البنك الأردني الكويتي

JORDAN KUWAIT BANK

Annual Report

2022

البنك الأردني الكويتي
JORDAN KUWAIT BANK

Public Ltd. Company Established 25/10/1976

Commercial Register Number 108

Paid-up Capital JOD 150 million

Member of "KIPCO" Group – Kuwait

Our Vision...

"To bring the bright future of banking to our customers today."

Our Mission...

"Providing integrated, tailored, and frictionless banking experience through digitally innovative and agile services."

Our Values...

- We welcome change
- We thrive on empowerment
- We work together
- We treat all stakeholders as family
- We are responsible corporate citizens

Contents

His Majesty
King Abdullah II Bin Al-Hussein

His Highness
Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah
Emir of the State of Kuwait

His Royal Highness
Prince Hussein Bin Abdullah II

Board of Directors

Chairman

H.E Mr. Nasser A. Lozi

Vice Chairman

Mr. Faisal Hamad Al-Ayyar

Members

Mr. Masaud M. Jawhar Hayat	Rep.: Kuwait Projects Co. (Holding) – Kuwait
Mr. Tariq M. Abdul Salam	Rep.: Al Rawabi United Holing Co. – Kuwait – until 20/4/2022
Mr. Moustapha S. Chami	Rep.: Al Rawabi United Holing Co. – Kuwait – As of 22/6/2022
H.E Mr. Marwan M. Awad	Rep.: Social Security Corporation
Mr. Nidal F. Qubbaj	Rep.: Social Security Corporation
Mr. Bijan Khosrowshahi	Rep.: Odyssey Reinsurance Co. – USA
H.E Dr. Marwan J. Muasher	
Mr. Hani K. Hunaidi	
Mr. Majed F. Burjaq	Rep.: Safari Development & Real Estate Investment Co.
Dr. Safwan S. Toqan	
Dr. Omar M. Al Jazy	
Mrs. Nadia A. Rawabdeh	

Secretary of the Board

Mr. Abdallah I. Mismar	until 30/9/2022
Mr. Ibrahim E. Kashet	As of 1/10/2022

Auditors

PricewaterhouseCoopers 'Jordan'

Message from the Chairman

Esteemed shareholders,

It gives me great pleasure on behalf of myself and my colleagues, members of the Board of Directors, to address you all through the pages of this annual report, which offers a snapshot of our key activities, achievements, and consolidated financial statements for the fiscal year ending on 31/12/2022.

Over the past three years, the global economy has struggled. No sooner than the world breathed a sigh of relief at the imminent end of the COVID-19 pandemic, that the war broke out in Ukraine, inevitably leading to a slowdown in global economic growth, threatening energy security, exacerbating poverty and unemployment, and unleashing mass anxiety with far-reaching consequences. These crises also brought a multitude of inflatory pressures, particularly in developed regions like the United States and the European Union, where inflation rates approached their highest levels in 40 years in 2022. This prompted major central banks, including the US Federal Reserve, to raise interest rates to unprecedented levels to counter these effects.

According to the IMF's World Economic Outlook report, global general inflation peaked during the third quarter of 2022, after which fuel and non-oil commodity prices declined, lowering general inflation in the United States and Europe. However, core inflation has not yet peaked in most economies and remains well above pre-pandemic levels, driven successive price hikes, tightening labor markets, and strong wage growth. Moreover, the global economic downturn has slowed post-pandemic economic recovery, stunting the momentum of growth in advanced economies over the course of 2022, with significant consequences for the rest of the world. These pressures exacerbated financial and debt vulnerabilities in developing countries, particularly in light of a stronger US dollar.

Domestically, the Jordanian economy in 2022 fared similarly to other countries in the region and the world. Jordan has not been immune to the divergent and volatile economic conditions taking place on the international scale and was negatively impacted by the war in Ukraine, which further underscored the challenges impeding the kingdom's efforts improve the economic situation and address the threats of poverty, unemployment, and the burden of public debt. Accordingly, the general consumer price index rose by 4.23% in 2022, with unemployment and poverty rising to 25% and 27% respectively and forecast to continue rising during the coming period. Despite this, real GDP at the end of the year reached 2.7%, up from 2.4% in 2021, propelled by the full reopening of the economy, the strong recovery in tourism, and a growth in exports.

Performance of the Jordanian banking sector

In 2022, the Central Bank of Jordan (CBJ) maintained its leading role in safeguarding monetary stability, curbing inflation, and cultivating a healthy banking environment in the kingdom. CBJ strategically followed the approach of the US Federal Reserve on interest rates and resorted to raising the rates of its various monetary policy instruments based on several indicators, including current and future economic prospects on both local and regional levels, general and core inflation, adequacy of reserves, and average economic growth.

Since 1995, CBJ has pegged the exchange rate of the Jordanian dinar to the US dollar. Over more than 27 years, this policy has been proven effective and appropriate for the Jordanian economy, serving as a basic pillar of financial and banking stability by reinforcing the strength of the Jordanian Dinar, the competitiveness of national exports, and the attractiveness of the investment environment in the kingdom.

According to a policy paper issued by the Jordan Strategy Forum titled "Banks Operating in Jordan," the banking sector in Jordan is considered the second most stable among the 165 countries surveyed, directly trailing Luxembourg. This is based on data issued by the International Monetary Fund, which measured the probability of failure in banking systems using what is known as the standard score (Z-score). The reported strength of Jordan's banking sector is attributed to its high level of profitability (or returns on assets), capital adequacy ratio (the ratio of total equity to total assets), and low volatility (standard deviation in return on assets).

It is worth noting that the balance of foreign reserves at CBJ amounts to USD 17.2 billion, sufficient to cover the Kingdom's imports of goods and services for about 7.5 months. Additionally, the volume of deposits in JOD in banks operating in the kingdom increased by 7% to reach JOD 42.1 billion, coupled with an 8.5% increase in facilities that totaled JOD 32.6 billion.

JKB's performance in 2022

Since assuming its duties in May 2021, the Board of Directors has adopted a new strategy for JKB for the years (2021-2025), with a razor-sharp focus on transforming and strengthening the bank's market position and financial solidity. The steadfast and meticulous implementation of this strategy has yielded record positive results across all operational indicators.

At the end 2022, the bank was able to grow its net profits after tax to reach JOD 18.7 million, compared to JOD 7.7 million in 2021. Total equity grew by 2.1 percent to reach around JOD 477.6 million at year-end, compared to JOD 467.7 million in 2021, while shareholders' equity totalled JOD 475.8 million. Additionally, the bank's total assets grew by 18% to reach JOD 3.5 billion, compared to JOD 3 billion in 2021, while total customer deposits and cash margins reached JOD 2.5 billion, compared to JOD 2 billion in 2021. Based on these strong financial results, the Board of Directors of the Bank recommended to the esteemed General Assembly to approve the distribution of JOD 12 million in cash dividends to shareholders for the year 2022, equivalent to 8% of its capital, upon fulfilling the necessary conditions and approvals by CBJ.

Meanwhile, the bank continued to closely monitor key economic indicators as well as the performance of certain accounts that were negatively impacted by the pandemic and subsequent economic stressors, assuming a precautionary policy to account for potential weaknesses. To that end, an amount of JOD 33 million was deducted from profits in 2022, compared to JOD 30.5 million in 2021. The management's steadfast efforts to closely watch these accounts led to the recovery of JOD 843,000 over the past year, recorded as revenues. Additionally, the ratio of non-performing loans decreased to 6.54% from 7.99% in 2021, while the loan coverage ratio increased to 77.22%, compared to 66.27% in 2021.

In terms of its expansion strategy and efforts to grow revenue streams and geographical presence in the Arab region, the bank successfully acquired an influential 51.79 percent stake in the Bank of Baghdad in Iraq, in addition to its ongoing efforts to acquire a stake in BHM Capital Financial Services — a private joint stock company listed in Dubai Financial Market (DFM) and regulated by the UAE Securities and Commodities Authority. After obtaining approvals by regulatory authorities, the bank intends to begin issuing first-tier additional capital bonds with a maximum value of JOD 85 million, or its equivalent in US dollars.

The bank also maintained its steadfast journey towards digital transformation, building on investments made in previous years to fully digitize operations via robotic process automation (RPA) technology. This has further streamlined many of the routine tasks performed by staff, resulting in greater speed, efficiency, and accuracy. The bank's internal workflow was also re-imagined and automated to further polish the customer experience in key areas such as loans, credit cards, opening new accounts, and accessing customer support. These changes have reduced the time needed to complete operations to 70 percent.

Meanwhile, JKB continued to finalize major components of its infrastructure and Tech Refresh initiative; revamping its entire communications network to use software-defined wide area network (SD-WAN) technology and manage network data traffic safely and intelligently. In addition, the bank successfully completed the setup of its main and backup data centers, with data migration to the new facilities currently underway. Efforts are also ongoing to establish a high availability (HA) data center to safeguard against potential crises and ensure continuity of operations.

In closing, allow me on behalf of the Board of Directors to extend my sincere gratitude to CBJ for its strategic role in safeguarding the stability of the national economy and cultivating the right environment for Jordanian banks to embrace cutting-edge practices in line with global standards. This has resulted in a thriving sector that employs the most advanced tools to service customers around the clock.

Additionally, allow me to extend my thanks to the Jordan Securities Commission for its support of and close cooperation with the sector, and to acknowledge the pivotal role of the bank's executive management, and all employees for their unwavering commitment to keeping JKB at the forefront through the delivery of high-quality banking services that rival the best in the world. I also take this opportunity to thank the bank's customers and shareholders for their trust and continued support, and to reiterate our staunch commitment to delivering the highest possible return on their investment.

Nasser A. Lozi
Chairman

Governance Report for 2022

Corporate Governance Framework

Jordan Kuwait Bank believes that the existence of good corporate governance leads to good management of the Bank, and helps to achieve the Bank's strategic objectives and safely manage its operations in a manner that safeguards the depositors' interests, and ensures the responsibility towards shareholders and other stakeholders. The Bank bases the management and development of its internal corporate governance according to the legislations of the Companies Law in force, the Corporate Governance instructions issued by the Jordan Securities Commission, and the Corporate Governance instructions for banks issued by the Central Bank of Jordan (CBJ), in addition to the provisions and instructions issued by international regulatory authorities pertaining to banking operations and that are in line with the Bank's nature of business and its internal systems.

Jordan Kuwait Bank's Board of Directors affirms its commitment and that of the Bank's executive management and all the employees in implementing the governance instructions. The Bank's adoption of this manual aims to realize the corporate governance principles of fair treatment for all stakeholders; transparency and disclosure of JKB's actual financial and administrative standing; and the relational accountability between the Board of Directors and the executive management, between the Board and shareholders as well as between the Board and various stakeholders. To achieve greater level of disclosure and transparency, the Corporate Governance Manual is annexed to this report and is published on the Bank's website www.jkb.com.

In accordance with the instructions of the Central Bank of Jordan, work has begun on the application of the requirements for the Governance and Management of Information and Technology according to COBIT framework.

The Bank's organization and administrative procedures are based on the following principles:

- A board of directors is in place that is effective and responsible.
- A clear strategic direction for business development within clear framework for risk management.
- Sound accounting and information disclosure principles.
- Sound decision making mechanisms.
- Performance evaluation linked to the strategy.
- Human resources development.

Board of Directors (BoD)

The formation of the Board of Directors is governed by the Jordanian Companies Law, the CBJ's Banks Law and Corporate Governance instructions for Banks, and the Governance instructions for listed companies issued by the Jordan Securities Commission.

The main role of the Board of Directors lies in its responsibility of ensuring the soundness of the Bank's operations including its financial standing, and fulfilling its obligations towards all stakeholders. The Board sets the Bank's strategic objectives that meet the interests of the Bank, shareholders, and customers, and has oversight responsibility over the executive management. It is also accountable for ensuring the effectiveness of internal monitoring and control systems and the extent to which the Bank is abiding by the strategic plans and that written policies covering all of the Bank's activities are endorsed and in place.

The Board of Directors is also responsible for the credibility and accuracy of the Bank's financial reports and the information contained in the Annual Report and ensuring the application of appropriate risks policies as well as compliance with all laws in force.

The current Board of Directors was elected by the General Assembly on May 4, 2021 for tenure of four years. The Board of Directors elected H.E. Mr. Nasser A. Lozi as Chairman and Mr. Faisal H. Al-Ayyar as Vice Chairman.

Board Members for the Current Tenure

A- Members

Name	Executive/ Non-Executive	Independent/ Non-Independent	Member status
Mr. Nasser A. Lozi /Chairman	Non – Executive	Independent	Existing member
Mr. Faisal H. Al Ayyar / Vice Chairman	Non – Executive	Non-Independent	Existing member
Dr. Marwan J. Muasher	Non – Executive	Independent	Existing member
Mr. Hani K. Hunaidi	Non – Executive	Independent	Existing member
Dr. Safwan S.Toqan	Non – Executive	Independent	Existing member
Dr. Omar M. Al Jazy	Non – Executive	Independent	Existing member
Mrs. Nadia A. Rawabdeh	Non – Executive	Independent	Existing member

B- Representative Members:

Name	Executive/ Non-Executive	Independent/ Non-Independent	Member status
Mr. Moustapha S. Chami Rep Al Rawabi United Holding Co.	Non – Executive	Non – Independent	Existing member
Mr. Tariq M. Abdul Salam Rep Al Rawabi United Holding Co.	Non – Executive	Non – Independent	Resigned on 20/4/2022
Mr. Masaud Mahmoud Jawhar Hayat Rep Kuwait Projects Co. (Holding)	Non – Executive	Non – Independent	Existing member
Mr. Marwan M. Awad Rep Social Security Corporation	Non – Executive	Non – Independent	Existing member
Mr. Nidal F. Qubbaj Rep Social Security Corporation	Non – Executive	Non – Independent	Existing member
Mr. Majed F. Burjak Rep Safari Development & Real Estate Investment Co.	Non – Executive	Non – Independent	Existing member
Mr. Bijan Khosrowshahi Rep Odyssey Reinsurance Co.	Non – Executive	Non – Independent	Existing member

Membership of Board of Directors in Public Shareholding Companies

Name	Board Membership in Public Shareholding Companies
Mr. Nasser A. Lozi	Gulf Insurance Group/Jordan
Mr. Bijan Khosrowshahi	Gulf Insurance Group/Jordan
Dr. Marwan J. Muasher	Masafat For Specialized Transport Co., Ready Mix Concrete & Constructions Supplies Co., Premier Business & Projects Co.

Executive Management

Mr. Haethum S. Buttikhi	Chief Executive Officer
Mr. Daoud A. Issa	Chief Operating & Support Officer
Mr. Zuhdi B. Al-Jayousi	Head of Corporate Business
Mr. Ibrahim F. Bisha	Head of Treasury & International Relations
Dr. Makram A. Al- Qutob	Head of Credit
Mr. Suhail A. Salman	Head of Retail Business
Mr. Zeid W. Sharaiha	Head of Investment Business
Mr. Ibrahim E. Kashet	Head of Legal Affairs
Mr. Ibrahim F. Taani	Head of Finance
Mr. Maher M. Abu Sa'adeh	Head of Information Technology
Mr. Tareq J. Alkhitan	Head of Operations
Mrs. Dana A. Jaradat	Head of Strategy & Marketing
Mr. Fadi M. Ayyad	Head of Compliance
Mr. Mahmoud I. Al Ahmar	Head of Risk
Mr. Yousef W. Hassan	Head of Internal Audit

JSC Governance Officer

Mr. Fadi M. Ayyad	Head of Compliance

Board Committees

In the aim of organizing the Board of Directors' work and to increase its efficiency and effectiveness, the Board of Directors forms different committees from its members that are delegated with authorities and responsibilities to be in line with the Bank's strategies and goals. The committees' composition, duties and responsibilities have been detailed in the Corporate Governance Manual which is published on the Bank's website and annexed to the Annual Report.

1. Corporate Governance Committee (Governance Committee)

The committee oversees the development of the Corporate Governance Manual, its update, and monitors its implementation; ensures that the Bank's organizational structure meets the corporate governance requirements; adopts general policies, raises them to the Board of Directors for approval, supervises their implementation, and ensures commitment to the adopted JKB Code of Ethics at the level of BoD and all administrative levels at the Bank; in addition to any other duties included in the Governance instructions for listed companies and that are carried out through the Corporate Governance Department.

2. Risk Committee

The committee's role is to review the Risk Management's framework and strategy of Risk Management; create a suitable work environment that helps identify and manage risks with significant impact; and stay abreast with the developments that affect the Bank's operations. The committee reviews reports submitted by the Risk Management Department and submits relevant recommendations to the Board of Directors, illustrating the Bank's commitment to the acceptable risk appetite level, in addition to any other duties included in the Governance instructions for listed companies.

3. Compliance Committee

The committee's role is to ensure the existence of policies and procedures for the bank's compliance with the applicable laws and regulations; approve the organizational structure of the Compliance Control Department and guarantee its independence; ensure that an annual non-compliance risk management plan is in place; assess the degree of effectiveness with which the Bank manages the risk of non-compliance at least once a year and review it should amendments have been made, in addition to any other duties included in the Governance instructions for listed companies.

4. Audit Committee

The committee shall review and ratify the internal audit plan which includes audit scope and frequency; review internal audit reports; review reports and notes issued by regulatory bodies and the external auditor and ensure that the executive management takes the corrective measures; review the Bank's financial statements prior to submission to the Board of Directors and ensures that the Bank has properly observed and complied with international accounting and audit standards, in addition to any other duties included in the Governance instructions for listed companies.

5. Nominations & Remuneration Committee

The Committee shall identify eligible persons for board membership and determine members' "independency"; provide recommendations to the Board for the appointment of qualified executive management members; implement a formal performance assessment policy for the Board of Directors and executive management; ensure that the Bank has a remuneration policy in place; in addition to any other duties included in the Governance instructions for listed companies.

6. Board Credit Committee

The Committee's Role includes:

- Grant, modify, renew and restructure of credit facilities that exceed the authorities of the Credit Management Committee, headed by the Chief Executive Officer, within the limits set by the Board of Directors. The Board of Directors shall take the decisions in matters exceeding the Committee's authorities.
- The Committee's authority is limited to taking the right decision regarding the facilities that have been recommended for approval by the Credit Management Committee.

  The Board of Directors may delegate some or all of the Board Credit Committee's authorities in respect of modifying the terms or restructuring of facilities to the Credit Management Committee.

7. Management and Investment Committee [1]

The Committee reviews and takes appropriate decisions on:

First: Management issues:

- Administrative expenses, procurement contracts, bids, supplies, donations, and generally all commitments and contracts in excess of the powers entrusted to the senior executive management as identified within the Authority matrix and powers endorsed by the Board of Directors, and take the managerial and financial decisions in their regard.

1. The committee was terminated by the decision of the Board on 21/12/2022

- Approve requests/offers for the sale of Bank owned properties beyond the limits entrusted to the Senior Executive Management as stipulated in the approved Authority matrix.
- Approve Bank owned real estates' pricing annually or when required.

Second: Investment issues:

Take decisions concerning proposals and requests submitted by the Management Investment Committee on matters beyond its authority as stipulated in the approved authority matrix annexed to the approved investment policy. This includes the following:

- Bank investments in Jordanian Dinar in money market and capital market instruments.
- The Bank's investments in foreign currencies in money market, capital market tools and currency exchange operations.

The Board of Directors shall decide on any of the items listed above if they exceed the authority of the Committee.

8. Information Technology Governance Committee

The Committee is responsible for approving the Information Technology strategic objectives and appropriate organizational structures, including steering committees at executive management level, ensuring the achievement of the Bank's strategic objectives, and the best value is realized by the IT projects and investments made, while utilizing the tools and standards to monitor and ascertain the extent of achievement. The Committee shall oversee and be apprised of the progress of IT operations, resources, and projects to ensure its adequacy and its effective contribution in achieving the Bank's business requirements.

Audit Committee Members

Mr. Hani K. Hunaidi, Committee Chair (Independent)

Education:	Master of Business Administration (MBA), Portland State University –USA, 1980 and Bachelor of Business Administration, American University of Beirut 1973, Certified Public Accountant (CPA).
Current Position:	• Chairman of the Board of Trustees, Mediterranean Industries • Chairman of the Board of Trustees, Mediterranean Energy Co.
Previous Positions:	• Chairman, National Ammonia and Chemical Industries (1991- 2009) • Managing Director, Jordan Kuwait Company for Agriculture and Food Products (1986-1992) • Project General Manager, Jordan Management and Consultancy Corp. (1984-1986) • Financial and Administrative Manager, Jordan Securities Corp. (1982-1984) • Auditor, Touch Ross & Co. (1980-1982) • Project Senior Accountant, Consolidated Contractor Company (1976-1978) • Accountant, Safwan Trading & Contracting Co. (1973-1974)

H.E. Mr. Marwan M. Awad (Non- Independent)

Education:	Master's degree in economics from Vanderbilt University-USA, 1980, A Diploma of Higher Education in economic development from Vanderbilt University–USA, 1980 and bachelor's degree in Business Administration, Jordan University, 1973.
Current Position:	• General Manager, First International for Consultation and Arbitration • Chairman, Jordanian Elaf Co. for Integrated Solutions • Chairman, Business Risk Experts Forum • Vice Chairman, World Union of Arab Bankers – Beirut • Member of Board of Trustees, Arab Academy for Banking and Financial Sciences
Previous Positions:	• Minister of Finance (1996-1997) • Secretary General, Ministry of Industry and Trade (1991 – 1993) • Chairman, Social Security Investment Board • Vice Chairman, Royal Jordanian • General Manager and CEO, Jordan Ahli Bank • Manager, Investment and International Relations, Central Bank of Jordan • General Manager and CEO, Middle East Investment Bank • Executive Director, Qatar Islamic Bank • General Manager, Industrial Development Bank • Director and founder, Arab Institute of Banking Studies

Dr. Safwan S. Toqan (Independent)

Education:	Bachelor's degree in business administration, American University - Beirut, 1966, master's degree in economics, University of South California – USA, 1976, PhD in Economics, University of South California –USA, 1980.
Previous Positions:	• Member of the 26th Jordanian Senate • Chairman, Amman Stock Exchange (2012-2013) • Chairman, Jordan Phosphate Mines Company (2000 – 2004) • General Manager, Social Security Corporation (1994 – 1999) • Secretary General, Ministry of Planning (1989 – 1994) • Assistant Professor, Yarmouk University (1981 – 1989) • Lecturer, University of South California – USA (1975 – 1980) • Central Bank of Jordan (1966 – 1975)

Dr. Omar M. Al Jazy (Independent)

Education:	PhD in International Arbitration Act, University of Kent- Canterbury, 2000, master's degree in law of International Trade, University of Kent – Canterbury, 1994, Bachelor degree in Law, University of Jordan, 1992, Diploma in Nuclear International Law, Universite De Montpelier, 2017
Current Position:	• Board Member, Government Investments Management Company • Board Member, Education and Scientific Research Management and Development Company • Board Member, Arab Foundation for Education, Scientific, Research Management Company • Board Member, Abdul Hameed Shoman Foundation • Chairman of the Board of Trustees, Amman Arab University • Managing Partner, Al Jazy & Co. – Advocates & Legal Consultants • International Arbitration
Previous Positions:	• President of the Jordanian Arbitrators Association • Board Member, Safwa Islamic Bank – until 01/2017 • Board Member, Military Credit Fund • Member of the Board of Trustees Committees, King Abdullah II Fund for Development • Vice-Chairman, Jordanian Corporate Governance Association • Board Member, Aqaba Development Company • Board Member, Aqaba Airports Company • Board Member, Specialized Management Co. for Investment & Financial Advisory (12/2016 – 03/2021)

Board Committee Members:

Corporate Governance Committee Members

Dr. Marwan J. Muasher, Committee Chair (Independent)

Mr. Nasser A. Lozi (Independent)

Mrs. Nadia A. Rawabdeh (Independent)

Mr. Moustapha S. Chami (Non- Independent)

Risk Committee Members

Dr. Safwan S. Toqan, Committee Chair (Independent)

Mr. Nidal F. Qubbaj (Non- Independent)

Mr. Moustapha S. Chami (Non- Independent)

Mrs. Nadia A. Rawabdeh (Independent)

Compliance Committee Members

Dr. Omar M. Al Jazy, Committee Chair (Independent)

Mr. Hani K. Hunaidi (Independent)*

Mr. Marwan M. Awad (Non- Independent)

*Mr. Hani Khalil Hunaidi is the responsible Board Member for the AML/CFT compliance with the Central Bank of Cyprus.

Nominations & Remuneration Committee Members

Mrs. Nadia A. Rawabdeh, Committee Chair (Independent)

Dr. Safwan S. Touqan (Independent)

Mr. Masaud M. Hayat (Non - Independent)

Dr. Omar M. Al Jazy (Independent)

Board Credit Committee Members

Mr. Nasser A. Lozi, Committee Chair (Independent)

Mr. Masaud M. Hayat (Non – Independent)

Mr. Moustapha S. Chami (Non- Independent)

Mr. Majed F. Burjak (Non – Independent)

Mr. Nidal F. Qubbaj (Non- Independent)

Management and Investment Committee Members

Mr. Nasser A. Lozi, Committee Chair (Independent)

Mr. Masaud M. Hayat (Non – Independent)

Mr. Moustapha S. Chami (Non- Independent)

Mr. Majed F. Burjak (Non – Independent)

Mrs. Nadia A. Rawabdeh (Independent)

Information Technology Governance Committee Members

Mr. Majed F. Burjak, Committee Chair (Non - Independent)

Dr. Marwan J. Muasher (Independent)

Mr. Hani K. Hunaidi (Independent)

Mr. Nidal F. Qubbaj (Non- Independent)

Board Committee Meetings during 2022:

Audit Committee

The number of Audit Committee meetings during the year was (9), as follows:

	Audit Committee meetings								
Member	1st 2/2	2nd 10/2	3rd 17/4	4th 24/4	5th 15/6	6th 24/7	7th 13/9	8th 23/10	9th 27/11
Mr. Hani K. Hunaidi	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Safwan S. Toqan	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Nidal F. Qubbaj – member until 16/10/2022	✓	✓	✓	✓	✓	✓	✓		
Mr. Marwan M. Awad – member as of 17/10/2022								✓	✓
Dr. Omar M. Al Jazy	✓	✓	✓	✓	✓	✓	✓	✓	✓

Nominations & Remuneration Committee

The number of Nominations & Remuneration Committee meetings during the year was (5), as follows:

	Nominations & Remuneration Committee meetings				
Member	1st 23/1	2nd 23/3	3rd 26/4	4th 20/7	5th 19/12
Mrs. Nadia A. Rawabdeh	✓	✓	✓	✓	✓
Dr. Safwan S. Toqan	✓		✓	✓	✓
Mr. Masaud M. Jawhar Hayat	✓	✓	✓	✓	✓
Dr. Omar M. Al Jazy	✓	✓	✓	✓	✓

Corporate Governance Committee

The number of Corporate Governance Committee meetings during the year was (3), as follows:

	Corporate Governance Committee meetings		
Member	1st 23/3	2nd 25/7	3rd 18/12
Dr. Marwan J. Muasher	✓	✓	✓
Mr. Nasser A. Lozi	✓	✓	✓
Mr. Tariq M. Abdul Salam – member until 20/4/2022	✓		
Mr. Moustapha S. Chami – member as of 17/10/2022			
Mrs. Nadia A. Rawabdeh	✓	✓	✓

Risk Committee

The number of Risk Committee meetings during the year was (4), as follows:

	Risk Committee meetings			
Member	**1st 26/4**	**2nd 14/6**	**3rd 18/9**	**4th 18/12**
Dr. Safwan S. Toqan	✓	✓	✓	✓
Mr. Nidal F. Qubbaj	✓	✓	✓	✓
Mr. Moustapha S. Chami – member as of 25/10/2022				✓
Mrs. Nadia A. Rawabdeh	✓	✓	✓	✓

Compliance Committee

The number of Compliance Committee meetings during the year was (4), as follows:

	Compliance Committee meetings			
Member	**1st 9/3**	**2nd 15/6**	**3rd 6/10**	**4th 27/11**
Dr. Omar M. Al Jazy	✓	✓	✓	✓
Mr. Hani K. Hunaidi	✓	✓	✓	✓
Mr. Marwan M. Awad	✓	✓	✓	✓

Information Technology Governance Committee

The number of Information Technology Governance Committee meetings during the year was (4), as follows:

	Information Technology Governance Committee meetings			
Member	**1st 29/3**	**2nd 25/7**	**3rd 7/8**	**4th 15/12**
Mr. Majed F. Burjak	✓	✓	✓	✓
Dr. Marwan J. Muasher	✓	✓	✓	✓
Mr. Hani K. Hunaidi	✓	✓	✓	
Mr. Nidal F. Qubbaj	✓	✓	✓	✓

Management and Investment Committee

The number of Management and Investment Committee meetings during the year was (1), as follows:

	Management and Investment Committee meetings
Member	**1st 9/11**
Mr. Nasser A. Lozi	✓
Dr. Masaud M. Jawhar Hayat	✓
Mr. Majed F. Burjak	✓
Mr. Tariq M. Abdul Salam – ***member until 20/4/2022***	
Mr. Moustapha S. Chami – ***member as of 17/10/2022***	✓
Mrs. Nadia A. Rawabdeh	✓

Board Credit Committee

The number of Board Credit Committee meetings during the year was (29), as follows:

	Board Credit Committee meetings																		
Member	**1st**	**2nd**	**3rd**	**4th**	**5th**	**6th**	**7th**	**8th**	**9th**	**10th**	**11th**	**12th**	**13th**	**14th**	**15th**	**16th**	**17th**	**18th**	**19th**
Mr. Nasser A. Lozi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Masaud M. Jawhar Hayat	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Majed F. Burjak	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Tariq M. Abdul Salam – member until of 20/4/2022	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓									
Mr. Moustapha S. Chami – member as of 17/10/2022														✓	✓	✓	✓	✓	✓
Mr. Marwan M. Awad – member until 16/10/2022	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Nidal F. Qubbaj – member as of 17/10/2022																			

	Board Credit Committee meetings									
Member	**20th**	**21st**	**22nd**	**23rd**	**24th**	**25th**	**26th**	**27th**	**28th**	**29th**
Mr. Nasser A. Lozi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Masaud M. Jawhar Hayat	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Majed F. Burjak	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Tariq M. Abdul Salam – member until of 20/4/2022										
Mr. Moustapha S. Chami – member as of 17/10/2022	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Marwan M. Awad – member until 16/10/2022	✓	✓								
Mr. Nidal F. Qubbaj – member as of 17/10/2022			✓	✓	✓	✓	✓	✓	✓	✓

Audit Committee meetings with the External Auditor and Head of Compliance:

The Audit Committee met with the External Auditor four times during the year, and met with Head of Compliance once.

Board Meetings during 2022:

The board met (9) times during the year, as follows:

Member	Board meetings								
	1st 12/2	2nd 12/2	3rd 1/4	4th 27/4	5th 26/6	6th 26/7	7th 20/9	8th 25/10	9th 21/12
Mr. Nasser A. Lozi – Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Faisal H. Al Ayyar – Vice Chairman	✓	✓			✓				✓
Mr. Masaud M. Jawhar Hayat	✓	✓	✓	✓	✓		✓	✓	✓
Mr. Tariq M. Abdul Salam – member until 20/4/2022	✓	✓	✓						
Mr. Moustapha S. Chami – member as of 22/6/2022					✓	✓	✓	✓	✓
Mr. Marwan M. Awad	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Nidal F. Qubbaj	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Bijan Khosrowshahi	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Marwan J. Muasher	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Hani K. Hunaidi	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Majed F. Burjak	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Safwan S. Toqan	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Omar M. Al Jazy	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Nadia A. Rawabdeh			✓	✓	✓	✓	✓	✓	✓

* Board members attended the General Assembly of Shareholders that was held on 27/4/2022. Noting that the General Assembly of Shareholders, board meetings, and board committee meetings were conducted virtually, pursuant to the instructions for approving electronic means for procedures related to companies for the year 2021.

Board Members' Remuneration

Every Board member receives the sum of JD5,000 (USD7,052) per year as Board membership allowance according to the Companies Law, in addition to allowances in lieu of travel, transportation and Board committees' membership.

Nasser A. Lozi
Chairman

Remuneration and Rewards Policy

JKB has a comprehensive remuneration and rewards policy that closely integrates with the approved performance evaluation policies. Staff annual raises and rewards are based on achievement that meets the Bank's interests and its sustainable progress in all areas. The policy also assures the independence of control units in such a way that staff salaries and rewards are not determined by the Bank's profit levels.

The remuneration and rewards policy sets the basis for annual salary raises, effect of promotion on salary, types and conditions of allowances paid to employees, and the structure of the salary scale and its review process, for the purposes of maintaining a competitive and fair work environment.

The salaries, transportation allowance and other expenses paid to the Bank's executives during the year 2022 were declared in the disclosure statement as required by article (4) of the disclosure regulations issued by the Jordan Securities Commission, and in the notes to the consolidated financial statements included in this report.

Control Environment

Internal Controls

JKB's Board of Directors and executive management are responsible for developing and maintaining the existence of internal control systems and procedures that are capable of ensuring the achievement of the following:

- Accuracy and integrity of financial and operational statements issued by the Bank.
- Effectiveness and efficiency of the Bank's operational activities.
- Effectiveness of measures and procedures set to safeguard the Bank's assets and properties.
- Compatibility with policies pertinent to internal operational procedures as well as laws, legislations and regulations in force.

The Bank believes in the importance of an effective internal monitoring and control system given that it is one of the key elements of sound management and the basis for safeguarding the safety and quality of the Bank's transactions. Hence the Bank has adopted a number of internal monitoring and control systems which their development, implementation, follow-up and update are the responsibility of the executive management. JKB's management continuously monitors and assesses the efficiency and effectiveness of these systems and their ability to achieve desired objectives. It also oversees their continuous development and enhancement.

In this context, the Board of Directors adopts internal monitoring and control policies that cover all aspects pertinent to internal control systems in terms of definition, components, implementation and the responsibility of the Board of Directors and the Executive Management towards them.

Internal Audit

The philosophy of Internal Audit (IA) was based on its task to provide independent and objective assurance and consulting services to the Bank. IA objectives were designed to add value and improve the Bank's operations and help the management to accomplish its objectives by applying a systematic and disciplined approach to assess and improve the effectiveness of risk management, internal controls, and governance.

The Internal Audit Department is administratively subordinated to the Board Audit Committee (BAC). It reports to the BAC on the results of audit engagements.

The Internal Audit Charter was established according to best international standards for the professional practice of internal auditing and it defined the following:

- IA activity is independent and has no executive tasks.
- IA activity has direct authorized / unrestricted access to the Bank's and subsidiaries' records, personnel and physical properties relevant to the performance of engagements assigned to it.
- IA activity shall be provided with appropriate and sufficient number of competent resources (academically & professionally qualified staff) in addition to training courses both locally and abroad.
- IA activity provides reasonable assurance regarding the efficiency and effectiveness of the Bank's Internal Control Systems (ICS) and its ability to achieve the following objectives:
  - Reliability and integrity of financial and operational information.
  - Efficiency of operations.
  - Compliance with laws and regulations in force.
  - Safeguarding of the Bank's assets and properties.
  - Business continuity under all circumstances.
  - Improve and develop ICS, risk management, and governance processes.
  - Improve and develop operations (processes) and products to achieve the Bank's objectives.

A code of business conduct for Internal Audit staff members was prepared according to best international practice. The code emphasizes the principles of integrity, objectivity, confidentiality and efficiency that an auditor must have.

The scope of IA activity covers all the Bank's auditable business centers, activities and operations, including branches abroad and subsidiaries, and any outsourced activities if necessary, in a way that enables the management to assess the adequacy and effectiveness of ICS, risk management and governance processes, and achieve all engagements and responsibilities assigned to it. The IA also performs many other tasks the most significant of which are:

- Conduct accepted periodical engagements (assurance reviews) as per approved risk based audit plan prioritization on the approved internal audit strategic plan by BAC.
- Conduct any special review or consulting engagements based on the directives of the Chairman, BAC, the executive management, the Head of Internal Audit, or the monitoring bodies, according to best international standards for the professional practice of internal auditing.

The quality assurance concept was introduced to provide all stakeholders with reasonable assurance about audit function in term of conformance with the common international standards at both local and international levels.

Risk Management

Various risks to which the Bank may be exposed to, are managed by an independent risk management department that reports directly to the Board Risk Committee.

The Risk Management Function at the Bank is based on three main pillars as follows:

- Full understanding and awareness by the Board of Directors, top executive management, and the Bank's employees of the types of potential risks in the Bank's operations.
- Availability of appropriate strategy, policies, and procedures to manage risk, which reveal the magnitude of risk that the Bank can address, in a manner that ensures financial strength.
- Availability of systems that help in managing various forms of risks that the Bank may face.

The Risk Management Department's objectives are as follows:

- Achieve financial strength, which reflects positively on the Bank's credit rating.
- Transparently highlight risks and ensure their clarity and understanding.
- Set recommendations required to identify the size and type of the main acceptable risks by the Board of Directors, assuring that current risks are compatible with those that have been planned for.
- The Bank's compatibility with the Basel accords and all legislations that govern and regulate risk management in banks.

The process of identifying, evaluating, and managing risks is considered a joint responsibility, starting with each of the Bank's units, which are considered the first line of defense. Risk Management considered the second line of defense, which evaluates, and monitors risks and recommends ways of controlling and mitigating them, submitting the necessary reports to the Board Risk Committee, followed by the role of internal audit, which is considered the third line of defense.

In turn, the Risk Management Department is responsible for its above-mentioned role within a documented organizational structure approved by the Board Risk Committee regarding credit, market, operational risk, information security, business continuity and liquidity (within the assets and liabilities framework) and conformity to the Basel accords. Furthermore, the Risk Management is represented in different committees that manage the Bank's operations for issues related to the risk management.

The functions of the Risk Management Department are summarized as follows:

- Review of the risk management framework at the Bank prior to presenting it to the Board Risk Committee to recommend its approval by the Board of Directors.
- Implement the risk management strategy in addition to developing policies and procedures for managing all types of risks.
- Develop methodologies to identify, measure, and control all types of risks.
- Submit reports to the Board through the Risk Committee, with a copy to the top management, including information about the actual risk profile for all the Bank's activities, compared to the risk appetite document, and follow up on addressing deviations.
- Verify the integration of risk measurement mechanisms with management information systems in use.
- Study and analyze all types of risks that may face the Bank.
- Submit recommendations to the Board Risk Committee about the Bank's exposure to risks, recording exceptional cases against the risk management policy.
- Provide the necessary information regarding the Bank's risks for disclosure purposes.
- The Risk Management Department conducts awareness programs to the Bank's employees about risk management concept.
- Assess the Bank's capital adequacy, along with the Bank's risks and stress testing, as part of the internal capital adequacy assessment process, and submitting it to the Board Risk Committee, to be approved by the Board of Directors.

Compliance Control

The Compliance Department aims to protect the Bank from the risks of legal or regulatory penalties, financial losses, or reputational risks that it may be exposed to as a result of non-compliance with all applicable laws, regulations and instructions issued by the competent local and international regulatory authorities. In that context the Compliance department undertakes the following:

- Manages Compliance functions independently, by submitting periodical reports to the Board Compliance Committee. The Compliance Department's scope of work covers all of the Bank's departments and branches in Jordan and abroad as well as its subsidiaries.

- Issues the compliance and other related policies that is approved by the BoD to monitor the Bank's overall compliance with the laws, regulations, and instructions issued by the regulatory authorities, best practices, and industry standards, and that is reviewed and updated periodically.
- Monitors non-compliance risks through a database containing all the laws and regulations issued by domestic and international regulatory authorities that is constantly updated with the latest regulatory and legislative enactments that are binding to the Bank.
- Provides advice and consultation to al business centers and subsidiary companies regarding the legislations and regulations issued by the regulatory authorities.
- Monitors non-compliance risks through conducting periodic tests and assessments at all business centers to ensure their compliance with legislations and regulations issued by the regulatory authorities
- Fulfills regulatory authorities' requirements through timely provision of periodic information and reports, respond to inquiries, continuous update of international sanctions lists, report suspicious financial activities, in addition to meeting the requirements of correspondent banks.
- Ensures that no banking relationships are entered into with persons or entities listed on international sanctions lists, or that any financials transactions are passed on to them.
- Ensures Compliance to the requirements of the Foreign Accounts Tax Compliance Act.
- Using automated systems to combat money laundering and terrorism financing and adopts the risk-based approach in classifying the clients.
- Establishes principles to prevent bribery and corruption and maintains the highest level of ethical standards.
- Receives process and analyzes complaints from customers and takes the necessary measures that prevent their reoccurrence.
- Enhance the compliance culture among the Bank's staff through workshops and training sessions in addition to periodic educational materials and bulletins.

Code of Conduct

The Bank adopted a code of conduct that was endorsed by the Board of Directors. JKB employees across the various administrative levels as well as the Board of Directors have pledged to commit to it.

The Code defined the ethics, values, and principles of the Bank employees in four main areas which are: integrity, compliance with laws, transparency and loyalty to the Bank.

Whistle Blowing Policy

JKB maintains a policy and procedures pertinent to whistle blowing. The policy aims to promote a culture of openness and to demonstrate the shared responsibility of preserving work ethics. Procedures that deal with this policy were distributed among all Bank employees to follow. The procedures clarify accountability lines for reporting issues related to unusual and/or suspected behavior that must be reported. Monitoring of Whistle Blowing Policy Implementation is carried out by the Board Audit Committee.

Customer Complaints Processing Unit

In compliance with the Central Bank of Jordan's instructions to deal with customers fairly and transparently No.(1/2017), the Customer Complaints Processing Unit within the Compliance Department receives and deals directly with customer complaints submitted through all available channels, including telephone calls, email messages, traditional mail, and complaints boxes at the branches. All complaints received are addressed and responded to in writing or verbally, noting that the Unit dealt with 558 complaints during the year 2022, 175 of which were rightful complaints. Corrective measures to reduce these complaints including staff training and modifying work procedures if required were taken. The Customer Complaints Processing Unit submits periodical reports to the Bank's top management, including a description of complaints received and how they were handled and solved. The unit also submits periodical reports to CBJ. Qualitative analysis on the nature of the complaints and action plans taken to correct and minimize the recurrence of these complaints are carried our by the unit.

