Customers' deposits	864,312,949	425,533,124	353,004,639	472,524,180	280,284,870	62,564,031	-	2,458,223,793
Cash margins	5,205,309	7,591,520	12,916,532	17,300,666	11,966,014	4,813,697	-	59,793,738
Borrowed funds	100,036,253	21,448,041	30,260,076	39,823,546	89,545,898	99,771,371	1,074,224	381,959,409
Subordinated loans	-	-	-	-	-	22,656,022	-	22,656,022
Sundry provisions	35,968	104,258	390,256	1,479,049	2,062,598	8,241,865	-	12,313,994
Income tax liabilities	5,665,471	1,468,867	10,685,551	200,000	1,790,466	-	-	19,810,355
Deferred tax liabilities	-	-	-	-	-	-	865,668	865,668
Other liabilities	31,267,740	13,357,115	10,875,990	21,076,407	8,485,801		20,013,031	105,076,084
Total Liabilities	**1,087,522,769**	**494,454,122**	**478,791,666**	**589,805,323**	**394,135,647**	**198,046,986**	**21,952,923**	**3,264,709,436**
Total Assets (as per their expected maturities)	**655,866,724**	**172,316,602**	**319,638,967**	**319,936,163**	**851,012,025**	**1,161,722,600**	**133,315,152**	**3,613,808,233**

As of December 31, 2020	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	117,061,485	20,343,944	30,391,252	38,111,819	31,565,009	-	-	237,473,509
Customers' deposits	759,705,382	409,630,109	318,596,471	452,303,543	249,630,838	57,782,781	-	2,247,649,124
Cash margins	7,641,450	11,044,650	8,910,414	7,265,239	16,128,405	6,614,557	-	57,604,715
Borrowed funds	82,534,858	48,327,891	23,280,024	20,176,804	55,098,588	111,322,789	1,074,224	341,815,178
Subordinated loans	-	-	-	-	-	24,617,508	-	24,617,508
Sundry provisions	52,531	148,735	374,826	1,285,746	1,534,643	8,078,090	1,420,000	12,894,571
Income tax liabilities	3,150,000	100,000	6,300,000	5,183,476	1,269,318	-	-	16,002,794
Deferred tax liabilities	-	-	-	-	-	-	808,967	808,967
Other liabilities	34,737,580	14,864,039	9,336,611	9,408,093	11,089,343	18,310,047	-	97,745,713
Total Liabilities	**1,004,883,286**	**504,459,368**	**397,189,598**	**533,734,720**	**366,316,144**	**226,725,772**	**3,303,191**	**3,036,612,079**
Total Assets (as per their expected maturities)	**570,449,631**	**152,953,269**	**217,792,394**	**322,767,737**	**867,494,880**	**1,106,290,482**	**115,487,084**	**3,353,235,477**

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

As of December 31, 2021	Up to 1 Year	1 - 5 Years	More than 5 Years	Total
	JD	JD	JD	JD
Acceptances and letters of credit	94,778,836	-	-	94,778,836
Letters of guarantee	58,906,200	4,018,371	-	62,924,571
nutilized limits	246,203,611	-	-	246,203,611
Total	**399,888,647**	**4,018,371**	**-**	**403,907,018**

As of December 31, 2020	Up to 1 Year	1 - 5 Years	More than 5 Years	Total
Acceptances and letters of credit	57,679,057	-	-	57,679,057
Letters of guarantee	54,139,815	4,371,726	-	58,511,541
nutilized limits	171,498,249	-	-	171,498,249
Total	**283,317,121**	**4,371,726**	**-**	**287,688,847**

Operational Risk

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

The general framework for the operational risk management:

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

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

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

Compliance Risk

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

The main objectives of the compliance department are as follows:

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

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

The main objectives of the AML Department are as follows:

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

42- Segment Information

a. Information on the Bank's Segments:

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

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

Following is the Bank's segment information:

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

As follows, the Bank's segment information:

B- Geographical Information:

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

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

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

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

43. Capital Management

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

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

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

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

Description of what is considered capital

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

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

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

	December 31	
	2021	2020
	JD	JD
Ordinary Shareholders Rights		
Authorized and Paid up capital	190,000,000	190,000,000
Retained earnings after subtracting the expected accumulated distributions	65,981,207	66,160,274
Fair value reserve in total- Net	3,797,698	(5,988,630)
Statutory reserve	86,711,919	82,047,879
Other reserves approved by the Central Bank	10,894,653	10,894,653
Foregin currency translation-Net	(3,188,744)	(3,188,744)
Minority rights allowed to be recognized	10,052,233	3,379,941
Total ordinary share capital	**364,248,966**	**343,305,373**
Regulatory Adjustments (Capital deducted)		
Intangible assets	5,159,688	5,193,184
Deferred tax assets that should be deducted	12,174,930	13,288,293
Deferred provisions approved by the Central Bank of Jordan	-	5,244,185
Net ordinary shareholders' rights	**346,914,348**	**319,579,711**
Additional capital		
Minority rights allowed to be recognized		
Net primary capital (Tier I)		
Tier II Capital		
Subordinated loans	16,959,280	18,540,350
General banking risk reserve	4,341,429	3,897,183
Required provisions against debt instruments for stage 1 according to IFRS (9)	14,663,713	13,839,086
Minority rights allowed to be recognized	4,467,659	1,502,196
Tier II Capital	40,432,081	37,778,815
Adjustment (deductions from capital)		
Net Tier II	40,432,081	37,778,815
Regulatory capital	**387,346,429**	**357,358,526**
Total risk weighted assets	**2,552,300,954**	**2,237,707,255**
Capital adequacy (%)	**15.18**	**15.97**
Capital adequacy (primary capital) (%)	**13.59**	**14.28**
Subordinated capital (%)	**1.58**	**1.69**