Relation with Shareholders

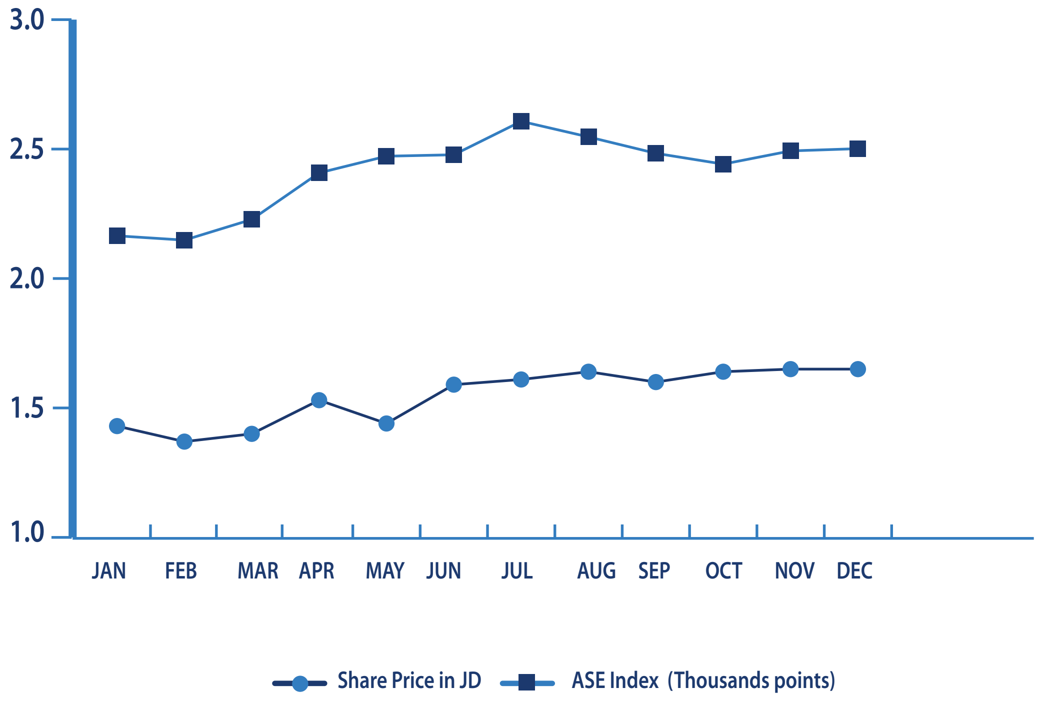
The Bank develops positive relations, based on transparency, with all its shareholders. In this regard, the Bank spares no effort to encourage all shareholders, particularly minority shareholders, to attend the General Assembly meetings and cast their votes. The Bank has a wide shareholder base of 12,304 as of 31/12/2022. The main source of information for shareholders is the Annual Report which includes the Chairman's report, the audited consolidated financial statements, the corporate governance manual, and Bank's achievements for the previous year and the business plan for the following year. Additionally, the reviewed (un-audited) quarterly and semi-annual financial statements are disclosed.

The complete financial statements and the Board of Directors' report are filed at the Jordan Securities Commission (JSC) and the Amman Stock Exchange, with a copy submitted to the Companies Controller. These reports are published on JKB's website (www.jkb.com) which also provides extensive information about JKB services, products, news and press releases. The Bank is committed to disclose any material information, should it occur, in accordance with the JSC instructions.

Shares / Ownership Classification as of 31/12/2022

Number of Shares Held	Shareholders		Shares	
	No.	%	No.	%
Up to 500	7,586	61.65	1,363,269	0.91
501 – 1,000	2,647	21.51	1,830,733	1.22
1,001 – 5,000	1,502	12.21	3,233,930	2.15
5,001 – 10,000	231	1.88	1,688,834	1.13
10,001- 100,000	285	2.32	7,512,410	5.01
100,001 - 500,000	41	0.33	7,867,283	5.24
500,001 and over	12	0.10	126,503,541	84.34
Total	**12,304**	**100**	**150,000,000**	**100**

Changes in JKB Share Price (JD) vs ASE Index During 2022

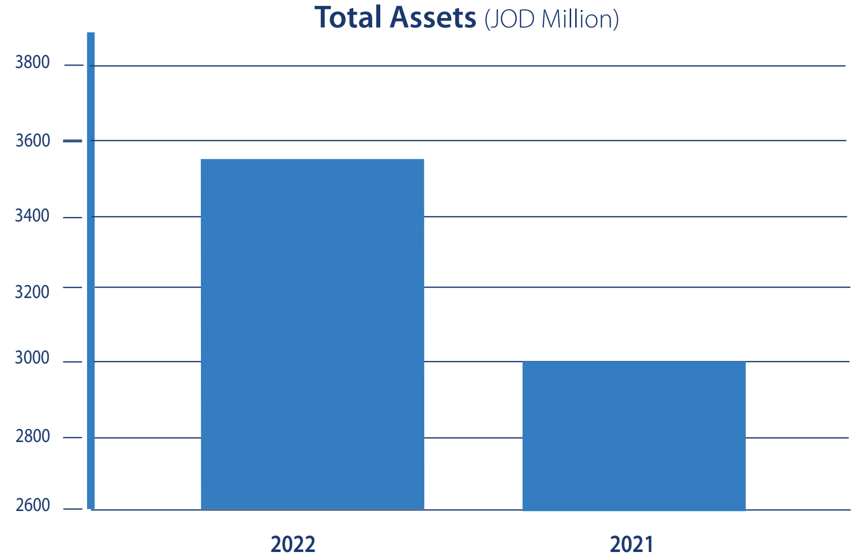


JKB Financial Performance

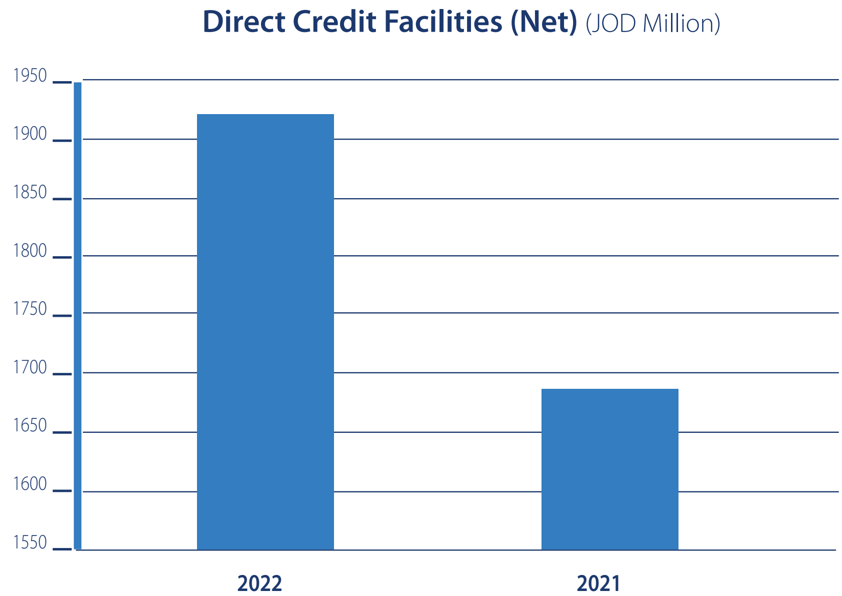
The following are the most important items of consolidated financial statements:

A. Consolidated Statement of Financial Position:

Assets: Total assets amounted to JOD 3546.9 million as at 31/12/2022, compared to JOD 3005.1 million in the previous year, achieving a growth of 18%.

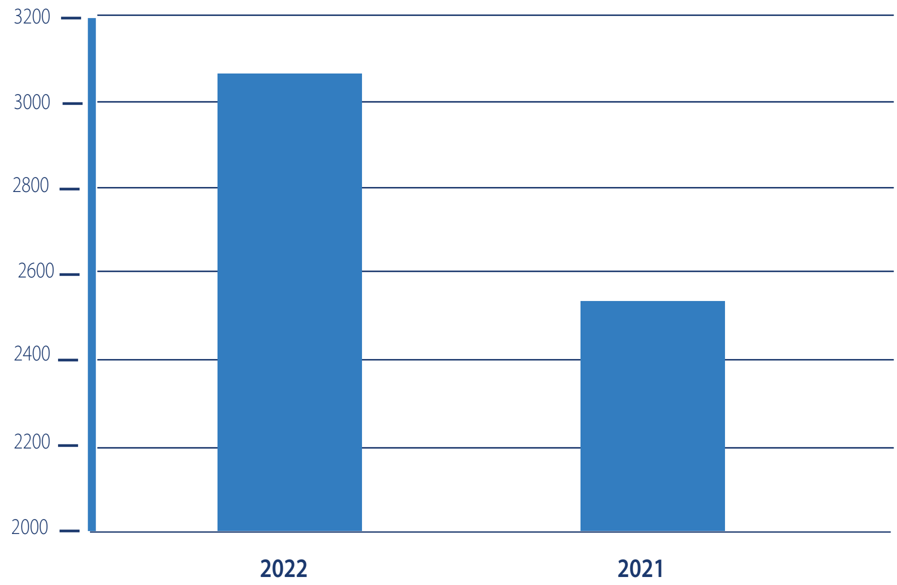


Direct Credit Facilities: Direct Credit Facilities (Net) amounted to JOD 1922.6 million at the end of 2022, against JOD 1687.3 million at the end of 2021; a growth of 13.9%. Total facilities granted to individuals grew by 17.5%, real estate loans grew by 2.8%, corporate loans grew by 14.6%, and SMEs loans grew by 17.9%. These results reflect the Bank's success in developing the credit portfolio and distribution across various economic sectors to increase profitability and diversifying risk.



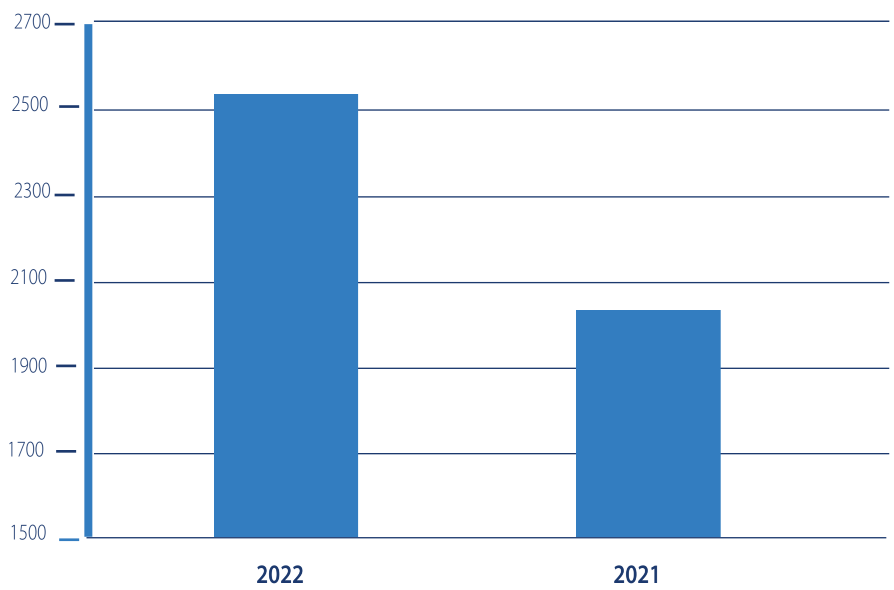
Liabilities: Total liabilities at the end of 2022, increased by 21% from the previous year to record JOD 3069.4 million.

Total Liabilities (JOD Million)



Customer Deposits and Cash Margins: Customer Deposits and Cash Margins accounted for 82.6% of total liabilities. Customer Deposits include savings accounts, current accounts, term deposits and cash margins for individual and corporate clients. Total customer deposits and cash margins at year end amounted to JOD 2536.6 million against JOD 2030.4 million in 2021.

Customer Deposits & Cash Margins (JOD Million)



Owners' Equity: Total Owners' Equity increased to reach JOD 477.6 million at year end compared to JOD 467.7 million in 2021; a growth rate of 2.1%. Bank shareholders' total equity amounted to JOD 475.8 million.

B. Consolidated Statement of Income

Operational Results: Total revenues for 2022 amounted to JOD 139.5 million, compared to JOD 111.9 million in 2021, with a growth rate of 24.7%.

Profit for the year: Profit for the year in 2022 reached JOD 18.7 million, compared to JOD 7.7 million in the previous year.

Net Interest and Commissions: the net interest and commissions reached JOD 111.4 million, compared to JOD 94 million for 2021; a 18.5% growth.

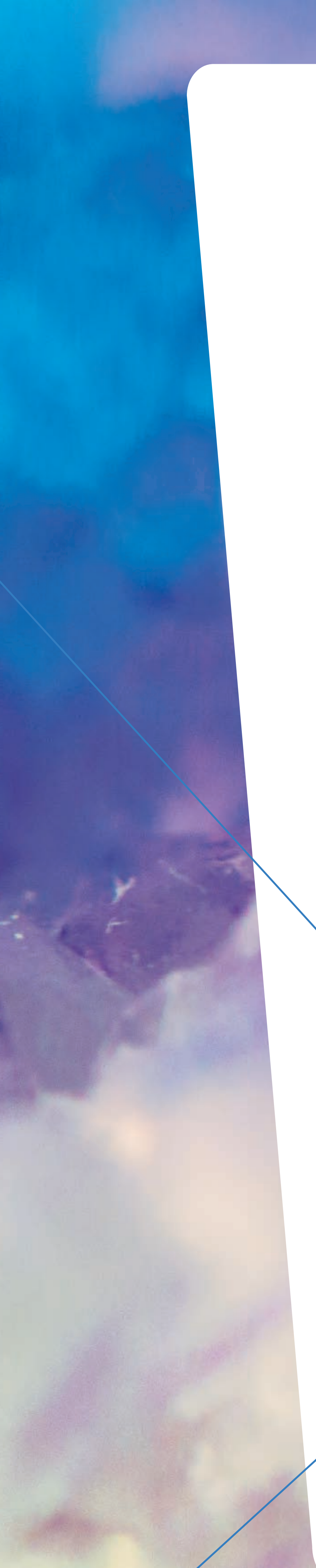
Operating Expenses: Operating expenses, include personnel and office costs, depreciation, administrative expenses, and miscellaneous provisions, excluding expected credit losses for direct facilities, increased to JOD 79.7 million compared to JOD 69.3 million in 2021. This increase is due to higher service fees, higher labor costs, and allocation of provisions for seized real estate.

Expected Credit Losses for Direct Facilities (ECLs): The Bank's management has continued its policy that aims at enhancing ECLs to hedge against the prevailing and potential repercussions on the national economy and to address some weak accounts and non-performing loans (Stage 3 loans). The ECLs allocated for the year 2022 amounted to JOD 29.5 million, compared to JOD 28.7 million for 2021. With regards to bad debt accounts / outside the financial position, JKB›s management has persistently pursued these accounts with rigorous follow-up procedures. As a result, the bank managed to recover 843 thousand which were recognized as revenue.

Major Performance Indicators and Ratios for 2022 and 2021

	JOD/thousands	
Major Operating Results	**2022**	**2021**
Net Interest and Commission	111,370	94,003
Gross Income	139,544	111,889
Income before taxes	27,345	12,073
Income after taxes	18,734	7,705
Earnings per Share/ JOD	0.125	0.052
Major Financial Position Items		
Total Assets	3,546,939	3,005,137
Direct Credit Facilities - Net	1,922,640	1,687,287
Customer Deposits and Cash Margins	2,536,600	2,030,379
Total Equity	477,555	467,674
Off the Financial Position Items	**693,912**	**658,624**

Major Financial Ratios	**2022**	**2021**
Capital Adequacy Ratio	17.06 %	18.94%
Financial Leverage Ratio	10.24 %	15.6%
Liquidity Ratio / Jordan	131.75%	114.04%
Return on Equity	3.92%	1.65%
Profitability Multiplier	13.2	26.15
Book Value / Share	3.2	3.11
Efficiency Ratios		
G&A Expenses/ Net Interest and Commission	62.4%	66.5%
G&A Expenses/ Gross Income	49.8%	55.9%
Asset Quality Indicators		
Stage 3 loans/ Gross Credit Facilities	6.54%	7.99%
Stage 3 loans Coverage Ratio	77.22%	66.27%



Business Plan 2023

In line with the bank’s strategy, development, and innovation plans, the bank plans to achieve the following objectives and initiatives in 2023:

1. **Expansion into new territories**
   - Expand the Bank’s presence into new territories in the Arab region, including the UAE, by completing the acquisition of UAE-based BMH Capital Financial Services. The aim of this acquisition is to diversify the bank›s revenue sources and strengthen its geographical presence in the Arab region. The company›s assets are estimated to be around 155 million dinars, with liabilities of 115 million dinars and a net profit of approximately 4.2 million dinars in 2023. These figures will be reflected in the bank›s financial statements in the upcoming years.
   - Completing the acquisition of 51.79% of Bank of Baghdad’s capital. The bank intends to issue Tier 1 capital bonds with a maximum amount of JOD 85 million (or its equivalent in US dollars). The Bank of Baghdad’s assets for 2023 are estimate around JOD 850 million, with liabilities of JOD 660 million, and net profit of JOD 25 million and shall be reflected in the bank’s future financial statements.

2. **Human Resources Development**
   - The bank aims to raise the productivity and efficiency of its employees by providing training programs to develop skill sets required. Create an environment of performance excellence, promote fair competition, increase employee affiliation with the bank, and ensure fair wages by completing job evaluation and competency initiative, which will in return enhance the attraction and retention of competencies and that ensures career growth and development.

3. **Technological Advancements and Digital Transformation**
   - Complete the migration of the bank’s systems and applications to the state-of-the-art data centers established in its main data center, high availability, and alternative sites. This will create a robust infrastructure to provide the highest level of availability, enhance the Bank›s readiness for digitization and automation projects, and ensure the implementation of business continuity plans.

4. **Business Development (Products and Services)**
   - The bank will continue to focus on revamping existing products and services and developing new ones to remain competitive in the market. The bank will launch environmentally friendly products in line with its sustainability framework, products that promote and empower female entrepreneurs, expand its card products, payment services, and digital payment services.

- The issuance of the first green bond in Jordan with an amount of USD 50 million with the cooperation of the International Finance Corporation (IFC) as a subscriber for the full amount.
- The bank will further develop its mobile banking application, digital banking channels, and various digital services including: the digital wallet application, digital onboarding, digital mobile branch, contactless payment (Apple/Android), digital lending, in addition to initiatives for implementing regulatory systems such as the fraud management system.
- Continue implementing the branch rationalization plan by merging six branches located in the capital area into three branches with different customer experiences, expanding to vital areas and improving the digital services of the branches.
- Continue to introduce business centers at various branches to enhance SME's business and provide non-financial services aimed at increasing and enhancing customer loyalty while providing the best banking services to meet customers' ambitions.
- Continue to cooperate with various entities to provide financing programs that in return will enhance access to finance, especially for SMEs, and enhance financial inclusion.
- Launch the financial transactions and cash management system for corporate customers to meet the needs of advanced companies, in light of the technological advancements in the coming years.

5. Risk Management and Cybersecurity

- Complete the automation of the risk management work related to market risk and Basel through the application of a comprehensive asset and liability management system (ALM).
- The bank will complete the application of the new cybersecurity instructions, adapt to cyber risks, and apply the principles, controls, and measures related to them in implementing the instructions of the Central Bank of Jordan.

6. Corporate Social Responsibility and Sustainable Development

- Strengthen the bank’s commitment to its social responsibility strategy by expanding support for community initiatives that aim to achieve sustainable development goals.
- Implementing and activating Environmental, Social, and Governance (ESG) initiatives in line with sustainability standards..

7. Customer Experience

- Elevate the level of customer experience across all the bank’s channels by enhancing and developing the customer journey to deliver a comprehensive high-level experience that supports the bank’s strategy in achieving its objectives.

8. Compliance

- Ensure that the Bank remains compliant with all regulations issued by regulatory authorities, and ensure their implementation within the periods specified by local and international regulators.
- Implement the fraud management and FATCA@CRS systems, and any other necessary systems that comply with the requirements of regulatory authorities to maintain compliance control.

Consolidated Financial Statements

31 December 2022

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

Report on the Audit of the Consolidated Financial Statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Jordan Kuwait Bank (the "Bank") and its subsidiaries (together the "Group") as at 31 December 2022, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as amended by the Central Bank of Jordan instructions.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2022;
- the consolidated statement of income for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Our audit approach

Overview

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

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

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

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Measurement of Expected Credit Losses	
The Group applies the Expected Credit Loss model (ECL) on all its financial instruments measured at amortised cost, debt instruments measured at fair value through other comprehensive income and financial guarantee contracts including financing commitments in accordance with International Financial Reporting Standards as amended by the Central Bank of Jordan instructions. The Group exercises significant judgement and makes a number of assumptions in developing its ECL models, which includes probability of default computation separately for retail and corporate portfolios, determining loss given default and exposure at default for both funded and unfunded exposures, forward looking adjustments and staging criteria.	We performed the following audit procedures on the computation of the ECL included in the Group's consolidated financial statements for the year ended 31 December 2022: ➢ We assessed and tested the design and operating effectiveness of the controls over the calculation of the excepted credit losses model. ➢ We tested the completeness and accuracy of the data used in the calculation of ECL. ➢ For a sample of exposures, we checked the appropriateness of the Group's application of the staging criteria.

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Independent auditor's report to the shareholders of Jordan Kuwait Bank (continued)
As of 31 December 2022

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

The Group's impairment policy under IFRS 9 as amended by the Central Bank of Jordan Instructions is presented in notes (2 and 3) to the consolidated financial statements, and which is related to the differences between IFRS 9 as should be implemented and what was implemented based on the Central Bank of Jordan instructions, and the significant accounting policies implemented when calculating the expected credit loss.

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

➢ We involved our internal specialists to assess the following areas:

- Conceptual framework used for developing the Group's impairment policy in the context of its compliance with the requirements of IFRS 9 as amended by the Central Bank of Jordan instructions.
- ECL modelling methodology and calculations used to compute the probability of default (PD), loss given default (LGD), and exposure at default (EAD) for the Group's classes of financial instruments.
- Reasonableness of the assumptions made in developing the modelling framework including assumptions used for estimating forward looking scenarios and significant increase in credit risk.
- Recalculation of the expected credit losses for a sample of the impaired financial assets at each stage.

➢ In addition, for the Stage 3 corporate portfolio, the appropriateness of provisioning assumptions were independently assessed for a sample of exposures selected on the basis of risk and the significance of individual exposures. An independent view was formed on the levels of provisions recognised, based on the detailed loan and counterparty information available in the credit file. For the Stage 3 retail portfolio, assumptions were independently assessed for each product category and an independent view was formed on the levels of provisions recognised at each category level.

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

	➢ We compared the expected credit loss calculated in accordance with IFRS 9 as amended by the Central Bank of Jordan Instructions with the provision for expected credit losses calculated in accordance with the instructions of the Central Bank of Jordan No. (47/2009) and ensured that the Group has recorded whichever is higher. ➢ We assessed the consolidated financial statement disclosures to ensure compliance with IFRS 7 and IFRS 9 as amended by the Central Bank of Jordan Instructions. We have also ensured completeness and accuracy of the disclosures by verifying the information to accounting records.
Seized Assets by the Bank Against Debts Assets seized by the bank are measured at acquisition value or fair value, whichever is lower. As of the consolidated statement of financial position date, these assets are revalued individually at fair value based on approved bases and methods according to the requirements of the international Financial Reporting Standards as amended by the Central Bank of Jordan instructions. Any related Impairment in their value is recorded based on recent real estate evaluations and approved by certified real estate appraisers. Due to the importance of these estimates and assumptions adopted in estimating the fair value, they are considered as significant risks that could cause a material misstatement in the consolidated financial statements that may arise from the inaccuracy of the estimates used to determine the fair value and any impairment losses. As disclosed in Note (14) to the consolidated financial statements, the seized assets held by the Bank against debts amounted to JD 125,328,002 as of 31 December 2022.	We have performed the following procedures to assess the reasonableness of the management's estimates of the fair value and any impairment: ➢ Evaluated management's methodology in estimating the fair value of seized assets against debts. ➢ Reviewed reports of independent real estate appraisers assigned by the management to value those assets. ➢ Evaluate the independence and competence of the appraisers assigned by the bank's management. ➢ Comparing the actual selling prices with the carrying book value of the properties as of 31 December 2022. ➢ Assessed the adequacy of the disclosure about the assets seized by the bank against debts in Note (14).

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Independent auditor's report to the shareholders of Jordan Kuwait Bank (continued)
As of 31 December 2022

Other information

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

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

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

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

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

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as amended by the Central Bank of Jordan instructions. and with other identified applicable laws in the Hashemite Kingdom of Jordan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Independent auditor's report to the shareholders of Jordan Kuwait Bank (continued)
As of 31 December 2022

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

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

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

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

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

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

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

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

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

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Independent auditor's report to the shareholders of Jordan Kuwait Bank (continued)
As of 31 December 2022

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

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

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

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

Report on other legal and regulatory requirements

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

For and on behalf of PricewaterhouseCoopers "Jordan"

Certified Public Accountants
pwc
Amman - Jordan

Hazem Hanna Sababa
License No. (802)

Amman, Jordan
28 February 2023

Consolidated Statement of Financial Position as at 31 December 2022

	Note	2022	2021
		JD	JD
Assets			
Cash and balances with Central Banks	4	480,714,381	317,205,145
Balances at banks and financial institutions	5	123,435,953	142,138,455
Loan with a repurchase option at fair value	6	-	10,000,000
Direct credit facilities, net	7	1,922,640,437	1,687,286,812
Financial assets at fair value through profit and loss	8	20,958,094	4,133,548
Financial assets at fair value through other comprehensive income	9	94,984,592	74,979,107
Financial assets at amortized cost	10	617,988,602	494,569,305
Property and equipment, net	11	36,013,560	33,850,914
Intangible assets, net	12	7,239,008	5,664,986
Deferred tax assets	21	56,299,061	43,487,269
Other assets	14	176,141,619	178,976,591
Right of use of leased assets	13	10,524,060	12,844,569
Total assets		**3,546,939,367**	**3,005,136,701**
Liabilities and shareholders' equity			
Liabilities			
Banks and financial institutions deposits	15	107,184,993	166,945,457
Customers' deposits	16	2,418,672,958	1,937,299,470
Cash margins	17	117,926,572	93,079,208
Borrowed funds	18	296,598,068	239,115,636
Sundry provisions	19	14,454,973	12,478,231
Bonds	20	11,000,000	11,000,000
Income tax provision	21	18,784,419	9,745,645
Deferred tax liabilities	21	7,460,503	4,642,969
Lease liabilities	13	10,733,682	12,530,503
Other liabilities	22	66,567,971	50,625,524
Total liabilities		**3,069,384,139**	**2,537,462,643**
Equity			
Shareholders' equity			
Paid-in capital	23	150,000,000	150,000,000
Statutory reserve	24	99,983,479	97,254,251
Voluntary reserve	24	122,944,584	133,444,584
Financial assets at fair value revaluation reserve - net	25	6,887,913	7,044,559
Actuarial gain from remeasurement of defined post-employment benefits	19	1,050,169	558,921
Retained earnings	26	94,967,563	79,094,033
Total shareholders' equity - Bank's shareholders		475,833,708	467,396,348
Non-controlling interests		1,721,520	277,710
Total shareholders' equity		477,555,228	467,674,058
Total liabilities and shareholders' equity		**3,546,939,367**	**3,005,136,701**

The accompanying notes from (1) to (48) form an integral part of these consolidated financial statements and shall be read with them.

Consolidated Statement of Income as at 31 December 2022

	Note	2022	2021
		JD	JD
Interest income	28	166,177,421	127,163,571
Less: Interest expense	29	65,059,540	42,823,508
Net interest income		**101,117,881**	**84,340,063**
Net commission income	30	10,251,876	9,662,696
Net interest and commission income		**111,369,757**	**94,002,759**
Gain from foreign currencies	31	3,714,769	2,722,720
Gain (loss) from sale of financial assets at fair value through profit and loss	8	5,004,674	(303,783)
Gain (loss) from sale of financial assets through other comprehensive income – debt instruments	9	24,581	(89,987)
Cash dividends from financial assets at fair value through other comprehensive income	9	1,665,642	1,068,858
(Loss) gain from sale of financial assets at amortised cost	10	(24,772)	2,132,280
Other income	32	17,789,164	12,355,910
Total income		**139,543,815**	**111,888,757**
Employees' expenses	33	33,319,751	29,892,235
Depreciation and amortisation	11,12	4,793,384	4,470,471
Provision for expected credit losses on direct credit facilities	7	29,474,218	28,707,400
Provision for (reversal from) expected credit losses on indirect credit facilities		4,103,241	(248,939)
(Reversal from) expected credit losses on deposits at banks and financial institutions	4,5	(2,095,550)	(53,567)
Provision for expected credit losses on investments	10	1,512,332	2,142,782
Sundry provisions	19	2,388,444	2,300,042
Other expenses	34	39,161,681	32,605,633
Total expenses		**112,657,501**	**99,816,057**
Bargain on purchase	47 - B	458,225	-
Profit for the year before income tax		27,344,539	12,072,700
Less: Deficit Income tax expense for the year	21	8,610,164	4,367,863
Profit for the year		**18,734,375**	**7,704,837**
Attributable to:			
Bank's shareholders		18,682,115	7,738,243
Non-controlling interests		52,260	(33,406)
Earnings per share attributable to the bank's shareholders (basic and diluted)	35	0.125	0.052

The accompanying notes from (1) to (48) form an integral part of these consolidated financial statements and shall be read with them.

Consolidated Statement of Comprehensive Income as at 31 December 2022

	2022	2021
	JD	JD
Profit for the year	18,734,375	7,704,837
Other comprehensive income items		
Items that may be reclassified to the consolidated statement of income in subsequent periods – after tax:		
Net change in the valuation reserve of financial assets at fair value through comprehensive income after tax- debt instruments	(3,081,994)	308,573
Items that will not be reclassified to the consolidated statement of income in subsequent periods- after tax:		
Net change in the valuation reserve of financial assets at fair value through comprehensive income after tax - equity instruments	2,805,445	1,792,948
Actuarial gain from remeasurement of defined post-employment benefits	491,248	1,124,657
Total comprehensive income for the year	**18,949,074**	**10,931,015**
Attributable to:		
Bank's shareholders	18,937,360	10,964,421
Non-controlling interests	**11,714**	**(33,406)**

The accompanying notes from (1) to (48) form an integral part of these consolidated financial statements and shall be read with them.

Consolidated statement of changes in equity for the year ended 31 December 2022

	Note	Paid in capital	Reserves: Statutory	Reserves: Voluntary	Revaluation reserve of financial assets at fair value – after tax	Actuarial gain from remeasurement of defined post-employment benefits	Equity directly associated with assets held for sale	Retained earnings	Shareholders' equity - Bank's shareholders	Non-controlling interests	Total equity
		JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the year ended on 31 December 2022											
Balance at the beginning of the year		150,000,000	97,254,251	133,444,584	7,044,559	558,921	-	79,094,033	467,396,348	277,710	467,674,058
Profit for the year		-	-	-	-	-	-	18,682,115	18,682,115	52,260	18,734,375
Net change in fair value of financial assets at fair value through other comprehensive income – after tax		-	-	-	(236,003)	-	-	-	(236,003)	(40,546)	(276,549)
Actuarial gain from remeasurement of defined post-employment benefits		-	-	-	-	491,248	-	-	491,248	-	491,248
Total comprehensive income for the year		**-**	**-**	**-**	**(236,003)**	**491,248**	**-**	**18,682,115**	**18,937,360**	**11,714**	**18,949,074**
(Loss) from sale of financial assets at fair value through other comprehensive income		-	-	-	79,357	-	-	(79,357)	-	-	-
Change in non-controlling interests due to the increase of a subsidiary's capital		-	-	-	-	-	-	-	-	1,432,096	1,432,096
Transferred to reserves	24	-	2,729,228	-	-	-	-	(2,729,228)	-	-	-
Cash dividends	27	-	-	(10,500,000)	-	-	-	-	(10,500,000)	-	(10,500,000)
Balance as at 31 December 2022		**150,000,000**	**99,983,479**	**122,944,584**	**6,887,913**	**1,050,169**	**-**	**94,967,563**	**475,833,708**	**1,721,520**	**477,555,228**
For the year ended on 31 December 2021											
Balance at the beginning of the year		150,000,000	96,043,640	131,023,362	4,571,425	(565,736)	(22,185)	75,381,421	456,431,927	-	456,431,927
Profit for the year		-	-	-	-	-	-	7,738,243	7,738,243	(33,406)	7,704,837
Net change in fair value of financial assets at fair value through other comprehensive income – after tax		-	-	-	2,079,336	-	22,185	-	2,101,521	-	2,101,521
Actuarial gain from remeasurement of defined post-employment benefits		-	-	-	-	1,124,657	-	-	1,124,657	-	1,124,657
Total comprehensive income for the year		**-**	**-**	**-**	**2,079,336**	**1,124,657**	**22,185**	**7,738,243**	**10,964,421**	**(33,406)**	**10,931,015**
Gain realised from the sale of financial assets at fair value through other comprehensive income		-	-	-	393,798	-	-	(393,798)	-	-	-
Non-controlling interests due to the reclassification of a subsidiary		-	-	-	-	-	-	-	-	311,116	311,116
Transferred to reserves	24	-	1,210,611	2,421,222	-	-	-	(3,631,833)	-	-	-
Balance as at 31 December 2021		**150,000,000**	**97,254,251**	**133,444,584**	**7,044,559**	**558,921**	**-**	**79,094,033**	**467,396,348**	**277,710**	**467,674,058**

* Retained earnings include a restricted amount against deferred tax assets of JD 56,299,061 as at 31 December 2022 (2021: JD 43,487,269) in accordance with the instructions of the Central Bank of Jordan.

* Retained earnings include an amount of JD 188,212 as at 31 December 2022 (2021: JD 3,009,704), Such amount is restricted and cannot be utilized according to Jordan Securities Commission regulations, it resulted from the early adoption of IFRS 9 during the year 2011. This amount is related to the net revaluation of financial assets at fair value through profit and loss after what has been realized through the sales transactions.

- In accordance with the instructions of the Central Bank of Jordan No. 13/2018, the accumulated balance of the general banking risk reserve amounting to JD 14,288,875 as at 1 January 2018 was transferred to the retained earnings to offset the impact of IFRS 9. Surplus amount - if any - after the offset is restricted.
- Use of fair value reserve is restricted and requires prior approval from the Central Bank of Jordan.

The accompanying notes from (1) to (48) form an integral part of these consolidated financial statements and shall be read with them.

Consolidated statement of cash flows for the year ended 31 December 2022

		2022	2021
		JD	JD
Operating activities:			
Profit for the year before income tax		27,344,539	12,072,700
Adjustment:			
Depreciations and amortisations		4,793,384	4,470,471
Provision for expected credit losses on direct credit facilities		29,474,218	28,707,400
Provision for (reversal from) expected credit losses on in indirect credit facilities		4,103,241	(248,939)
(Reversal from) expected credit losses on deposits at banks and financial institutions		(2,095,550)	(53,567)
Provision for expected credit losses on investments		1,512,332	2,142,782
Net interest income		(19,481,026)	(20,659,697)
Provision for end of service benefits		1,788,444	2,342,268
Provision for lawsuits against the bank		600,000	600,000
Provision for expected credit losses - debtors		82,720	-
Additional Provision – equity instruments		3,500,000	-
Additional Provision - Deferred instalments		935,000	-
Loss on sale of seized assets		1,015,788	2,271,861
Loss (gain) on sale of property and equipment		1,935	(36,495)
(Gain) loss on sale of equity instruments through profit and loss		(56,751)	303,783
Loss (gain) on sale of debt instruments at amortised cost		24,772	(2,132,280)
(Gain) loss of sale of financial assets at fair value through other comprehensive income - debt instruments		(24,581)	89,987
Provision for seized assets		4,625,923	4,392,387
Amortisation of right of use assets		2,924,193	2,713,528
Effect of exchange rate fluctuations on cash and cash equivalents		22,076	5,854
Cash flows generated from operating activities before changes in assets and liabilities		**61,090,657**	**36,982,043**
Change in assets and liabilities:			
Decrease in balances and deposits at banks and financial institutions		2,334,736	53,567
(Increase) in financial assets at fair value through profit and loss		(16,767,795)	(4,437,331)
(Increase) in direct credit facilities		(264,827,843)	(159,481,379)
Decrease in loan with a repurchase option at fair value		10,000,000	-
Decrease in other assets		33,110,542	16,798,828
(Decrease) in banks and financial institutions deposits due more than three months		(37,614,010)	(89,279,667)
Increase in customers' deposits		481,373,488	59,748,987
Increase in cash margins		24,847,364	19,183,891
(Decrease) in other liabilities		(9,798,182)	(13,572,405)
(Decrease) in liabilities directly associated with assets held for sale		-	(1,529,164)
Net cash flows generated from (used in) operating activities before paid provisions and paid income tax		283,748,957	(135,532,630)
Paid end of service indemnity		(970,697)	(2,043,855)
Paid lawsuits provision		(4,888)	(350,572)
Paid Income tax		(10,799,674)	(2,069,670)
Net cash flows generated from (used in) operating activities		**271,973,698**	**(139,996,727)**
Investing activities			
(Increase) in financial assets at amortised cost		(124,956,401)	(96,943,745)
(Increase) decrease in financial assets at fair value through other comprehensive income		(18,724,707)	14,023,239
Decrease In assets held for sale		-	5,642,817
(Increase) in property and equipment and intangible assets		(8,531,987)	(13,457,461)
Net cash flows (used in) investing activities		**(152,213,095)**	**(90,735,150)**
Financing activities			
Lease liability payments		(2,400,505)	(2,210,520)
Increase in borrowed funds		57,482,432	110,860,192
Non-controlling interests		2,823,646	311,116
Cash dividends paid to shareholders		(10,452,645)	(80,015)
Net cash flows generated from financing activities		**47,452,928**	**108,880,773**
Net Increase (decrease) in cash and cash equivalents		167,213,531	(121,851,104)
Effect of exchange rate fluctuations on cash and cash equivalents		(22,076)	(5,854)
Cash and cash equivalents at beginning of the year		327,469,080	449,326,038
Cash and cash equivalents at the end of the year	**36**	**494,660,535**	**327,469,080**

The accompanying notes from (1) to (48) form an integral part of these consolidated financial statements and shall be read with them.

1. General information

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

The Bank provides all banking and financial activities related to its activities through its head office and (65) branches inside the Kingdom and (1) foreign branch. The Bank owns two subsidiaries, for finance leasing, and the other one for brokerage services which owns two companies the first one provides brokerage services and the second one provides financial advisory services.

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

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

The financial statements were approved by the Bank's Board of Directors at its meeting No. (1/2023) held on 12 February 2023 and are subject to the approval of General Assembly of Shareholders and the Central Bank of Jordan.

2. Summary of significant accounting policies

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

2-1 Basis of preparation

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

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

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

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

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

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

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

A) Low risk credit facilities, which do not require any provisions:

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

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

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

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

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

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

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

1) The existence of dues for a period of more than (60) days and less than (90) days for the principal of credit facilities and/or interest.
2) Exceeding the overdraft predetermined limit by (10%), and for a period of more than (60) days and less than (90) days.

3) Credit facilities that have previously been classified as non-performing credit facilities then reclassified from the list upon meeting the rescheduling criteria.
4) Acceptable-risk credit facilities that has been rescheduled twice in one year.
5) Credit facilities that have been expired for more than 60 days and less than (90) days and have not been renewed.

This is in addition to other conditions detailed in the instructions

D) Non-performing credit facilities:

The credit facilities that have any of the following characteristics:

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

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

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

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

3. Interest and commissions are suspended on non-performing credit facilities and facilities classified within the third stage in accordance with the instructions of the Central Bank of Jordan and in accordance with the instructions of the supervisory authorities in the countries in which the Bank operates, whichever is stricter.
4. Assets that have been seized by the Bank against debts are stated in the consolidated statement of financial position within other assets at the acquisition cost or the fair value, whichever is lesser, and are revaluated on the date of the consolidated financial statements individually.

Any impairment in their value is recorded as a loss in the consolidated statement of income and any appreciation in value is not recorded as income. The subsequent increase is taken to the consolidated statement of income to the extent that it does not exceed the value of the previously recorded impairment.

The Central Bank of Jordan, pursuant to Circular No. 16239/1/10 dated 10 October 2022, cancelled the above circular, and all previous circulars, which stipulate the deduction of provisions against seized assets that violates the banking law, while maintaining the provisions balances against real estate and to be released upon the disposal of such assets.

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

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

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

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

2.2 Changes in accounting policies and disclosures

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

A) New standards issued and applicable for the annual periods starting on or after 1 January 2022 which has been followed by the Group:

- **The amendment to IAS 16 "Property, Plant and Equipment (PP&E)"** Prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

- **The amendments to IFRS 3 "Business Combinations"** Update the references to the Conceptual Framework for Financial Reporting and to add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.
- **The amendment to IAS 37 "Onerous Contracts – Cost of Fulfilling a Contract"** clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

The following improvements were finalised in May 2020:

IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.

IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

IFRS 1 First-time Adoption of International Financial Reporting Standards: allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

B) New standards issued and not yet applicable or early adopted:

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

IFRS 17 "Insurance Contracts" - was issued in May 2017 as replacement for IFRS 4 Insurance Contracts.

The amendments to IAS 1 "Presentation of Financial Statements" Classification of Liabilities as Current or Non-current - clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Disclosure of Accounting Policies – Amendments to IAS 1

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Definition of Accounting Estimates – Amendments to IAS 8

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 - Effective on 1 January 2023:

The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28

The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).

2.3 Basis of consolidation of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

The Bank has the following subsidiary as at 31 December 2022 and 2021:

31 December 2022:

Name of the Company	Paid in capital	Bank's ownership	Nature of operations	Location	Date of acquisition
	JD	%			
Ejara Finance Leasing Company	20,000,000	100	Finance leasing	Amman -Jordan	2011
United Financial Investments Company	10,000,000	78.3	Brokerage and investments	Amman -Jordan	In phases, starting from 2002

31 December 2021:

Name of the Company	Paid in capital	Bank's ownership	Nature of operations	Location	Date of acquisition
	JD	%			
Ejara Finance Leasing Company	20,000,000	100	Finance leasing	Amman -Jordan	2011
United Financial Investments Company	8,000,000	97.4	Brokerage and investments	Amman -Jordan	In phases, starting from 2002

- During the third quarter of 2022 United Financial Investments Company increased its capital in an amount of JD 2 Million with a par value of JD 1 per share through private issuance to non-shareholders.
- The proportion of non-controlling interests is 21.7 % (2021: 2.6%) of the capital of the United Financial Investments Company, which is an amount of JD 1,721,520 in equity and a gain of JD 52,260 of profit for the year (2021 : JD 277,710 and loss JD 33,406)

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

United Financial Investments has the following subsidiaries:

31 December 2022:

Name of the Company	Paid in capital	Bank's ownership	Nature of operations	Location	Date of acquisition
	JD	%			
Specialized Managerial Company for Investment and Financial Consultation	530,000	100	Financial advisory	Amman -Jordan	2021
Al Mawared Brokerage	3,000,000	100	Brokerage	Amman -Jordan	2022
The Arab Financial Investments	4,800,000	100	Brokerage	Amman -Jordan	2022

- The acquisition of The Arab Financial Investments resulted in a bargain on purchase amounting to JD 458,225 that resulted from the excess of the company's fair value over purchase price, which has been recorded on the consolidated statement of income (Note 47).

2-4 Segment information

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

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

2.5 Financial instruments

Initial recognition of measurement:

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

Financial assets and liabilities are measured initially at fair value, and transaction costs that are directly attributable to the acquisition or issuance of financial assets and liabilities are added to the fair value of the financial assets or financial liabilities, or deducted therefrom, as necessary, upon initial recognition. Transaction costs that are directly related to the acquisition of financial assets or financial liabilities at fair value through the consolidated statement of income are recognised directly in the consolidated statement of income.

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

- When the fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, the difference is recognised in the consolidated profit or loss on initial recognition (i.e. profit or loss on the first day).
- In all other cases, the fair value is adjusted to align with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

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

Initial recognition

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

Subsequent measurement

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

Specifically:

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

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

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

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

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

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

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

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

Business model assessment:

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

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

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

- The policies and declared objectives of the portfolio and the application of those policies and whether the management strategy focuses on obtaining contractual revenue, maintaining a specific rate of profit, and matching the period of financial assets with the period of financial liabilities in which those assets are financed cash flows are realised through the sale of assets.
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the key management personnel;
- The risks that affect the performance of the business model (and financial assets held within that business model) and, in particular, the way in which those risks are managed.
- How managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

- On initial recognition of the financial asset, the Bank determines whether the recently recognised financial assets are part of an existing business model or whether it reflects the beginning of a new business model. The Bank reassesses its business models in each reporting period to determine whether the business models have changed since the previous period.

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

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

Financial assets

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

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

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

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

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

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

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

Reclassification:

If the business model, under which the Bank holds financial assets, changes, the financial assets that were affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Bank's financial assets. Changes in contractual cash flows are considered within the framework of the accounting policy for the amendment and exclusion of financial assets set out below.

Foreign exchange gains and losses

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

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in the statement of income of profit or loss; and for debt instruments measured at FVOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in the statement of profit or loss. Other exchange differences are recognised in OCI in the investment's revaluation reserve.
- For financial assets measured at amortised cost through the statement of profit or loss that are not part of a designated hedging relationship, gains and losses of exchange differences are recognised in the statement of profit or loss; and
- For equity instruments measured at FVOCI, exchange differences are recognised in other comprehensive income within investments valuation reserve.

Fair value option

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

- If the choice leads to the cancellation or substantially reduces accounting mismatch.
- If the financial liabilities are part of a portfolio managed on a fair value basis, according to a documented risk or investment management strategy; or

- If there is a derivative that is included in the host financial or non-financial contract and the derivative is not closely related to the host contract.

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

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

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

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

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

Mechanism of addressing default:

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

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

- Internal credit rating system for corporate customers:

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

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

- Large Enterprises Rating Model.
- SME Rating Model (with financial data).

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

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

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

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

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

- Internal credit scoring system for individual customers:

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

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

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

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

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

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

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

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

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

A. Probability of Default (PD):

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

Corporate customers:

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

Retail customers:

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

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

B. Losses Given Default:

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

Corporate customers and debt instruments:

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

Retail customers:

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

C. Exposure at Default (EAD)

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

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

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

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

- There are clear and specific criteria for ratings in the three stages (1, 2 and 3) and the transfer among them. According to the instructions of the Central Bank of Jordan, which state that in the event of an improvement in the quality of credit and the availability of sufficient and documented reasons making it possible to transfer credit exposures from Stage 3 to Stage to or from Stage 2 to Stage 1, the transfer should only take place after the improvement of the credit position of the exposure and the obligation to pay at least three monthly instalments, two quarterly instalments or semi-annual instalment on time, in addition to improving the credit rating of the customer to be higher than -7 in order to be transferred to Stage 1.
- The downgrade of credit rating / debt instrument by two grades on the ten-point rating system since the date of initial recognition is evidence of a significant credit risk decline.

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

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

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

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

- The Board of Directors is responsible for establishing the Bank's acceptable risk profile and effective management of risk management.
- The Board of Directors is responsible and authorised to approve the expected credit losses in the Bank's financial statements.
- The Board of Directors of the Bank shall provide appropriate governance structure and procedures to ensure the proper application of IFRS 9 by defining the roles of the committees, departments and working units of the Bank, ensuring the integrity of the work among them and providing the appropriate infrastructure.
- The Board of Directors shall ensure that the Bank's management develops the necessary systems to provide adequate and accurate information and data in order to provide the Bank with the accurate ability to calculate and with the participation of all relevant business units in the Bank and under the supervision of the Board of Directors and its related committees.
- The Board of Directors shall ensure that the Bank's management implements high quality and reliable quality systems in terms of inputs, operating processes and results.
- The Board of Directors shall ensure that the Bank's control units, specifically risk department, internal audit department work to verify the validity and integrity of the methodologies and systems used in the application of IFRS 9 and to provide the necessary support to these supervisory units.

Board of Directors' Audit Committee:

- The Committee monitors compliance with the expected credit loss accounting framework in accordance with IFRS 9 and ensures that internal audit carried out its duties in this regard.
- The Committee recommends to the Board of Directors the adoption of expected credit loss figures as part of the quarterly financial statements.

Board Risk Committee:

- The Committee reviews and recommends the adoption of the credit risk assessment framework and assumptions.
- The Committee is responsible for the accounting of expected credit losses and is reviewed at the level of the Board of Directors with respect to the roles and models used for the accounting.

Management Committee for Provisions:

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

Risk management:

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

Finance Department:

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

Internal audit:

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

2-7 Impairment

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

- Balances and deposits with banks and banking institutions
- Direct credit facilities (loans and advances to customers)
- Financial assets at amortised cost (debt instruments securities)
- Financial assets at fair value through the statement of other comprehensive income.

- Exposures off-the statement of financial position that are subject to credit risk (issued financial guarantee contracts).

Impairment loss is not recognised in equity instruments.

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

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

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

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

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

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

The Bank measures ECL on an individual basis, or on the portfolio basis that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a portfolio basis.

Credit-impaired financial assets

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

- Significant financial difficulty faced by borrower or issuer.
- Breach of contract, for example, default or delay in payment.

- The Bank grants the borrower a waiver for economic or contractual reasons related to the borrower's financial difficulty.
- The disappearance of an active market for that financial asset because of financial difficulties.
- The purchase of a financial asset at a significant discount that reflects the incurred credit losses.

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

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

Purchased or originated credit-impaired' (POCI) financial assets

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

Definition of default

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

The Bank considers the following as an event of default:

- The borrower defaults for more than 90 days on any significant credit obligation to the Bank; or

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

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

Significant increase in credit risk

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

The Bank will not consider that financial assets with 'low' credit risk at the reporting date did not have a significant increase in credit risk. As a result, the Bank monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

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

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

For corporate financing, forward-looking information includes the future prospects of the industries in which the Bank's counterparties operate, that can be obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as taking into consideration various internal and external sources of actual and forecast economic information. For retail financing, forward looking lending information includes the same economic forecasts as corporate lending with additional forecasts of local economic indicators, particularly for regions with a concentration to certain industries, as well as internally generated information of customer payment behaviour.

The Bank allocates its counterparties to a relevant credit risk grade depending on their quality. The quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime PD by comparing:

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

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

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

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

Modification and de-recognition of financial assets

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

The Bank renegotiates loans with customers who face financial difficulties to increase collection and reduce the risk of default. The terms of repayment of the loan are facilitated in cases where the borrower has made all reasonable efforts to pay under the original contractual terms, and an important risk of default or default has occurred and it is expected that the borrower will be able to fulfil the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants. The bank has a waiting policy that applies to corporate and individual lending.

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

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

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

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

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

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

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

The Bank derecognises a financial asset only when the contractual rights to the asset's cash flows expire, or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/ loss that had been recognised in OCI and accumulated in equity is recognised in the statement of profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/ loss previously recognised in OCI is not subsequently reclassified to the statement of profit or loss.

Write-off

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

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

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

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

- Loan commitments and financial guarantee contracts: as a provision.
- Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component, the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.
- Financial liabilities and equity.

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

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

2.8 Loans and advances

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

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

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

Equity instruments

Share capital

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

Treasury shares

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

Financial liabilities

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

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

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

- It is incurred principally for the purpose of repurchasing in the near term.
- Upon initial recognition it is part of a portfolio of identified financial instruments that the Bank manages and has a recent actual pattern of short-term profit-taking.
- It is a derivative that is not designated and effective as a hedging instrument.
- A financial liability other than a financial liability held for the purpose of trading or the potential consideration that a buyer may pay as part of a business combination at fair value is determined through the statement of profit or loss upon initial recognition if:
- 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;
- If the financial obligation forms part of a contract that contains one derivative or more. IFRS 9 allows a fully hybrid contract (composite) to be determined at fair value through the statement of profit or loss.

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

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

With regard to liabilities for issued loans and financial guarantee contracts classified as fair value through the statement of profit or loss, all gains and losses are recognised in the consolidated statement of profit or loss.

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

Other financial liabilities

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

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

De-recognition of financial liabilities

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

The exchange between the Bank and its existing lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Likely, the Bank treats the significant modification of the outstanding obligation conditions or part thereof as extinguishment of the original financial liabilities and the recognition of new liabilities. The terms are assumed to be substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

Derivative financial instruments

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

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

Derivatives with positive fair value are recognised as a financial asset, while derivatives with negative fair value are recognised as financial liabilities. Derivatives are presented as non-current assets or non-current liabilities if the residual maturity of the instrument is more than (12) months and is not expected to be realised or settled within (12) months. Other derivatives are presented as current assets or current liabilities.

Embedded derivatives

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

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

Financial guarantee contracts

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

Financial guarantee contracts issued by the Bank's entity are initially measured at their fair value, and if they are not determined at fair value through the statement of profit or loss that does not result from the transfer of a financial asset, they are subsequently measured:

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

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

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

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

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

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

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

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

Financial derivatives

Financial derivatives for trading

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

Hedge accounting

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

- At the beginning of the hedge relationship, the Bank documents the relationship between the hedging instrument and the hedged item, as well as the risk management objectives and strategy for undertaking various hedging transactions. Furthermore, at the commencement of the hedging and on a continuous basis, the Bank documents whether the hedging instrument is effective in offsetting changes in the fair value or cash flows of the hedged item that can be attributed to the hedged risk, and for which all hedging relationships meet the following hedging effectiveness requirements: There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from this economic relationship; and
- The hedge ratio for the hedge relationship is the same as that results from the amount of the hedged item to which the Bank actually hedges and the amount of the hedging instrument that the Bank actually uses to hedge that amount of the hedged item.

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

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

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

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

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

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

Fair value hedges

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

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

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

Cash flow hedges

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

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

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

Hedges of net investments in foreign operations

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

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

Offsetting

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

2-9 Accounts managed for the interest of clients

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

2.10 Fair value

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

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

2.11 Assets seized by the Bank against debts

Assets seized by the Bank are recognised in the consolidated statement of financial position within the "other assets" item at the lower of the value seized by the Bank and the fair value, whichever is lesser and are revaluated at the consolidated financial statements date at fair value separately.

Any impairment is recorded as a loss in the consolidated statement of profit or loss and any appreciation in value is not recognised as income. Subsequent increase is included in the consolidated statement of profit or loss to the extent that impairment value does not exceed the previously recorded value.

The Central Bank of Jordan, pursuant to Circular No. 16239/1/10 dated 10 October 2022, cancelled all previous circulars, which stipulate the deduction of provisions against seized assets that violates the banking law, while maintaining the provisions balances against real estate and to be released upon the disposal of such assets

2.12 Property and equipment

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

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

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

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

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

2.13 Intangible assets

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

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

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

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

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

2.14 Cash and cash equivalents

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

2.15 Net non-current assets held for sale

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

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

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

2.16 Pledged financial assets

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

2.17 Foreign currencies

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

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

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

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

2.18 Provision for employees' end of service indemnity

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

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

2-19 Provisions

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

2.20 Income tax

Tax expenses represent amounts of tax payable and deferred tax.

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

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

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

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

2.21 Net interest income

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

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

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

Interest income and expense in the Bank's consolidated statement of profit or loss also includes the effective portion of fair value changes for derivatives that are designated as hedging instruments in the cash flow hedges of interest rate risk. As for the fair value hedges of interest rate risk on interest expense and income, the effective portion of fair value changes for specific derivatives are also included, and fair value changes to the specific risks of the hedged item are also included in interest income and expense. Interest expenses also include the value of the interest against the lease obligations.

2.22 Net commission income

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

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

2.23 Net trading income

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

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

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

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

2.25 Dividends income

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

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

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

2.26 Impairment of non-financial assets

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

2.27 Foreign currencies

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

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

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

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

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

2.28 Leases

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

The Bank as a lessee

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

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

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

The Bank as a lessor

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

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

2.29 Earnings per share

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

(3) Use of estimates

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

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

- **Impairment of seized assets**

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

- **Expected credit loss provisions**

The Bank's management is required to use significant judgments and estimates to estimate future cash flows amounts and timings and estimate the risks of a significant increase in credit risk for financial assets after initial recognition and future measurement information for expected credit losses. The most significant policies and estimates used by the Bank's management are detailed in Note (2-7).

- **Leases**

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

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

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

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

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

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

- **Income tax**

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

- **Provision for legal cases**

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

(4) Cash and balances with Central Banks

	2022 JD	2021 JD
Cash at vault	61,570,899	61,795,532
Balances with central banks:		
Current and demand accounts	15,294,165	11,615,697
Term, notice deposits and certificate of deposits	313,301,421	173,036,213
Restricted cash reserve	90,547,896	70,757,703
Total balances with central banks	**419,143,482**	**255,409,613**
Total cash at vault and balances with central banks	**480,714,381**	**317,205,145**

- Excluding restricted cash reserve, there are no restricted balances as at 31 December 2022 and 2021.
- There are no balances that matures in a period of more than 3 months as at 31 December 2022 and 2021.
- Expected credit losses are not calculated on balances with central banks according to the instructions of the Central Bank of Jordan relating to the application of the IFRS (9).

The following is the distribution of total balances with central banks according to the Bank's internal classification categories as at 31 December 2022 and 2021:

Credit rating categories based on the Bank's internal regulations	Stage 1 Individuals JD	Stage 2 Individuals JD	Stage 3 JD	Total JD
31 December 2022				
From (1) to (5)	-	-	-	-
From (6) to (7)	3,669,301	-	-	3,669,301
From (8) to (10)	-	-	-	-
Unrated	415,474,181	-	-	415,474,181
Total	**419,143,482**	**-**	**-**	**419,143,482**
31 December 2021				
From (1) to (5)	-	-	-	-
From (6) to (7)	-	-	-	-
From (8) to (10)	2,493,743	-	-	2,493,743
Unrated	252,915,870	-	-	252,915,870
Total	**255,409,613**	**-**	**-**	**255,409,613**

The following is the movement on balances with central banks during the years ended 31 December 2022 and 2021:

Description	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	255,409,613	-	-	255,409,613
New balances during the year	163,733,869	-	-	163,733,869
Balances paid during the year	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Write offs	-	-	-	-
Balance at the end of the year	**419,143,482**	**-**	**-**	**419,143,482**
31 December 2021				
Balance at the beginning of the year	297,372,740	-	-	297,372,740
New balances during the year	611,994	-	-	611,994
Balances paid during the year	(42,575,121)	-	-	(42,575,121)
Transferred to Stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Write offs	-	-	-	-
Balance at the end of the year	**255,409,613**	**-**	**-**	**255,409,613**

The following is the movement on balances with central banks during the years ended 31 December 2022 and 2021:

Description	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total	2022
	JD	JD	JD	JD	JD
31 December 2022					
Balance at the beginning of the year	-	-	-	-	-
Expected credit losses on new balances during the year	-	-	-	-	-
Recovered from expected credit losses on balances paid during the year	-	-	-	-	-
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Changes resulting from adjustments	-	-	-	-	-
Write offs	-	-	-	-	-
Balance at the end of the year	-	-	-	-	-
31 December 2021					
Balance at the beginning of the year	-	-	-	-	-
Expected credit losses on new balances during the year	-	-	-	-	-
Recovered from expected credit losses on balances paid during the year	-	-	-	-	-
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Changes resulting from adjustments	-	-	-	-	-
Write offs	-	-	-	-	-
Balance at the end of the year	-	-	-	-	-

(5) Balances at banks and financial institutions

	Local banks and financial institutions		Foreign banks and financial institutions		Total	
	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD
Current and demand accounts	8,958	5,163	111,549,908	145,679,545	111,558,865	145,684,708
Deposits mature within 3 months or less	5,904,445	-	5,974,068	2,570,146	11,878,513	2,570,146
Total	**5,913,403**	**5,163**	**117,523,976**	**148,249,691**	**123,437,378**	**148,254,854**
Less: interest in suspense	-	-	-	(201,193)	-	(201,193)
Less: provision for expected credit losses for balances at banks and financial institutions	(765)	-	(660)	(5,915,206)	(1,425)	(5,915,206)
Net total balances of cash at banks and financial institutions	**5,912,638**	**5,163**	**117,523,316**	**142,133,292**	**123,435,953**	**142,138,455**

- Balances at banks and financial institutions, for which it receives no interest amounted to JD 24,857,683 as at 31 December 2022 compared to an amount of JD 54,445,850 as at 31 December 2021.

- Balances restricted for withdrawal amounted to JD 3,557,652 as at 31 December 2022 compared to an amount of JD 2,543,992 as at 31 December 2021.

The following is the distribution of deposits at banks and financial institutions according to the Bank's internal classification categories as at 31 December 2022 and 2021:

Credit rating categories based on the Bank's internal regulations	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2022				
From (1) to (5)	120,565,513	-	-	120,565,513
From (6) to (7)	597,290	-	-	597,290
From (8) to (10)	-	-	-	-
Unrated	2,273,150	-	-	2,273,150
Total	**123,435,953**	**-**	**-**	**123,435,953**
31 December 2021				
From (1) to (5)	134,803,905	-	-	134,803,905
From (6) to (7)	108,333	-	-	108,333
From (8) to (10)	62,402	-	6,116,399	6,178,801
Unrated	7,163,815	-	-	7,163,815
Total	**142,138,455**	**-**	**6,116,399**	**148,254,854**

The following is the movement on deposits at banks and financial institutions during the year ended 31 December 2022 and 2021:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	142,138,455	-	6,116,399	148,254,854
New balances during the year	19,330,408	-	-	19,330,408
Paid during the year	(38,032,910)	-	(1,999,686)	(40,032,596)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Write offs	-	-	(4,116,713)	(4,116,713)
Balance at the end of the year	**123,435,953**	**-**	**-**	**123,435,953**
31 December 2021				
Balance at the beginning of the year	136,758,517	-	6,049,582	142,808,099
New balances during the year	12,246,264	-	139,787	12,386,051
Paid during the year	(6,866,326)	-	(72,970)	(6,939,296)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Write offs	-	-	-	-
Balance at the end of the year	**142,138,455**	**-**	**6,116,399**	**148,254,854**

The following is the disclosure of the provision for expected credit losses on deposits with banks and banking institutions during the year ended 31 December 2022 and 2021:

Description	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	-	-	5,915,206	5,915,206
New balances during the year	1,425	-	-	1,425
Balances paid during the year	-	-	(2,096,975)	(2,096,975)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Write offs	-	-	(3,818,231)	(3,818,231)
Balance at the end of the year	**1,425**	**-**	**-**	**1,425**
31 December 2021				
Balance at the beginning of the year	-	-	5,968,773	5,968,773
New balances during the year	-	-	19,402	19,402
Balances paid during the year	-	-	(72,969)	(72,969)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Write offs	-	-	-	-
Balance at the end of the year	**-**	**-**	**5,915,206**	**5,915,206**

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

On June 4 2020, the Bank signed a share repurchase agreement, in which 10 million shares were purchased from a customer who owns the majority share of a public shareholding company registered in Jordan at a price of JD 1 per share, for a total amount of JD 10 million. The repurchase agreement states that the seller has the right/option to repurchase those shares at the initial transaction price of 1 JD within a period of two years from the date of signing the agreement.

The above financial transaction did not meet the criteria to be recognized as sale transaction from accounting perspective by which one of its most important criterion is the transfer of ownership and risks relating to the assets to the buyer, due to the existence of a repurchase condition at the selling price (fixed price), therefore, the bank didn't recognize the purchased stocks in the statement of financial position as a loan at fair value at a fixed interest rate.

The repurchasing term was over. Hence, the stocks were reclassified on 4 June 2022 and recorded as financial assets at fair-value through profit and loss in an amount of JD 14.80M and an amount of JD 4.8M was recorded as profits under other income items. The amount was reappraised during the first half of the year of 2022 and the stocks were classified as financial assets at fair-value through profit and loss.

7) Direct credit facilities, net

	31 December 2022	31 December 2021
Individuals (Retail):	**JD**	**JD**
Overdrafts	129,642	72,441
Loans and promissory notes*	296,298,886	252,062,593
Credit cards	12,788,753	11,072,361
Real estate mortgage	263,006,274	255,897,699
Corporates:		
Large		
Overdrafts	119,972,299	130,074,162
Loans and promissory notes*	1,028,339,715	872,362,056
SMEs		
Overdrafts	36,548,126	14,099,500
Loans and promissory notes*	166,042,740	129,482,604
Government and public sector	181,960,741	177,939,198
Total	**2,105,087,176**	**1,843,062,614**
Expected credit loss provisions	152,369,385	126,245,225
Interest in suspense	30,077,354	29,530,577
Net direct credit facilities	**1,922,640,437**	**1,687,286,812**

* Net after deducting interest and commissions received in advance amounting to JD 296,766 as 31 December 2022 compared to JD 84,885 as at 31 December 2021.

Credit facilities within the third stage amounted to JD 137,657,367 which is equivalent to 6,54% of total direct credit facilities as at 31 December 2022, compared to JD 147,323,386, which is equivalent to 7.99% of the total direct credit facilities as at 31 December 2021.

Credit facilities within the third stage less suspended interest amounted to JD 109,458,500 which is equivalent to 5,27% of total direct credit facilities as at 31 December 2022 compared to JD 120,397,568 which is equivalent to. 6.6% of total direct credit facilities as at 31 December 2021.

The credit facilities granted and guaranteed by the Jordanian government amounted to JD 107,522,932 which is equivalent to 5,11% of total direct credit facilities as at 31 December 2022, compared to JD 123,501,389 which is equivalent to 7.7% as at 31 December 2021.

The following is the movement on the balance of direct credit facilities on gross basis during the year ended 31 Decembers 2022 and 2021:

	Stage1		Stage2		Stage3	Total
	Individual	Collective	Individual	Collective		
31 December 2022	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	1,512,006,987	-	183,732,241	-	147,323,386	1,843,062,614
New facilities granted during the year	502,139,014	-	29,723,792	-	7,436,118	539,298,924
Facilities settled during the year	(221,640,861)	-	(25,675,943)	-	(25,270,421)	(272,587,225)
Transferred to stage 1	15,757,739	-	(11,056,054)	-	(4,701,685)	-
Transferred to stage 2	(24,358,342)	-	28,678,336	-	(4,319,994)	-
Transferred to stage 3	(8,329,402)	-	(13,547,693)	-	21,877,095	-
Changes resulting from adjustments	-	-	-	-	-	-
Written-off facilities (transferred off-the statement of financial position)	-	-	(6)	-	(4,687,132)	(4,687,138)
Currency exchange adjustments	-	-	-	-	-	-
Balance at the end of the year	**1,775,575,135**	**-**	**191,854,673**	**-**	**137,657,367**	**2,105,087,176**
31 December 2021						
Balance at the beginning of the year	1,363,763,744	-	145,237,872	-	187,198,381	1,696,199,997
New facilities granted during the year	445,812,060	-	29,428,899	-	14,140,997	489,381,956
Facilities settled during the year	(275,058,045)	-	(15,555,771)	-	(30,450,270)	(321,064,086)
Transferred to stage 1	17,981,450	-	(15,618,662)	-	(2,362,788)	-
Transferred to stage 2	(29,007,831)	-	55,123,801	-	(26,115,970)	-
Transferred to stage 3	(11,484,391)	-	(14,883,898)	-	26,368,289	-
Changes resulting from adjustments	-	-	-	-	-	-
Written-off facilities (transferred off-the statement of financial position)	-	-	-	-	(21,455,253)	(21,455,253)
Currency exchange adjustments	-	-	-	-	-	-
Balance at the end of the year	**1,512,006,987**	**-**	**183,732,241**	**-**	**147,323,386**	**1,843,062,614**

Expected credit loss provisions – direct credit facilities

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

Year 2022	Individuals	Real estate mortgage	Corporates		Government and public sector	Total
			Large	SMEs		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	19,092,565	24,672,970	72,245,590	9,697,676	536,424	126,245,225
Provision added during the period	8,720,792	9,069,154	33,331,462	6,195,158	137,686	57,454,252
Provision recovered (surplus) during the period	(2,889,331)	(4,480,205)	(15,751,335)	(3,966,970)	(38,190)	(27,126,031)
Provision of debts transferred off-the statement of financial position	(343,568)	(47,635)	(894,115)	(2,918,743)	-	(4,204,061)
Balance at the end of the year	**24,580,458**	**29,214,284**	**88,931,602**	**9,007,121**	**635,920**	**152,369,385**
Total provisions - stage 1	10,721,325	1,321,100	20,276,753	776,908	635,920	33,732,006
Total provisions -stage 2	864,516	5,895,139	25,695,019	1,654,878	-	34,109,552
Total provisions -stage 3	12,994,617	21,998,045	42,959,829	6,575,335	-	84,527,827
Total	**24,580,458**	**29,214,284**	**88,931,601**	**9,007,121**	**635,920**	**152,369,385**

- Provision added during the year includes an amount of JD 854,003, related to the acquisition of a subsidiary by United Financial Investments (Subsidiary of the Bank) that has been completed during 2022.

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

- The value of provisions that were no longer needed as a result of settlements or repayment of debts and transferred against other debts amounted to 27,126,031 JD as at 31 December 2022 (17,936,096 JD as at 31 December 2021).
- During the year 2022, direct credit facilities including interest in suspense were transferred off the statement of financial position at an amount of JD 4,687,138 (2021: JD 21,455,252), in accordance with the decision of the Board of Directors.
- Disclosed above is the total provisions recorded against debts calculated on a per customer basis.
- The Bank adopts the policy of suspended interest for off balance sheet accounts. During the year 2022, JD 3,001,969 of interest was suspended in accordance with the Board of Directors decision compared to JD 5,607,649 during the year 2021, so that the total interest in suspense transferred off-the statement of financial position amounted to JD 45,440,101 as at 31 December 2022 compared to JD 42,438,132 as at 31 December 2021.

Interest in suspense

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

Year 2022	Individuals	Real estate mortgage	Corporates		Government and public sector	Total
			Large	SMEs		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	1,645,929	9,459,416	15,776,397	2,648,835	-	29,530,577
Add: Interest suspended during the period	550,645	1,291,578	3,048,832	539,143	-	5,430,198
Less: Interest transferred to income	(168,318)	(1,851,771)	(770,443)	(1,609,812)	-	(4,400,344)
Interest in suspense transferred off-the statement of financial position	(50,850)	(41,567)	(182,652)	(208,008)	-	(483,077)
Balance at the end of the year	**1,977,406**	**8,857,656**	**17,872,134**	**1,370,158**	**-**	**30,077,354**

Year 2021	Individuals	Real estate mortgage	Corporates		Government and public sector	Total
			Large	SMEs		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	1,478,294	7,594,260	14,088,077	1,424,761	-	24,585,392
Add: Interest suspended during the year	554,809	2,245,478	4,565,544	1,702,241	-	9,068,071
Less: Interest transferred to income	(211,571)	(239,252)	(1,223,418)	(238,856)	-	(1,913,096)
Interest in suspense transferred off-the statement of financial position	(175,603)	(141,070)	(1,653,807)	(239,310)	-	(2,209,790)
Balance at the end of the year	**1,645,929**	**9,459,416**	**15,776,397**	**2,648,835**	**-**	**29,530,577**

Disclosures according to the requirements of the Central Bank of Jordan regarding the presentation of International Financial Reporting Standard No. (9):

A) Per economic sector:

The following is the movement on the expected credit loss provisions of direct credit facilities on collective basis during the year ended 31 December 2022 and 2021:

	Retail	Real estate mortgage	Companies		Government and public sector	Total
			Large	SMEs		
31 December 2022	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	19,092,565	24,672,970	72,245,590	9,697,676	536,424	126,245,225
Expected credit loss on new facilities during the period	7,987,493	9,069,154	33,331,462	6,074,454	137,686	56,600,249
Reversed from expected credit loss on settled facilities	(2,889,331)	(4,480,205)	(15,751,335)	(3,966,970)	(38,190)	(27,126,031)
Transferred to stage 1	294,719	119,521	716,962	125,355	-	1,256,557
Transferred to stage 2	(439,970)	(73,258)	(224,571)	1,642,811	-	905,012
Transferred to stage 3	145,250	(46,261)	(492,391)	(1,768,166)	-	(2,161,568)
Provision of bad debts transferred off-the statement of financial position	(343,567)	(47,635)	(894,116)	(2,918,743)	-	(4,204,061)
Additions related to the acquisition transaction	733,299	-	-	120,704	-	854,003
Balance at the end of the year	**24,580,458**	**29,214,284**	**88,931,601**	**9,007,121**	**635,920**	**152,369,385**
Re-allocation:						
Provisions on an individual basis	24,580,458	29,214,284	88,931,601	9,007,121	635,920	152,369,385
Provisions on a collective basis	-	-	-	-	-	-

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

* This balance includes an amount of JD 1,681,516 related to the subsidiaries that were re-consolidated instead of being classified as assets held for sale.

B) Per Stage:

31 December 2022	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
Balance at the beginning of the year	22,701,990	23,759,318	79,783,917	126,245,225
New facilities granted during the year	14,873,474	18,689,769	23,037,005	56,600,248
Facilities settled during the year	(5,129,860)	(9,246,442)	(12,749,729)	(27,126,031)
Transferred to stage 1	1,671,992	(511,809)	(1,160,183)	-
Transferred to stage 2	(233,119)	2,362,757	(2,129,638)	-
Transferred to stage 3	(182,317)	(945,936)	1,128,253	-
Additions related to the acquisition transaction	29,846	1,901	822,256	854,003
bad debts transferred off-the statement of financial position	-	(6)	(4,204,054)	(4,204,060)
Balance at the end of the year	**33,732,006**	**34,109,552**	**84,527,827**	**152,369,385**

31 December 2021	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
Balance at the beginning of the year	14,531,535	10,368,518	90,201,718	115,101,771
New facilities granted during the year	12,693,512	11,645,884	23,985,615	48,325,012
Facilities settled during the year	(5,223,669)	(3,603,274)	(9,109,153)	(17,936,096)
Transferred to stage 1	1,503,701	(695,577)	(808,124)	-
Transferred to stage 2	(414,121)	9,818,085	(9,403,964)	-
Transferred to stage 3	(388,969)	(3,774,317)	4,163,286	-
bad debts transferred off-the statement of financial position	-	-	(19,245,462)	(19,245,462)
Balance at the end of the year	**22,701,990**	**23,759,318**	**79,783,917**	**126,245,225**

Retail

The following is the distribution of total retail facilities according to the Bank's internal rating categories as at 31 December 2022 and 2021:

Credit rating categories based on the bank's internal system	Stage 1 Individuals	Stage 2 Individual	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
From (1) to (5)	30,330,311	7,391,846	-	37,722,157
From (6) to (7)	-	-	-	-
From (8) to (10)	-	-	4,644,492	4,644,492
Unrated	250,138,488	3,485,792	13,226,352	266,850,632
Total	**280,468,799**	**10,877,638**	**17,870,844**	**309,217,281**
31 December 2021				
From (1) to (5)	22,317,998	5,833,564	-	28,151,562
From (6) to (7)	-	-	-	-
From (8) to (10)	-	-	3,149,277	3,149,277
Unrated	218,387,004	3,625,285	9,894,267	231,906,556
Total	**240,705,002**	**9,458,849**	**13,043,544**	**263,207,395**

The following is the movement on retail facilities balances during the year ended 31 December 2022 and 2021.

	Stage 1 Individuals	Stage 2 Individual	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	240,705,002	9,458,849	13,043,544	263,207,395
New facilities granted during the year	76,420,890	3,085,867	(237,318)	79,269,439
Facilities settled during the year	(35,063,887)	(1,426,244)	(2,232,978)	(38,723,109)
Transferred to stage 1	2,481,735	(2,131,682)	(350,053)	-
Transferred to stage 2	(3,508,315)	3,808,140	(299,825)	-
Transferred to stage 3	(3,812,266)	(2,292,339)	6,104,605	-
Additions related to the acquisition transaction	3,245,640	375,047	2,237,286	5,857,973
bad debts transferred off-the statement of financial position	-	-	(394,417)	(394,417)
Balance at the end of the year	**280,468,799**	**10,877,638**	**17,870,844**	**309,217,281**

31 December 2021	Stage 1 Individuals JD	Stage 2 Individual JD	Stage 3 JD	Total JD
Balance at the beginning of the year	183,286,316	5,694,963	13,306,818	202,288,097
New facilities granted during the year	87,781,451	2,333,857	1,890,013	92,005,321
Facilities settled during the year	(26,479,252)	(1,226,077)	(2,692,537)	(30,397,866)
Transferred to stage 1	3,006,580	(2,504,795)	(501,785)	-
Transferred to stage 2	(5,336,067)	6,623,370	(1,287,303)	-
Transferred to stage 3	(1,554,027)	(1,462,469)	3,016,496	-
bad debts transferred off-the statement of financial position	-	-	(688,158)	(688,158)
Balance at the end of the year	**240,705,002**	**9,458,849**	**13,043,544**	**263,207,395**

The following is the movement on expected credit loss provisions on retail credit facilities during the year ended 31 December 2022 and 2021:

31 December 2022	Stage 1 Individuals JD	Stage 2 Individual JD	Stage 3 JD	Total JD
Balance at the beginning of the year	8,774,489	913,870	9,404,206	19,092,565
Expected credit losses on new facilities granted during the year	3,254,473	583,897	4,149,123	7,987,493
Reversed from expected credit loss on settled facilities	(1,616,387)	(195,184)	(1,077,760)	(2,889,331)
Transferred to stage 1	538,676	(360,750)	(177,927)	-
Transferred to stage 2	(106,582)	302,803	(196,221)	-
Transferred to stage 3	(137,376)	(382,023)	519,399	-
Additions related to the acquisition transaction	14,032	1,901	717,366	733,299
Provision of bad debts	-	-	(343,567)	(343,567)
Balance at the end of the year	**10,721,325**	**864,515**	**12,994,619**	**24,580,458**

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

The following is a disclosure of the distribution of total real estate facilities according to the Bank's internal classification categories as at 31 December 2022 and 2021

Credit rating categories based on the bank's internal system	**Stage 1 Individuals**	**Stage 2 Individuals**	**Stage 3**	**Total**
31 December 2022	**JD**	**JD**	**JD**	**JD**
From (1) to (5)	58,204,574	5,028,026	-	63,232,600
From (6) to (7)	52,200	17,806,772	-	17,858,972
From (8) to (10)	-	-	25,783,365	25,783,365
Unrated	138,637,832	4,604,603	12,888,903	156,131,338
Total	**196,894,606**	**27,439,401**	**38,672,268**	**263,006,274**

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

Real Estate facilities

The following is the disclosure of the movement on real estate facilities balances during the year ended 31 December 2022 and 2021:

31 December 2022	Stage 1 Individuals JD	Stage 2 Individuals JD	Stage 3 JD	Total JD
Balance at the beginning of the year	179,848,092	32,037,251	44,012,356	255,897,699
New facilities during the year	35,598,776	1,212,513	1,394,149	38,205,438
Facilities paid during the year	(19,925,890)	(2,463,335)	(8,618,435)	(31,007,660)
Transferred to stage 1	7,048,799	(6,605,268)	(443,531)	-
Transferred to stage 2	(3,816,884)	4,933,686	(1,116,802)	-
Transferred to stage 3	(1,858,288)	(1,675,447)	3,533,735	-
Additions related to the acquisition transaction	-	-	-	-
bad debts transferred off-the statement of financial position	-	-	(89,202)	(89,202)
Balance at the end of the year	**196,894,606**	**27,439,401**	**38,672,268**	**263,006,274**

31 December 2021	Stage 1 Individuals JD	Stage 2 Individuals JD	Stage 3 JD	Total JD
Balance at the beginning of the year	142,344,699	31,521,072	47,289,989	221,155,759
New facilities during the year	63,221,222	2,080,020	2,667,102	67,968,345
Facilities paid during the year	(22,588,422)	(3,834,895)	(6,434,498)	(32,857,815)
Transferred to stage 1	6,118,672	(4,531,577)	(1,587,095)	-
Transferred to stage 2	(4,521,865)	8,867,960	(4,346,095)	-
Transferred to stage 3	(4,726,214)	(2,065,329)	6,791,543	-
bad debts transferred off-the statement of financial position	-	-	(368,590)	(368,590)
Balance at the end of the year	**179,848,092**	**32,037,251**	**44,012,356**	**255,897,699**

The following is the movement on the expected credit loss provisions of real estate facilities during the year ended 31 December 2022 and 2021:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	1,123,340	3,489,409	20,060,221	24,672,970
Expected credit losses on new facilities granted during the year	596,415	2,746,143	5,726,596	9,069,154
Reversed from expected credit loss on settled facilities	(518,176)	(267,154)	(3,694,875)	(4,480,205)
Transferred to stage 1	182,873	(133,292)	(49,581)	-
Transferred to stage 2	(40,937)	280,451	(239,514)	-
Transferred to stage 3	(22,415)	(220,417)	242,832	-
Additions related to the acquisition transaction	-	-	-	-
Provision of bad debts	-	-	(47,635)	(47,635)
Balance at the end of the year	**1,321,100**	**5,895,139**	**21,998,045**	**29,214,284**
31 December 2021				
Balance at the beginning of the year	1,294,367	2,903,993	18,762,925	22,961,285
Expected credit losses on new facilities granted during the year	526,411	892,859	5,265,045	6,684,316
Reversed from expected credit loss on settled facilities	(950,000)	(1,134,839)	(2,660,272)	(4,745,111)
Transferred to stage 1	533,478	(145,622)	(387,856)	-
Transferred to stage 2	(260,858)	1,162,828	(901,970)	-
Transferred to stage 3	(20,059)	(189,809)	209,868	-
Provision of bad debts	-	-	(227,520)	(227,520)
Balance at the end of the year	**1,123,340**	**3,489,409**	**20,060,221**	**24,672,970**

Large Companies'

The following is a disclosure of the distribution of the total large companies' facilities according to the bank's internal classification categories as at 31 December 2022 and 2021:

Credit rating categories based on the bank's internal system	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
From (1) to (5)	747,134,955	29,650,730	-	776,785,685
From (6) to (7)	205,316,176	95,532,065	-	300,848,241
From (8) to (10)	-	-	70,634,294	70,634,294
Unrated	13,096	142	30,555	43,793
Total	**952,464,227**	**125,182,937**	**70,664,849**	**1,148,312,013**

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

The following is the disclosure of the movement on the large companies' facilities balances during the year ended 31 December 2022 and 2021:

31 December 2022	Stage 1 Individuals JD	Stage 2 Individuals JD	Stage 3 JD	Total JD
Balance at the beginning of the year	803,049,476	126,638,570	72,748,172	1,002,436,218
New facilities during the year	268,743,946	15,904,568	2,611,194	287,259,708
Facilities paid during the year	(113,956,466)	(17,509,746)	(8,840,934)	(140,307,146)
Transferred to stage 1	3,661,954	-	(3,661,954)	-
Transferred to stage 2	(7,942,333)	7,942,333	-	-
Transferred to stage 3	(1,092,350)	(7,792,788)	8,885,138	-
Additions related to the acquisition transaction	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	(1,076,766)	(1,076,766)
Balance at the end of the year	**952,464,227**	**125,182,937**	**70,664,849**	**1,148,312,013**
31 December 2021				
Balance at the beginning of the year	820,178,299	94,970,871	112,731,661	1,027,880,831
New facilities during the year	178,126,641	17,100,629	4,061,402	199,288,672
Facilities paid during the year	(181,470,526)	(7,814,383)	(16,630,240)	(205,915,149)
Transferred to stage 1	5,294,265	(5,294,265)	-	-
Transferred to stage 2	(15,817,373)	35,690,546	(19,873,173)	-
Transferred to stage 3	(3,261,830)	(8,014,828)	11,276,658	-
bad debts transferred off-the statement of financial position	-	-	(18,818,136)	(18,818,136)
Balance at the end of the year	**803,049,476**	**126,638,570**	**72,748,172**	**1,002,436,218**

The following is the disclosure of the movement on the provision for expected credit losses of large companies facilities during the year ended 31 December 2022 and 2021:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	11,907,740	19,199,912	41,137,938	72,245,590
Expected credit losses on new facilities granted during the year	10,335,247	13,796,581	9,199,634	33,331,462
Reversed from expected credit loss on settled facilities	(2,683,197)	(7,076,902)	(5,991,236)	(15,751,335)
Transferred to stage 1	789,057	-	(789,057)	-
Transferred to stage 2	(58,857)	58,857	-	-
Transferred to stage 3	(13,238)	(283,428)	296,666	-
Additions related to the acquisition transaction	-	-	-	-
Provision of bad debts	-	-	(894,115)	(894,115)
Balance at the end of the year	**20,276,753**	**25,695,019**	**42,959,829**	**88,931,601**
31 December 2021				
Balance at the beginning of the year	5,837,658	5,904,996	55,865,265	67,607,919
Expected credit losses on new facilities granted during the year	8,552,579	10,180,758	10,498,286	29,231,623
Reversed from expected credit loss on settled facilities	(2,348,099)	(1,679,167)	(3,402,357)	(7,429,623)
Transferred to stage 1	193,272	(193,272)	-	-
Transferred to stage 2	(26,002)	7,714,538	(7,688,536)	-
Transferred to stage 3	(301,668)	(2,727,941)	3,029,609	-
Provision of bad debts	-	-	(17,164,329)	(17,164,329)
Balance at the end of the year	**11,907,740**	**19,199,912**	**41,137,938**	**72,245,590**

Small and Medium Companies

The following is a disclosure of the distribution of total SME facilities according to the Bank's internal classification categories as at 31 December 2022 and 2021:

Credit rating categories based on the bank's internal system	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
From (1) to (5)	132,805,418	20,693,780	-	153,499,198
From (6) to (7)	16,668,790	7,650,785	-	24,319,575
From (8) to (10)	-	-	9,624,176	9,624,176
Unrated	14,312,554	10,132	825,230	15,147,916
Total	**163,786,762**	**28,354,697**	**10,449,406**	**202,590,866**

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

The following is the disclosure of the movement on SME facilities balances during the year ended 31 December 2022 and 2021:

31 December 2022	Stage 1 Individuals JD	Stage 2 Individuals JD	Stage 3 JD	Total JD
Balance at the beginning of the year	110,465,219	15,597,571	17,519,314	143,582,104
New facilities during the year	94,459,130	9,145,798	1,325,916	104,930,844
Facilities paid during the year	(36,716,161)	(4,276,619)	(5,578,072)	(46,570,852)
Transferred to stage 1	2,565,251	(2,319,104)	(246,147)	-
Transferred to stage 2	(9,090,810)	11,994,176	(2,903,366)	-
Transferred to stage 3	(1,566,498)	(1,787,119)	3,353,617	-
Additions related to the acquisition transaction	3,670,632	-	104,890	3,775,522
bad debts transferred off-the statement of financial position	-	(6)	(3,126,746)	(3,126,752)
Balance at the end of the year	**163,786,762**	**28,354,697**	**10,449,406**	**202,590,866**
31 December 2021				
Balance at the beginning of the year	105,515,560	13,050,966	13,869,914	132,436,440
New facilities during the year	43,181,404	7,914,391	5,522,480	56,618,275
Facilities paid during the year	(36,518,830)	(2,680,415)	(4,692,997)	(43,892,242)
Transferred to stage 1	3,561,933	(3,288,025)	(273,908)	-
Transferred to stage 2	(3,332,527)	3,941,926	(609,399)	-
Transferred to stage 3	(1,942,321)	(3,341,272)	5,283,593	-
bad debts transferred off-the statement of financial position	-	-	(1,580,369)	(1,580,369)
Balance at the end of the year	**110,465,219**	**15,597,571**	**17,519,314**	**143,582,104**