44. Maturity Analysis of Assets and Liabilities

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

	Up to 1 Year	More than 1 Year	Total
December 31, 2021	**JD**	**JD**	**JD**
Assets			
Cash and balances at Central Banks- Net	413,494,719	-	413,494,719
Balances at banks and financial institutions - Net	121,528,244	-	121,528,244
Deposits at banks and financial institutions - Net	66,254,363	34,800,357	101,054,720
Financial assets at fair value through profit or loss	8,164,615	-	8,164,615
Financial assets at fair value through other comprehensive income - Net	-	65,792,741	65,792,741
Financial assets at amortized cost- Net	217,680,016	588,927,783	806,607,799
Direct credit facilities- Net	606,814,982	1,344,281,873	1,951,096,855
Property and equipment- Net	6,194,000	37,576,756	43,770,756
Intangible assets- Net	2,000,000	3,159,688	5,159,688
Deferred tax assets	3,385,066	8,842,540	12,227,606
Other assets	49,237,623	35,672,867	84,910,490
Total Assets	**1,494,753,628**	**2,119,054,605**	**3,613,808,233**
Liabilities			
Banks and financial institution deposits	202,284,537	-	202,284,537
Customers' deposits	2,062,291,624	375,607,902	2,437,899,526
Cash margins	42,952,764	16,593,644	59,546,408
Borrowed funds	153,741,396	210,168,469	363,909,865
Subordinated loans	-	18,540,350	18,540,350
Sundry provisions	2,009,531	10,304,463	12,313,994
Income tax liabilities	18,019,889	1,790,466	19,810,355
Deferred tax liabilities	865,668	-	865,668
Other liabilities	75,796,958	25,441,617	101,238,575
Total Liabilities	**2,557,962,367**	**658,446,911**	**3,216,409,278**
Net	**(1,063,208,739)**	**1,460,607,694**	**397,398,955**

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

45. Fiduciary Accounts

Fiduciary accounts amounted to JD 479,949 as of 31 December 2021 (JD 434,342 as of December 31, 2020). Such assets or li7abilities are not included in the Bank's statement of financial position.

46. Contingent Liabilities and Commitments

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

	2021	2020
	JD	JD
Letters of credit:		
Outward	70,742,768	46,987,960
Acceptances	24,036,068	10,691,097
Letters of guarantee:		
Payments	27,079,626	26,079,007
Performance	19,156,735	16,346,471
Other	16,688,210	16,086,063
Unutilized direct credit facilities	246,203,611	171,498,249
	403,907,018	**287,688,847**

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

	2021	2020
	JD	JD
Contracts to purchase property and equipment	**2,471,528**	**1,592,859**

47. Lawsuits raised against the Bank

In the normal course of business, the Bank appears as a defendant in a number of lawsuits amounting to JD 20,060,128 as of December 31, 2021 (JD 39,211,662 as of December 31, 2020). 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 1,876,281 and JD 2,746,501 as of December 31, 2021 and 2020.

During the period ended on December 31, 2021, cases filed with the group related to one of the bank's branches in the State of Palestine were settled for an amount of 18.8 million Jordanian dinars.

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

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

In the opinion of the group's management, no provisions should be recorded for the lawsuits filed at US courts against the Bank as of December 31, 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 opinion of the legal consultant, the legal position of the lawsuit falls with the bank based on the suggestion of admisal of all the complaints raised for the aforementioned reasons above. Also, based on the opinion of the legal consultant the amount of the lawsuit cannot be estimated as no specific amount was set against the bank.

48. Leases

a. Right of use assets

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

	For the Year Ended December 31,	
	2021	2020
	JD	JD
Beginning balance	27,432,242	27,979,663
Add: additions during the year	514,409	3,587,091
Less: Depreciation for the year	(3,469,181)	(3,896,233)
Cancelled contracts	(323,108)	(238,279)
Balance – End of the Year	**24,154,362**	**27,432,242**

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

	For the Year Ended December 31,	
	2021	2020
	JD	JD
Depreciation for the year	4,022,447	3,894,672
Interest for the year	1,049,037	1,051,915
Total	**5,071,484**	**4,946,587**

b. lease liabilities

	For the Year Ended December 31,	
	2021	2020
	JD	JD
Beginning balance	26,266,292	25,927,574
Add: Additions during the year	999,818	4,347,474
Interest during the year	1,049,037	1,027,316
Less: paid during the period	(4,538,767)	(4,064,457)
Amortization of prepaid expenses	-	-
Cancelled contracts	(451,107)	(971,587)
Exchange difference	68	(28)
Balance – End of the Year	**23,325,341**	**26,266,292**