The following is the disclosure of the movement on the provision for expected credit losses of SME facilities during the year ended 31 December 2022 and 2021:

31 December 2022	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	359,997	156,127	9,181,552	9,697,676
Expected credit losses on new facilities granted during the year	549,651	1,563,149	3,961,654	6,074,454
Reversed from expected credit loss on settled facilities	(273,910)	(1,707,202)	(1,985,858)	(3,966,970)
Transferred to stage 1	161,385	(17,767)	(143,618)	-
Transferred to stage 2	(26,743)	1,720,646	(1,693,903)	-
Transferred to stage 3	(9,288)	(60,068)	69,356	-
Additions related to the acquisition transaction	15,814	-	104,890	120,704
Provision of bad debts	-	(6)	(2,918,737)	(2,918,743)
Balance at the end of the year	**776,908**	**1,654,878**	**6,575,335**	**9,007,121**

31 December 2021				
Balance at the beginning of the year	546,579	818,895	6,671,695	8,037,169
Expected credit losses on new facilities granted during the year	129,860	37,730	4,811,227	4,978,817
Reversed from expected credit loss on settled facilities	(449,546)	(345,346)	(1,182,359)	(1,977,251)
Transferred to stage 1	161,520	(43,761)	(117,759)	-
Transferred to stage 2	(21,690)	300,909	(279,219)	-
Transferred to stage 3	(6,726)	(612,300)	619,026	-
Provision of bad debts	-	-	(1,341,059)	(1,341,059)
Balance at the end of the year	**359,997**	**156,127**	**9,181,552**	**9,697,676**

Government and Public Sector

The following is a disclosure of the distribution of total government and public sector facilities according to the Bank's internal classification categories as at 31 December 2022 and 2021:

Credit rating categories based on the bank's internal system	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
From (1) to (5)	105,948,954	-	-	105,948,954
From (6) to (7)	76,011,787	-	-	76,011,787
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**181,960,741**	**-**	**-**	**181,960,741**

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2021	**JD**	**JD**	**JD**	**JD**
From (1) to (5)	89,887,857	-	-	89,887,857
From (6) to (7)	88,051,341	-	-	88,051,341
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**177,939,198**	**-**	**-**	**177,939,198**

The following is the disclosure of the movement on government and public sector facilities balances during the year ended 31 December 2022 and 2021:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	177,939,198	-	-	177,939,198
New facilities during the year	19,420,074	-	-	19,420,074
Facilities paid during the year	(15,978,457)	-	-	(15,978,457)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Additions related to the acquisition transaction	579,926	-	-	579,926
bad debts transferred off-the statement of financial position	-	-	-	-
Balance at the end of the year	**181,960,741**	**-**	**-**	**181,960,741**

31 December 2021	Stage 1 Individuals JD	Stage 2 Individuals JD	Stage 3 JD	Total JD
Balance at the beginning of the year	112,438,870	-	-	112,438,870
New facilities during the year	73,501,342	-	-	73,501,342
Facilities paid during the year	(8,001,014)	-	-	(8,001,014)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
bad debts transferred off-the statement of financial position	-	-	-	-
Balance at the end of the year	**177,939,198**	**-**	**-**	**177,939,198**

The following is the disclosure of the movement on the provision for expected credit losses of government and public sector facilities during the year ended 31 December 2022 and 2021:

31 December 2022	Stage 1 Individuals JD	Stage 2 Individuals JD	Stage 3 JD	Total JD
Balance at the beginning of the year	536,424	-	-	536,424
Expected credit losses on new facilities granted during the year	137,686	-	-	137,686
Reversed from expected credit loss on settled facilities	(38,190)	-	-	(38,190)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Additions related to the acquisition transaction	-	-	-	-
Provision of bad debts	-	-	-	-
Balance at the end of the year	**635,920**	**-**	**-**	**635,920**
31 December 2021				
Balance at the beginning of the year	107,426	-	-	107,426
Expected credit losses on new facilities granted during the year	428,998	-	-	428,998
Reversed from expected credit loss on settled facilities	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Provision of bad debts	-	-	-	-
Balance at the end of the year	**536,424**	**-**	**-**	**536,424**

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

Additional disclosures related to the acquisition in accordance with the requirements of International Financial Reporting No.(9) - in case it differs from the instructions of the Central Bank in this regard:

Retail

The following is the distribution of total retail facilities categories as at 31 December 2022:

31 December 2022	Stage 1 Individuals JD	Stage 2 Individuals JD	Stage 3 JD	Low value purchased facilities JD	Total JD
Balance at the beginning of the year	240,705,002	9,458,849	13,043,544	-	263,207,395
New facilities during the year	76,061,776	3,460,914	480,048	-	80,002,738
Facilities paid during the year	(35,063,887)	(1,426,244)	(2,232,978)	-	(38,723,109)
Transferred to stage 1	2,481,735	(2,131,682)	(350,053)	-	-
Transferred to stage 2	(3,508,315)	3,808,140	(299,825)	-	-
Transferred to stage 3	(3,812,266)	(2,292,339)	6,104,605	-	-
Additions related to the acquisition transaction	3,604,754	-	-	1,519,920	5,124,674
bad debts transferred off-the statement of financial position	-	-	(394,417)	-	(394,417)
Balance at the end of the year	**280,468,799**	**10,877,638**	**16,350,924**	**1,519,920**	**309,217,281**

Small and Medium Companies

The following is the distribution of total Small and Medium Companies facilities categories as at 31 December 2022:

31 December 2022	Stage 1 Individuals JD	Stage 2 Individuals JD	Stage 3 JD	Low value purchased facilities JD	Total JD
Balance at the beginning of the year	110,465,219	15,597,571	17,519,314	-	143,582,104
New facilities during the year	98,129,762	9,145,798	1,430,806	-	108,706,366
Facilities paid during the year	(36,716,161)	(4,276,619)	(5,578,072)	-	(46,570,852)
Transferred to stage 1	2,565,251	(2,319,104)	(246,147)	-	-
Transferred to stage 2	(9,090,810)	11,994,176	(2,903,366)	-	-
Transferred to stage 3	(1,566,498)	(1,787,119)	3,353,617	-	-
Additions related to the acquisition transaction	3,654,818	-	-	-	3,654,818
bad debts transferred off-the statement of financial position	-	(6)	(3,126,746)	-	(3,126,752)
Balance at the end of the year	**167,441,580**	**28,354,697**	**10,449,406**	**-**	**206,245,684**

The following is the disclosure of the movement on government and public sector facilitiesas at 31 December 2022:

31 December 2022	Stage 1 Individuals JD	Stage 2 Individuals JD	Stage 3 JD	Total JD
Balance at the beginning of the year	177,939,198	-	-	177,939,198
New facilities during the year	19,420,074	-	-	19,420,074
Facilities paid during the year	(15,978,457)	-	-	(15,978,457)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Additions related to the acquisition transaction	579,926	-	-	579,926
Balance at the end of the year	**181,960,741**	**-**	**-**	**181,960,741**

(8) Financial assets at fair value through profit and loss

The details of this item are as follows:

	31 December 2022	31 December 2021
	JD	JD
Shares listed in an active market	20,958,094	4,133,548
Total financial assets through profit and loss	**20,958,094**	**4,133,548**

- Unrealized gains resulting from the valuation of shares at fair value through profit or loss amounted to JD 4,340,158 for the period ended 31 December 2022, against JD 288,817 during the year 2021, which was recorded within the consolidated income statement .
- Dividends distributed from shares at fair value through profit or loss amounted to JD 55,056 for the period ended 31 December 2022.
- Realized losses from selling shares at fair value through profit or loss amounted to JD 609,460 for the period ended 31 December 2022, against JD (14,966) during the year 2021 recorded in the consolidated income statement.

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

	31 December 2022	31 December 2021
	JD	JD
Shares listed in an active market	22,156,014	19,114,012
Shared unlisted	50,250,068	26,204,532
Total shares	**72,406,082**	**45,318,545**
Bonds listed in active markets	22,578,510	24,660,562
Bonds unlisted in active markets	-	5,000,000
Total bonds (debt instruments)	**22,578,510**	**29,660,562**
Total financial assets at fair value through other comprehensive income	94,984,592	74,979,107
Analysis of bills and bonds:		
Fixed rate	22,578,510	24,660,562
Floating rate	-	5,000,000
Total	**22,578,510**	**29,660,562**

- Total income realized from the sale of shares at fair value through comprehensive income amounted to JD 319,755 during the year 2022 compared to JD 393,798 during the year 2021, which were credited directly to retained earnings in the consolidated statement of equity.
- Total income realized from sale of bonds at fair value through comprehensive income amounted JD 24,581 compared to JD 89,987 in profits during the year 2021 that were credited directly in the consolidated statement of income.
- Cash dividends on the above investments amounted to JD 1,665,642 for the year ended 31 December 2022 (2021: JD 1,068,858)

The following is a disclosure of the distribution of total debt instruments at fair value through other comprehensive income according to the Bank's internal classification categories as at 31 December 2022 and 2021:

Credit rating categories based on the bank's internal system	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
From (1) to (5)	1,270,681	-	-	1,270,681
From (6) to (7)	21,307,829	-	-	21,307,829
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**22,578,510**	**-**	**-**	**22,578,510**
31 December 2021				
From (1) to (5)	763,026	-	-	763,026
From (6) to (7)	28,206,261	-	-	28,206,261
From (8) to (10)	-	-	691,275	691,275
Reclassification of expected credit loss	-	-	-	-
Total	**28,969,287**	**-**	**691,275**	**29,660,562**

The following is the disclosure of movement in the balance of debt instruments at fair value through other comprehensive income for the years ended 31 December 2022 and 2021:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
Fair value at beginning of the year	28,969,287	-	691,275	29,660,562
New debt instruments during the year	3,749,125	-	-	3,749,125
Paid debt instruments during the year	(10,139,903)	-	-	(10,139,903)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	(691,275)	(691,275)
Written off debt instruments	-	-	-	-
Fair value at end of the year	**22,578,510**	**-**	**-**	**22,578,510**
31 December 2021				
Fair value at beginning of the year	34,315,052	-	8,262,130	42,577,182
New debt instruments during the year	33,656	-	-	33,656
Paid debt instruments during the year	(5,379,421)	-	(1,438,005)	(6,817,426)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off debt instruments	-	-	(6,132,850)	(6,132,850)
Fair value at end of the year	**28,969,287**	**-**	**691,275**	**29,660,562**

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

The following is the disclosure of the movement in the provision for expected credit losses for debt instruments at fair value through other comprehensive income during the years ended 31 December 2022 and 2021:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	195,094	-	412,876	607,970
Expected credit losses on new debt instruments during the year	1,092	-	-	1,092
Recovered from expected credit losses on debt instruments paid during the year*	(184,922)	-	-	(184,922)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	(412,876)	(412,876)
Provision for written off debt instruments	-	-	-	-
Balance at the end of the year	**11,264**	**-**	**-**	**11,264**

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2021	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	96,432	-	7,148,037	7,244,469
Expected credit losses on new debt instruments during the year	139,298	-	335,768	475,066
Recovered from expected credit losses on debt instruments paid during the year*	(40,636)	-	(938,079)	(978,715)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written off debt instruments	-	-	(6,132,850)	(6,132,850)
Balance at the end of the year	**195,094**	**-**	**412,876**	**607,970**

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

(10) Financial assets at amortised cost

	31 December 2022	31 December 2021
Financial assets with available market prices:	JD	JD
Foreign government bills and treasury bonds	18,486,755	6,245,547
Total financial assets with no available market prices	18,486,755	6,245,547
Less: impairment provisions for financial assets at amortised cost	(626,920)	(171,056)
Net financial assets with available market prices	17,859,835	6,074,491
Financial assets with no available market prices:		
Bills and treasury bonds	592,194,705	482,250,189
Corporate loans bonds	12,062,610	8,720,000
Total financial assets with no available market prices	604,257,315	490,970,189
Less: impairment provisions for financial assets at amortised cost	(4,128,548)	(2,475,375)
Net financial assets with no available market prices	600,128,767	488,494,814
Total	**617,988,602**	**494,569,305**
Analysis of bills and bonds:		
With fixed rate	**615,681,466**	488,495,736
With floating rate	7,062,604	8,720,000
Total	**622,744,070**	**497,215,736**

- Total income realized from the sale of bonds at amortised cost amounted to JD 24,772 during 2022 (JD 2,132,280 during 2021), which was recorded within the consolidated income statement.
- Based on the instructions of the Central Bank of Jordan related to the application of IFRS (9), no expected credit loss provisions were calculated on the Jordanian government treasury bonds and bills.

- The following is a disclosure of the distribution of total financial assets at amortised cost according to the Bank's internal classification categories as at 31 December 2022 and 2021.

Credit rating categories based on the bank's internal system	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
From (1) to (5)	676,159	-	-	676,159
From (6) to (7)	614,579,907	-	-	614,579,907
From (8) to (10)	-	-	7,488,004	7,488,004
Unrated	-	-	-	-
Total	**615,256,066**	**-**	**7,488,004**	**622,744,070**
31 December 2021				
From (1) to (5)	-	-	-	-
From (6) to (7)	488,495,736	-	-	488,495,736
From (8) to (10)	-	-	8,720,000	8,720,000
Unrated	-	-	-	-
Total	**488,495,736**	**-**	**8,720,000**	**497,215,736**

- The following is the disclosure of the movement on financial assets at amortised cost balance during the years ended 31 December 2022 and 2021:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	488,495,736	-	8,720,000	497,215,736
New investments during the year	301,672,175	-	425,400	302,097,575
Paid investments during the year	(174,911,845)	-	(1,657,396)	(176,569,241)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off investments	-	-	-	-
Balance at the end of the year	**615,256,066**	**-**	**7,488,004**	**622,744,071**
31 December 2021				
Balance at the beginning of the year	402,110,610	-	-	402,110,610
New investments during the year	217,763,801	-	8,720,000	226,483,801
Paid investments during the year	(131,378,675)	-	-	(131,378,675)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off investments	-	-	-	-
Balance at the end of the year	**488,495,736**	**-**	**8,720,000**	**497,215,736**

- The following is the disclosure of the movement on the provision for expected credit losses of financial assets at amortised cost during the years ended 31 December 2022 and 2021:

31 December 2022	Stage 1 Individuals JD	Stage 2 Individuals JD	Stage 3 JD	Total JD
Balance at the beginning of the year	228,409	-	2,418,022	2,646,431
Expected credit losses on new investments during the year	164,532	-	2,007,378	2,171,910
Recovered from expected credit losses on investments paid during the year	(62,872)	-	-	(62,872)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written off investments	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-
Balance at the end of the year	**330,068**	**-**	**4,425,400**	**4,755,468**

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

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

- The following is the disclosure of the movement on investments balance during the years ended 31 December 2022 and 2021:

31 December 2022	Stage 1 Individuals JD	Stage 2 Individuals JD	Stage 3 JD	Total JD
Balance at the beginning of the year	517,465,023	-	9,411,275	526,876,298
New investments during the year	305,421,299	-	425,400	305,846,699
Investments matured during the year	(185,051,747)	-	(2,348,671)	(187,400,418)
Change in fair value	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off investments	-	-	-	-
Balance at the end of the year	**637,834,575**	**-**	**7,488,004**	**645,322,580**

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

- The following is the disclosure of the movement on investments expected credit losses during the year ended 31 December 2022 and 2021:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	423,502	-	2,830,899	3,254,401
New investments during the year	165,624	-	2,007,378	2,173,002
Investments matured during the year	(247,794)	-	(412,876)	(660,760)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written off investments	-	-	-	-
Balance at the end of the year	**341,332**	**-**	**4,425,400**	**4,766,732**
31 December 2021				
Balance at the beginning of the year	96,432	-	7,148,037	7,224,469
New investments during the year	367,706	-	2,753,791	3,121,497
Investments matured during the year	(40,636)	-	(938,079)	(978,715)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written off investments	-	-	(6,132,850)	(6,132,850)
Balance at the end of the year	**423,502**	**-**	**2,830,899**	**3,254,401**

(11) Property and equipment- net

A - The details of this item are as follows:

31 December 2022	Lands	Buildings	Equipment, devices and furniture	Vehicles	Devices and Computers	Leasehold improvements	Total
	JD	JD	JD	JD	JD	JD	JD
Cost:							
Balance at the beginning of the year	7,585,533	13,182,536	18,369,695	1,227,884	17,158,180	21,641,756	79,165,583
Impact of reconsolidation of a subsidiary	-	-	155,185	68,500	43,871	-	267,556
Additions	774,432	311,521	850,217	33,168	794,632	908,464	3,672,434
Less: disposals and reclassification	-	1,262	32,682	60,500	23,525	97,039	215,008
Balance at the end of the year	**8,359,965**	**13,492,795**	**19,342,415**	**1,269,052**	**17,973,158**	**22,453,181**	**82,890,565**
Accumulated depreciation:							
Balance at the beginning of the year	-	3,110,937	12,387,109	1,144,234	14,693,827	17,095,922	48,432,029
Impact of reconsolidation of a subsidiary	-	-	146,104	60,500	38,790	-	245,394
Adjusted beginning balance							
Depreciation for the year	-	379,657	1,253,706	115,167	910,158	1,344,967	4,003,655
Less: disposals	-	172	16,043	60,500	23,511	97,039	197,265
Balance at the end of the year	**-**	**3,490,422**	**13,770,876**	**1,259,401**	**15,619,264**	**18,343,850**	**52,483,813**
Net book value of property and equipment	8,359,965	10,002,373	5,571,539	9,651	2,353,894	4,109,331	30,406,752
Add: Payments on purchase account of property and equipment	-	-	5,606,807	-	-	-	5,606,807
Net book value of property and equipment at the end of the year	**8,359,965**	**10,002,373**	**11,178,346**	**9,651**	**2,353,894**	**4,109,331**	**36,013,559**
31 December 2021							
Cost:							
Balance at the beginning of the year	4,136,712	14,548,109	16,283,465	1,188,459	16,831,725	18,849,546	71,838,015
Impact of reconsolidation of a subsidiary	-	469,906	249,830	115,902	134,282	97,249	1,067,169
Adjusted beginning balance	4,136,712	15,018,015	16,533,295	1,304,361	16,966,007	18,946,795	72,905,184
Additions	3,448,821	2,216,600	2,122,427	-	1,042,324	2,694,961	11,525,133
Less: disposals and reclassification	-	4,052,079	286,027	76,477	850,151	-	5,264,734
Balance at the end of the year	**7,585,533**	**13,182,536**	**18,369,695**	**1,227,884**	**17,158,180**	**21,641,756**	**79,165,583**
Accumulated depreciation:							
Balance at the beginning of the year	-	2,708,112	11,263,006	915,590	14,472,440	15,611,723	44,970,871
Impact of reconsolidation of a subsidiary	-	143,577	244,013	102,582	130,650	95,996	716,818
Adjusted beginning balance	-	2,851,689	11,507,019	1,018,172	14,603,090	15,707,719	45,687,689
Depreciation for the year	-	259,248	1,153,202	126,587	932,005	1,388,203	3,859,245
Less: disposals	-	-	273,112	525	841,268	-	1,114,905
Balance at the end of the year	**-**	**3,110,937**	**12,387,109**	**1,144,234**	**14,693,827**	**17,095,922**	**48,432,029**
Net book value of property and equipment	7,585,533	10,071,598	5,982,586	83,650	2,464,353	4,545,834	30,733,554
Add: Payments on purchase account of property and equipment			3,117,360	-	-	-	3,117,360
Net book value of property and equipment at the end of the year	**7,585,533**	**10,071,598**	**9,099,946**	**83,650**	**2,464,353**	**4,545,834**	**33,850,914**

B - Fully depreciated assets as at 31 December 2022 amounted to JD 34,257,749 compared to JD 33,937,412 as at 31 December 2021.

(12) Intangible assets – net

The details of this item are as follows:

	Software and programmes	
	31 December	
	2022	2021
	JD	JD
Balance at the beginning of the year	5,664,986	1,964,717
Additions	2,363,751	4,311,495
Amortisation for the year	789,729	611,226
Balance at the end of the year	7,239,008	5,664,986
Annual amortization rate %	**20-33**	

(13) Leased assets and liabilities

(A) The following is the movement on the right to use leased assets:

	2022	2021
	JD	JD
Balance at the beginning of the year	12,844,569	13,347,577
Add: New contracts during the year	603,684	2,209,520
Less: depreciation during the year	2,924,193	2,712,528
Balance at the end of the year	**10,524,060**	**12,844,569**

B) The movement in liabilities against the right to use the leased assets is as follows:

	2022	2021
	JD	JD
Balance at the beginning of the year	12,530,503	12,389,957
Add: interest expense	1,108,897	1,212,858
Add: New contracts during the year	603,684	2,209,520
Less: Paid obligations	3,509,402	3,281,832
Balance at the end of the year	**10,733,682**	**12,530,503**

C) Analysis of due payments

	1-3 Years	Over 3 Years
	JD	JD
Right to use leased assets	856,485	9,667,575
Leasehold contract liabilities	601,806	10,131,876

The bank chose to use the exemption available in the standard of not capitalizing right of use assets which are short-term in nature and not significant in value.

(14) Other assets

The details of this item are as follows:

	31 December 2022	31 December 2021
	JD	JD
Accrued interest	36,000,001	30,698,981
Prepaid expenses	3,064,335	2,034,183
Assets seized by the Bank in settlement of debts, net	125,328,002	131,966,150
Debtors*	230,086	1,157,017
Clearing cheques	4,165,777	6,422,079
Others*	7,353,419	6,698,181
Total	**176,141,619**	**178,976,591**

* Debtors balance is shown at net after deducting expected credit loss which amounted to JD 82,720 as of 31 December 2022.

- Items of debtors, assets seized by the bank in settlement of debts and other assets include balances pertaining to subsidiaries amounting to JD 7,815,284 as at 31 December 2022 compared to JD 6,245,421 as at 31 December 2021.
- The instructions of the Central Bank of Jordan require the disposal of the assets seized by the bank in settlement of debts within a maximum period of two years from the date of its acquisition. The Central Bank, in exceptional cases, may extend this period for a maximum of two consecutive years.

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

	2022		
	Seized properties	Other seized assets	Total
	JD	JD	JD
Balance at the beginning of the year - net	130,925,875	1,040,275	131,966,150
Additions *	11,097,748	-	11,097,748
Disposals	(13,109,973)	-	(13,109,973)
Provision	(4,625,923)	-	(4,625,923)
Balance at the end of the year	**124,287,726**	**1,040,275**	**125,328,002**

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

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

- The Central Bank of Jordan, pursuant to Circular No. 16234/3/10 dated 10 October 2022, cancelled all previous circulars, which stipulate the deduction of provisions against seized assets that violates the banking law, while maintaining the provisions balances against real estate and to be released upon the disposal of such assets
- Loss on disposal of seized assets amounted to JD 1,058,829 as of 31 December 2022 (2021: JD 2,319,793) which is recorded as part of other expenses.

(15) Banks and financial institutions deposits

	31 December 2022		
	Inside the Kingdom	Outside the Kingdom	Total
	JD	JD	JD
Current and at call accounts	-	19,667,610	19,667,610
Term deposits*	7,510,732	80,006,651	87,517,383
Total	**7,510,732**	**99,674,261**	**107,184,993**

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

* Deposits of banks and financial institutions maturing within a period of more than 3 months amounted to Nil as at 31 December 2022, compared to JD 37,614,010 as at 31 December 2021

(16) Customer's deposits

The details of this item are as follows:

		Corporates			
	Individuals	Large	SMEs	Government and public sector	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**	**JD**
Current and at call accounts	288,210,028	162,371,673	247,717,866	2,175,776	700,475,343
Saving deposits	171,645,049	469,162	5,798,439	2,188,196	180,100,846
Term and notice deposits	822,552,800	520,895,009	126,249,550	68,303,960	1,538,001,319
Certificates of deposit	95,450	-	-	-	95,450
Total	**1,282,503,327**	**683,735,844**	**379,765,855**	**72,667,932**	**2,418,672,958**

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

- The Jordanian government and public sector deposits within the Kingdom amounted to JD 72,667,932, i.e. 3% of total deposits as at 31 December 2022 (JD 74,677,366, i.e. 3.9% as at 31 December 2021).
- The non-interest-bearing deposits amounted to JD 636,469,781, i.e. 26.4% of total deposits as at 31 December 2022 (JD 586,779,824, i.e. 30.3% as at 31 December 2021).
- The deposits (restricted) amounted to JD 50,264,936, i.e. 2.1% of the total deposits as at 31 December 2022 (JD 29,375,093, i.e. 1.5% as at 31 December 2021).
- Dormant deposits amounted to JD 45,448,398 as at 31 December 2022 (JD 51,847,094 as at 31 December 2021).

(17) Cash margins

The details of this item are as follows:

	2022	2021
	JD	**JD**
Cash margins against direct facilities	90,710,245	62,744,733
Cash margins against indirect facilities	27,216,327	30,334,475
Total	**117,926,572**	**93,079,208**

(18) Borrowed funds

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

	Loan Amount/ JD	Total number of installments	Remaining	Periodic payment of installments	Collaterals	Interest rate	Fixed/ Variable
31 December 2022							
Loan from Central Bank of Jordan	2,000,000	20	10	Semi-annual	-	5,65%	Variable
Loan from Central Bank of Jordan	690,000	14	3	Semi-annual	-	2,51%	Fixed
Loan from Central Bank of Jordan	3,497,625	20	15	Semi-annual	-	5,69%	Variable
Loan from Central Bank of Jordan	5,401,727	34	34	Semi-annual	-	3,00%	Fixed
Loan from Central Bank of Jordan	442,308	30	27	Semi-annual	-	3,42%	Variable
Advances from Central Bank of Jordan	333,336	2	0	Under tranches - every 6 months over 1 year	Promissory notes on demand	0,50%	Fixed
Advances from Central Bank of Jordan	999,569	24	5	Under tranches - every 6 months over 5 years	Promissory notes on demand	0,50%	Fixed
Advances from Central Bank of Jordan	1,560,288	18	10	Under tranches - every 9 months over 6 years	Promissory notes on demand	0,50%	Fixed
Advances from Central Bank of Jordan	414,198	24-44	8-22	Monthly over the year	Promissory notes on demand	0,50%	Fixed
Advances from Central Bank of Jordan	11,807,052	4-99	3-73	Monthly over 5 years	Promissory notes on demand	0,50%	Fixed
Advances from Central Bank of Jordan	2,905,222	24-63	6-55	Monthly over 10 years	Promissory notes on demand	0,50%	Fixed
Advances from Central Bank of Jordan	543,764	24-44	2-23	Monthly over the year	Promissory notes on demand	1,00%	Fixed
Advances from Central Bank of Jordan	8,876,274	8-86	1-60	Monthly over 5 years	Promissory notes on demand	1,00%	Fixed
Advances from Central Bank of Jordan	2,049,590	20-113	20-106	Monthly over 10 years	Promissory notes on demand	1,00%	Fixed
Advances from Central Bank of Jordan - Covid 19	2,144,012	12-43	1-18	Monthly over the year	-	0,00%	Fixed
Advances from Central Bank of Jordan - Covid 19	15,008,049	13-53	7-41	Monthly over 3 years	-	0,00%	Fixed
Advances from Central Bank of Jordan - Covid 19	2,886,907	42-54	36-50	Monthly over 5 years	-	0,00%	Fixed
Loan from Jordan Mortgage Refinance	20,000,000	1	1	Paid in one instalment during 2025	-	5,60%	Fixed

	Loan Amount/ JD	Total number of installments	Remaining	Periodic payment of installments	Collaterals	Interest rate	Fixed/ Variable
Loan from Jordan Mortgage Refinance	10,000,000	1	1	Paid in one instalment during 2025	-	5,60%	Fixed
Loan from Jordan Mortgage Refinance	10,000,000	1	1	Paid in one instalment during 2024	-	6,45%	Fixed
Loan from Jordan Mortgage Refinance	10,000,000	1	1	Paid in one instalment during 2028	-	4,90%	Fixed
Loan from Jordan Mortgage Refinance	9,000,000	1	1	Paid in one instalment during 2024	-	4,50%	Fixed
European Investment Bank (EIB) loan	84,583,700	9	9	Semi-annual interest	-	1,79%	Fixed
European Investment Bank (EIB) loan	44,930,748	16	16	Semi-annual interest	-	4,85%	Fixed
Cairo Bank	6,556,287	36	7-33	Paid in 36 instalments as of the date of utilization	-	5,00%	Variable
Capital Bank	6,266,228	36	2-36	Paid in 36 instalments as of the date of utilization	-	5,25%	Variable
Loan from Jordan Mortgage Refinance	10,000,000	1	1	Payable in one payment during the year 2024 - semi-annual interest	-	4,86%	Fixed
Loan from Jordan Mortgage Refinance	5,000,000	1	1	Payable in one payment during the year 2025 - semi-annual interest	-	5,85%	Fixed
Invest Bank	11,700,000	48	48	Monthly interest	-	7,13%	Variable
Etihad Bank	5,000,000	10	10	Semi-annual interest	-	8,00%	Variable
Housing Bank for Trade & Finance	17,944	-	-	Current account	-	9,25%	Variable
Capital Bank	1,983,240	-	-	Current account	-	4,50%	Variable
	296,598,068						

	Loan Amount/ JD	Total number of installments	Remaining	Periodic payment of installments	Collaterals	Interest rate	Fixed/ Variable
31 December 2021							
Loan from Central Bank of Jordan	2,400,000	20	12	Semi-annual	-	1.96%	Variable
Loan from Central Bank of Jordan	1,110,000	14	5	Semi-annual	-	2.51%	Fixed
Loan from Central Bank of Jordan	3,963,975	20	17	Semi-annual	-	2.00%	Variable
Loan from Central Bank of Jordan	4,426,400	34	34	Semi-annual	-	3.00%	Fixed
Loan from Central Bank of Jordan	480,769	30	29	Semi-annual	-	1.54%	Variable
Advances from Central Bank of Jordan	666,668	3	2	Under tranches - every 6 months over 2 years	Promissory notes on demand	0.50%	Fixed
Advances from Central Bank of Jordan	999,245	27	20	Under tranches - every 6 months over 10 years	Promissory notes on demand	0.50%	Fixed
Advances from Central Bank of Jordan	994,034	17	11	Under tranches - every 9 months over 10 years	Promissory notes on demand	0.50%	Fixed
Advances from Central Bank of Jordan	461,050	36-57	3-36	Monthly over the year	Promissory notes on demand	0.50%	Fixed
Advances from Central Bank of Jordan	2,675,667	3-64	1-38	Monthly over 5 years	Promissory notes on demand	0.50%	Fixed
Advances from Central Bank of Jordan	7,902,631	6-114	3-82	Monthly over 10 years	Promissory notes on demand	0.50%	Fixed
Advances from Central Bank of Jordan	749,404	5-68	1-27	Monthly over the year	Promissory notes on demand	1.00%	Fixed
Advances from Central Bank of Jordan	4,764,717	2-60	1-50	Monthly over 5 years	Promissory notes on demand	1.00%	Fixed
Advances from Central Bank of Jordan	4,313,978	22-101	9-101	Monthly over 10 years	Promissory notes on demand	1.00%	Fixed
Advances from Central Bank of Jordan - Covid 19	549,442	14-54	14-50	Monthly over the year	-	0.00%	Fixed
Advances from Central Bank of Jordan - Covid 19	21,704,804	6-27	1-13	Monthly over 3 years	-	0.00%	Fixed
Advances from Central Bank of Jordan - Covid 19	5,310,084	12-54	10-50	Monthly over 5 years	-	0.00%	Fixed
Loan from Jordan Mortgage Refinance	20,000,000	1	1	Paid in one instalment during 2022	-	4.23%	Fixed
Loan from Jordan Mortgage Refinance	10,000,000	1	1	Paid in one instalment during 2022	-	4.23%	Fixed
Loan from Jordan Mortgage Refinance	10,000,000	1	1	Paid in one instalment during 2024	-	6.45%	Fixed

	Loan Amount/ JD	Total number of installments	Remaining	Periodic payment of installments	Collaterals	Interest rate	Fixed/ Variable
Loan from Jordan Mortgage Refinance	10,000,000	1	1	Paid in one instalment during 2028	-	4.90%	Fixed
Loan from Jordan Mortgage Refinance	9,000,000	1	1	Paid in one instalment during 2024	-	4.50%	Fixed
European Investment Bank (EIB) loan	84,583,700	9	9	Semi-annual interest	-	1.79%	Fixed
Housing Bank for Trade & Finance	36,322	-	-	Annual interest	-	5.50%	Variable
Cairo Bank	3,405,535	36	19	Paid in 36 instalments as of the date of utilization	-	5.00%	Variable
Capital Bank	3,737,851	36	7-29	Paid in 36 instalments as of the date of utilization	-	5.25%	Variable
Housing Bank for Trade & Finance	7,873,675	36	21-31	Paid in 36 instalments as of the date of utilization	-	5.50%	Variable
Societe Generale Bank	2,005,685	36	2-24	Paid in 36 instalments as of the date of utilization	-	5.40%	Variable
Loan from Jordan Mortgage Refinance	10,000,000	1	1	Payable in one payment during the year 2024 - semi-annual interest	-	4.85%	Fixed
Loan from Jordan Mortgage Refinance	5,000,000	1	1	Payable in one payment during the year 2022 - semi-annual interest	-	4.78%	Fixed
Total	**239,115,636**						

(19) Other provisions

The details of this item are as follows:

	Balance at Beginning of the year	(Reversed) through other comprehensive income *	Added through income statement for the year**	Paid / Utilised during the year	Balance at end of the year
	JD	JD	JD	JD	JD
Year 2022					
End of service provision	10,769,706	(233,075)	2,585,402	(970,697)	12,151,336
Provision for lawsuits filed against the bank and potential claims	1,708,525	-	600,000	(4,888)	2,303,637
Total	**12,478,231**	**(233,075)**	**3,185,402**	**(975,585)**	**14,454,973**

*The change appears as a result of actuarial assumptions with equity rights immediately after deducting the deferred tax assets, and the positive reserve is JD 1,050,169 as at 31 December 2022, compared to JD 558,921 as at 31 December 2021.

** Added through income includes an amount of JD 796,958 compared to JD 642,226 which appears within the interest receivable for specific employee benefits obligations.

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

(20) Bonds

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

(21) Income tax

A- Income tax Provision

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

	2022	2021
	JD	JD
Balance at the beginning of the year	9,745,645	2,176,841
Income tax expense	19,838,448	9,638,474
Income tax paid	(10,799,674)	(2,069,670)
Balance at the end of the year	**18,784,419**	**9,745,645**

B- Income tax expense

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

	2022	2021
	JD	JD
Income tax expense	19,838,448	9,638,474
Impact of deferred tax assets for the year	(11,228,284)	(5,270,611)
Total	**8,610,164**	**4,367,863**

C- Tax Position

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

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

D - Deferred Tax assets/ liabilities

The details of this item are as follows:

31 December 2022	Opening balance of the year	Amount released	Added	Balance at end of year	Tax Deferred
	JD	JD	JD	JD	JD
A- Deferred tax assets					
Provision for end of service benefits	12,230,452	970,185	2,585,402	13,845,669	5,261,354
Provision for seized assets	26,054,161	84,931	4,321,760	30,290,990	11,510,576
Provision for lawsuits filed against the Bank	1,708,525	4,889	600,000	2,303,636	875,382
Provision for direct facilities	63,235,062	19,325,036	40,508,837	84,418,863	32,079,168
Provision for indirect facilities	5,374,273	2,539,627	6,646,564	9,481,210	3,602,860
Additional provision – equity instruments	-	-	3,500,000	3,500,000	1,330,000
Provision for deferred installments	-	-	935,000	935,000	355,300
Provision for investments	241,193	241,193	164,532	164,532	62,522
Provision for deposits with banks	-	-	1,425	1,425	541
Losses from valuation of financial assets at fair value through the statement of income	2,713,099	2,092,336	-	620,763	235,890
Provision for finance lease contracts – subsidiaries	100,000	-	-	100,000	28,000
Provision for trade receivables and revenue receivables – subsidiaries	3,813,207	393,682	-	3,419,525	957,467
Total	**115,469,972**	**25,651,879**	**59,263,520**	**149,081,612**	**56,299,061**
B-Deferred tax liabilities *					
Gain from revaluation of financial assets at fair value through profit and loss	106,012	106,012	4,273,138	4,273,138	1,623,792
End of service indemnity - actuarial losses	2,373,223	912,477	233,075	1,693,821	643,652
Financial assets valuation reserve*	9,739,103	-	3,926,841	13,665,944	5,193,059
Total	**12,218,338**	**1,018,489**	**8,433,054**	**19,632,903**	**7,460,503**

31 December 2021	Opening balance of the year JD	Amount released JD	Added JD	Balance at end of year JD	Tax Deferred JD
A- Deferred tax assets					
Provision for end of service benefits	12,844,516	2,956,332	2,342,268	12,230,452	4,647,572
Provision for seized assets	21,661,774	896,846	5,289,233	26,054,161	9,900,581
Provision for lawsuits filed against the Bank	1,459,097	350,572	600,000	1,708,525	649,240
Provision for direct facilities	42,467,084	13,884,804	34,652,782	63,235,062	24,029,324
Provision for indirect facilities	6,845,591	5,486,907	4,015,589	5,374,273	2,042,224
Provision for investments	75,055	23,268	189,406	241,193	91,653
Losses from valuation of financial assets at fair value through the statement of income	3,704,811	991,712	-	2,713,099	1,030,978
Provision for finance lease contracts - subsidiaries	187,671	87,671	-	100,000	28,000
Provision for accounts receivable and accrued revenues - subsidiaries	-	-	3,813,207	3,813,207	1,067,698
Taxable loss for the year	7,431,725	7,431,725	-	-	-
Total	**96,677,324**	**32,109,837**	**50,902,486**	**115,469,972**	**43,487,269**
B-Deferred tax liabilities *					
Gain from revaluation of financial assets at fair value through profit and loss	-	-	106,012	106,012	40,285
End of service indemnity - actuarial losses	-	-	2,373,223	2,373,223	901,825
Financial assets valuation reserve*	6,724,042	-	3,015,061	9,739,103	3,700,859
Total	**6,724,042**	**-**	**5,494,296**	**12,218,338**	**4,642,968**

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

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

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

	2022		2021	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance at the beginning of the year	43,487,269	4,642,969	36,718,616	2,555,136
Added during the year	22,520,137	3,204,560	18,961,624	2,087,833
Disposed of during the year	9,708,346	387,026	12,192,971	-
Balance at the end of the year	**56,299,060**	**7,460,503**	**43,487,269**	**4,642,969**

(C) The accounting profit reconciliation against tax profit is summarised as follows:

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

	2022	2021
	JD	JD
Accounting profit - statement (b)	27,344,539	12,072,700
Non-taxable profits	(29,038,737)	(22,106,704)
Non-deductible tax expenses	63,064,673	52,923,459
Taxable profit	**61,370,475**	**42,889,455**
Statutory income tax rate:		
Bank's branches in Jordan	38%	38%
Bank's branches in Cyprus	12.5%	12.5%
Subsidiaries	21%-28%	21%-28%

(22) Other liabilities

The details of this item are as follows:

	2022	2021
	JD	JD
Accrued interest payable	16,518,975	10,069,169
Incoming transfers	2,937,649	2,670,405
Accounts payable	4,117,226	2,356,210
Accrued expenses	1,073,540	988,903
Temporary deposits (a)	4,069,237	1,568,069
Temporary deposits – customers	5,190,822	3,316,385
Shareholders' deposits (b)	3,990,477	4,122,701
Certified and acceptable checks	8,221,310	6,301,930
Vaults insurance	531,734	511,986
Subscription deposits (b)	75,140	79,741
Expected credit losses against indirect facilities - Note (45)	9,680,098	5,576,858
Additional Provisions - Equity Instruments	3,500,000	-
Additional provisions - deferred instalments	935,000	-
Other liabilities	5,726,763	13,063,167
Total	**66,567,971**	**50,625,524**

- Accounts payable and other liabilities include balances attributable to subsidiaries amounting to JD 4,802,572 as at 31 December 2022 (JD 4,467,265 as at 31 December 2021).

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

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

(23) Subscribed and paid-in capital

The authorized and paid paid-in capital of the bank amounted to 150 million shares/JD as of 31 December 2022 and 2021.

(24) Reserves

The details of these reserves as at 31 December 2022 and 2021 are as follows:

A- Statutory

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

B- Voluntary reserve

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

- Restricted reserves are as follows:

Reserve name	31 December 2022 JD	31 December 2021 JD	Nature of restriction
Statutory reserve	99,983,479	97,254,251	Restricted under the Jordanian Companies Law and the Law of Banks.

The movement on the voluntary reserve is as follows:

	2022	2021
	JD	JD
Balance at the beginning of the year	133,444,584	131,023,362
Ttransferred to reserve	-	2,421,222
Cash dividends	(10,500,000)	-
Balance at the end of the year	**122,944,584**	**133,444,584**

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

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

	2022	2021
	JD	JD
Balance at the beginning of the year	7,044,559	4,571,425
Unrealised gains– net	1,852,873	2,790,629
Transfer from valuation reserve to the statement of income - expected credit losses against debt instruments	(596,676)	434,430
Realised losses	79,357	393,798
Impact of deferred tax liabilities	(1,492,200)	(1,145,723)
Balance at the end of the year*	**6,887,913**	**7,044,559**

** The financial assets valuation reserve is shown at fair value net of deferred tax liabilities in an amount pf JD 5,193,059 as at 31 December 2022 against JD 3,700,859 as at 31 December 2021. It is not available for transfer to the consolidated statement of income.

(26) Retained earnings

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

	2022	2021
	JD	JD
Balance at the beginning of the year	79,094,033	75,381,421
(Losses) on financial assets at fair value through other comprehensive income	(79,357)	(393,798)
Profit for the year - Statement (b)	18,682,115	7,738,243
Transferred to reserves	(2,729,228)	(3,631,833)
Balance at the end of the year	**94,967,563**	**79,094,033**

- Retained earnings include a restricted amount of JD 56,299,061 as at 31 December 2022 according to the request of the Central Bank of Jordan in exchange for deferred tax assets against JD 43,487,269 as at 31 December 2021.
- Retained earnings balance includes an amount of JD 188,212 as at 31 December 2022 against an amount of (JD 3,009,704 as at 31 December 2021), that is only available for disposal as per the instructions of the Securities Commission for the impact of the adoption of IFRS (9) at the amount actually realised from it through sale operations, representing financial assets' revaluation differences.
- Disposal of the outstanding balance of financial asset valuation reserve is only permitted under the prior approval of the Central Bank of Jordan.

(27) Distributed and Suggested Dividends

The Board of Directors recommended the distribution of cash dividends to shareholders at 8% of the total paid in capital and that from the voluntary reserve which is equivalent to JOD 12 million. This percentage is subject to the approval of the Central Bank of Jordan and the General Assembly of Shareholders.

The Bank's general assembly, approved in its meeting held on 27 April 2022, the recommendation of the Board of Directors to distribute cash dividends of 7% of the capital amounting to 150 million dinars / share equivalent to JOD 10.5 million from the voluntary reserve account, while no dividends were distributed to shareholders during the year 2021.

(28) Interest income

The details of this item are as follows:

Direct credit facilities:	2022 JD	2021 JD
Individuals (retail)		
Overdrafts	127,169	34,594
Loans and bills	22,391,525	14,980,273
Credit cards	1,739,225	1,426,219
Real estate mortgage	16,539,695	15,766,268
Companies		
Large		
Overdrafts	7,227,647	8,097,478
Loans and bills	60,903,478	49,295,288
SMEs		
Overdrafts	1,561,887	1,193,416
Loans and bills	10,996,532	6,514,124
Government and public sector	10,978,540	7,610,884
Balances with central banks	8,320,284	3,075,534
Balances and deposits with banks and financial institutions	663,816	25,890
Financial assets at amortised cost	23,120,803	17,293,456
Financial assets at fair value through other comprehensive income	1,606,820	1,850,147
Total	**166,177,421**	**127,163,571**

(29) Interest expense

The details of this item are as follows:

	2022 JD	2021 JD
Deposits with banks and banking institutions	4,467,214	2,046,461
Customers' deposits		
Current and held at call accounts	419,169	156,139
Saving deposits	1,100,910	569,242
Term and call deposits	46,139,133	28,730,061
Certificate of deposits	2,969	2,516
Cash margins	1,969,665	1,515,571
Borrowings	6,630,993	5,585,795
Deposits guarantees fees	2,423,632	2,362,639
Interests against liabilities of leased assets	1,108,897	1,212,858
Interests against defined benefit obligations	**796,958**	642,226
Total	**65,059,540**	**42,823,508**

(30) Net commissions income

The details of this item are as follows:

	2022	2021
	JD	JD
Direct credit facilities commissions	2,897,495	2,326,251
Indirect credit facilities commissions	4,769,608	4,782,100
Other commission	2,584,773	2,554,345
Total	**10,251,876**	**9,662,696**

(31) Foreign currency gain

The details of this item are as follows:

	2022	2021
	JD	JD
resulting from trading/ transaction	3,736,845	2,728,574
(loss) resulting from valuation	(22,076)	(5,854)
Total	**3,714,769**	**2,722,720**

(32) Other income

The details of this item are as follows:

	2022	2021
	JD	JD
Vaults and safes rent	208,127	202,964
Stamp's revenues	49,810	29,636
Credit cards income	6,083,743	5,607,614
Bad debts recovered	1,320,587	885,926
Telecommunication revenues	101,004	93,258
Transfers income	1,279,674	1,160,154
Gain from sale of property and equipment	4,800,000	-
Recovered from impairment losses on assets held for sale	-	1,529,842
Others	3,946,218	2,846,516
Total	**17,789,164**	**12,355,910**

(33) Employee expenses

The details of this item are as follows:

	2022	2021
	JD	JD
Employees' salaries, benefits and bonuses	27,591,792	24,497,761
Social Security contribution	2,944,037	2,886,336
Medical expenses	2,007,589	1,980,882
Employee's training	186,612	177,157
Per diems	386,524	259,001
Employees' life insurance expenses	203,197	91,098
Total	**33,319,751**	**29,892,235**

(34) Other expenses

The details of this item are as follows:

	2022	2021
	JD	JD
Rent	75,495	60,870
Stationary	528,723	585,459
Advertisement	1,746,884	1,319,939
Subscriptions	1,329,117	645,915
Communication expenses	2,333,169	1,536,708
Maintenance and repairs	5,883,725	4,723,033
Insurance expenses	1,891,834	1,499,578
Judicial charges and fees	270,288	190,205
Electricity, water and fuel	723,647	642,794
Fees, levies and stamps	1,334,040	1,344,303
Professional fees	236,655	307,307
Card service expenses	4,259,423	4,378,826
Transportation expenses	266,157	251,213
Corresponding bank service expenses	390,407	373,019
Safety and security services	533,881	529,310
Donations and social responsibility	1,047,839	545,770
Hospitality	144,066	123,263
Board of Directors remunerations	90,000	90,000
Seized assets provisions	4,625,923	4,392,387
Loss on sale of seized assets	1,015,788	2,319,793
Additional provision – equity instruments	3,500,000	-
Additional provision – deferred installments	935,000	-
Expected credit losses - Debtors	82,720	-
Amortisation of right of use leased assets	2,924,193	2,712,528
Others	2,992,708	4,033,413
Total	**39,161,681**	**32,605,633**

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

The details of this item are as follows:

	2022	2021
	JD	JD
Profit for the year attributable to the bank's shareholders	18,682,115	7,738,243
	Share	Share
Weighted average of the number of shares	150,000,000	150,000,000
(Loss) earnings per share for the year (Basic and diluted)	JD/ share	JD/ share
Profit for the year	0.125	0.052

(36) Cash and cash equivalents

	2022	2021
	JD	JD
Cash and balances at Central Banks with maturity within three months	480,714,381	317,205,145
Add: Balances at banks and financial institutions with maturity within three months	123,435,953	142,138,455
Less: Deposits at banks and financial institutions with maturity within three months	107,184,993	129,331,447
Restricted balances - Note (5)	2,304,806	2,543,992
Total	**494,660,535**	**327,468,161**

(37) Transactions with related parties

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

Transactions with related parties during the year summarized as follows:

	Related party					
	Affiliates	Subsidiaries	Members of the Board of Directors*	Executive Directors	Other **	Total
31 December 2021	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Items in the consolidated statement of financial position:						
Direct credit facilities *	38,215,100	1,296,846	763,844	3,010,585	-	43,286,375
Deposits at banks and financial institutions	53,884,000	-	-	-	-	53,884,000
Customers' deposits	-	10,216,261	67,919,266	1,848,571	357,354	80,341,452
Deposits with the banks and banking corporates	1,633,444	-	-	-	1,013,062	2,646,506
Cash margins	-	-	-	151,697	16,375	168,072
Financial assets at fair value through comprehensive income	20,088,806	-	559,015	-	36,333,467	56,981,288
Right of use of leased assets	-	-	289,242	-	-	289,242
Liabilities against the right of use assets	-	-	265,953	-	-	265,953
Bonds	-	5,000,000	-	-	-	5,000,000
Items off the consolidated statement of financial position:						
Guarantees	3,833,600	491,358	1,000	-	1,072,449	5,398,407
Letters of credit	-	-	-	-	4,254,000	4,254,000
Items on the consolidated statement of income:						
Interest and commissions income ***	430,793	2,600,575	3,312	28,228	-	3,062,908
Interests and commissions expense ****	1,555,863	33,395	295,074	141,668	-	2,026,000
Financial asset dividends	790,260	-	-	-	444,415	1,234,675
Amortisation of right of use leased assets	-	41,655	-	-	-	41,655
Interests against liabilities of leased assets	-	27,984	-	-	-	27,984

	Related party					
	Affiliates	Subsidiaries	Members of the Board of Directors*	Executive Directors	Other **	Total
31 December 2021	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Items in the consolidated statement of financial position:						
Direct credit facilities *	38,161,200	1,149,649	65,207	342.927	-	39,718,982
Deposits at banks and financial institutions	23,086,597	-	-	-	6,435,084	29,521,681
Customers' deposits	-	51,514	71,876,157	1,350,031	885,252	74,162,953
Deposits with the banks and banking corporates	230,979	-	-	-	-	230,979
Cash margins	-	4,000	-	-	15,125	19,125
Financial assets at fair value through comprehensive income	18,319,142	-	-	-	14,269,220	32,588,362
Right of use of leased assets	-	-	346,545	-	-	346,545
Liabilities against the right of use assets	-	-	294,297	-	-	294,297
Bonds	-	5,000,000	-	-	-	5,000,000
Items off the consolidated statement of financial position:						
Guarantees	3,833,600	1,190,858	-	1,000	2,560,585	7,586,043
Letters of credit	-	-	-	-	4,254,000	4,254,000
Items on the consolidated statement of income:						
Interest and commissions income ***	2,075,549	101,510	82,368	18,647	9,661	2,287,735
Interests and commissions expense ****	60,759	-	1,664,485	25,611	302,167	2,053,022
Financial asset dividends	162,690	-	-	-	297,628	460,318
Amortisation of right of use leased assets	-	-	29,999	-	-	29,999
Interests against liabilities of leased assets	-	-	40,035	-	-	40,035

* Direct credit facilities granted to the board of directors and executive directors include an amount of JD 670,351 relating to credit granted to board members of Ijarah Financial Leasing Company (a subsidiary company) and JD 131,701 to the United Financial Investments Company (subsidiary) and related parties as at 31 December 2022.

**Represents companies in which the bank has the right to vote at their board meetings.

***Interest income rates ranges from (1.75) % to (9.648) %.

****Interest expense rates range from (1.25) % to (6.25) %.

The bank is represented by four board members United Financial Investments Company's board of directors, three members in Ejara Finance Leasing Company's board of directors.

Executive management salaries and remuneration

Salaries of executive management of the Bank and its subsidiaries amounted to JD 3,510,252 for the year 2022 compared to JD 3,366,416 for the year 2021.

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

There are no material differences between the carrying value and the fair value of the financial assets and liabilities as at the end of 2022 and 2021.

Where they are disclosed in note 44 Fair value hierarchy.

(39) Risk Management

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

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

- **Credit risk:**

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

- **Market risk:**

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

- **Liquidity risk:**

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

- **Interest rate risk:**

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

- **Operational risk:**

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

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

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

Detailed responsibilities and functions of risk management sections

1. Credit risk:

- The Risk Management Department reviews the credit policy periodically and in coordination with the representatives of corporate and individual facilities. The policy is the indicator and the basic guide for the different duty stations in clarifying the degree of credit risk acceptable to these stations.
- Opinions on credit applications are expressed by the Risk Management within the credit terms specified by the Board without financial responsibility.
- The internal credit rating system is reviewed and evaluated independently of the credit marketing departments through the Risk Management. The Bank has a system documented and approved by the Board. Any element that may contribute to the expectation of a client's default is taken into consideration, which helps in measuring and classifying customer risks. This should facilitate the decision-making process, pricing facilities and determining customer and product profitability, credit management and the review and analysis of credit portfolio. In addition, it helps to retain the necessary data that facilitate the application of foundation internal ratings-based approach (FIRB) to credit risk within the Basel requirements. An automated credit rating system is implemented to support this. The Scoring Card System is used in the same framework.
- The Risk Department recommends, independently of the credit marketing departments, to set specific controls and limits, documented with clear policies and procedures to ensure compliance therewith. Such limits are reviewed periodically and adjusted, if necessary. There are specific limits set out and approved by the Board of Directors in dealing with banks, countries and various economic sectors. One of its tasks includes defining limits for any possible concentration of credit guarantees or products.
- The Risk Management Department prepares an analysis of the credit portfolio whereby the Board of Directors is clearly provided with an indication of the quality and different ratings thereof. The Board is also provided with any concentrations as well as historical benchmarking comparisons along with the banking sector where possible. Thereafter, appropriate recommendations to mitigate existing risks are made.

2. Market risk:

- The Bank has specific policies and procedures approved by the Board of Directors for identifying, measuring, monitoring and controlling the market risk. These are periodically reviewed, and the implementation thereof is monitored. Such policies include:
- Investment policy: the representatives of Treasury and Risk Departments develop and review this policy and amend it annually, if required. They also present it to the Investment Committee and the Assets and Liabilities Committee.
- The Bank has a written market risk policy approved by the Board of Directors that describes how to identify, measure, control and mitigate market risks. The Bank also has written policies approved by the Board of Directors, which define the fundamentals of portfolio management and investment funds, including operational bases, desired investment instruments and effective controls, in addition to a policy clarifying the basis for dealing between the Bank and its customers in convertible foreign currencies and major precious metals on a margin basis. The Risk Management Department develops such policies in cooperation with the concerned departments. Periodic (daily and monthly) reports are submitted by Middle Office under market risk/ risk management for adherence with the above policies.

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

3. Liquidity risk:

- The Risk Management Department, in cooperation with the Treasury Department, develops / updates a written policy for liquidity risk management which is approved by the Board of Directors of the Bank.
- The Risk Management Department monitors the Bank's commitment to liquidity ratios set by the Central Bank of Jordan and the supervisory authorities under which the Bank's branches operate. The Bank's liquidity is monitored on a daily basis by the Treasury Department.
- Liquidity is also monitored by the Asset and Liability Management Committee chaired by the Director General and comprises the Head of Risk Management. It is governed by the ALCO Policy through periodic reports prepared by the Risk Management Departments and the Treasury Department. They are presented and considered by the Committee members who make appropriate recommendations in this regard.
- The Risk Management Department, in coordination with the Treasury Department, prepares a written policy for a Liquidity Contingency Plan to address any liquidity problems at the Bank, at various levels and scenarios, which is approved by the Board of Directors of the Bank.

4. Operational risk:

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

5. Information security & business continuity management:

- The Risk Management Department develops a clear, documented, and approved Business Continuity Plan. The necessary tests are made regularly thereto, in accordance with the broad concept of Business Continuity Management supported by the DRS automated system for more efficient business continuity management, and in line with the instructions issued by the Central Bank of Jordan, and in accordance with international best practices in this regard.
- A team for Information Technology Security has been mobilised, reporting directly to Risk Management in order to support them. Such team is independent in its reporting from the Director of Information Systems Department. This is done in accordance with the international best practices including the ISO27001 and PCI requirements.
- Risk Management participates in the preparation of an appropriate risk assessment in the event of a new activity or product on the verge of being launched in a particular market.

6. Interest rate risk:

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

7. Compliance with Basel requirements:

- The Department oversees the implementation of the requirements of the various Basel decisions, including the accounting of Basel III capital adequacy ratios including liquidity ratios, and effectively contributes to capital budgeting.
- The Department prepares stress tests, evaluates internal capital and issues analytical reports on capital.
- The Department also issues various financial analyses of banks with the preparation of new analyses specialised in specific aspects by taking advantage of the disclosures issued by banks.

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

	31 December 2022	31 December 2021
	JD	JD
Items in the consolidated statement of financial position		
Balances at central banks	419,143,482	255,409,613
Balances at banks and financial institutions	123,435,953	142,138,456
Direct credit facilities:		
For individuals	282,659,417	242,468,901
Real estate mortgage	224,934,334	221,765,313
For corporates		
Large companies	1,041,508,278	914,414,231
SMEs	192,213,587	131,235,593
For government and public sector	181,324,821	177,402,774
Bills, bonds and notes:		
Within financial assets at fair value through other comprehensive income	22,578,510	29,660,562
Within financial assets at amortised cost	617,988,602	494,569,305
Other assets	40,395,864	38,278,077
Items off the consolidated statement of financial position		
Guarantees	232,559,084	221,364,280
Letters of credit	81,536,153	44,167,815
Acceptances	46,679,982	30,516,124
Utilised facilities (direct and indirect)	323,456,817	356,998,821
Total	**3,830,414,884**	**3,300,389,864**

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

Distribution of fair value of collaterals against credit exposures as at 31 December 2022

		Fair value of collaterals								
	Gross amount of exposure	Cash deposits	Quoted shares	Bank guarantees accepted	Real estate	Vehicles and machineries	Other	Gross amount of collaterals	Net exposures after collaterals	Expected credit loss
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	419,143,482	-	-	-	-	-	-	-	419,143,482	-
Balances at banks and financial institutions	123,435,953	-	-	-	-	-	-	-	119,532,933	1,425
Direct credit facilities:										
Retail	309,217,281	3,125,903	23,090,286	-	84,181,036	20,049,343	339,453	130,786,020	178,431,261	24,580,458
Real estate mortgage	263,006,274	7,832,370	1,829,739	-	275,239,700	1,944,002	299,010	341,520,543	-	29,214,285
Large companies	1,148,312,013	22,778,195	141,652,168	19,432,211	329,993,715	4,642,402	1,937,440	465,958,258	682,353,755	88,931,601
SMEs	202,590,866	34,963,710	25,444,440	-	97,955,863	12,743,359	22,132,754	193,342,279	9,248,587	9,007,121
Government and public sector	181,960,741	-	-	-	-	-	-	-	181,960,741	635,920
Bills, bonds and notes:										
Within financial assets at fair value through the statement of comprehensive income	22,578,510	-	-	-	-	-	-	-	22,578,510	11,264
Within financial assets at amortised cost	622,744,070	-	7,384,918	-	6,886,154	-	-	14,271,072	608,472,998	4,755,468
Other assets	40,395,864	-	-	-	4,248,497	-	-	4,248,497	36,147,367	82,720
Total	**3,333,385,055**	**68,700,179**	**199,401,551**	**19,432,211**	**798,504,965**	**39,379,105**	**24,708,658**	**1,150,126,669**	**2,257,869,635**	**157,220,261**
Financial guarantees	238,788,507	38,354,733	8,860,251	432,339	64,934,027	1,332,056	2,559,921	116,473,326	122,315,181	6,229,424
Letters of credit	81,917,467	2,261,320	-	-	1,997,006	61,138	112,266	4,431,730	77,485,737	381,313
Other liabilities	373,206,159	25,299,836	3,237,631	-	60,314,343	2,737,678	5,260,278	96,849,768	276,356,392	3,069,361
Total	**693,912,133**	**65,915,889**	**12,097,882**	**432,339**	**127,245,376**	**4,130,872**	**7,932,465**	**217,754,823**	**476,157,310**	**9,680,098**
Grand Total	**4,027,297,188**	**134,616,068**	**211,499,433**	**19,864,551**	**925,750,341**	**43,509,977**	**32,641,123**	**1,367,881,492**	**2,734,026,945**	**166,900,358**

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

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

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

Scheduled debts

These are the debts that were previously classified as non-performing credit facilities and were taken out of the classification of non-performing credit facilities under a rescheduling agreement and classified as watch list, total debts rescheduled amounted to JD 9,587,855 during 2022 and were classified as watch list, rescheduled debts balance during 2021 amounted to JD 42,258,899.

Restructured debt

Restructuring refers to the rearrangement of credit facilities position in terms of instalments, extending the life of credit facilities, deferring certain instalments or extending the grace period, restructured but not classified debts' balance amounted to JD 376,904,269 during 2022 (compared to JD 17,402,034 during 2021).

Bills, bonds and notes

The following table describes classification of bills, bonds and notes as per the external rating institutions as at 31 December 2022 and 2021:

Grade Classification	Institutions Classification	Under assets Financial assets at fair value through comprehensive income	Under assets Financial assets at amortised cost	31 December 2022
		JD	JD	JD
B1	Moody's	-	4,871,457	4,871,457
B2	Moody's	-	6,061,991	6,061,991
B+	Moody's	-	649,767	649,767
Ba3	Moody's	559,015	-	559,015
Baa3	Moody's	711,666	663,424	1,375,090
C	Moody's	-	3,062,604	3,062,604
Government		21,307,829	602,679,358	623,987,187
Unrated		-	-	-
Total		**22,578,510**	**617,988,602**	**640,567,112**

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

Distribution of fair value of collaterals against credit exposures for stage 3 for 2022:

	Gross amount of exposure	Cash deposits	Quoted shares	Bank guarantees accepted	Real estate	Vehicles and machineries	Other	Gross amount of collaterals	Net exposures after collaterals	Expected credit loss
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	-	-	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-	-	-
Direct credit facilities:										
Retail	17,870,844	14,303	8,558,742	-	2,360,356	3,998,582	11,832	14,943,817	2,927,027	12,994,619
Real estate mortgage	38,672,268	54	-	-	23,858,936	179,522	-	32,361,036	6,311,232	21,998,045
Large companies	70,664,849	3,343,832	100,000	-	19,675,187	97,062	-	14,893,557	55,771,293	42,959,829
SMEs	10,449,406	84,659	845,638	-	5,994,621	1,841,188	906,269	9,672,375	777,032	6,575,335
Bills, bonds and notes:										
Within financial assets at fair value through the statement of comprehensive income	-	-	-	-	-	-	-	-	-	-
Within financial assets at amortised cost	7,488,004	-	7,384,918	-	6,886,154	-	-	14,271,072	-	4,425,400
Total	**145,145,372**	**3,442,848**	**16,889,299**	**-**	**58,775,254**	**6,116,354**	**918,101**	**86,141,856**	**65,786,584**	**88,953,227**
Financial guarantees	1,525,816	92,252	-	-	277,729	49,761	46,714	466,456	1,059,361	1,251,985
Letters of credit	-	-	-	-	-	-	-	-	-	-
Other liabilities	194,149	6,737	-	-	115,973	8,032	2,501	133,244	60,906	157,714
Total	**1,719,965**	**98,989**	**-**	**-**	**393,702**	**57,793**	**49,215**	**599,699**	**1,120,267**	**1,409,699**
Grand Total	**146,865,337**	**3,541,837**	**16,889,299**	**-**	**59,168,956**	**6,174,147**	**967,316**	**86,741,555**	**66,906,851**	**90,362,926**

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

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

A- Total distribution of exposures by financial instruments

	Financial	Manufacturing	Commercial	Properties	Agricultural	Shares	Individuals	Government and public sector	Services	Other	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Balances at central banks	-	-	-	-	-	-	-	419,143,482	-	-	419,143,482
Balances at banks and financial institutions	122,770,121	-	-	-	-	665,832	-	-	-	-	123,435,953
Credit facilities	132,936,386	366,753,329	310,158,799	231,494,388	37,584,225	10,309,500	315,995,024	181,324,821	336,083,965	-	1,922,640,437
Bills, bonds and notes:											
Within financial assets at fair value through the statement of other comprehensive income.	-	-		-	-	-	-	22,019,495	559,015	-	22,578,510
Within financial assets at amortised cost	-	-	3,062,604	-	-	-	-	610,054,545	4,871,452	-	617,988,601
Other assets	36,000,001	-	-	3,064,335	-	-	230,086	-	-	1,101,443	40,395,864
Financial guarantees	63,590,120	39,184,074	38,705,123	-	824,024	1,624,564	1,656,635	-	86,974,545	-	232,559,084
Letters of credit	4,252,322	52,948,517	17,843,839	-	376,718	-	-	-	6,114,757	-	81,536,153
Other liabilities	28,089,088	93,406,332	119,118,109	-	24,937,411	1,304,340	24,206,622	-	79,074,896	-	370,136,798
Grand Total	**387,638,038**	**552,292,252**	**488,888,475**	**234,558,722**	**63,722,378**	**13,904,235**	**342,088,366**	**1,232,542,343**	**513,678,632**	**-**	**3,830,414,885**

B- Distribution of exposures by classification stages under IFRS 9

	Stage 1 Individuals	Stage 1 Collective	Stage 2 Individuals	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Financial	386,820,117	-	715,458	-	102,463	387,638,038
Industrial	497,312,818	-	47,756,657	-	7,222,777	552,292,252
Commercial	452,067,053	-	31,665,081	-	8,220,676	491,952,810
Properties	203,255,667	-	21,581,917	-	6,656,803	231,494,387
Agricultural	48,040,039	-	15,681,159	-	1,181	63,722,379
Shares	13,904,235	-	-	-	-	13,904,235
Individuals	321,209,757	-	16,267,054	-	4,611,556	342,088,367
Government and public sector	1,232,542,343	-	-	-	-	1,232,542,343
Services	481,876,376	-	30,314,165	-	1,488,088	513,678,629
Others	1,101,443	-	-	-	-	1,101,443
Total	**3,638,129,847**	**-**	**163,981,491**	**-**	**28,303,544**	**3,830,414,885**

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

Distribution of exposures by classification stages under IFRS 9

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

Comparison of the credit exposures as per the classification instructions No. (47/2009) and comparatively with IFRS (9) for 2022:

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

Item	Total	Interest in suspense	Balance	Provision
Performing	1,798,059,370	379,369	1,707,680,001	-
Watch list	171,131,274	1,858,685	169,272,590	33,016,368
Non-performing	135,896,531	28,175,021	107,721,510	83,973,307
Sub-standard	10,890,136	223	10,889,913	3,597,573
Doubtful	7,879,493	224,324	7,678,199	3,387,523
Loss	117,126,902	27,973,505	89,153,397	76,988,212
Total	**2,240,983,706**	**58,611,127**	**2,092,395,610**	**200,962,983**

	As per IFRS (9)			As per IFRS (9)			As per IFRS (9)		
	Stage 1			Stage 2			Stage 3		
Item	Total	ECL	Interest in suspense	Total	ECL	Interest in suspense	Total	ECL	Interest in suspense
Performing	1,775,575,135	33,732,006	13,106	20,923,333	918,220	11,856	1,560,902	354,407	18,686
Watch list	-	-	-	170,931,341	33,191,332	1,853,525	199,934	47,229	5,159
Non-performing	-	-	-	-	-	-	135,896,531	84,126,191	28,175,021
Sub-standard	-	-	-	-	-	-	10,890,136	3,581,459	223
Doubtful	-	-	-	-	-	-	7,879,493	3,342,306	201,294
Loss	-	-	-	-	-	-	117,127,902	77,202,426	27,973,505
Total	**1,775,575,135**	**33,732,006**	**13,106**	**191,854,674**	**34,096,579**	**1,865,381**	**273,554,898**	**84,527,827**	**28,198,867**

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

As per the classification instructions No. (47/2009)				
Item	Total	Interest in suspense	Balance	Provision
Performing	1,543,974,609	82,239	1,543,892,370	-
Watch list	153,338,274	2,586,103	150,752,170	20,704,847
Non-performing	145,749,731	26,862,235	118,887,496	79,011,891
Sub-standard	8,255,872	73,094	8,182,778	1,465,545
Doubtful	9,375,463	347,292	9,028,171	3,444,208
Loss	128,118,396	26,441,849	101,676,548	74,102,137
Total	**1,843,062,614**	**29,530,577**	**1,813,532,037**	**99,716,738**

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

A- Total distribution of exposures by geographical areas:

	Inside the Kingdom	Other Middle East	Europe	Asia	Africa	America	Other countries	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	415,474,181	-	3,669,301	-	-	-	-	419,143,482
Balances at banks and financial institutions	5,914,898	4,077,184	19,107,592	1,398,521	104,504	88,439,853	4,393,402	123,435,954
Credit facilities	1,703,124,734	-	219,515,703	-	-	-	-	1,922,640,437
Bills, bonds and notes:								
Within financial assets at fair value through the statement of other comprehensive income	21,307,829	1,270,681	-	-	-	-	-	22,578,510
Within financial assets at amortised cost	610,613,419	1,313,191	-	-	6,061,991	-	-	617,988,601
Other assets	40,395,864	-	-	-	-	-	-	40,395,864
Total/ current year	**2,796,830,925**	**6,661,056**	**242,292,595**	**1,398,521**	**6,166,495**	**88,439,853**	**4,393,402**	**3,146,182,848**
Financial guarantees	205,819,521	-	26,739,563	-	-	-	-	232,559,084
Letters of credit	70,681,928	-	10,854,226	-	-	-	-	81,536,153
Other liabilities	351,949,424	-	18,187,374	-	-	-	-	370,136,798
Grand Total	**3,425,281,798**	**6,661,056**	**298,073,758**	**1,398,521**	**6,166,495**	**88,439,853**	**4,393,402**	**3,830,414,883**

B- Distribution of exposures by classification stages under IFRS 9

	Stage 1 Individuals	Stage 1 Collective	Stage 2 Individuals	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Inside the Kingdom	3,234,505,922	-	162,463,524	-	28,303,544	3,425,272,990
Other Middle East Countries	6,661,056	-	-	-	-	6,661,056
Europe	296,564,599	-	1,517,967	-	-	298,082,566
Asia	1,398,521	-	-	-	-	1,398,521
Africa	6,166,495	-	-	-	-	6,166,495
America	88,439,853	-	-	-	-	88,439,853
Other countries	4,393,401	-	-	-	-	4,393,401
Total	**3,638,129,847**	**-**	**163,981,491**	**-**	**28,303,544**	**3,830,414,883**

Credit exposure concentration as per the geographical distribution as at 31 December 2021:

Geographic region Description / Total/ comparative figures	Inside the Kingdom	Middle East Countries other	Europe	Asia *	Africa *	America	Other countries	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Total/ comparative figures	**2,932,096,205**	**5,551,810**	**254,687,613**	**705,093**	**9,782,828**	**88,382,703**	**9,183,612**	**3,300,389,864**

Credit exposures reclassified

A. Gross exposures reclassified

	Stage 2		Stage 3		Gross exposures reclassified	Percentage of exposures reclassified
	Gross amount of exposure	Exposures reclassified	Gross amount of exposure	Exposures reclassified		
31 December 2022	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Balances at central banks	-	-	-	-	-	0.00%
Balances at banks and financial institutions	-	-	-	-	-	0.00%
Credit facilities:						
Retail	10,877,638	3,711,855	17,870,844	546,941	4,258,796	14,81%
Real estate mortgage	27,439,401	7,663,994	38,672,268	1,362,733	9,026,727	13,65%
Large companies	125,182,937	7,424,264	70,664,849	3,253,487	10,677,751	5,45%
SMEs	28,354,697	2,773,666	10,449,406	2,583,122	5,356,789	13,80%
Bills, bonds and notes:						
Within financial assets at fair value through the statement of comprehensive income	-	-	-	-	-	0.00%
Within financial assets at amortised cost	-	-	7,488,004	-	-	0.00%
Total	**191,854,673**	**21,573,779**	**145,145,372**	**7,746,283**	**29,320,063**	**8,70%**
Financial guarantees	6,651,478	559,946	1,525,816	254,120	814,066	9,96%
Letters of credit	-	-	-	-	-	0.00%
Other liabilities	2,781,622	257,343	194,149	57,119	314,462	10,57%
Total	**9,433,100**	**817,289**	**1,719,965**	**311,239**	**1,128,528**	**10,12%**
Grand Total	**201,287,773**	**22,391,068**	**146,865,337**	**8,057,522**	**30,448,590**	**8,75%**

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

B. ECL of exposures reclassified

	Exposures reclassified			ECL of exposures reclassified				Total
	Gross exposures reclassified from Stage 2	Gross exposures reclassified from Stage 3	Gross reclassified exposures	Stage 2 Individuals	Stage 2 Collective	Stage 3 Individuals	Stage 3 Collective	
31 December 2022	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Credit facilities:								
Retail	3,711,855	546,941	4,258,796	1,470,095	-	80,342	-	1,550,437
Real estate mortgage	7,663,994	1,362,733	9,026,727	260,430	-	15,080	-	275,510
Large companies	7,424,264	3,253,487	10,677,751	2,314,217	-	349,452	-	2,663,669
SMEs	2,773,666	2,583,122	5,356,789	616,319	-	31,244	-	647,563
Bills, bonds and notes:	-	-	-	-	-	-	-	-
Total	**21,573,779**	**7,746,283**	**29,320,063**	**4,661,061**	**-**	**476,118**	**-**	**5,137,179**
Financial guarantees	559,946	254,120	814,066	307,927	-	1,949	-	309,876
Letters of credit	-	-	-	-	-	-	-	-
Other liabilities	257,343	57,119	314,462	14,232	-	1,449	-	15,680
Total	**817,289**	**311,239**	**1,128,528**	**322,159**	**-**	**3,397**	**-**	**325,556**
Grand Total	**22,391,068**	**8,057,522**	**30,448,590**	**4,983,220**	**-**	**479,514**	**-**	**5,462,735**

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

Credit exposure distribution

Bank's internal rating grade	Rating category as per the instructions (2009/ 47)	Gross amount of exposure	Expected credit losses (ECL)	Probability of Default (PD)	Rating according to external rating institutions	Exposure at default (EAD) in JD millions	Loss given default (LGD)%
STAGE 1							
	Normal	868,716,498	12,218,666	TO 83.606% 0.265		450,968,212	TO 53.493% 0.000
	Normal	60,774,304	4,847	0.16%	2	25,770,161	48.28%
	Normal	22,955,546		TO 0.520% 0.371	2-		
	Normal	107,010		TO 0.755% 0.481	2+		
	Normal	4,245,718	290	TO 0.539% 0.296	3	156,346	TO 50.841% 48.431
	Normal	6,865,275	1,360	0.85%	3-	4,388,813	TO 50.867% 47.062
	Normal	41,864,695	786	0.27%	3+	601,233	TO 50.995% 43.030
	Normal	2,000,000	765	TO 0.862% 0.639	4	2,000,000	48.35%
	Normal	95,897		TO 2.375% 1.956	4-	3,500	0.00%
	Normal	8,951,294	1,908	TO 3.451% 3.407	4+	6,335,658	TO 57.266% 51.135
	Normal	653,463	1,197	TO 6.969% 4.740	5	587,544	TO 50.240% 48.081
	Normal	1,751,282	26,518	TO 9.476% 7.155	5-	1,742,325	TO 52.689% 51.360
	Normal	6,905,544	188,954	TO 4.984% 1.409	6	6,905,544	TO 52.689% 51.156
	Normal	908,499	25,356	9.48%	6-	908,449	TO 52.230% 48.964
	Normal	629,632,431	128,912	0.07%	6+	87,456,649	TO 53.493% 44.231
	Normal	3,669,301		0.14%	7+	3,669,301	57.82%
2+	Normal	708,616	25	TO 0.444% 0.118		708,616	9.79%
2	Normal	30,546,487	12,620	TO 0.645% 0.125		30,546,487	39.87%
2-	Normal	27,389,279	12,238	TO 0.697% 0.179		27,389,279	TO 53.482% 0.000
3+	Normal	141,615,106	10,444,414	TO 0.914% 0.256		141,615,106	TO 53.648% 0.000
3	Normal	52,573,182	46,258	TO 1.133% 0.364		52,573,182	TO 53.688% 0.000
3-	Normal	106,041,459	155,981	TO 1.493% 0.525		106,041,459	TO 53.856% 0.000
4+	Normal	208,497,805	502,604	TO 1.875% 0.701		208,761,323	TO 53.846% 0.000
4	Normal	99,784,881	293,013	TO 2.584% 1.063		99,784,881	TO 53.777% 0.000
4-	Normal	312,558,451	1,133,248	TO 3.334% 1.483		312,854,518	TO 53.971% 0.000
5+	Normal	126,231,870	503,144	TO 4.278% 2.215		126,231,502	TO 55.779% 0.000
5	Normal	200,693,415	1,647,084	TO 4.899% 3.101		200,693,409	TO 54.348% 0.000
5-	Normal	279,324,967	2,140,084	TO 7.011% 3.867		288,297,628	TO 54.484% 0.000
6+	Normal	154,532,001	7,562,851	TO 9.821% 7.285		154,531,543	TO 52.689% 0.000
6	Normal	220,503,306	3,132,554	TO 13.392% 7.754		223,478,821	TO 54.137% 0.000
6-	Normal	573,162	9,374	TO 14.333% 9.904		573,162	TO 52.792% 0.000
7+	Normal	7,953,563	395,082	TO 83.606% 0.265		7,953,563	TO 55.673% 0.001
7	Normal	5,220,886	423,681	0.16%		5,220,886	TO 45.458% 4.407

Credit exposure distribution

Bank's internal rating grade	Rating category as per the instructions (2009/ 47)	Gross amount of exposure	Expected credit losses (ECL)	Probability of Default (PD)	Rating according to external rating institutions	Exposure at default (EAD) in JD millions	Loss given default (LGD)%
STAGE 2							
4+	Normal	4,454,667	646,849	TO 100.000% 0.265		4,442,839	TO 53.493% 0.000
5+	Normal	10,006		TO 0.539% 0.366		10,006	TO 0.001% 0.000
5	Normal	275,135	3,931	TO 1.677% 1.596		275,135	TO 51.517% 38.470
5-	Normal	559,646	4,047	TO 2.484% 1.581		559,628	TO 54.089% 0.001
6+	Normal	10,940,312	96,061	TO 3.376% 2.215		10,940,525	TO 54.250% 7.658
6	Normal	3,827,729	50,063	TO 5.004% 3.258		3,827,729	TO 54.688% 0.001
7+	Normal	1,501,778	40,480	TO 7.052% 4.302		1,501,778	TO 51.783% 5.215
7	Normal	41,910	972	11.78%		41,910	40.00%
7-	Normal	3,798,639	139,577	TO 18.681% 13.857		3,798,639	TO 54.604% 7.862
	Normal	832,323	92,263	TO 28.205% 20.303		832,323	TO 43.541% 11.839
4	Watch	3,987,155	377,252	TO 80.035% 0.265		3,987,020	TO 53.493% 0.000
4-	Watch	9,986,630	2,003,412	TO 1.114% 0.845		9,986,630	TO 52.689% 9.820
5+	Watch	6,215,374	44,537	TO 1.445% 1.048		6,215,374	TO 12.435% 4.903
5	Watch	16,372,675	5,729,273	TO 1.673% 1.035		16,372,675	TO 53.907% 2.820
5-	Watch	9,607,173	1,380,766	TO 2.387% 1.596		9,607,173	TO 54.266% 7.881
6+	Watch	13,187,587	227,877	TO 3.615% 2.215		13,177,802	TO 54.447% 7.029
6	Watch	10,203,856	1,398,210	TO 4.843% 3.173		10,203,856	TO 54.573% 7.200
6-	Watch	13,530,906	1,786,345	TO 6.872% 3.867		13,530,906	TO 55.136% 0.001
7+	Watch	19,472,495	3,995,900	5.14%		17,629,425	36.61%
7	Watch	6,814,659	2,072,199	7.77%		6,814,659	8.57%
7-	Watch	40,174,586	10,258,393	TO 16.684% 8.013		40,174,586	TO 23.833% 10.000
STAGE 3	Watch	25,492,531	5,092,493	TO 28.159% 10.817		25,816,230	TO 29.679% 9.163
	Normal	1,240,040	259,997	100.00%		1,230,476	TO 55.979% 0.000
	Normal	7,488,004	4,425,400	100.00%	10	7,488,004	TO 99.990% 10.000
10	Normal	662,579	405,131	100.00%		659,415	TO 99.990% 0.000
	Watch	82,080	20,850	100.00%		78,514	TO 40.800% 0.000
10	Watch	117,854	26,379	100.00%		116,260	TO 99.990% 10.000
	Substandard	2,448,336	1,020,588	100.00%		2,448,237	TO 59.670% 0.000
10	Substandard	8,541,185	2,878,360	100.00%		8,541,061	TO 99.990% 0.767
	Doubtful	3,851,145	2,086,363	100.00%		3,754,780	TO 100.000% 0.000
10	Doubtful	3,111,573	1,630,364	100.00%		3,006,644	TO 99.990% 0.000
	Loss	19,543,589	14,165,630	100.00%		15,697,668	TO 100.000% 0.000
10	Loss	99,778,954	63,443,864	100.00%		75,670,599	TO 99.990% 0.000

40- A Market risk:

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

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

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

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

40-B Interest rate risk:

Interest rate risk arises from the probability of change in interest rates, consequently affecting cash flows or air value of the financial instrument.

The bank is exposed to interest rate risk as a result of time gaps for repricing between assets and liabilities, such gaps are monitored on a periodic basis by the Assets and Liabilities Committee, and sometimes various hedging methods are used to remain within acceptable limits of interest rate risk gaps.