Maturity of lease liabilities analysis:

	For the Year Ended December 31,	
	2021	2020
	JD	JD
Up to a year	3,688,931	3,733,596
From one to five years	14,326,277	12,633,644
More than five years	5,310,133	9,899,644
	23,325,341	**26,266,292**

The value of the undiscounted lease obligations amounted to JD 27,162,851 as of December 31, 2021 and the following is a maturity analysis:

Undiscounted lease liabilities analysis:

	For the Year Ended December 31,	
	2021	2020
	JD	JD
Up to a year	4,469,225	4,365,674
From one to five years	15,573,098	15,317,913
More than five years	7,120,528	10,905,547
	27,162,851	**30,589,134**

49- Fair Value Hierarchy

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

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

Financial Assets / Financial Liabilities	Fair Value December 31 2021	2020	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 through Profit or Loss						
Equity Securities	8,164,615	7,406,964	Level I	Prices listed in stock exchanges	Not Applicable	Not Applicable
Total	**8,164,615**	**7,406,964**				
Financial Assets at Fair alue through Other Comprehensive Income						
uoted shares	58,284,132	43,528,787	Level I	Prices listed in stock exchanges	Not Applicable	Not Applicable
nquoted shares	7,303,740	6,120,190	Level II	Comparing the market value with a similar financial instrument	Not Applicable	Not Applicable
uoted bonds	204,869	-	Level I	price listed in stock exchanges	Not Applicable	Not Applicable
Total	**65,792,741**	**49,648,977**				
Gross Financial Assets at Fair Value	**73,957,356**	**57,055,941**				

There were no transfers between the first level and second level during 2021.

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, 2021		December 31, 2020		
	Book Value	Fair Value	Book Value	Fair Value	Fair Value Level
	JD	JD	JD	JD	
Financial Assets with an Unspecified Fair Value					
Balances at Central Banks - Net	248,058,253	248,065,416	202,946,213	202,949,704	Level II
Balances at Banks and other Financial Institutes - Net	121,528,244	121,627,102	154,796,630	154,997,851	Level II
Deposits at Banks and other Financial Institutes - Net	101,054,720	102,697,913	79,864,376	81,173,358	Level II
Financial assets at amortized costs- net	806,607,799	815,543,829	812,925,106	822,521,157	Level I and II
Direct credit facilities - net	1,951,096,855	1,957,559,843	1,793,871,484	1,801,653,751	Level II
Total Financial Assets with an Unspecified Fair Value	**3,228,345,871**	**3,245,494,103**	**3,044,403,809**	**3,063,295,821**	
Financial Liabilities with an Unspecified Fair Value					
Banks and financial institutions' deposits	202,284,537	204,092,559	234,181,337	235,508,039	Level II
Customers Deposits	2,437,899,526	2,445,538,713	2,226,430,437	2,234,057,132	Level II
Cash margins	59,546,408	59,546,408	56,958,241	56,959,891	Level II
Borrowed funds	363,909,865	364,901,553	314,384,118	315,227,909	Level II
Subordinated loans	18,540,350	18,789,914	18,540,350	18,876,114	Level II
Total Financial Liabilities with an Unspecified Fair Value	**3,082,180,686**	**3,092,869,147**	**2,850,494,483**	**2,860,629,085**	

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

50. Liquidity Coverage Ratio (LCR)

The details of the Bank's Liquidity Coverage Ratio were as follows:

	As of December 31,	
	2021	2020
	JD	JD
Gross high quality liquid assets	1,120,360,489	979,013,926
Gross high quality liquid assets after deduction of maximum limit adjustments	1,120,360,489	979,013,926
Net cash outflow	461,531,452	460,699,531
Liquidity Coverage Ratios (LCR)	**242.7%**	**212.5%**

- The average liquidity coverage ratio reached 221.45%.

51. Coronavirus ("Covid-19") Impact

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

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

The Bank conducted an assessment of the impact of the Coronavirus ("Covid-19") pandemic, which led to the following changes in the ECL methodology and valuation estimates and judgments as on and for the year ending December 31, 2021:

A. Expected Credit Loss

The uncertainty caused by the Coronavirus ("Covid-19") necessitated the bank to update the inputs and assumptions used to determine the expected credit losses as of December 31, 2021. The expected credit losses were estimated based on a range of expected economic conditions at that date, and in view of the rapid developments in the situation, the bank took into account the impact of high volatility on future macroeconomic factors when determining the severity and likelihood of economic scenarios for determining expected credit losses.

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

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

B. Valuation estimates and judgments

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

C. Deferred installments

Based on the instructions of the supervisory authorities to the operating banks, during the year 2021 the Bank postponed the installments due or that would be due on some customers without considering this as a restructuring, and without affecting the customers' credit rating.