Sensitivity analysis:

For 2022

Currency	Change of increase in interest rate (percentage point) %	Sensitivity of interest income (profit and loss) JD	Sensitivity of equity JD
USD	1	476,318	(738,330)
Euro	1	(68,258)	-
GBP	1	(39,529)	-
JPY	1	-	-
Other currencies	1	(14,708)	-

Currency	Change of increase in interest rate (percentage point) %	Sensitivity of interest income (profit and loss) JD	Sensitivity of equity JD
USD	1	(476,318)	765,181
Euro	1	68,258	-
GBP	1	39,529	-
JPY	1	-	-
Other currencies	1	14,708	-

For 2021

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

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

Currency risk:

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

For 2022

Currency	Change in foreign currency rates %	Impact on profit and loss JD	Impact on Equity JD
Euro	5	(1,121,926)	-
GBP	5	276,115	-
JPY	5	1,147,234	-
Other currencies	5	(346,411)	-

For 2021

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

Risk of change in shares prices:

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

For 2022

Currency	Change in index %	Impact on profit and loss JD	Impact on Equity JD
Amman market index	5	-	365,728
Palestine market index	5	-	47,042
Kuwait market index	5	-	-
NASDAQ – USA	5	-	-

For 2021

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

Re-pricing interest gap:

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

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

Interest rate sensitivities are as follows:

	Re-pricing interest gap							
	Less than 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	From 1 year to 3 years	3 years or more	Elements non-bearing interest	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Assets:								
Cash and balances at Central Banks	-	-	-	-	-	-	480,714,381	480,714,381
Balances at banks and financial institutions	90,557,279	8,019,566	-	-	-	1,425	24,857,683	123,435,953
Direct credit facilities, net	693,411,228	243,967,557	202,411,902	455,900,867	173,541,985	128,476,225	24,930,673	1,922,640,437
Financial assets at fair value through statement of income	-	-	-	-	-	-	20,958,094	20,958,094
Financial assets at fair value through the statement of comprehensive income	559,015	-	-	10,866,088	6,705,928	4,447,479	72,406,082	94,984,593
Financial assets at amortised cost	45,000,026	59,953,151	69,564,068	117,340,523	161,440,932	164,689,901	-	617,988,602
Property and equipment, net	-	-	-	-	-	-	36,013,560	36,013,560
Intangible assets, net	-	-	-	-	-	-	7,239,008	7,239,008
Deferred tax assets	-	-	-	-	-	-	56,299,061	56,299,061
Right of use leased assets	-	-	-	-	856,485	9,667,575	-	10,524,060
Other assets	9,793,728	5,320,510	6,486,080	8,980,878	5,846,096	10,440,476	129,273,850	176,141,619
Total assets	**839,321,276**	**317,260,784**	**278,462,050**	**593,088,356**	**348,391,426**	**317,723,081**	**852,692,393**	**3,546,939,367**

	Re-pricing interest gap							
	Less than 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	From 1 year to 3 years	3 years or more	Elements non-bearing interest	Total
Liabilities:	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Deposits with banks and banking institutions	24,440,347	-	80,006,651	-	-	-	2,737,995	107,184,993
Customers' deposits	962,971,103	360,207,718	183,535,253	274,830,793	658,309	-	636,469,782	2,418,672,958
Cash margins	32,445,925	19,526,021	11,917,127	26,151,228	669,943	-	27,216,328	117,926,572
Borrowings	2,725,441	2,051,428	2,742,116	6,457,265	101,492,797	181,129,021	-	296,598,068
other provisions	12,151,336	-	-	-	-	-	2,303,637	14,454,973
Bond	-	-	-	11,000,000	-	-	-	11,000,000
Provision for income tax	-	-	-	-	-	-	18,784,419	18,784,419
Deferred tax liabilities	-	-	-	-	-	-	7,460,503	7,460,503
Liabilities against right of use leased assets	-	-	-	-	601,806	10,131,876	-	10,733,682
Other liabilities	22,367,249	9,235,708	7,328,678	8,497,685	9,611,039	9,527,612	-	66,567,971
Total liabilities	**1,057,101,401**	**391,020,875**	**285,529,825**	**326,936,971**	**113,033,894**	**200,788,509**	**694,972,664**	**3,069,384,139**
Non-controlling interests	-	-	-	-	-	-	1,721,520	1,721,520
Re-pricing interest gap	**(217,780,125)**	**(73,760,091)**	**(7,067,775)**	**266,151,385**	**235,357,532**	**116,934,572**	**159,441,249**	**479,276,748**

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

	Re-pricing interest gap							
	Less than 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	From 1 year to 3 years	3 years or more	Elements non-bearing interest	Total
Liabilities:	JD	JD	JD	JD	JD	JD	JD	JD
Deposits with banks and banking institutions	82,524,929	-	58,635,107	23,434,008	-	-	2,351,413	166,945,457
Customers' deposits	340,837,049	635,851,391	200,072,789	173,631,769	126,648	-	586,779,824	1,937,299,470
Cash margins	29,582,643	32,742,066	11,336,964	18,823,304	507,943	5,000	81,288	93,079,208
Borrowings	40,740	303,858	30,445,675	6,005,946	70,664,986	131,654,431	-	239,115,636
other provisions	-	-	-	-	-	-	12,478,231	12,478,231
Bond	-	-	-	-	11,000,000	-	-	11,000,000
Provision for income tax	-	-	-	-	-	-	9,745,645	9,745,645
Deferred tax liabilities	-	-	-	-	-	-	4,642,969	4,642,969
Liabilities against right of use leased assets	-	-	49,592	2,654,345	5,195,994	4,630,572	-	12,530,503
Other liabilities	19,442,364	6,323,669	5,346,529	5,976,536	6,752,671	-	6,783,755	50,625,524
Total liabilities	**472,427,725**	**675,220,984**	**305,886,656**	**230,525,908**	**94,248,242**	**136,290,003**	**622,863,125**	**2,537,462,643**
Non-controlling interests	-	-	-	-	-	-	277,710	277,710
Re-pricing interest gap	**153,092,334**	**(475,367,310)**	**(132,960,854)**	**549,201,302**	**283,791,909**	**63,488,914**	**26,705,473**	**467,951,768**

Concentration in foreign exchange risk

	USD	Euro	GBP	JPY	Others	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Assets:						
Cash and balances with Central Banks	56,309,217	6,930,381	912,605	-	979,301	65,131,504
Balances with banks and banking institutions	88,062,088	10,403,925	16,766,337	1,388,868	717,685	117,338,904
Direct credit facilities - net	460,775,049	18,583,411	2,987,230	22,942,826	-	505,288,515
Financial assets at fair value through profit and loss	-	-	1,469,194	-	-	1,469,194
Financial assets at fair value through comprehensive income	54,480,602	55,185	-	-	-	54,535,787
Financial assets at amortised cost	152,296,674	-	-	-	-	152,296,674
Property and equipment	938,688	-	-	-	-	938,688
Intangible assets	2,264	-	-	-	-	2,264
Other assets	8,790,258	326,485	102,895	12,374	-	9,232,011
Total assets	**821,654,838**	**36,299,388**	**22,238,260**	**24,344,068**	**1,696,986**	**906,233,541**
Liabilities:						
Deposits with banks and banking institutions	104,945,482	43,068	-	-	420,732	105,409,282
Customers' deposits	475,325,806	55,365,948	16,530,822	1,396,973	7,178,645	555,798,195
Cash margins	28,193,955	2,612,739	165,803	2,413	992,862	31,967,772
Borrowings	129,514,448	-	-	-	-	129,514,448
Provision for Income tax	-	379,105	-	-	-	379,105
Other liabilities	6,710,450	325,253	19,330	-	32,959	7,087,991
Total liabilities	**744,690,141**	**58,726,113**	**16,715,954**	**1,399,387**	**8,625,198**	**830,156,793**
Net concentration in the consolidated statement of financial position for the current year	76,964,697	(22,426,726)	5,522,306	22,944,682	(6,928,213)	76,076,747
Contingent liabilities off-the consolidated statement of financial position for the current year	192,123,910	10,749,982	105,167	62,148	3,203,063	206,244,269

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

C- Liquidity risk

First: The table below summarizes the distribution of liabilities (not discounted) based on the remaining period for contractual maturity at the date of the financial statements:

Liquidity risk is defined as the losses that the Bank may be exposed to due to lack of funds needed to finance the increase of its investments or to repay its obligations when they become due at appropriate time and cost. (This is part of asset and liability management (ALM).

The Bank is commitment to liquidity ratios set by the Central Bank and the supervisory authorities under which the Bank's external branches operate, and the Bank's liquidity is monitored on a daily basis.

Liquidity is also monitored by the ALCO chaired by the Director General through periodic reports.

	Less than 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	From 1 year to 3 years	Over 3 years	Elements non-bearing interest	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Liabilities:								
Deposits with banks and banking institutions	27,178,342	-	80,006,651	-	-	-	-	107,184,993
Customers' deposits	893,281,202	360,207,718	183,535,253	274,830,793	658,309	-	706,159,683	2,418,672,958
Cash margins	59,662,254	19,526,021	11,917,127	26,151,228	669,942	-	-	117,926,572
Borrowings	724,257	2,051,428	2,742,116	6,457,265	101,492,797	181,129,021	2,001,184	296,598,068
Liabilities against right of use leased assets	-	-	-	-	601,806	10,131,876	-	10,733,682
Bonds	-	-	-	11,000,000	-	-	-	11,000,000
Other provisions	-	-	-	-	-	-	14,454,973	14,454,973
Provision for income tax	-	-	18,784,419	-	-	-	-	18,784,419
Deferred tax liabilities	-	-	-	-	-	-	7,460,503	7,460,503
Other liabilities	22,367,249	9,235,708	7,328,678	8,497,685	9,611,039	9,527,612	-	66,567,971
Total	**1,003,213,304**	**391,020,875**	**304,314,244**	**326,936,971**	**113,033,893**	**200,788,509**	**730,076,343**	**3,069,384,139**
Total assets	**925,947,166**	**132,419,301**	**273,900,238**	**288,228,491**	**560,738,018**	**1,043,516,499**	**322,189,655**	**3,546,939,367**

	Less than 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	From 1 year to 3 years	Over 3 years	Elements non-bearing interest	Total
31 December 2021	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Liabilities:								
Deposits with banks and banking institutions	84,876,342	44,455,105	14,180,000	23,434,010	-	-	-	166,945,457
Customers' deposits	283,743,927	692,944,513	200,072,789	173,631,769	126,648	-	586,779,824	1,937,299,470
Cash margins	29,663,931	32,742,068	11,336,964	18,823,302	507,943	5,000	-	93,079,208
Borrowings	40,740	303,858	30,445,675	6,005,946	70,664,986	131,654,431	-	239,115,636
Liabilities against right of use leased assets	-	-	49,592	2,654,345	5,195,994	4,630,572	-	12,530,503
Bonds	-	-	-	-	11,000,000	-	-	11,000,000
Other provisions	-	-	-	-	-	-	12,478,231	12,478,231
Provision for income tax	-	-	-	-	-	-	9,745,645	9,745,645
Deferred tax liabilities	-	-	-	-	-	-	4,642,969	4,642,969
Other liabilities	19,408,958	6,323,669	5,346,529	5,976,536	6,752,671	6,817,161	-	50,625,524
Total	**417,733,898**	**776,769,213**	**261,431,549**	**230,525,908**	**94,248,242**	**143,107,164**	**613,646,669**	**2,537,462,643**
Total assets	**484,309,681**	**345,025,251**	**127,472,452**	**199,679,955**	**548,600,449**	**1,022,409,018**	**277,639,895**	**3,005,136,701**

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

31 December 2022

	Up to one year	1 to 5 years	Over 5 years	Total
	JD	JD	JD	JD
Letters of credits and acceptances	112,265,698	16,554,713	87,665	128,908,076
Un-utilised limits (direct and indirect)	292,116,441	31,595,637	2,503,472	326,215,550
Guarantees	217,353,323	21,434,658	527	238,788,508
Total	**621,735,462**	**69,585,008**	**2,591,664**	**693,912,134**

31 December 2021

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

(41) Information about the Bank's business segments

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

- Retail accounts: Includes handling individual customers' deposits, and providing credit facilities, credit cards and other services.
- Corporates' accounts: Includes handling deposits, credit facilities, and other banking services related to corporates' customers.
- Treasury: Includes providing trading and treasury services and the management of the Bank's funds.
- Others: Includes activities inapplicable to the definition of the Bank's above mentioned segments.
- Financial brokerage services: Practicing most of the brokerage and financial consultation services.
- Financial leasing services: Practicing financial leasing services and real estate development projects.

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

	Retail	Corporates	Treasury	Financial brokerage	Finance leasing	Others	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Total income for the year - statement (b)	30,961,254	66,167,440	30,574,778	1,792,798	6,103,317	3,944,228	139,543,815
Less: expected credit losses	10,420,410	22,452,346	(583,218)	138,085	566,618	-	32,994,241
Segment business results	20,540,844	43,715,094	31,157,996	1,654,713	5,536,699	3,944,228	106,549,574
Less: unallocated expenses on segments	-	-	-	1,532,247	1,205,116	76,925,897	79,663,260
Profit for the year before income tax	20,540,844	43,715,094	31,157,996	122,466	4,331,583	(72,981,669)	26,886,314
Add: Bargain on purchase	-	-	-	458,225	-	-	458,225
Less: income tax for the year	-	-	-	339,866	1,404,753	6,865,545	8,610,164
Profit for the year - statement (b)	**20,540,844**	**43,715,094**	**31,157,996**	**240,825**	**2,926,830**	**(79,847,214)**	**18,734,375**
Capital expenses	-	-	-	-	-	7,834,138	7,834,138
Depreciations and amortisations	-	-	-	-	-	4,793,384	4,793,384
Sector assets	533,378,985	1,415,046,687	1,339,710,575	30,634,123	86,289,260	141,879,737	3,546,939,367
Sector liabilities	1,282,503,327	1,181,428,271	421,243,564	22,700,963	43,279,742	118,228,272	3,069,384,139

	Retail	Corporates	Treasury	Financial brokerage	Finance leasing	Others	Total
31 December 2021	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Total income for the year - statement (b)	17,780,856	55,178,429	32,855,834	74,369	5,999,269	-	111,888,757
Less: expected credit losses	5,156,352	22,194,371	2,089,215	(5,564)	1,113,302	-	30,547,676
Segment business results	12,624,504	32,984,058	30,766,619	79,933	4,885,967	-	81,341,081
Less: unallocated expenses on segments	-	-	-	912,298	1,127,441	67,228,642	69,268,381
Profit for the year before income tax	12,624,504	32,984,058	30,766,619	(832,365)	3,758,526	(67,228,642)	12,072,700
Less: income tax for the year	-	-	-	83,299	1,475,812	2,808,752	4,367,863
Profit for the year - statement (b)	**12,624,504**	**32,984,058**	**30,766,619**	**(915,664)**	**2,282,714**	**(70,037,394)**	**7,704,837**
Capital expenses	-	-	-	-	-	10,326,927	10,326,927
Depreciations and amortisations	-	-	-	-	-	4,470,471	4,470,471
Sector assets	484,105,094	1,115,294,267	1,033,023,020	10,237,138	87,650,312	274,826,870	3,005,136,701
Sector liabilities	1,176,552,454	878,673,588	410,704,062	7,612,057	40,057,332	63,920,482	2,577,519,975

B. Geographical distribution information

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

	Inside the Kingdom		Outside the Kingdom		Total	
	For the year ended 31 December		For the year ended 31 December		For the year ended 31 December	
	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD
Total income - statement (b)	**128,541,324**	**102,732,664**	**11,002,491**	**9,156,093**	**139,543,815**	**111,888,757**
Capital expenses	7,834,138	10,326,927	-	-	7,834,138	10,326,927

	31 December		31 December		31 December	
	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD
Total assets	**3,121,021,730**	**2,578,368,766**	**425,917,637**	**426,767,935**	**3,546,939,367**	**3,005,136,701**

(42) Capital management:

A. Description of what is considered to be capital.

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

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

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

The instructions of the Central Bank require that the paid-up capital is not less than JD 100 million, and that the ratio of shareholders' equity to assets is not less than 6%. As for the regulatory capital, the instructions of the Central Bank require that its ratio to the weighted assets (capital adequacy ratio) is not less than 14% and the Bank ensures that it is compliant there with.

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

The Bank is committed to Article (41) of the Banks Law, which requires compliance with the limits set by the Central Bank relating to the following:

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

C - How to achieve the objectives of capital management.

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

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

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

Capital adequacy

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

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

	31 December	
	2022	2021
	JD	JD
Total basic capital for ordinary equity holders (CET 1)	463,834	456,896
Regulatory amendments (subtraction from basic capital for ordinary equity holders)	(67,779)	(55,513)
Tier-II Capital	27,064	27,809
Regulatory capital	423,119	429,192
Risk-weighted assets	2,490,970	2,266,033
Capital adequacy ratio for ordinary equity holders (CET 1)	15.90%	17.71%
Capital adequacy ratio on Tier-I Capital	15.90%	17.71%
Regulatory capital adequacy ratio	16.99%	18.94%

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

	31 December	
	2022	2021
Liquidity coverage ratio (LCR):	JD	JD
Total high quality liquid assets	1,045,366	775,920
Total high quality liquid assets after subtracting the maximum adjustments	1,045,366	775,920
Net cash outflow	453,200	380,591
Liquidity coverage ratio	230.70%	203.90%
Liquidity coverage according to the average end of each month	199.24%	165.30%

(43) Analysis of maturities of assets and liabilities

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

31 December 2022	Up to one year JD	Over one year JD	Total JD
Assets:			
Cash and balances with Central Banks	480,714,381	-	480,714,381
Balances with banks and banking institutions	123,435,953	-	123,435,953
Direct credit facilities - net	682,482,218	1,240,158,219	1,922,640,437
Loan with right to repurchase at fair value	-	20,958,094	20,958,094
Financial assets through comprehensive income	11,425,103	83,559,489	94,984,592
Financial assets at amortised cost	291,857,769	326,130,833	617,988,602
Property and equipment, net	-	36,013,560	36,013,560
Intangible assets, net	-	7,239,008	7,239,008
Right of use of leased assets	-	10,524,060	10,524,060
Deferred tax assets	-	56,299,061	56,299,061
Other assets	30,581,196	145,560,423	176,141,619
Total assets	**1,620,496,620**	**1,926,442,747**	**3,546,939,367**
Liabilities:			
Deposits with banks and banking institutions	107,184,993	-	107,184,993
Customers' deposits	1,711,854,966	706,817,992	2,418,672,958
Cash deposits	117,256,630	669,942	117,926,572
Borrowings	11,975,066	284,623,002	296,598,068
Liabilities against right of use leased assets	-	10,733,682	10,733,682
Loan bonds	11,000,000	-	11,000,000
Various provisions	-	14,454,973	14,454,973
Provision for income tax	18,784,419	-	18,784,419
Deferred tax liabilities	-	7,460,503	7,460,503
Other liabilities	47,429,320	19,138,651	66,567,971
Total liabilities	**2,025,485,394**	**1,043,898,745**	**3,069,384,139**
Net assets	**(404,988,774)**	**882,544,002**	**477,555,228**

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

31 December 2021	Up to one year JD	Over one year JD	Total JD
Assets:			
Cash and balances with Central Banks	317,205,145	-	317,205,145
Balances with banks and banking institutions	142,138,455	-	142,138,455
Direct credit facilities - net	529,309,999	1,157,976,813	1,687,286,812
Loan with right to repurchase at fair value	10,000,000	-	10,000,000
Financial assets through income	-	4,133,548	4,133,548
Financial assets through comprehensive income	-	74,979,107	74,979,107
Financial assets at amortised cost	141,731,825	352,837,480	494,569,305
Property and equipment, net	-	33,850,914	33,850,914
Intangible assets, net	-	5,664,986	5,664,986
Right of use of leased assets	2,705,497	10,139,072	12,844,569
Deferred tax assets	-	43,487,269	43,487,269
Other assets	29,445,518	149,531,073	178,976,591
Total assets	**1,172,536,440**	**1,832,600,261**	**3,005,136,701**
Liabilities:			
Deposits with banks and banking institutions	166,945,457	-	166,945,457
Customers' deposits	1,937,172,822	126,648	1,937,299,470
Cash deposits	92,566,265	512,943	93,079,208
Borrowings	36,796,219	202,319,417	239,115,636
Liabilities against right of use leased assets	2,703,937	9,826,566	12,530,503
Loan bonds	-	11,000,000	11,000,000
Various provisions	-	12,478,231	12,478,231
Provision for income tax	9,745,645	-	9,745,645
Deferred tax liabilities	-	4,602,684	4,602,684
Other liabilities	37,089,098	13,576,711	50,665,809
Total liabilities	**2,277,876,482**	**259,586,161**	**2,537,462,643**
Net assets	**(1,105,340,042)**	**1,573,014,100**	**467,674,058**

(44) Fair value hierarchy

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

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

Financial assets / financial liabilities	Fair value 31 December 2022	Fair value 31 December 2021	Level of Fair value	Valuation method and inputs used	Significant inputs unobservable	Relationship between significant inputs unobservable and fair value
Financial assets at fair value	**JD**	**JD**				
Financial assets at fair value through other comprehensive income	20,958,094	4,133,548	Level 1	Quoted prices in financial markets		
Shares with available market prices	22,156,014	19,114,012	Level 1	Quoted prices in financial markets	N/A	N/A
Shares with non-available market prices	50,250,068	26,204,532	Level 2	Quoted prices in financial markets compared with the market value of a similar financial instrument	N/A	N/A
Bonds quoted in active markets	22,578,510	24,660,562	Level 1	Quoted prices in financial markets	N/A	N/A
Bonds unquoted in active markets	-	5,000,000	Level 2	compared with the market value of a similar financial instrument	N/A	N/A
Total financial assets at fair value	**115,942,686**	**79,112,655**				

There were no transfers between level 1 and level 2 during the years 2022 and 2021.

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

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

	31 December 2022		31 December 2021		
	Carrying amount	Fair Value	Carrying amount	Fair Value	Fair value level
	JD	JD	JD	JD	JD
Financial assets undesignated at fair value					
Balances with central banks	419,143,482	419,442,177	255,409,613	255,434,435	Level 2
Balances with banks and banking institutions	123,435,953	124,661,598	142,138,455	142,138,455	Level 2
Direct credit facilities	1,922,640,437	1,949,149,533	1,687,286,812	1,689,123,101	Level 2
Financial assets at amortised cost	617,988,602	626,506,517	494,569,305	501,632,385	Levels 1 & 2
Total financial assets undesignated at fair value	**3,083,208,474**	**3,119,759,825**	**2,579,404,185**	**2,588,328,376**	
Financial liabilities undesignated at fair value					
Deposits with banks and banking institutions	107,184,993	108,467,136	166,945,457	167,156,130	Level 2
Customers' deposits	2,418,672,958	2,432,062,271	1,937,299,470	1,944,390,858	Level 2
Cash deposits	117,926,572	118,990,238	93,079,208	93,896,983	Level 2
Borrowings	296,598,068	298,120,341	239,115,636	240,350,421	Level 2
Total financial liabilities undesignated at fair value	**2,940,382,591**	**2,957,639,986**	**2,436,439,771**	**2,445,794,392**	

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

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

A. Credit commitments and liabilities:

	31 December	
	2022	2021
	JD	JD
B. A. Letters of credits, guarantees and acceptances		
Letters of credit	81,917,466	44,478,714
Guarantees		
Payment	136,423,673	136,955,343
Performance bonds	84,113,135	62,481,131
Others	18,251,700	24,245,510
Acceptances	46,990,610	30,840,184
Total	**367,696,584**	**299,000,882**

C. Unutilised limits

Unutilised direct credit facilities limits	236,959,189	265,242,287
Unutilised indirect credit facilities limits	89,256,361	94,380,728
Total	**326,215,550**	**359,623,015**
Total indirect facilities	**693,912,133**	**658,623,897**

D. Expected credit losses

Letters of credit	381,313	310,899
Guarantees	6,229,424	2,317,704
Acceptances	310,628	324,060
Non-unutilised direct credit facilities limits	1,864,923	1,903,105
Non-unutilised indirect credit facilities limits	893,810	721,089
Expected credit losses net	**9,680,098**	**5,576,858**
net indirect facilities	**684,232,035**	**653,047,039**

E. Contractual liabilities (capital expenditure):

Contracts to purchase property and equipment	3,199,436	2,084,739
Project construction contracts	1,398,790	2,966,582
Other purchase contracts	3,235,912	5,275,606
Total	**7,834,138**	**10,326,927**

- Below is the disclosure of the movement on the balance of indirect credit facilities collectively during the years ended 31 December 2022 and 2021:

	Stage 1		Stage 2			
	Individually	Collectively	Individually	Collectively	Stage 3	Total
Description	JD	JD	JD	JD	JD	JD
31 December 2022						
Balance at the beginning of the year	652,908,147	-	4,633,119	-	1,082,631	658,623,897
New facilities during the year	224,806,691	-	4,910,426	-	25,411	229,742,528
Facilities payable during the year	(191,950,523)	-	(2,281,955)	-	(221,814)	(194,454,292)
Transferred to Stage 1	700,873	-	(484,262)	-	(216,611)	-
Transferred to stage 2	(2,943,040)	-	3,065,560	-	(122,520)	-
Transferred to stage 3	(763,080)	-	(409,788)	-	1,172,868	-
Changes resulting from adjustments	-	-	-	-	-	-
Facilities written off	-	-	-	-	-	-
Balance at the end of the year	**682,759,068**	**-**	**9,433,100**	**-**	**1,719,965**	**693,912,133**

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

- Below is the disclosure of the movement on the provision for expected credit losses of indirect facilities collectively during the years ended 31 December 2022 and 2021:

	Stage 1		Stage 2			
Description	**Individually**	**Collectively**	**Individually**	**Collectively**	**Stage 3**	**Total**
31 December 2022	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	4,683,663	-	230,553	-	662,642	5,576,858
Expected credit losses on new facilities during the year	4,055,762	-	1,232,461	-	939,685	6,227,908
Recovered from expected credit losses on facilities paid during the year	(1,854,836)	-	(214,449)	-	(55,382)	(2,124,667)
Transferred to Stage 1	113,869	-	(35,658)	-	(78,210)	-
Transferred to stage 2	(56,922)	-	141,762	-	(84,841)	-
Transferred to stage 3	(2,486)	-	(23,319)	-	25,805	-
Changes resulting from adjustments	-	-	-	-	-	-
Facilities written off	-	-	-	-	-	-
Balance at the end of the year	**6,939,050**	**-**	**1,331,349**	**-**	**1,409,699**	**9,680,098**

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

- Below is the disclosure of the distribution of the total letters of credit according to the Bank's internal rating categories as at 31 December 2022 and 2021:

Credit rating categories based on the Bank's bylaw	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
From (1) to (5)	79,276,258	-	-	79,276,258
From (6) to (7)	2,641,208	-	-	2,641,208
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**81,917,466**	**-**	**-**	**81,917,466**

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

- Below is the disclosure of the movement on the balance of letters of credit during the years ended 31 December 2022 and 2021:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	44,478,714	-	-	44,478,714
New facilities during the year	54,093,527	-	-	54,093,527
Facilities paid during the year	(16,654,775)	-	-	(16,654,775)
Transferred to stage 1	-	-	-	
Transferred to stage 2	-	-	-	
Transferred to stage 3	-	-	-	
Changes resulting from adjustments	-	-	-	
Written off facilities (written off and transferred off-the statement of financial position)		-	-	
Balance at the end of the year	**81,917,467**	**-**	**-**	**81,917,466**

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

- Below is the disclosure of the movement on the provision for expected credit losses for letters of credit during the years ended 31 December 2022 and 2021:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	310,899	-	-	310,899
Expected credit losses on new facilities during the year	282,253	-	-	282,253
Recovered from expected credit losses on facilities paid during the year	(211,839)	-	-	(211,839)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	**381,313**	**-**	**-**	**381,313**

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

- Below is the disclosure of the distribution of the total guarantees according to the Bank's internal rating categories as at 31 December 2022and 2021:

Credit rating categories based on the Bank's by law	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
From (1) to (5)	184,600,412	3,286,835	-	187,887,247
From (6) to (7)	46,010,802	3,364,643	-	49,375,445
From (8) to (10)	-	-	1,525,816	1,525,816
Unrated	-	-	-	-
Total	**230,611,214**	**6,651,478**	**1,525,816**	**238,788,508**

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

- Below is the disclosure of the movement on the balance of guarantees during the years ended 31 December 2022 and 2021:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	219,267,388	3,569,587	845,008	223,681,983
New facilities during the year	55,090,689	3,083,445	-	58,174,134
Facilities paid during the year	(41,286,069)	(1,693,533)	(88,009)	(43,067,611)
Transferred to stage 1	395,673	(242,573)	(153,100)	-
Transferred to stage 2	(2,153,681)	2,274,701	(121,020)	-
Transferred to stage 3	(702,786)	(340,150)	1,042,936	-
Changes resulting from adjustments	-	-	-	-
Written off facilities (written off and transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	**230,611,214**	**6,651,478**	**1,525,816**	**238,788,507**

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

- Below is the disclosure of the movement on the provision for expected credit losses for guarantees during the years ended 31 December 2022 and 2021:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	1,655,495	135,150	527,059	2,317,704
Expected credit losses on new facilities during the year	2,525,262	1,099,419	859,850	4,484,531
Recovered from expected credit losses on facilities paid during the year	(364,665)	(181,287)	(26,860)	(572,812)
Transferred to stage 1	49,038	(1,376)	(47,662)	-
Transferred to stage 2	(49,901)	133,902	(84,001)	-
Transferred to stage 3	(2,063)	(21,537)	23,600	-
Changes resulting from adjustments	-	-	-	-
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	**3,813,167**	**1,164,271**	**1,251,985**	**6,229,424**

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

- Below is the disclosure of the distribution of the total acceptances according to the Bank's internal rating categories as at 31 December 2022 and 2022:

Credit rating categories based on the Bank's bylaw	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
From (1) to (5)	30,977,282	-	-	30,977,282
From (6) to (7)	15,669,252	344,076	-	16,013,328
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**46,646,534**	**344,076**	**-**	**46,990,610**

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

- Below is the disclosure of the movement on the balance of acceptances during the years ended 31 December 2022 and 2021:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	30,673,673	166,511	-	30,840,184
New facilities during the year	28,174,293	177,565	-	28,351,858
Facilities paid during the year	(12,201,433)	-	-	(12,201,433)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off facilities (written off and transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	**46,646,534**	**344,076**	**-**	**46,990,610**

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

- Below is the disclosure of the movement on the provision for expected credit losses for acceptances during the years ended 31 December 2022 and 2021:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	323,892	168	-	324,059
Expected credit losses on new facilities during the year	260,683	12,276	-	272,959
Recovered from expected credit losses on facilities paid during the year	(286,391)	-	-	(286,391)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	**298,184**	**12,444**	**-**	**310,628**

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
31 December 2021	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	100,957	582	-	101,539
Expected credit losses on new facilities during the year	290,520	168	-	290,688
Recovered from expected credit losses on facilities paid during the year	(68,167)	-	-	(68,167)
Transferred to stage 1	582	(582)	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	**323,892**	**168**	**-**	**324,060**

- Below is the disclosure of the distribution of the total non-utilized direct facilities limits according to the Bank's internal rating categories as at 31 December 2022 and 2021:

Credit rating categories based on the Bank's by law	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
From (1) to (5)	172,105,946	93,321	-	172,199,267
From (6) to (7)	15,419,050	938,373	-	16,357,424
From (8) to (10)	-	-	-	-
Unrated	47,867,198	341,151	194,149	48,402,498
Total	**235,392,194**	**1,372,845**	**194,149**	**236,959,189**

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

- Below is the disclosure of the distribution of the total non-utilized direct facilities limits according to the Bank's internal rating categories as at 31 December 2022 and 2021:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	264,107,645	897,020	237,622	265,242,287
New facilities during the year	69,590,237	680,195	25,411	70,295,843
Facilities paid during the year	(97,856,715)	(588,422)	(133,805)	(98,578,941)
Transferred to stage 1	305,200	(241,689)	(63,511)	-
Transferred to stage 2	(693,880)	695,380	(1,500)	-
Transferred to stage 3	(60,293)	(69,638)	129,931	-
Changes resulting from adjustments	-	-	-	-
Written off facilities (written off and transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	**235,392,194**	**1,372,846**	**194,149**	**236,959,189**

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

- Below is the disclosure of the movement on the provision for expected credit losses for non-utilized direct facilities limits during the years ended 31 December 2022 and 2021:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
Adjusted balance at the beginning of the year	1,672,287	95,235	135,583	1,903,105
Expected credit losses on new facilities during the year	654,505	79,018	79,834	813,357
Recovered from expected credit losses on facilities paid during the year	(789,856)	(33,163)	(28,522)	(851,540)
Transferred to stage 1	64,831	(34,283)	(30,548)	-
Transferred to stage 2	(6,538)	7,377	(840)	-
Transferred to stage 3	(423)	(1,783)	2,205	-
Changes resulting from adjustments	-	-	-	-
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	**1,594,807**	**112,402**	**157,714**	**1,864,923**

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

- Below is the disclosure of the distribution of the total non-utilized indirect facilities limits according to the Bank's internal rating categories as at 31 December 2022 and 2021:

Credit rating categories based on the Bank's bylaw	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
From (1) to (5)	76,236,558	1,010,000	-	77,246,558
From (6) to (7)	11,955,103	54,700	-	12,009,803
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**88,191,661**	**1,064,700**	**-**	**89,256,361**

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

- Below is the disclosure of the movement on the balance of non-utilized indirect facilities limits during the years ended 31 December 2022 and 2021:

Description	**Stage 1 Individually**	**Stage 2 Individually**	**Stage 3**	**Total**
31 December 2022	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	94,380,728	-	-	94,380,728
New facilities during the year	17,857,944	969,221	-	18,827,165
Facilities paid during the year	(23,951,533)	-	-	(23,951,533)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	(95,479)	95,479	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off facilities (written off and transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	**88,191,661**	**1,064,700**	**-**	**89,256,361**

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

- Below is the disclosure of the movement on the provision for expected credit losses for -unutilized indirect facilities limits during the years ended 31 December 2022 and 2021:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
31 December 2022	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	721,089	-	-	721,089
Expected credit losses on new facilities during the year	333,059	41,748	-	374,807
Recovered from expected credit losses on facilities paid during the year	(202,086)	-	-	(202,086)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	(483)	483	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	**851,579**	**42,231**	**-**	**893,810**

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

(46) Cases filed against the Bank

The value of the cases filed against the bank and its subsidiary amounted to JD 7,668,679 as on 31 December 2022, compared to JD 10,364,879 as on 31 December 2021 as the opinion of the management and the bank's legal advisor, the bank will not have obligations that exceed the allowance taken for it, which amounted to JD 2,303,637 as on 31 December 2022 compared to JD 1,708,525 as on 31 December 2021.

(47) Acquisition of subsidiaries

During the year 2022 two financial brokerage companies were acquired by United Financial Investments as follows:

A. Al Mawared Brokerage

On 1 June 2022, United Financial Investments acquired all of the outstanding shares of Al Mawared Brokerage from Invest Bank in an amount of JD 4,798,992, the following is the financial statements summary of the subsidiary:

	31 December	
	2022	2021
	JD	JD
Total assets	9,495,658	14,263,621
Total equity	5,196,523	13,318,876
Total liabilities	4,299,136	944,745
Comprehensive (loss) income for the year	(312,318)	638,738

Study of the purchase price distribution:

A study of the distribution of the purchase price was carried out by an independent institution, and it was found that the purchase price is close to the company's fair value.

B. The Arab Financial Investments

On 20 December 2022 United Financial Investments acquired all of the outstanding shares that make up The Arab Financial Investments Company's capital which amounted to 4,800,000 share / JD for a total price of JD 7,700,000 in accordance with the provisions of 222/B of the companies law.

	31 December	
	2022	2021
	JD	JD
Total assets	10,060,958	6,925,073
Total equity	8,158,226	5,915,467
Total liabilities	1,902,732	1,009,606
Comprehensive income for the year	1,263,611	53,061

Study of the purchase price distribution:

A study of the distribution of the purchase price was carried out by an independent institution. Furthermore, the bargain on purchase of The Arab Financial Investments which amounted to JD 458,225 mainly resulted from the cash receivables and margins and was recorded on the consolidated statement of income.

	2022
	JD
Net book value of the company's assets	6,900,170
Trade receivables provision and no longer needed funded margin accounts	1,557,451
Additional provision for the decrease in fair value of land plots	(299,396)
Fair value of the company's net assets	8,158,225
Acquisitions purchase price	7,700,000
Bargain on purchase	458,225

(48) Subsequent events

A. Acquisition of a controlling interest in Bank of Baghdad - Iraq

The Bank's board of directors decided in its meeting on 26 June 2022 to proceed with the purchase of 51,79% of Bank of Baghdad outstanding shares. Noting that the approval of the Central Bank of Jordan and Central bank of Iraq on the acquisition was obtained, and the purchase is expected to be completed within a short period. Bank of Baghdad is one of the largest private commercial banks in Iraq and is classified as a private shareholding company that was established in 1992 and the Bank's head office is in Baghdad and its current capital is IQD 250 billion. The Bank provides all banking and financial activities through its head office and (33) branches inside Iraq and (1) foreign branch in Lebanon.

Jordan Kuwait Bank intends – after obtaining regulatory approvals – to issue first tier capital bonds (additional capital) with a maximum limit of JD 85 million or its equivalents in USD. Hence, such bonds will be classified within the additional paid in capital (AT1). This step comes to implement the strategy of the Bank's management to enhance the Bank's performance and financial position.

B. Acquisition of a controlling interest in BHM Capital Company

The Bank's board of directors decided in its meeting on 12 December 2022 to proceed with the acquisition of 76,972% of BHM Capital outstanding shares.

BHM Capital Company is private shareholding company listed on Dubai Financial Market, and subject to the oversight of the Securities and Commodities Authorities in the United Arab Emirates. Since its founding in 2006, the company has occupied the highest ranks among financial companies in the United Arab Emirates where its head office is located. In addition to its branches in Abu Dhabi, Sharjah, Ras Al- Khaimah and Al Ain. This purchase decision comes in support of the Bank's strategy to expand, increase Bank's market share and diversify its sources of income. Hence, the approval of the Central Bank of Jordan has been obtained in 2023.

C. Issuance of bonds in a total amount of 50 million USD (Green bonds)

Referring to the decision of Jordan Security Commission in its meeting number 30/2023 that was held at the beginning of February 2023. The issuance of bonds with a total face value of USD 50 million and for 5 years has been approved. Such issuance will be through nonpublic offering and by assigning them to the International Financial Corporation – IFC. The goal of these bonds is green financing.

Statements of Disclosure

Statement of Disclosure for the Financial Year ending 31/12/2022, in accordance with article (4) of the disclosure regulations, the accounting and auditing standards issued by the Jordan Securities Commission.

Item

4a: Chairman's Statement: Included in the report.

4b/1: Description of main activities: Included in the report.

The Bank operates through its head office in Abdali - Amman and 65 branches in Jordan and one branch in Cyprus. Total Capital Expenditure* for the year 2022 amounted to JOD 7.8 million. The table below shows the Bank's locations and the number of staff at each.

* Total Capital Expenditure: total expenditure incurred throughout the year on procuring essential assets to maintain business operations as well as enhancing customer experience and the automation of banks processes.

Location	No. of Staff	Location	No. of Staff	Location	No. of Staff	Location	No. of Staff
Head Office	837	Shmeissani Branch	14	Petra University Branch	6	King Hussien Bin Talal St. Branch/ Zarqa	7
Jawal Branch	4	Sweifiyyah Branch	12	Yarmouk University Branch	10	King Abdullah II Street Branch/ Irbid	10
Main Branch	23	Abdali Branch	5	Amman Ahliyyah University Branch	8	Mecca Street Branch	12
Ibn Khaldoun Branch	7	Abdali Mall Branch	9	Jabal Al-Hussein Branch	12	Southern Sweileh Branch	9
Abu-Hassan Mall Branch	9	Aqaba Branch	11	Jabal Amman Branch	11	Tabarbour Branch	9
Abu-Alanda Branch	3	Al-Karak Branch	9	Jerash Branch	10	Abdoun Branch	12
Abu-Nsair Branch	9	Al-Madina Al-Riyadiyah Branch	10	Nazzal Branch	7	Amra Branch	10
Irbid Branch	20	Commercial Center Branch	10	Khalda Branch	8	Madaba Branch	10
Baq'ah Branch	11	Al-Mafraq Branch	9	Dabouq Branch	11	Marka Branch	11
Jubaiha Branch	13	Al-Mougablain Branch	10	Dair Ghbar Branch	6	Marj El Hamam Branch	9
Al Huson Branch	7	Free Zone - Zarqa Branch	9	Zahran Branch	4	King Abdullah Bureau Branch	5
Al-Rabiyah Branch	8	Hashmi Al Shamali Branch	9	Zain Branch	8	Mecca Mall Branch	11
Russaifeh Branch	9	Wehdat Branch	10	Samarah Mall Branch	6	Wadi El-Seir Branch	12
Al-Rawnaq Branch	8	Yarmouk Branch	11	Vegetable Market Branch	11	Wadi Saqra Branch	8
Zarqa Branch	12	Taj Mall Branch	9	City Mall Branch	11	Fuhais Branch	7
New Zarqa Branch	9	Tla'a El'Ali Branch	13	Dome Of The Rock Branch	8	Cyprus Branch	16
Al-Salt Branch	7	Galleria Mall Branch	9	Madinah Munawarah Branch	11		
United Financial Investments Co. (Subsidiary)			27				
Ejara Leasing Co. (Subsidiary)			30				

4b /2: Subsidiaries:

United Financial Investments Company

United Financial Investments Company ("UFICO") offers a wide spectrum of brokerage, investment banking, asset management and financial advisory services.

Established in 1980 to be later listed in 1996 (Ticker: UCFI), UFICO is considered one of the leading brokerage firms and financial services companies operating in Jordan as it depends on the latest technology and direct electronic link with global financial markets.

In October 2021, UFICO acquired Sanad Capital, a fully-owned subsidiary of JKB. Sanad Capital was established in 2016 offering a wide range of services including lead management of stocks and bonds issuances, financial advisory services to companies and family groups, in addition to offering financial investment opportunities.

JKB's ownership in UFICO's capital is 78.3%.

The Company's H.Q. is located in Shmeissani, Amman and has no other branches inside or outside the Hashemite Kingdom of Jordan, with 27 working employees.

Ejara Leasing Company

Ejara Leasing Company was established on January 6, 2011 as private shareholding company with paid-up capital JOD10 million (USD14.1m) fully paid by Jordan Kuwait Bank. In September 2012 Ejara's capital was raised to JD20 million (USD28.2m).

Ejara Leasing Company aims to provide innovative and high quality leasing services to supplement the banking and financing services offered at Jordan Kuwait Bank to be in line with the developments in the financial market, meet the needs of the Bank's clients and support the various economic activities, through leasing fixed assets and providing different financing alternatives in light of the changes in the financial and baking markets.

The Company's H.Q. is located in Thawabet Complex No. 61, Mecca Street, Amman, in addition to a branch in Aqaba and a branch in Irbid with 30 working employees.

4b/3/a: Members of the Board of Directors' Biographies:

H.E. Eng. Nasser A. Lozi
Chairman / Independent Member

Date of Membership: 4/5/2021
Date of Birth: 26/2/1957

Education:	Bachelor degree in Civil Engineering, from University of Texas at Arlington-USA, 1979
Current Positions:	• Member of the Jordanian Senate (2016 – Present) • Chairman, Arab Orient Insurance Co. (GIG –Jordan) (2013 – Present) • Chairman of the Board of Trustees of the King Abdullah Fund for Development (2013 – Present) • Member of the Board of Trustees of the King Hussein Foundation (1999 - Present).
Previous Positions:	• Chief of the Royal Court (2008 – 2011) • Minister of Transport (1999-2000) • Minister of Information and Culture (1999) • Minister of Public Works, Housing and Transport (1998 – 1999) • Minister of Public Works and Housing (1997 – 1998) • Minister of Transport (1996 – 1997) • The Private Sector / Contracting and Consulting Engineering (1984 - 1996) • Director of the Maintenance and Traffic Department at the Ministry of Public Works and Housing (1983-1984) • Resident Engineer in the Queen Alia International Airport Road Project / Ministry of Public Works and Housing (1980-1983)
Memberships in Other Companies' Board of Directors:	• Vice Chairman and Chairman of the Board of Trustees of the King Abdullah Fund for Development (2009-2013). • Chairman of the Board of Directors of Royal Jordanian Airlines (2006-2014). • Chairman of the Jordanian Royal Executive Committee for Privatization (2006-2009). • Chairman of the Board of Directors of the Royal Jordanian Investment Company (2006-2009). • Chairman, Arab Orient Insurance Co. (GIG –Jordan) (2000 – 2008) • Member of the Board of Directors - Jordan Steel Company (2002-2008). • New Jordan Cable Company (2002-2008). • Member of the Board of Directors - Jordan Kuwait Bank (2001-2008).

Mr. Faisal H. Al -Ayyar
Vice Chairman

Date of membership: 15/7/1997
Date of Birth: 20/12/1954

Education:	Graduated as a fighter pilot – USA, 1976 and Jordanian Aviation Academy, 1981
Current and Previous Positions:	• Chairman, Panther Media Group (OSN) - Dubai, UAE • Vice Chairman (Executive), Kuwait Projects Co. (Holding) – Kuwait • Vice Chairman, Gulf Insurance Group - Kuwait • Vice Chairman, United Gulf Holding – Bahrain • Vice Chairman, United Gulf Bank - Bahrain • Vice Chairman, Mashare'a Al-Khair Est. - Kuwait • Vice Chairman, Saudi Dairy & Foodstuff Co. (SADAFCO) – Kingdom Saudi Arabia • Board Member, Gulf Egypt for Hotels & Tourism Co. - Egypt • Trustee, American University of Kuwait - Kuwait • Honorary Chairman, Kuwait Association for Learning Differences – Kuwait
Honors & Awards:	• Kuwait Financial Forum 2009, for contributions to the Kuwait investment sector and success in global financial markets • Tunis Arab Economic Forum 2007 • Lifetime Achievement Award, Beirut Arab Economic Forum 2007 • Arab Bankers Association of North America (ABANA) Achievement Award in 2005

Kuwait Projects Company (Holding)

KIPCO is a holding company that focuses on investments in the Middle East and North Africa. Its strategy of acquiring, building, scaling and selling companies in the MENA region has worked successfully for over 30 years.

KIPCO's main business sectors are financial services, media, real estate, industry and education. KIPCO's financial service interests include holdings in commercial banks, insurance companies, asset management and investment banking.

Mr. Masaud M. Jawhar Hayat
Board Member, Representative of Kuwait Projects Co. (Holding) - Kuwait

Date of Membership: 20/2/2001
Date of Birth: 11/9/1953

Education:	Bachelor degree in Economics, Kuwait University, 1973 and a High Diploma in Banking Studies, 1975.
Current Positions:	• Vice Chairman & Group Chief Executive Officer, Burgan Bank - Kuwait • Chairman, United Gulf Bank – Bahrain • Chairman, Tunis International Bank - Tunis • Vice Chairman, FIMBank - Malta • Vice Chairman, Algeria Gulf Bank - Algeria • Vice Chairman, Bank of Baghdad - Iraq • Board Member, KIPCO Asset Management Co. (KAMCO) - Kuwait • Board Member, North African Co. - Kuwait • Board Member, Mashare'a Al-Khair Est. - Kuwait

Al Rawabi United Holding Company Is a Kuwaiti shareholding closed company operating in the real estate, and services sectors.

Mr. Tariq M. Abdul Salam
Board Member, Representative of Al Rawabi United Holding Co. – until 20/4/2022

Date of Membership: 15/7/1997
Date of Birth: 24/8/1965

Education:	Bachelor degree in Accounting, Kuwait University, 1987. Diploma in International Securities, Kuwait, 1996.
Current Positions:	• Chief Executive Officer of the Investment sector, Kuwait Projects Co. (Holding) - Kuwait (1/2011 - Present) • Board Member, United Real Estate Company - Kuwait (4/2010 - Present) • Vice Chairman, North Africa Co. Holding (6/2014 – Present) • Board Member, KIPCO Asset Management Co. (KAMCO) - Kuwait (4/2013 - Present) • Board Member, Qurain Petrochemical Industries Co. (6/2012 - Present)
Previous Positions:	• Chairman, United Real Estate Company - Kuwait (4/2010 – 4/2019) • Chief Executive Officer, United Real Estate Company- Kuwait (2006-2011) • General Manager, KIPCO Asset Management Co. (KAMCO) (1998 - 2006) • Vice President, Trading and Investment Portfolio Management, Kuwait Investments Projects Co.- Kuwait (1996 – 1999) • Manager, Trading and Global Investment Projects Department, Kuwait Investment Projects Co.-Kuwait (1992 - 1996)

Mr. Moustapha S. Chami
Board Member, Representative of Al Rawabi United Holding Co. – As of 22/6/2022

Date of Membership: 22/6/2022
Date of Birth: 30/6/1981

Education:	Bachelor's degree in finance, University of Saint Joseph – Lebanon, 2002. MBA, University of Saint Joseph – Lebanon, 2003. Certified Financial Analyst (CFA), Certified Public Accountant (CPA) and a Certified Management Accountant (CMA)
Current Positions:	• Deputy Group Chief Financial Officer, Kuwait Projects Co. (Holding) - Kuwait • Certified Trainer (CFA, CPA, CMA, IFRS) • Chairman of the Board of Directors, United Industrial Gas and Energy Company, Kuwait. • Vice Chairman of the Board of Directors, Makan United Real Estate Company, Kuwait
Previous Positions:	• Chief Accountant, Investment Dar Company, Kuwait (2008-2009). • Financial Advisor, Al-Kharafi Company, Kuwait (2006-2008). • Tax auditor, Income Tax Revenue Department, Lebanon (2003-2006).

The Social Security Corporation was established under Law No. 30 of 1978 and its subsequent amendments, with the purpose of implementing a symbiotic system that achieves social security by partnering up with relevant authorities.

H.E. Mr. Marwan M. Awad
Board Member, Representative of Social Security Corporation

Date of membership: 23/5/2018
Date of Birth: 11/3/1951

Education:	Master degree in Economics from Vanderbilt University-USA, 1980, A Diploma of Higher Education in economic development from Vanderbilt University –USA, 1980 and Bachelor degree in Business Administration, Jordan University, 1973.
Current Positions:	• General Manager, First International for Consultation and Arbitration • Chairman, Jordanian Elaf Co. for Integrated Solutions • Chairman, Business Risk Experts Forum • Vice Chairman, World Union of Arab Bankers – Beirut • Member of Board of Trustees, Arab Academy for Banking and Financial Sciences
Previous Business Experiences:	• Minister of Finance (1996-1997) • Secretary General, Ministry of Industry and Trade (1991 – 1993) • Chairman, Social Security Investment Board • Vice Chairman, Royal Jordanian • General Manager and CEO, Jordan Ahli Bank • Manager, Investment and International Relations, Central Bank of Jordan • General Manager and CEO, Middle East Investment Bank • Executive Director, Qatar Islamic Bank • General Manager, Industrial Development Bank • Director and founder, Arab Institute of Banking Studies

Mr. Nidal F. Qubbaj
Board Member, Representative of Social Security Corporation

Date of Membership: 17/6/2020
Date of Birth: 2/7/1980

Education:	Bachelor degree in Accounting, Jordan University, 2001, Master Business Administration / Accounting, Jordan University, 2006
Current Position:	• Risk Management & Strategic Planning Manager, Social Security Investment Fund
Previous Positions:	• Head of Investment Risk Division, Social Security Investment Fund (2009-2012) • Acting Head of Operation Risk Function, Social Security Investment Fund (2011-2012) • Senior Risk Analyst, Social Security Investment Fund (2006-2009) • Financial Accountant, Social Security Investment Fund (2004-2006) • Accountant, Arab Bank (2001-2003)

Odyssey Reinsurance Company is a US-based company that is specialized in insurance and reinsurance.

Mr. Bijan Khosrowshahi
Board Member, Representative of Odyssey Reinsurance Co. - U.S.A

Date of Membership: 23/3/2011
Date of Birth: 23/7/1961

Education:	MBA, 1986 and Bachelor degree in Mechanical Engineering, Drexel University, USA, 1983.
Current Positions:	• President and CEO of Fairfax International, London • Board member, Representative of Fairfax Financial Holdings Limited for the following companies: - Gulf Insurance Group – Kuwait - Gulf Insurance & Reinsurance Company (GIRI) – Kuwait - Bahrain Kuwait Insurance – Bahrain - Arab Misr Insurance Group – Egypt - Arab Orient Insurance Company – Jordan - Alliance Insurance P.S.C. – Dubai - BRIT Limited - United Kingdom - Commercial International Bank – Egypt
Previous Positions:	• President & CEO, Fuji Fire and Marine Insurance Company, Japan • President, AIG's General Insurance operations, Seoul, Korea (2001-2004) • Vice Chairman and Managing Director, AIG Sigorta, Istanbul, Turkey (1997-2001) • Regional Vice President, AIG's domestic property and casualty operations for the Mid-Atlantic region, USA • Held various underwriting and management positions with increasing responsibilities, AIG, USA since 1986

H.E. Dr. Marwan J. Muasher
Independent Board Member

Date of membership: 25/4/2016
Date of Birth: 14/6/1956

Education:	PhD in Computer Engineering, Purdue University-USA, 1981, Masters of Science in Computer Engineering, Purdue University-USA, 1978, Bachelor of Science in Computer Engineering, Purdue University-USA, 1977.
Current Position:	• Board Member, Masafat For Specialized Transport Co. (4/2015 – Present) • Board Member, Ready Mix Concrete & Construction Supplies Co. (2/2016 – Present) • Board Member, Premier Business & Projects Co. (26/4/2018- Present) • Vice President for Studies, The Middle East Program, The Carnegie Endowment for International Peace (2010- Present) • Member of the Board of Trustees, American University of Beirut (2007-Present) • Member of the Aspen Ministers Forum (2009- Present) • Advisory Board Member, IMF Middle East Department (2010 – Present) • Advisory Board Member, Purdue University Global Policy Research Institute (2010 –Present) • Advisory Board Member, The Hague Institute for Global Justice (2011- Present) • Board Member, Partners for Demographic Change (2013- Present) • Board Member, The Asfari Foundation (2013 –Present) • Board Member, The Global Centre on Pluralism (2014- Present)
Previous Positions:	• Senior Fellow, Yale University (2010-2011) • Senior Vice President – External Affairs, The World Bank (2007-2010) • Member of the Jordanian Senate (2005-2007) • Deputy Prime Minister and Government Spokesperson (7/2005-11/2005) • Minister of the Royal Court (Chief of Staff) for King Abdullah II of Jordan (4/2005-7/2005) • Deputy Prime Minister in charge of reform and government performance (2004-2005) • Minister of Foreign Affairs (2002-2004) • Jordan's Ambassador to the United States (1997-2002) • Minister of Media Affairs and Government Spokesperson (1996-1997)

Mr. Hani K. Hunaidi
Independent Board Member

Date of membership: 25/4/2016
Date of Birth: 15/8/1949

Education:	Master degree in Business Administration (MBA), Portland State University –USA, 1980, Bachelor degree in Business Administration, American University of Beirut. 1973, Certified Public Accountant (CPA).
Current Position:	• Chairman, Mediterranean Industries Company • Chairman, Mediterranean Energy Company
Previous Positions:	• Chairman, National Ammonia & Chemical Ind. Co. (1991-2009) • Managing Director, Jordan Kuwait Company for Agriculture and Food Products (1986-1992) • Project General Manager, Jordan Management and Consultancy Corp. (1984-1986) • Financial and Administrative Manager, Jordan Securities Corp. (1982-1984) • Auditor, Touch Ross & Co. (1980-1982) • Project Senior Accountant, Consolidated Contractor Company (1976-1978) • Accountant, Safwan Trading & Contracting Co. Kuwait (1973-1974)

Safari Development and Real Estate Investment Company is a limited liability company that focuses on investing in high-quality commercial properties and aims to generate value for all its stakeholders through selective property investments that drive sustainable growth and earnings.

Mr. Majed F. Burjak
Board Member, Representative of Safari Development & Real Estate Investment Co.

Date of membership: 25/4/2016
Date of Birth: 4/2/1947

Education:	Bachelor degree in Public Administration and Political Science, Jordan University, 1969.
Previous Positions:	• Deputy General Manager/Support Services Group, Jordan Kuwait Bank (2007-2011) • Assistance General Manager/Operations, Jordan Kuwait Bank (1998-2007) • Assistant General Manager for Technology and Operations, Export and Finance Bank (1996- 1998) • Senior Business Manager, ANZ Banking Corporation - Australia (1993-1996) • Country Operations Manager, Grindlays Bank (1969-1993)

Dr. Safwan S. Toqan
Independent Member

Date of membership: 7/12/2016
Date of Birth: 23/10/1942

Education:	Bachelor degree in Business Administration, American University of Beirut, 1966, Masters Degree in Economics, University of South California – USA, 1976, PhD in Economics, University of South California – USA, 1980
Previous Positions:	• Member of the 26th Jordanian Senate • Chairman, Amman Stock Exchange (2012 – 2013) • Chairman, Jordan Phosphate Mines Company (2000 – 2004) • General Manager, Social Security Corporation (1994 – 1999) • Secretary General, Ministry of Planning (1989 – 1994) • Assistant Professor, Yarmouk University (1981 – 1989) • Lecturer, University of South California – USA (1975 – 1980) • Central Bank of Jordan (1966 – 1975)

Dr. Omar M. Al Jazy
Independent Board Member

Date of membership: 4/5/2021
Date of Birth: 1/10/1969

Education:	PhD in International Commercial Arbitration, University of Kent Canterbury - United Kingdom (2000), Master degree in International and Comparative Business Law, London Guildhall University (1994), Bachelor degree in Law, University of Jordan (1992), Diploma, International Nuclear Law, Universite De Montpellier, 2017
Current Positions:	• Board Member, Government Investments Management Company • Board Member, Education and Scientific Research Management and Development Company • Board Member, Arab Foundation for Education, Scientific, Research Management Company • Board Member, Abdul Hameed Shoman Foundation • Chairman of the Board of Trustees, Amman Arab University • Managing Partner, Al Jazy & Co. – Advocates & Legal Consultants • International Arbitration
Previous Positions:	• President of the Jordanian Arbitrators Association • Board Member, Safwa Bank until 1/2017 • Board Member, Military Credit Fund • Member of the Board of Trustees Committees, King Abdullah II Fund For Development • Vice Chairman, Jordanian Corporate Governance Association • Board Member, Aqaba Development Company • Board Member, Aqaba Airports Company • Board Member, Specialized Management Co. For Investment & Financial Advisory (12/2016 – 3/2021)

Mrs. Nadia A. Rawabdeh
Independent Board Member

Date of membership: 4/5/2021
Date of Birth: 12/4/1963

Education:	Bachelor degree in Political Science and Sociology, University of Jordan, 1984
Current Position:	• Chairman, Kingdom Electricity • Chairman, Wadia Araba Development Company • Member of Board of Trustees, Jordanian Expatriate Award • Member, Economic Policy Development Forum
Previous Positions:	• General Manager, Social Security Corporation (9/2012 – 4/2018) • Vice Chairman, Board of Directors of Social Security Corporation (2012 – 2018) • Board Member, Social Security Investment Fund • Board Member, Kingdom Electricity Company • Board Member, Al Asr Company • Board Member, Jordan Ceramic Company • Board Member, National Tourism Co. For Tourism Development • Board Member, Daman for Investment Company • Board Member, Al Daman for Development Zones Company • Board Member, The Jordan Worsted Mills Company • Chairman, Yarmouk Water Company (2019 – 2020) • Member, Economic & Social Council of Jordan • Member, National Committee for Poverty and Unemployment Strategy • Member, National Committee for Special Needs Strategy • Member, National Committee to Follow-up on the Implementation of the Executive Plan for the National Family Strategy

4b/3/b: Members of the Executive Managements' Biographies:

Mr. Haethum S. Buttikhi
Chief Executive Officer

Date of Birth: 1977
Date of joining: 1/6/2003

Education:	Royal Military Academy, Sandhurst - U.K., 1996. Bachelor degree in Political Science & International Relations, Kent University U.K.,2000
Previous Positions:	• Head of Retail & Private Banking, Jordan Kuwait Bank (2007 – 5/5/2021) • Executive Manager, Private Banking Unit, Jordan Kuwait Bank (2006 - 2007) • Manager, Main Branch, Jordan Kuwait Bank (2003 - 2005)
Memberships:	• Chairman, Ejara Leasing Co. (fully owned subsidiary) (2011 – Present) • Chairman, United Financial Investments Co. (19/9/2017 – Present) • Board member, Quds Bank – Palestine/ Representative of Jordan Kuwait Bank (26/7/2018 – Present) • Board member, Jordan Capital & Investment Fund Company/ Representative of Jordan Kuwait Bank (28/3/2021 – Present) • Board Member, JOPACC (5/2022 – Present) • Chairman, INJAZ (3/2022 – Present) • Board Member, Queen Rania Foundation (21/2/2018 – Present) • Board of Trustees, The Jordan Museum (8/10/2017 – Present) • Board Member, Al-Dhia' Association For Education and Training of Visually Impaired Children • Board Member, Jordan Institute of Directors (JIoD) • Vice chairman, Royal Jordan Shooting Federation (2/2022- Present) • YPO Member Jordan Chapter

Mr. Daoud A. Issa
Chief Operating & Support Officer

Date of Birth: 1973
Date of joining: 18/11/2012

Education:	Bachelor degree in Economics, Yarmouk University, 1998
Previous Positions:	• Head of Human Resources Department, Jordan Kuwait Bank (11/2012 – 5/5/2021) • Head of Human Resources Planning and Budget and Head of Personnel, Qatar Petroleum and its affiliated companies - Qatar (2004 – 2012) • Several positions in construction sector in Jordan and Qatar (1995 – 2004)
Memberships:	• Board Member, Ejara Leasing Co. (fully owned subsidiary) – until 6/2021

Mr. Zuhdi B. Al-Jayousi
Head of Corporate Business

Date of Birth: 1970
Date of Joining: 6/9/1997

Education:	Bachelor degree in Accounting, Al Ahliyyah Amman University, 1994
Previous Positions:	• Head of Corporate Credit, Jordan Kuwait Bank – until 8/7/2020 • General Banking Experience, Jordan & Gulf Bank, (1994 – 1997)

Mr. Ibrahim F. Bisha
Head of Treasury & International Relations

Date of Birth: 1971
Date of Joining: 19/6/2001

Education:	Master degree in Business Administration, Maastricht School of Management - Cyprus, 2005
Previous Positions:	• Co-Head, Treasury, Investment & Intl. Relations, Jordan Kuwait Bank – until 31/8/2020 • Banking, Jordan Kuwait Bank (Cyprus Branch), (2001 – 2006) • Banking, Al-Jazeerah Bank – Saudi Arabia, (1999 – 2001) • Banking, Dar Ithemar Financial Services, (1997 – 1999) • Banking, Amman Investment Bank, (1992- 1997)

Dr. Makram A. Al-Qutob
Head of Credit

Date of Birth: 1965
Date of Joining: 16/5/2004

Education:	PhD in Accounting, Arab Academy for Banking and Financial Sciences, 2009
Previous Positions:	• Co-Head, Corporate Credit, Jordan Kuwait Bank – until 16/8/2020 • Retail Department, Arab Bank – Jordan and Palestine (1998 – 2004) • Deputy Secretary General of Finance and Administration, Arab Thought Forum (1990 – 1998)
Memberships:	• Board Member, Al Isra for Education and Invest Co. PSC/ Representative of Jordan Kuwait Bank (23/4/2018 - Present) • Board Member, Jordan Commercial Banks Investment Group Company/ Representative of Jordan Kuwait Bank (27/6/2021 – Present) • Vice Chairman, Al Arabi Investment Group – SME Investment Fund/ Representative of Jordan Kuwait Bank (19/5/2021 – Present) • Board Member, Consortium Banks Investments Group/ Representative of Jordan Kuwait Bank (10/5/2017 – Present)

Mr. Suhail A. Salman
Head of Retail Business

Date of Birth: 1977
Date of Joining: 31/3/2013

Education:	Bachelor degree in Computer Science, Jordan University, 1999
Previous Positions:	• Acting Head of Branches, Jordan Kuwait Bank (2/2021 – 5/2021) • Head of Alternative Delivery Channels, Jordan Kuwait Bank (2013 – 5/2021) • Card Products and Services Manager, Housing Bank for Trade and Finance (6/2012 – 3/2013) • Director of Information and Technology, Middle East Payment Services "MEPs" (3/2011 -6/2012) • Business Development Manager, Middle East Payment Services "MEPs" (12/2009 – 3/2011) • Development Manager and Head of Software Development Division, Access to Arabia – A2A (12/1999 – 12/2009)
Memberships:	• Vice Chairman, Middle East Payments Services "MEPs" (8/2019 – Present)

Mr. Zeid W. Sharaiha
Head of Investment Business

Date of Birth: 1972
Date of Joining: 2/7/2006

Education:	Master degree in Accounting and Finance, University of Leeds, 1998 Bachelor degree in Public Administration and Political Science, American University of Beirut, 1996
Previous Positions:	• Asset Management Manager, Jordan Kuwait Bank (5/2006 – 2021) • Senior Program Coordinator, Ministry of Planning and International Cooperation (2005 – 2006) • Division Manager, Cairo Amman Bank (1999 – 2005) • Economic Researcher, United Group for Consulting and Management (1998 – 1999) • Assistant Division Manager, Jordan International Insurance Company (1996 -1997)

Mr. Ibrahim E. Kashet
Head of Legal Affairs

Date of Birth: 1962
Date of Joining: 1/4/1989

Education:	Bachelor degree in Law, University of Jordan, 1986
Previous Positions:	• Legal Department (2000 – Present) • Credit Department (1994 – 2000) • Credit Follow Up Department (1989 – 1994)
Memberships:	• Vice Chairman, Amad Investment and Real Estate Development • Member of the Jordanian Writers Association

Mr. Ibrahim F. Taani
Head of Finance

Date of Birth: 1964
Date of Joining: 4/11/2013

Education:	Bachelor degree in Accounting, Al Yarmouk University, 1986, Master degree in Finance and Banking, Arab Academy of Banking and Financial Sciences, 1994
Previous Positions:	• Head of Internal Audit Department, Jordan Kuwait Bank (11/2013 – 8/2020) • Head of Internal Audit, Standard Chartered Bank – Jordan (2011 – 2013) • Executive Vice President, ABC Investment - Jordan (2009 – 2011) • Chief Financial Officer, Aloula Geojit – KSA (2007 – 2009) • Head of Examiners/ Inspectors – Central Bank of Jordan (1989 – 2007) • Financial Analyst – Jordan Securities Commission (1988 – 1989)

Mr. Maher M. Abu Sa'adeh
Head of Information Technology

Date of Birth: 1971
Date of Joining: 28/4/2019

Education:	Computer and Automatic Control Engineering, Yarmouk University
Previous Positions:	• Chief Information Officer, Jordan Microfinance Company (Tamweelcom) (9/2017 – 4/2019) • Partner, Technology Consulting – Dimension Management Consulting (2011 – 2017) • Senior Program Director & Head of IT Operations, Bank Al Jazira (2006 – 2011) • Chief Information Technology Officer, Al Jazira Takful – Member of Bank AlJazira Group (2009 -2011) • Consulting Manager, DevoTeam (2005 – 2006) • Consultant & Project Manager, IBM International (1999 – 2002)
Memberships:	• Co-founder in PMI Jordan Chapter

Mr. Tareq J. Alkhitan
Head of Operations

Date of Birth: 1975
Date of Joining: 1/2/1998

Education:	Bachelor degree in Economics, University of Jordan, 1997 High diploma degree in Banking and Finance, Arab Academy for Banking and Financial Sciences, 2003
Previous Positions:	• Retail Credit Manager, Jordan Kuwait Bank (2014 – 5/2021) • Private Banking Manager, Jordan Kuwait Bank (2006 – 2014) • Retail Credit Officer, Jordan Kuwait Bank (2003 – 2006) • Main Branch Supervisor, Jordan Kuwait Bank (1998 – 2003)
Memberships:	• Board Member, Ejara Leasing Company • Vice Chairman, First International Logistics Services Company - FILS

Mrs. Dana A. Jaradat
Head of Strategy and Marketing

Date of Birth: 1974
Date of Joining: 7/8/2012

Education:	Bachelor degree in Accounting, University of Jordan, 1996
Previous Positions:	• Marketing and Corporate Communications Manager, Jordan Kuwait Bank (2012 – 5/2021) • Marketing and Corporate Communications Manager, Societe Generale De Banque Jordanie (2007 – 2012) • Marketing, Credit Cards, Products & Quality Manager, Societe Generale De Banque Jordanie (2004 – 2007) • Marketing and Commercial Animation Manager, Societe Generale De Banque Jordanie (2004 – 2005) • Assistant Marketing Manager, Cairo Amman Bank (2001 – 2004) • Product Development Unit Head Assistant, Cairo Amman Bank (1998 – 2001) • Accounting Officer, Cairo Amman Bank (1996 – 1998)

Mr. Fadi M. Ayyad
Head of Compliance

Date of Birth: 1971
Date of joining: 29/4/2018

Education:	Bachelor degree in Accounting from Beirut Arab University, 1995
Previous Positions:	• Vice President group Compliance, First Abu Dhabi Bank – UAE (2010 – 2018) • Senior Compliance Manager, Head of Financial Crime Unit, Barclays – UAE (2008-2010) • Regional Compliance Officer, MoneyGram – UAE (2007 – 2008) • Regulatory Compliance Acting Manager, Doha Bank – Qatar (2006 – 2007) • Regulate Compliance Area Officer, Arab Bank – Jordan (2005 – 2006) • Team Leader Operation & Sales Services Officer, Arbift – Arab Bank for Investment and Foreign Trade (Al Masraf) (2004 – 2005) • Operation & Administration Officer, NBAD – National Bank of Abu Dhabi (2000 – 2004) • Assistant Head of Foreign Trade Department, AFC – Arab Finance Corporation (1991-2000)

Mr. Mahmoud I. Al Ahmar
Head of Risk

Date of Birth: 1979
Date of Joining: 23/6/2002

Education:	Master degree in Banking and Financial Sciences – major in Accounting, The Arab Academy for Banking and Financial Studies, 2005, Bachelor degree in Accounting, Philadelphia University, 2001
Previous Positions:	• Assigned to oversee Risk Management functions, Jordan Kuwait Bank • Market Risk and Basel implementation Manager, Jordan Kuwait Bank • Financial Controller Manager, Jordan Kuwait Bank
Memberships:	• Board Member, Afaq for Energy Co. P.L.C (MANE)/ Representative of Jordan Kuwait Bank (25/1/2021 – Present)

Mr. Yousef W. Hassan
Head of Internal Audit

Date of Birth: 1971
Date of Joining: 5/6/2006

Education:	Bachelor degree in Accounting, Jordan University, 1994
Previous Positions:	• Combating Financial Crime Manager, Jordan Kuwait Bank • AML/CFT Manager, Jordan Kuwait Bank • Regulatory Compliance Manager, Jordan Kuwait Bank • Main Internal Auditor, Jordan Kuwait Bank • Audit Team Leader, Cairo Amman Bank

4b/4: Shareholders who own 1% or more of the Bank's shares (2022 & 2021)

Shareholder	Nationality	No. of Shares 31/12/2022	%	No. of Shares 31/12/2021	%	Ultimate Beneficiary	Mortgaged Shares	% Mortgaged Shares to total Shares held	Mortgagor
Al Rawabi United Holding Co.	Kuwaiti	76,390,240	50.927	76,390,240	50.927	- Al Futtooh Holding Co. - United American Holding Company, and group (Al Janah Holding Company) - United Industries Corporation and group (Kuwait National Industrial Projects Co.)	76,387,240	99.99	Burgan Bank - Kuwait
Social Security Corporation	Jordanian	31,562,466	21.042	31,562,466	21.042	Itself (A national institution to implement a symbiotic system based on partnership with the relevant authorities that contributes to achieving social security, established by Law No. 30 of 1978 and subsequent legislation and amendments thereto)	-	-	-
Odyssey Reinsurance Company	American	8,775,000	5.850	8,775,000	5.850	FAIRFAX FINANCIAL HOLDING Ltd. Canada Chairman and CEO Mr. V. Prem Watsa	-	-	-
Fatina Ahmad Jameel Malas	Jordanian	1,891,565	1.261	344,115	0.230	Herself	-	-	-
Abdel Karim Allawi Saleh Kabariti	Jordanian	1,549,219	1.033	1,719	0.001	Himself	-	-	-

4b/5: Competitive position:

Jordan Kuwait Bank (JKB), a Jordanian public shareholding company, was founded in 1976 and has successfully evolved into a major player in the Jordanian banking system. The Bank operates within the Jordanian banking sector, which includes 21 banks, 6 of which are foreign banks. The bank operates a domestic network of 65 branches distributed throughout Jordan in addition a branch in Cyprus. JKB wholly owns Ejara Leasing Company and holds a controlling share of more than 78.3% in United Financial Investments Co. (Jordan). JKB also has investments with board representation in Algeria Gulf Bank (Algeria), Quds Bank (Palestine) and Middle East Payment Services (Jordan).

The Bank's main activities include the acceptance of deposits, granting credit, and offering banking and investment services to various economic sectors, institutions, and individuals. The Bank›s share of the total banking facilities in Jordan was 4.3 % and 4.2 % of total deposits as at 31/12/2022.

Capital Intelligence Ratings (CI Ratings or CI) upgrades the Long-Term Foreign Currency Rating (LT FCR) and Short-Term Foreign Currency Rating (ST FCR) of Jordan Kuwait Bank (JKB) at 'B+' and 'B' with a positive outlook.

The ratings are underpinned by the Bank's ample and improved funding and liquidity, which is in turn supported by a diversified customer deposit franchise, an established presence in Jordan, and satisfactory and strengthened operating profitability. The ratings are also supported by the still good and above sector average Capital Adequacy Ratio (CAR) which is considered an important credit strength, particularly given the heightened credit risks in Jordan, and the sustained improvement in asset quality, as indicated by a lower NPL ratio and more than full loss reserve (LLR) cover of NPLs.

4b/6: Major Suppliers and Clients:

No.	Supplier Name	Shares of Transactions of Total Purchases
1.	Specialized Technical Services (STS)	10.02%

- The Bank does not rely on major customers (locally or internationally) that accounts for 10% or more of its total sales or earnings.

4b/7:

- The Bank does not enjoy any governmental concessions or protection in accordance with the prevailing rules and regulations.
- The Bank does not have any patents or franchise rights acquired by the Bank.

4b/8:

- There has been no material effect on the Bank's operations, products or competitiveness as a result of any government or international organizations' decisions. International quality standards do not apply to the bank.

4b/9:

Human Resources, Training and Organizational Structure:

- Total number of employees as at 31/12/2022 was (1,471) of whom (16) were employed at the Cyprus branch. In addition, there were (57) employees at the Subsidiary companies.

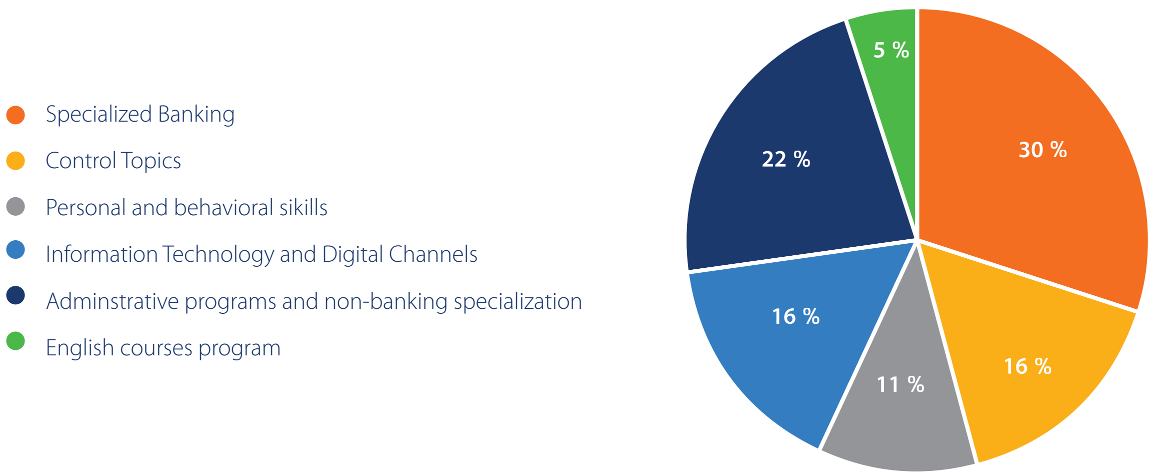
Staff educational qualifications:

Qualification	Jordan Kuwait Bank	United Financial Investments Co.	Ejara Leasing Co.
PhD	1	-	-
Masters	121	3	3
Higher Diploma	9	-	-
Bachelor	1161	17	20
Diploma	89	2	3
Secondary School Certificate	28	5	4
Pre- Secondary School Certificate	59	-	-
Total	**1,471**	**27**	**30**

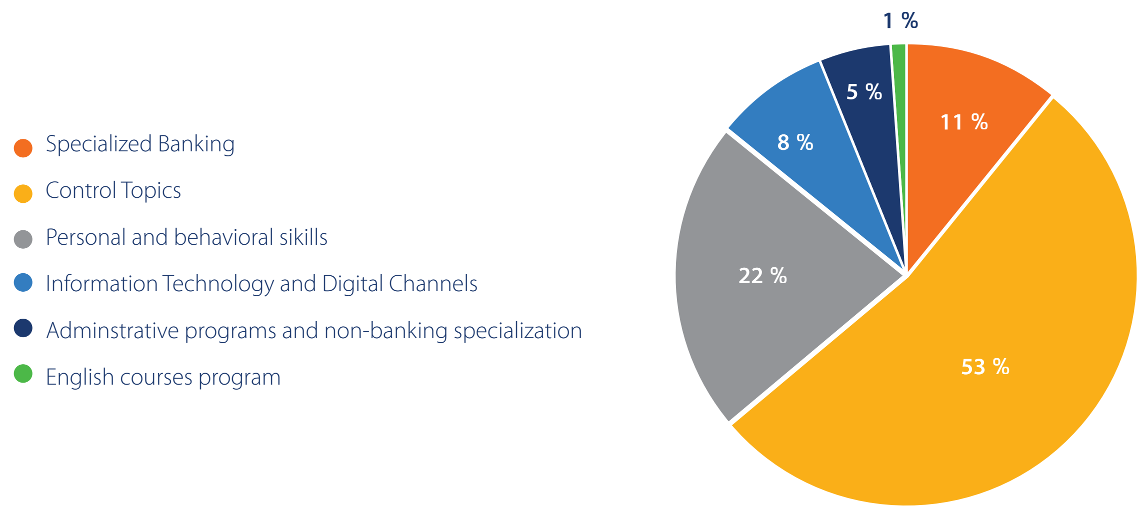
Staff training during 2022:

	External Training		Internal Training		E-Training		Total	
Training Subject	No. of Courses	No. of Participants	No. of Courses	No. of Participants	No. of Courses	No. of Participants	No. of Courses	No. of Participants
Specialized Banking	32	110	89	920	20	562	141	1592
Compliance, AML, Fraud & Audit	29	68	10	190	37	7526	76	7784
Personal and Behavioral Skills	5	50	6	94	37	3079	48	3223
IT, Banking Systems, Delivery Channels	19	95	27	193	28	934	74	1222
Administrative programs and non-banking specialization	29	62	2	31	73	692	104	785
English Language	24	91	0	0	0	0	24	91
Total	**138**	**476**	**134**	**1428**	**195**	**12793**	**467**	**14697**

Distribution of number of courses during 2022

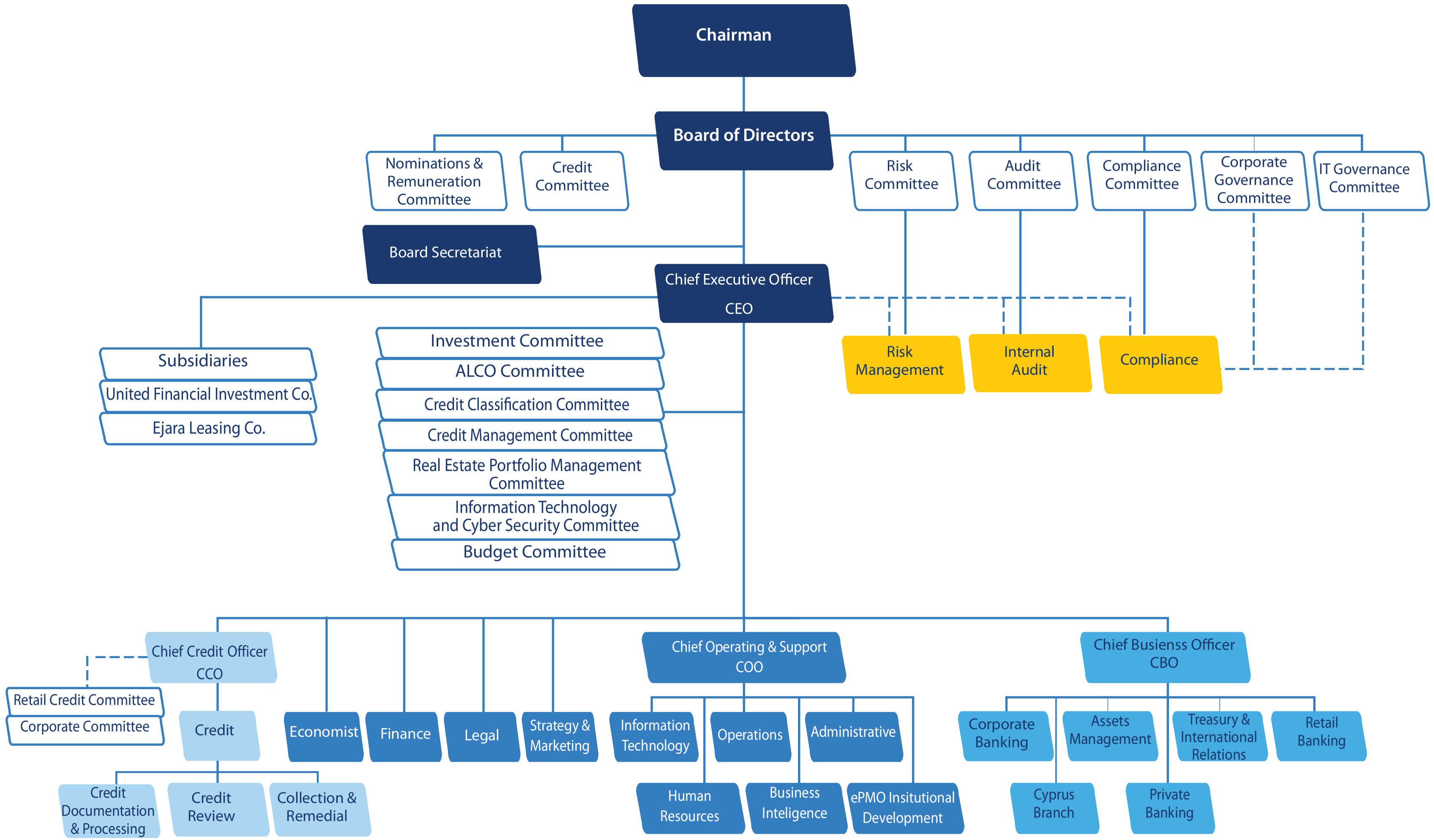


Distribution of number of courses beneficiaries during 2022



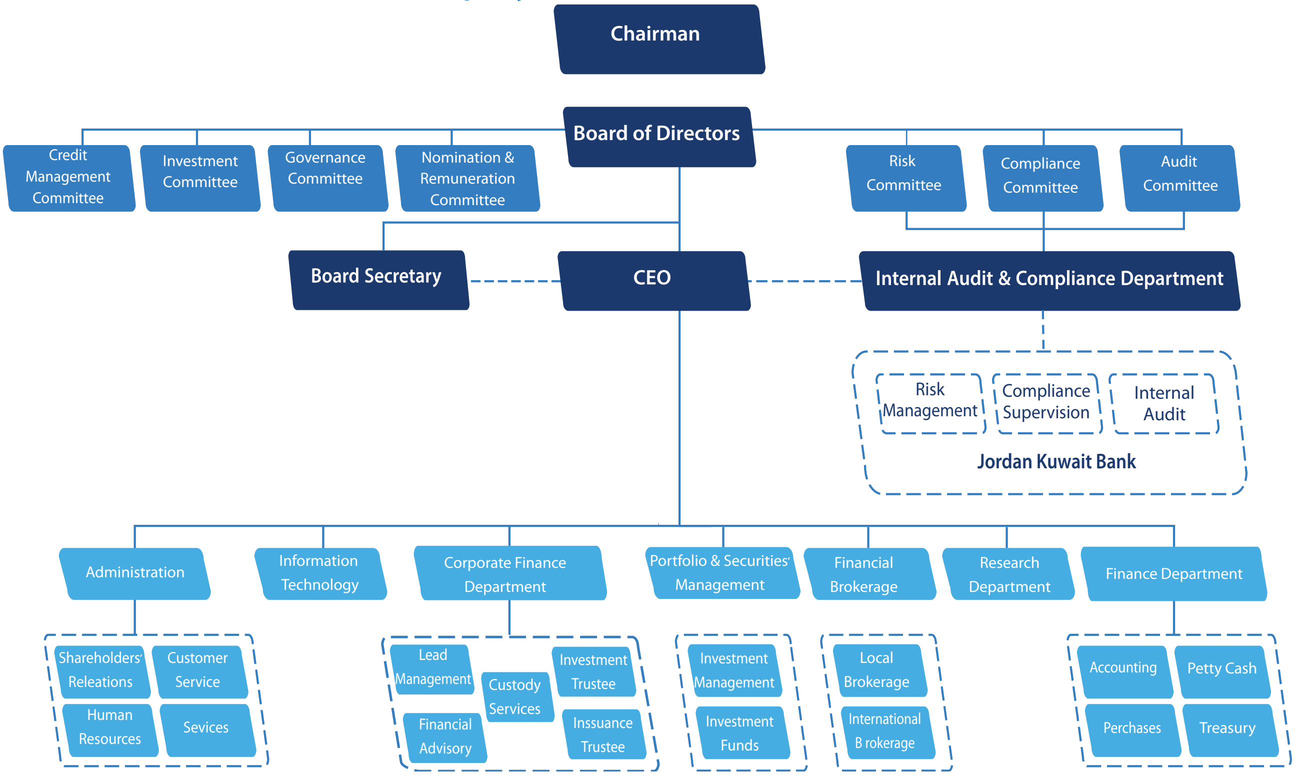
Jordan Kuwait Bank

Organizational Structure 2022

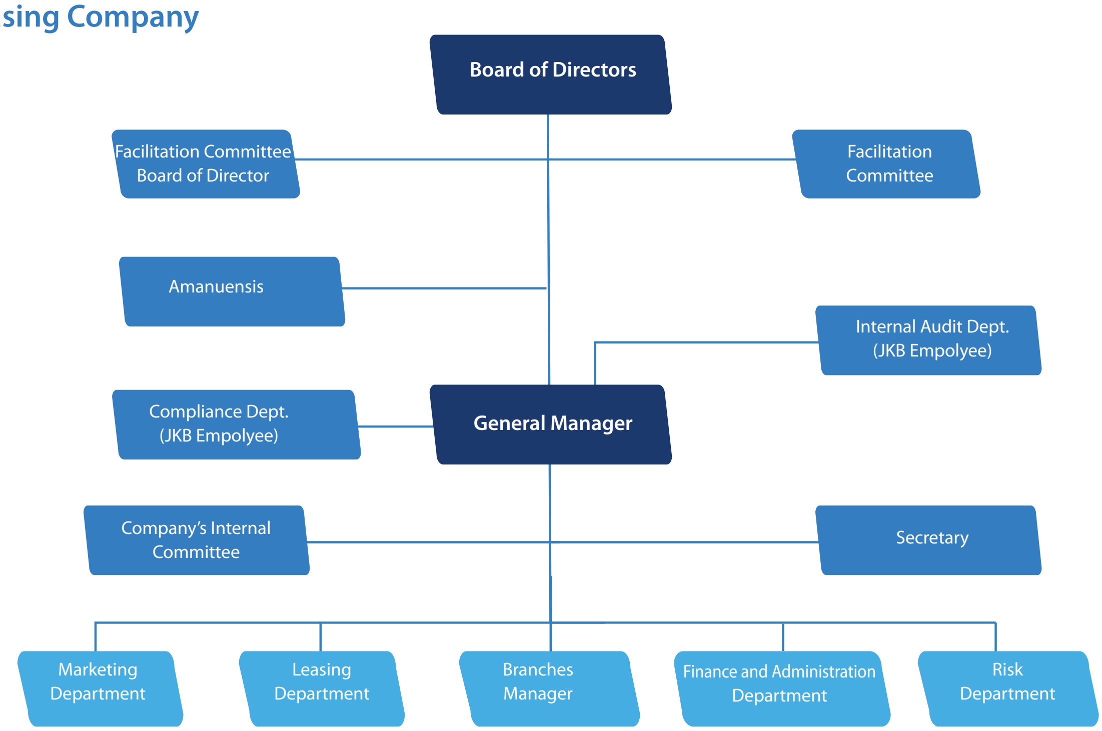


Subsidiary Organizational Structure

United Financial Investment Company



Ejara Leasing Company



4b /10: Description of risks:

Liquidity risk:

Liquidity risk is defined as the losses that the Bank may suffer due to the lack of funding to finance the increase in its investments or to pay its obligations when due at the appropriate time and cost.

Jordan Kuwait Bank manages liquidity risk through appropriate liquidity governance, within the policies for efficient liquidity management. To achieve these targets, Jordan Kuwait Bank is working on determining the "Liquidity risk appetite" by the strategy and ability to obtain sources of financing, The Bank also applies "Liquidity Contingency Plan" to ensure appropriate liquidity in cases of low emergency liquidity".

Market risks:

Market risk is defined as losses that the Bank may experience as a result of fluctuations in the market prices of any financial positions both (on and off the balance sheet). Market risks include (interest rates, exchange rates, equities, and commodities). Jordan Kuwait Bank manages the market risk within the risk management framework (Identification, measurement, management, control), and by an approved and independent policy to ensure that the market risk is within the "Market Risk Appetite".

The Bank adopts an investment policy that aims to maximize the return while maintaining the acceptable degree of risk, in line with the level and size of the complexity of the Bank's operations, and the recommendations of the Basel Committee and the instructions of the Central Bank of Jordan and the supervisory authorities within which the branches of the Bank operate. The implementation of the investment policy is also monitored through the (Middle Office Unit) within the market risk.

The Bank faces three major market risks:

- Interest rate risk:

Volatility in interest rates is one of the most important challenges facing banks as a source of risks that affect the profitability and activities of the bank, and to ensure control of interest rate risks, Jordan Kuwait Bank manages interest rate risks by determining the degree of "risk appetite" for the bank portfolio.

The bank also measures risks in several ways, including re-pricing gap analysis. And measuring the impact of these risks on Gross Income, Net Interest Income, and Regulatory Capital.

- Exchange rate risk:

Exchange rate risk arises as a result of mismatching foreign currency positions within the (assets and liabilities) of the bank.

As a result of exchange rate fluctuations, the possibility of affecting the bank's profitability increases. Where the bank manages currency and exchange rate risks in several ways, including various hedging tools (spot and forward), and the bank also conducts stress testing scenarios within the exchange rate risks and according to the scenarios determined by the Central Bank of Jordan, or additional scenarios according to market conditions.

- Equity Price Risk:

These are risks arising as a result of fluctuations in stock prices (within the Bank's investment portfolio) as a result of responding to many influential factors such as a change in interest rates, lowering of credit rating, and factors related to operating results.

The Bank actively monitors these risks to ensure that they remain within acceptable limits.

Compatibility with Basel Instructions:

The Risk Management Department oversees the implementation of the requirements of the Basel committee. Through the following:

- Capital adequacy ratio/ leverage ratio:

The Bank calculates the capital adequacy ratio and the leverage ratio in line with the regulatory capital instructions issued by the Central Bank of Jordan and according to Basel (III) requirements.

- Stress Testing:

Stress Testing is one of the risk management tools complemented by other tools used by the Bank to reach comprehensive risk management.

The results of the implementation of stress testing are an essential and complementary part of the Capital Planning system. These tests aim to assess the bank's financial situation in severe but possible scenarios, which are conducted based on instructions of the Central Bank of Jordan.

- Internal Capital Adequacy Assessment Process (ICAAP) :

ICAAP is part of the capital management process system of Jordan Kuwait Bank, which contributes to achieving the Bank's strategic objectives, where the internal assessment of capital adequacy comprehensively identifies and measures all important risks to the Bank on a consolidated level, and demonstrates the impact of these risks on capital. The Bank takes into account the compatibility of the size of the capital with the size, nature, and complexity of the risks to which the Bank is exposed in line with the requirements of the regulators.

Information Security:

The vulnerabilities and threats associated with the use of information technology in all financial operations in the bank, and the impact and probability that they can be exploited by hackers to carry out some illegal activities such as unauthorized access to data or denial of service, and other activities that would harm the bank on financially or affect the bank's reputation, and its customers where their private data may be accessed and exploited. In light of these risks, the bank has adopted many preventive measures, such as implementing information security standards and publications issued by government agencies such as the Central Bank of Jordan and non-governmental agencies, such as the application of card security standards (PCI DSS), and conducting a risk assessment of the systems and services used in the bank. And setting security controls to reduce these risks, in addition to applying the internal policies and procedures in the bank related to information security and working to raise awareness about information security risks through holding training courses for bank employees by conducting Information Security Awareness Sessions. These risks are monitored through daily reports that are followed up by the information security team and work continuity in the risk management department.

Business Continuity:

Business continuity and disaster recovery mean maintaining the availability of critical services and functions in the Bank, whether for the internal functions that are used by employees or services used by the Bank's customers. The Bank pays great attention to business continuity because of its significant impact on the Bank's reputation and the customers' satisfaction with the services provided to them. The Information Security and Business Continuity team in the Bank's Risk Management Department updates the business continuity plan quarterly, tests it annually, and documents the results of the tests to reflect them on the business continuity plan in line with the instructions issued by the Central Bank and best practices related to business continuity.

Credit Risk:

Credit risk refers to the expected loss resulting from the borrower's inability or unwillingness to meet their obligations to the bank within an agreed period, the principal of the loan and/or the interest and commissions associated with them, or both, also, the Concentration risk refers to the risks arising from the lack of diversification of the credit portfolio in terms of economic sectors, customers, geographical, therefore, credit risk will increase. These types' risks define as the most significant risks that the bank can be faced.

Jordan Kuwait Bank adapts a group of main pillars to control the financial implications of these risks:

1. Identifying the current and future risks associated with the business environment by periodically applying stress testing in light of conservative economic scenarios and expectations in a manner that avoids or mitigates them.

2. Implementation and continuous updating of the policies and work procedures that define and address all aspects of credit granting and maintenance, which are determined according to the basis of defining, measuring, and controlling this type of risk.

3. The existence of committees and departments to manage the credit granting process in a manner that ensures segregation of duties between the various business development departments and the credit review and control management.

4. Adopting a specified authority matrix to ensure the delegation of authorities, monitoring, and review.

5. Dynamic monitoring of the credit portfolio, in terms of diversity, quality, concentrations.

6. Determining the acceptable guarantees and their conditions as a method of mitigating risks.

Operational Risk:

Operational risk is defined as "the risk of losses resulting from the failure or inadequacy of internal procedures, the human element, systems, or any external events. This definition includes legal risks, but does not include strategic risks and reputational risks for the bank."

The Operational Risk management works continuously and coordinates closely with all the managers of the organizational centers to ensure that the concept of the general framework for operational risk management is continuously implemented effectively through the implementation of the principle of the three lines of defense, which defines the tasks and responsibilities of all the bank's departments, especially about the implement, follow-up, and monitor of the execution of The daily tasks related to the first line of defense. As well as operational risk management collect the data of operational events and losses continuously in addition to the main risk indicators by the Operational Risk Management System, in addition, to monitoring, updating, and ensuring that any corrective plans are developed wherever necessary. The system aims to be used by business Departments, Risks, internal audits, thus enabling the executive management to be aware of all financial and non-financial risks in real-time.

Operational risk management follows The methodology of the self-assessment system for operational risks and that the controls are set against them continuously, in terms of conducting the review at the departmental level, by analyzing the gaps between what is applied and what is required to be applied, to set the implementation plans and the necessary solutions to reach the specific goal of this assessment and to ensure the availability of (control and oversight systems) that govern the execution of operations in the bank.

4b /11: Achievements during 2022: Included in the report.

4b /12: Financial impact of non-recurring transactions as well as operations outside the bank's core business: 2022 Income Statement shows a non-recurring and not related to the banks main activity profit of 458,225 JOD which resulted from a strategic acquisition.

4b/13: Changes in Net Profit, Dividend, Shareholders' equity and Share price (2018-2022)

Amounts in Thousand JOD

Year	Profit (loss) from Continuous Operations before tax	Dividend According to the year of distribution		Bank Shareholders' Equity	Share / JOD
		Bonus Shares	Cash		
2018	55,849	-	20%	445,562	2.900
2019	46,934	-	20%	459,532	2.510
2020	(5.579)	50%	-	456,432	1.440
2021	7,704	-	7%	467,674	1.360
2022	27,345	-	8%	477,555	1.650

4b/14: Financial Position: Included in the report.

4b/15: Future Plan: Included in the report.

4b/16: Auditors' Fees: Auditors' fees for the Bank and its subsidiaries in 2022 amounted to JOD 212,785 as follows

Auditors' Fees	
Entity	**Amount JOD**
Jordan Kuwait Bank	140,000
Ejara Leasing Co.	9,280
United Financial Investments Co.	14,000
Sanad Capital Co.	5,800
Cyprus Branch	43,705
Total	**212,785**

In addition to the amount of JOD 20,816 representing advisory services

4b/17: Shares owned by the Board Members during 2022 & 2021:

	Name	Position	Nationality	Shares 31/12/2022	Shares 31/12/2021
1	Mr. Nasser A. Lozi	Chairman	Jordanian	33,595	33,595
2	Mr. Faisal H. Al-Ayyar	Vice Chairman	Kuwaiti	15,000	15,000
3	Kuwait Projects Co. (Holding)	Board Member	Kuwaiti	76,494	76,494
	Mr. Masaud M. Jawahar Hayat	Rep.: Kuwait Projects Co. (Holding)	Kuwaiti	48	48
4	Al Rawabi United Holding Co.	Board Member	Kuwaiti	76,390,240	76,390,240
	Mr. Moustapha S. Chami	Rep.: Al Rawabi United Holding Co. (as of 22/6/2022)	Lebanese	0	0
	Mr. Tariq M. Abdul Salam	Rep.: Al Rawabi United Holding Co. (until 20/4/2022)	Kuwaiti	21,375	21,375
5	Social Security Corporation	Board Member	Jordanian	31,562,466	31,562,466
	Mr. Marwan M. Awad	Rep.: Social Security Corporation	Jordanian	1,500	1,500
6	Mr. Nidal F. Qubbaj	Re.: Social Security Corporation	Jordanian	-	-
7	Odyssey Reinsurance Company	Board Member	American	8,775,000	8,775,000
	Mr. Bijan Khosrowshahi	Rep.: Odyssey Reinsurance Company	American	-	-
8	Safari Development & Real Estate Investment Co.	Board Member	Jordanian	1,000	1,000
	Mr. Majed F. Burjak	Rep.: Safari Development & Real Estate Investment Co.	Jordanian	1,500	1,500
9	Dr. Safwan S. Toqan	Board Member	Jordanian	1,500	1,500
10	Dr. Marwan J. Muasher	Board Member	Jordanian	205,500	205,500
11	Mr. Hani K. Hunaidi	Board Member	Jordanian	1,573	1,573
12	Mrs. Nadia A. Rawabdeh	Board Member	Jordanian	1,000	1,000
13	Dr. Omar M. Al Jazy	Board Member	Jordanian	1,500	1,500

Shares owned by the Bank Executives during 2022 & 2021

No.	Name	Position	Nationality	Shares 31/12/2022	Shares 31/12/2021
1	Mr. Haethum S. Buttikhi	Chief Executive Officer	Jordanian	0	0
2	Mr. Daoud A. Issa	Chief Operating & Support Officer	Jordanian	0	0
3	Mr. Zuhdi B. Al-Jayousi	Head of Corporate Business	Jordanian	0	0
4	Mr. Ibrahim F. Bisha	Head of Treasury & Intl. Relations	Jordanian	0	0
5	Dr. Makram A. Al-Qutob	Head of Credit	Jordanian	0	0
6	Mr. Suhail A. Salman	Head of Retail Business	Jordanian	0	0
7	Mr. Zeid W. Sharaiha	Head of Investment Business	Jordanian	0	0
8	Mr. Ibrahim E. Kashet	Head of Legal Affairs	Jordanian	0	0
9	Mr. Ibrahim F. Taani	Head of Finance	Jordanian	0	0
10	Mr. Maher M. Abu Sa'adeh	Head of Information Technology	Jordanian	0	0
11	Mr. Tareq J. Alkhitan	Head of Operation	Jordanian	0	0
12	Mrs. Dana A. Jaradat	Head of Strategy & Marketing	Jordanian	0	0
13	Mr. Fadi M. Ayyad	Head of Compliance	Jordanian	0	0
14	Mr. Mahmoud I. Al Ahmar	Head of Risk	Jordanian	0	0
15	Mr. Yousef W. Hassan	Head of Internal Audit	Jordanian	0	0

Shares held by companies controlled by Board Members during 2022 & 2021

Board Member	Position	Name of controlled Company	Ownership %	Shares of controlled Company in JKB	
				31/12/2022	31/12/2021
Kuwait Projects Co. (Holding)-Kuwait	Board Member	Al Rawabi United Holding Co.	99.99	76,390,240	76,390,240
Kuwait Projects Co. (Holding)- and its subsidiaries - Kuwait	Board Member	Burgan Bank-Kuwait	64.33	1,500	1,500
Kuwait Projects Co.(Holding)- Kuwait	Board Member	United Gulf Bank – Bahrain	97.91	473,503	473,503

Shares owned by the relatives of Board Members and Bank Executives during 2022 & 2021

Name	Relation	Nationality	Shares 31/12/2022	Shares 31/12/2021
Mrs. Nour Abdel Karim Allawi Kabariti	Wife of Mr. Haethum S. Buttikhi/ Cheif Executive Officer	Jordanian	344,265	344,265

Shares owned by companies controlled by relatives of Bank Board Members:

There are no contributions from companies controlled by relatives of Bank Board Members

Shares owned by companies controlled by Bank Executives and their relatives:

There are no contributions from companies controlled by Bank Executives and their relatives

4b/18a: Members of the Board of Directors' Remuneration (JOD):

#	Name	Position	Board Membership Allowance	Transporation Allowance	Yearly Bonus	Travel Allowance	Meetings Allowance	Total
1	Mr. Nasser A. Lozi	Chairman	0	168,000	5,000	253	179,200	352,453
2	Mr. Faisal H. Al-Ayyar	Vice Chairman	0	0	5,000	0	4,500	9,500
3	Mr. Masaud M. Jawhar Hayat	Board Member	0	0	5,000	0	22,200	27,200
4	Mr. Tariq M. Abdul Salam (until 20/4/2022)	Board Member	0	0	5,000	0	8,100	13,100
5	Rep.: Social Security Corporation Mr. Marwan M. Awad	Board Member	0	6,000	5,000	163	27,000	38,163
6	Rep. : Social Security Corporation Mr. Nidal F. Qubbaj	Board Member	0	6,000	5,000 *	253	21,900	33,153
7	Mr. Bijan Khosrowshahi	Board Member	0	0	5,000	573	12,000	17,573
8	Mr. Majed F. Burjak	Board Member	0	6,000	5,000	253	27,300	38,553
9	Dr. Safwan S. Toqan	Board Member	0	6,000	5,000	253	24,600	35,853
10	Dr. Marwan J. Muasher	Board Member	0	6,000	5,000	253	18,000	29,253
11	Mr. Hani K. Hunaidi	Board Member	0	6,000	5,000	253	27,000	38,253
12	Mrs. Nadia A. Rawabdeh	Board Member	0	6,000	5,000	163	20,100	3,1263
13	Dr. Omar M. Al Jazy	Board Member	0	6,000	5,000	253	25,200	36,453
14	Mr. Moustapha S. Chami - as of 22/6/2022	Board Member	0	0	0	992	13,500	14,492

*Includes the amount of 1667 JOD paid to Mr. Marwan Awad in his capacity as independent board member

4b/18b: Executive Management's Remuneration (JOD):

	Name	Position	Annual Salary	Travel & Per Diems	Total
1	Mr. Haethum S. Buttikhi	Chief Executive Officer	664,460	12,857	677,317
2	Mr. Daoud A. Issa	Chief Operating & Support Officer	288,744	6,452	295,196
3	Mr. Zuhdi B. AlJayousi	Head of Corporate Business	233,500	12,859	246,359
4	Mr. Ibrahim F. Bisha	Head of Treasury & International Relations	212,516	4,296	216,812
5	Dr. Makram A. Al- Qutob	Head of Credit	181,716	3,098	184,814
6	Mr. Suhail A. Salman	Head of Retail Business	154,356	13,795	168,151
7	Mr. Zeid W. Sharaiha	Head of Investment Business	116,716	2,083	118,799
8	Mr. Ibrahim E. Kashet	Head of Legal Affairs	230,964	2,023	232,987
9	Mr. Ibrahim F. Taani	Head of Finance	205,848	163	206,011
10	Mr. Maher M. Abu Sa'adeh	Head of Information Technology	133,000	9,269	142,269
11	Mr. Tareq J. Alkhitan	Head of Operations	109,500	163	109,663
12	Mrs. Dana A. Jaradat	Head of Strategy & Marketing	86,812	163	86,975
13	Mr. Fadi M. Ayyad	Head of Compliance	197,288	15,093	212,381
14	Mr. Mahmoud I. Al Ahmar	Head of Risk	155,816	24,743	180,559
15	Mr. Yousef W. Hassan	Head of Internal Audit	121,976	3,070	125,046

4b/19: Donations:

Total donations made by the Bank and its subsidiaries during 2022 amounted to JOD 1,052,840 Details of which are listed below:

Recipient	Amount / JOD
Charities and Social Activities	447,365
Support Education	163,513
Banking and Financial Culture	83,483
National Workshops and Conferences	131,716
Sport Activities – outside and inside the Bank	162,521
Training Students from Institutes and Universities	7,045
Health Initiatives	28,550
Commercials and Advertisement	3,050
Support of Outstanding Students	3,700
Support Authors and Writers	10,302
Others	11,595
Total	**1,052,840**

4b/20: Contracts, projects and commitments held by the Bank with subsidiaries or sister or affiliate companies or the Chairman or members of the Board of Directors or General Manager or any staff member of the Bank or their relatives:

During 2022, the Bank entered into transactions with subsidiaries, sister and affiliate companies, major shareholders, members of the Board of Directors, and executive management within the normal Bank activities and applying commercial interest rates and commissions. All facilities granted to stakeholders are considered performing loans and no provisions were allocated for them. Details of such transactions are disclosed in Note 37 to the 2022 consolidated financial statements published in this report.

4b/21:

The Bank contributes towards the welfare of the local community and the environment; this was explained in the Activities and Achievements Chapter of this report.

4c/1-5: Financial Statements: Included in the report.

4d: Auditor’s Report: Included in the report.

4e: Declarations by the Board of Directors:

4e/1: The Board of Directors hereby declares that there are no material issues that could hinder the business continuity of the Bank during the financial year 2023.

4e/2: The Board of Directors also declares its responsibility for the Financial Statements and that the Bank has an effective control system.

4e/3: Each of the undersigned Board of Directors declares that he did not gain any benefits, either cash or in-kind, as a result of his position at the Bank and was not declared whether be it for himself or any of his related parties during the year 2022.

	Chairman and Board of Directors	Signature
1	H.E. Mr. Nasser A. Lozi	
2	Mr. Faisal H. Al-Ayyar	
3	Mr. Masaud M. Jawhar Hayat	
4	Mr. Moustapha S. Chami	
5	H.E. Mr. Marwan M. Awad	
6	Mr. Nidal F. Qubbaj	
7	Mr. Bijan Khosrowshahi	
8	H.E Dr. Marwan J. Muasher	
9	Mr. Hani K. Huaidi	
10	Mr. Majed F. Burjaq	
11	Dr. Safwan S. Toqan	
12	Dr. Omar M. Al Jazy	
13	Mrs. Nadia A. Rawabdeh	

4e/4: The Chairman of the Board, the General Manager and the Financial Manager hereby declare that all information and data provided in this report are accurate and comprehensive.

Chairman of the Board	Chief Executive Officer	Financial Manager
Nasser A. Lozi	Haethum S. Buttikhi	Ibrahim F. Taani

CORPORATE GOVERNANCE GUIDE 2022

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Corporate Governance Guide

Introduction

The Central Bank of Jordan defines Corporate Governance as a system through which the Bank is managed and run. This system aims at identifying and achieving the corporate objectives of the Bank, managing the Bank's business safely, protecting the depositors' interests, being committed by due diligence responsibility towards shareholders and other stakeholders and abiding by laws and the Bank's internal policies.

Jordan Kuwait Bank perceives corporate governance as the key to win the confidence of the customers and other parties interested in JKB. Corporate Governance is the methodology through which JKB manages its interrelations and relations with the other involved parties.

JKB believes that the existence of good corporate governance will result in good management of the Bank and help to achieve the Bank strategic objectives. Moreover, JKB has an absolute belief that the presence of good governance at all Jordanian institutions will lead to have efficient institutions and provide the appropriate competitive environment, and so support the national economy in general. As banks play an important role in the financial system, and their businesses depend on their customers' deposits, it is therefore of high importance that they should have good corporate governance.

In view of that, the Board of Directors (BoD) of JKB decided to adopt the Corporate Governance Guide ("the Guide") which has been prepared according to the best international standards in this regard and based on the instructions of the Central Bank of Jordan (CBJ) and other regulatory authorities. By adopting this guide, JKB aims at implementing the principles of corporate governance represented in fair treatment of all relevant stakeholders, transparency and disclose JKB's actual financial and administrative position, in addition to accountability in terms of the relations between the BoD and executive management, BoD and shareholders, and BoD and other entities. JKB provides the approved version of the Guide on its website www.jkb.com

This guide reflects JKB requirements and policies approved by BoD. The Guide provisions shall be applicable to BoD, senior executive management and staff. JKB adopts strategies, policies and administrative structures of its subsidiaries within the framework of sound governance.

Definitions:

Corporate Governance:	The system by which the bank is directed and managed, and which aims at identifying and achieving the bank's Corporate goals, managing the bank's operations safely, protecting the interests of depositors, committing to the responsibility due towards shareholders and other stakeholders, and the bank's commitment to legislations and the bank's internal policies.
Adequacy:	The availability of specific requirements in the bank's board of directors' members and its senior executive management.
The Board:	The bank's Board of Directors
Stakeholders:	Anyone with interest in the bank, such as depositors, shareholders, employees, creditors, clients, or relevant control bodies.
Main Shareholders:	Any person holding 5% or more of the bank's capital, directly or indirectly.
Executive Member:	Board of Directors' member who participates, against remuneration, in managing the bank's daily operations.
Independent Member:	A member of the Board of Directors who is not subject to influences that may hinder his ability to take objective decision to the Bank's favor and satisfies the conditions stipulated in article (6/D) of these instructions.
Senior Executive Management:	Includes the Bank's top positions specified in the Banking Law and the Corporate Governance Instructions issued by the Central Bank of Jordan, other instructions and legislations to which the Bank is subject, and all the positions defined in accordance with the job evaluation system adopted by the Bank at grade 20 or above.

JKB Corporate Governance Objectives

JKB aims at achieving the best standards of business ethics covering all the Bank's business aspects through disclosing JKB results accurately and transparently, and complete abidance by the various laws and regulations that govern JKB work.

Legal framework and sources of corporate governance

In preparing the Corporate Governance Guide, the Bank relied on the following:

- Banking Law In force.
- Companies' Law in force.
- Securities Law in force and the instructions of the Securities Commission.
- Deposit Insurance Law in force.
- Regulations and instructions issued under the above mentioned laws and any subsequent amendments thereof.

- Instructions for Corporate Governance for Banks issued by the Central Bank of Jordan
- Basel Committee relevant publications.
- OECD countries and the World Bank publications on corporate governance.
- Accounting Standards and International Financial Reporting Standards employed by investors to hold the management accountable.
- Laws in force in countries where JKB has branches and within the limits of JKB business.

In addition to the laws protecting the rights of shareholders, depositors and stakeholders.

Corporate Governance Related Parties

1. Shareholders

JKB framework of governance is dedicated to protect shareholders' rights along with serving and fairly treating them, particularly in the light of the laws, regulations and instructions issued by the regulatory authorities. The same also applies to JKB policies and procedures.

2. BoD Members

BoD members, on behalf of the shareholders, manage JKB under the various laws which define their duties and responsibilities (such as, Companies Law, Banks Law … etc.

3. Employees

All JKB employees, respectively, are held responsible for the implementation of the internal control procedures as part of their responsibilities in achieving the objectives of the Bank.

JKB employees should have the necessary information, skills, knowledge and authority to carry out JKB businesses. Indeed, this requires full understanding of the Bank, the industry, the market and the risks associated therein.

Through the employees' pursuit to achieve these requirements, they will positively contribute to JKB performance and achievements, and this will lead to job security and satisfaction.

4. Creditors

The different parties that are related to JKB, through contractual relations such as customers, suppliers and creditors.

Organizational Structure

Part of BoD duties is to approve an organizational structure consistent with the nature of JKB activities, to ensure that there are sufficient regulations to implement the adopted strategy, to facilitate effective decision-making process and to implement good corporate governance through:

- Clear and transparent organizational structure.
- Specific targets for each administrative unit.
- Job's specific duties and responsibilities for each administrative unit.
- Authorities, reporting lines and direct supervision channels designated for different managerial positions, as well as proper tasking/ tasks segregation.
- Manuals, policies and work procedures appropriate to execute and supervise operations, particularly defining a job description for all levels of jobs within the organizational structure, including qualifications and experience of staff holding each position.
- Ownership structure which does not hinder corporate governance.
- Independent departments to perform the functions of risk management, audit and compliance.
- Units and employees that are not involved in the daily operations of JKB activities (such as the employees of Credit Review and Middle Office).

BoD Members

A. The Bank's Board of Directors shall consist of, at least, thirteen members and four of them should be independent Directors as defined by the governance instructions issued by the Central Bank of Jordan on independent member.

B. None of the Members of BoD shall be an executive Director.

C. BoD develops a clear and appropriate policy for its members which is consistent with the laws and regulatory requirements.

D. In spite of what is stipulated in the Companies' Law, it is not permissible to assume both the positions of the board chairman and the general manager. The chairman of the board, board members, or main shareholders may not be connected to the general manager with a familial relationship below the fourth degree.

E. The Chairman of the board, board members, or main shareholders must not be connected to any of the members of the senior executive management with a familial relationship below the second degree.

BoD Responsibilities

BoD is responsible for the soundness of all JKB operations, including its financial conditions, implementation of the Central Bank requirements besides other supervisory and regulatory requirements relating to JKB businesses, care for stakeholders, management of the Bank within the framework of its internal rules and policies, ensure that effective control over JKB activities is always in place, including JKB activities delegated to third-parties. To achieve all of that, members of BoD and their committees are allowed to have a direct contact with the executive management and BoD Secretary, while ensuring that none of the board members influences the decisions of the executive management, except through deliberations which take place during the board meetings or those of the committees emanating from it. BoD members are also authorized to seek external assistance, when required, on JKB expense in coordination with the Chairman.

BoD Tasks and Duties

Given the terms of reference and powers of JKB General Assembly, the elected BoD by the General Assembly shall carry out the duties and responsibilities of managing JKB activities for a period of four years effective the date of election. BoD tasks and duties include, but are not limited to:

I. In the area of general supervision, control and draw JKB strategies:

1. Overseeing senior executive management and follow-up their performance and ensure soundness of JKB financial position and solvency. BoD shall adopt appropriate policies and procedures for supervision and control over JKB performance.
2. Identifying JKB strategic objectives, directing the executive management to develop a strategy to achieve these objectives, and approving this strategy. BoD shall adopt action plans which are consistent with this strategy.
3. Approving JKB organizational structure which identifies reporting sequence, including BoD committees and executive management.
4. Approving a policy to monitor and review the executive management performance through developing performance indicators to identify measure, and monitor the performance and progress towards the achievement of corporate goals.
5. Ensuring the existence of policies, plans and procedures covering all JKB activities which are consistent with the relevant laws, and that they are communicated to all administrative levels, and are regularly reviewed.
6. Identifying JKB corporate values, drawing clear lines of responsibility and accountability for all JKB activities and promoting a high-level culture of ethical standards, integrity and professional conduct of JKB managers.

7. Taking the appropriate actions to address weaknesses in the internal control systems or any other points identified by the external auditor, adopting internal control systems and reviewing them annually, in addition to approving appropriate controls which enable BoD to hold the senior executive management accountable for their actions.

II. In the area of policies, instructions, strategies and controls to be endorsed by BoD:

1. Approving appropriate policies and procedures to supervise and control JKB performance.
2. Approving a set of clear boundaries of responsibility and accountability to be committed to, and abided by, all levels of JKB management.
3. Approving an effective policy to ensure the relevancy of BoD members “fit and proper”. The policy should include minimum criteria, and conditions that the BoD candidate and appointed member should have. The policy should be reviewed from time to time and when necessary. BoD should develop adequate procedures and systems to ensure that all BoD members meet relevance standards and that they continue to enjoy them.
4. Approving a policy to ensure the relevancy of the members of senior executive management so that this policy includes minimum criteria, and conditions of laws in force on senior executive management. BoD reviews this policy from time to time, establishes sufficient procedures and systems to ensure that all members of the senior executive management meet the relevance standards and that they continue to enjoy them.
5. Approving a system to measure the performance of the Board and its members, and a system to measure the performance of JKB administrators excluding BoD members and the General Manager.
6. Approving a policy and procedures to address any conflict of interests for JKB is part of a banking group, and disclosure of any conflict of interest may arise as a result of JKB partnerships with companies of the group.
7. Approving policies and procedures for dealings with stakeholders, so they include identifying these parties, taking into consideration the laws, transactions terms, approval procedures and a mechanism to monitor these transactions, so as not to go beyond these policies and procedures.
8. Approving the controls for information transfer among various departments to prevent exploiting them for personal advantages.

III. What BoD should verify:

1. Ensure the existence of adequate and reliable management information systems which cover all JKB activities.
2. Verify that the credit policy includes assessing the quality of corporate governance of JKB clients, mainly public shareholding companies, so that clients' risks are assessed by identifying their strengths and weaknesses according to their governance practices .
3. Ensure that JKB adopts appropriate social initiatives in the field of environment protection, health and education, taking into account financing of SMEs at affordable prices and proper repayment schedules.
4. Ensure that the organizational structure clearly reflects borders of responsibility and authority.
5. Ensure that senior executive management performs its responsibilities related to the management of JKB daily operations, contributes to the implementation of corporate governance at the Bank, delegates powers to the staff, establishes an effective management structure that boosts accountability and that they carry out tasks in various areas and activities of JKB businesses in a manner that is consistent with the policies and procedures approved by BoD.
6. Ensure that the executive management enjoys a high level of integrity in exercising its business and avoid conflicts of interest.

IV. BoD duties in the area of recruitment, appraisal and rewards:

1. Appointing a general manager enjoys qualities of integrity, technical competency and banking expertise, after obtaining the Central Bank of Jordan's "No Objection" prior to his appointment.
2. Approve, based on the recommendations of the special committee, the appointment of any executive management member after obtaining the Central Bank of Jordan's "No Objection"
3. Approve, based on the recommendations of the special committee, the resignation or service termination, of any executive management member. As for the resignation or service termination of the General Manager, the Audit manager, the Risk Management manager and the Compliance manager CBJ's "No Objection" should be obtained,
4. Forming committees from BoD members, defining their objectives and delegating powers according to a charter identifying such powers. Committees should submit periodic reports to BoD.
5. Endorsing a succession plan for senior members of the executive management of the bank. BoD should review this plan once a year at least.
6. Assessing the General Manager's performance annually in accordance with an appraisal system developed by the Nominations and Remuneration Committee, including developing the KPIs. Factors of the General Manager's performance appraisal should include JKB financial and administrative performance and his achievement of JKB medium and long term strategies and plans. The committee should report the appraisal results to the Central Bank of Jordan.

7. Establishing procedures to determine BoD members' remunerations in accordance with the approved appraisal system.

8. Ensuring the relevance of BoD members and members of the senior executive management in accordance with the JKB adopted policies and laws and regulations in force. BoD should verify that all declarations included in the Central Bank of Jordan instructions are duly signed.

9. Adopt a system to evaluate its work and that of its members, providing this system includes, as a minimum, the following:
   - Establish specific objectives and specify the role of the board in fulfilling these objectives in a measurable manner.
   - Establish key performance indicators that could be derived from the plans and strategic objectives, and used to measure the board's performance.
   - Communication between the board of directors and the shareholders, and maintaining this communication periodically.
   - Periodical meetings between the board of directors and the senior executive management.
   - The member's role in the board of directors' meeting, and comparing his performance with that of others. Feedback must be obtained from the relevant member for the purpose of improving the evaluation process.

10. Adopt a system to measure the performance bank's administrative staff other than members in the board of directors, and the general manager, provided this system includes the following as a minimum:
    - An adequate weighted value is given to measure compliance performance in the work frame of risk management, implementing internal control and organizational requirements.
    - That the total income or profit is not the only element to measure performance, but by taking into consideration also other elements to measure the performance of administrators, such as risks resulting from basic operations, customer satisfaction, and others, wherever this is applicable.
    - Refraining from peddling influence and conflict of interest.

V. BoD Duties in the Area of Disclosure and Publication:

1. Ensuring the allocation of a part of JKB website to give details on the shareholders' rights and encourage them to attend and vote at the General Assembly meetings, as well as publishing documents related to meetings, including the full text of the invitation and minutes of meetings.

2. Ensuring that the financial and non-financial information of interest to stakeholders is published.

3. Ensuring that JKB abides by disclosures set by the International Financial Reporting Standards (IFRS), International Accounting Standards(IAS), instructions of the Central Bank of Jordan, other relevant laws and international accounting standards. BoD should also ensure that the executive management is aware of changes taking place to the international financial reporting standards.

4. Ensuring to include disclosures in JKB annual and quarterly reports which give the current or potential shareholders an access to JKB operations results and financial position.
5. Ensuring that the annual report includes the following as a minimum:
    - A summary of the bank's organizational structure.
    - A summary of the functions and responsibilities of the board's committees, and any authorities the board delegated to these committees.
    - The Banks' Corporate Governance manual and Information important to stakeholders as shown in, and the extent to which it is committed to implementing what was mentioned in the manual.
    - A text stating the responsibility and approval of the Board for the accuracy and adequacy of the financial statements of the Bank and the information contained in the report and the adequacy of internal control and systems.
    - Information about each member of the board of directors, his qualifications and experience, and the amount of his contribution in the bank's capital, and whether he is independent or not, his membership in the board's committees, the date of his appointment, any membership he enjoys in the boards of directors of other companies, all forms of bonuses he received from the bank for the previous year, loans extended to him by the bank, and any other operations concluded between the bank and the member or the parties related to him.
    - Information about the risk management department, including its organization, the nature of its operations, and the developments taking place in it.
    - Number of times the board of directors met, its committees, and the number of times each member attended these meetings.
    - Names of each member of the board of directors and the senior executive management who resigned over the year.
    - A summary of the bank's bonus-granting policy, disclosing all types of bonuses and awards to the board of directors' members separately, as well as bonuses granted to members of the senior executive management separately, for the past year.
    - The main shareholders of the Bank and in the companies that contribute mainly in the Bank
    - Names of shareholders who own (1%) or more of the bank's capital, specifying the ultimate beneficial owners of these contributions or any part thereof, clarifying if any of these contributions is totally or partially mortgaged.
    - Affirmations from all board members that the member did not receive any undisclosed benefits through his work at the bank, whether these benefits are material or tangible, and whether they were for him personally or for anyone related to him, for the previous year.
6. Notifying the Central Bank of Jordan by any material information that could adversely affect relevance of any member of the senior executive management.

7. Providing a specific mechanism to ensure communication with stakeholders through disclosures and providing significant information on JKB activities to those stakeholders through the following:
    - General assembly meetings.
    - Annual report.
    - Quarterly reports that contain financial information, in addition to the board's report on the bank shares dealings and its financial position during the year.
    - The bank's website.
    - Shareholders' relations section.
8. Develop a mechanism for receiving complaints and proposals submitted by the shareholders, including their proposals to include specific topics on the agenda of the meeting of the General Assembly and take appropriate decision thereon.
9. Establish a mechanism to allow shareholders holding at least 5% of the shares to add items on the agenda of the Ordinary General Assembly before sending it to the shareholders.

VI. BoD duties in the Area of Internal and External Audit:

1. Adopting the necessary procedures to enhance internal audit effectiveness through: displaying the due importance of the audit process, consolidating it in the Bank and following-up the corrective measures as per the audit notes.
2. Ensuring that the Internal Audit Department is able to carry out its tasks, it has the qualified staff and be certain to provide the Department constantly with appropriate and trained employees.
3. Ensuring and enhancing the principle of internal auditors' independence, placing them at adequate level in JKB's organization structure, ensuring they have access to all records and information and the ability to contact any JKB employee, so that they are able to fulfill the tasks entrusted to them and prepare their reports without any external interference.
4. Adopting an internal audit code which includes duties, authorities and responsibilities of the Audit Department and to be circulated within the Bank.
5. Adopting systems of internal control and monitoring. BoD is to ensure that the internal and external auditors review the structure of these systems once a year at least. BoD should furnish JKB annual report with information confirming the adequacy of these systems.
6. Verifying that the Internal Audit Department is subject to the direct supervision of the Board Audit Committee, and it reports directly to the Chairman of the Audit Committee.
7. Ensuring the external auditor's independence at all times.
8. Ensuring a regular rotation of the external auditor among audit offices and its subsidiaries and allied companies each seven years at maximum, the seven year period at starting the implementation shall be calculated as of the year 2010.

The first year (at circulation) for the new office shall be performed jointly with the old office. It is not permissible to re-elect the old office again before at least two years have elapsed from the date of its last election at the bank, excluding to the joint audit mission.

VII. BoD Duties in the Area of Compliance:

1. Approving a policy to ensure JKB compliance by all relevant laws, and reviewing this policy on a regular basis and verifying that it is implemented.
2. Approving the duties and responsibilities of Compliance Control Department.
3. Ensuring Compliance Control Department independence and providing it constantly with qualified and trained staff.

VIII. BoD Duties in the Area of Risks:

1. Prior approving any expansion in JKB activities, BoD should take into account related risks and competences and qualifications of Risk Management Department staff.
2. Approving a strategy for risk management and monitoring its implementation. Such a strategy should include the acceptable level of risk, and ensure not exposing the Bank to high risks. BOD should be, acquainted with JKB operational environment and risks associated with it. BoD should ensure that JKB has the tools and infrastructure designated for risk management that are able to identify, measure, control and monitor all types of risk faced by the Bank.
3. Approving an Internal Capital Adequacy Assessment Process. Such a process should be comprehensive, effective and able to identify all risks that JKB may encounter, and that it takes into consideration JKB strategic plan and capital plan. BoD should review this process regularly, verify its implementation, and validate that JKB maintains adequate capital to encounter all risks it may face.
4. Approving JKB acceptable risk document.
5. Verifying that violations on acceptable levels of risk are addressed, including holding the senior executive management accountable for such violations.
6. Ensuring that the Risk Management Department conducts stress testing periodically to measure JKB ability to withstand the shocks and cope with high risks. BoD should play a key role in approving assumptions and scenarios used and discuss the tests results, as well as approving actions to be taken based on these results.
7. Ensuring Risk Management Department independence through submitting its reports to the Risk Management Committee, and granting the Department the necessary powers to be able to obtain information from other JKB departments and to cooperate with other committees to carry out their duties.

Duties of the Chairman of the Board:

1. To establish a constructive relationship between BoD and JKB executive management.
2. To promote the culture of constructive criticism on issues discussed in general and issues were members have various views regarding them, and to encourage debate and vote on those issues.
3. To ensure that all BoD members receive and sign the minutes of previous meetings, and that they receive the agenda of any meeting in advance providing that the agenda includes sufficient written information about topics that will be discussed at the meeting. The Secretary of the Board shall deliver the meeting agenda.
4. To ensure the existence of the code that regulates and sets out BoD scope of work.
5. To discuss the strategic and significant issues in BoD meetings extensively.
6. To provide each BoD member upon being elected with the provisions of laws related to banks activities and the Central Bank instructions related to the work of BoD, including corporate governance instructions, the booklet which explains the member's rights, responsibilities and duties, and duties of the BoD Secretary.
7. To provide each member with a sufficient summary of JKB businesses upon appointment or upon request.
8. To discuss with any new member, with the assistance of JKB legal adviser, BoD duties and responsibilities, particularly the legal and regulatory requirements. This is to be done to clarify the duties, powers and other issues related to BoD membership, including the membership term, dates of meetings, committees' duties, rewards, and the possibility to seek an independent specialized technical advice, if required.
9. To meet the BoD members' needs regarding the development of their experience and their continuous learning. Chairman may allow the new member to attend orientation program taking in consideration the member's banking background. The program must cover the following topics as a minimum:
    a. The Bank's organizational structure, corporate governance and the Code of Professional Conduct.
    b. Institutional objectives and the Bank's strategic plan and its approved policies.
    c. Financial conditions of the Bank
    d. The Bank's risk structure and risk management framework.

10 To address an invitation to the Central Bank to nominate a representative to attend the General Assembly meetings prior enough time.

11. To provide the Central Bank with the minutes of meetings of the General Assembly no later than five days as of the date of the Companies' Controller or his/her representative endorsement of the minutes of meeting.
12. To ensure informing the Central Bank of any material information that could adversely affect the relevance of any members of BoD or executive management.

Duties of BoD Member:

1. To have knowledge of laws and principles of JKB banking and operational environment, cope with developments taking place, besides the external developments related to its business, including appointment requirements of JKB senior executive management.
2. To attend BoD and its committees meetings, as needed, and the General Assembly meetings.
3. Not to disclose any JKB confidential information or using them for their or others interest.
4. To give the priority for JKB interests in all transactions with any other company in which he has a personal interest, not to take JKB business opportunities to his own advantage, and to avoid conflict of interest.
5. Disclose to the board in detail of any conflict in interests in case they existed, committing not to attend or participate in the decision taken in the meeting in which this issue is deliberated, and to record this disclosure in the board's minutes of meeting.
6. Allocate sufficient time to carry out his duties as a member of the Board of Directors

The Board Secretary

1. To attend all BoD meetings, record all the deliberations, suggestions, objections, reservations and vote processes on BoD draft decisions.
2. To determine dates of BoD meetings in coordination with the Chairman.
3. To ensure that BoD members sign the minutes of meetings and decisions.
4. To follow up the implementation of BoD decisions and to follow-up any pending issues from the previous meeting.
5. To keep records and documents of BoD meetings.
6. To take the necessary measures to ensure that draft decisions planned to be issued by BoD comply with relevant laws.
7. To prepare for the General Assembly meetings and to cooperate with the BoD committees.
8. To provide the Central Bank with the relevance declarations signed by BoD members.

BoD Meetings

1. BoD shall convene at a written notice of the Chairman, or Vice-Chairman if he/she is absent, or upon a written notice submitted by a quarter of its members to the Chairman justifying the grounds for such a meeting. If the Chairman or Vice- Chairman do not call for a meeting within seven days effective as of the date of receipt of notice, members who submitted the notice shall have the right to call BoD to convene.
2. BoD shall convene with the presence of an absolute majority of members at JKB head office or in any other place within the territories of the Kingdom if it is impossible to hold it at JKB head office. BoD decisions shall be issued with absolute majority of members who attend the meeting. If votes are equal, the chairman of the meeting shall be deemed a casting vote.
3. Board members shall attend Board meetings in person or through electronic means.
4. Voting on BoD decisions shall be in person or through electronic means and carried out by the persons themselves and it could not be by proxy. The minutes may be signed electronically.
5. In the event that the meeting is held through electronic means, the Chairman of the Board and/or Vice Chairman in his absence and the board secretary shall approve the minutes of the meeting and hold it legally.
6. BoD meetings shall be held six times at least per a fiscal year. There should be a meeting for the BoD every two months.
7. The Board of Directors shall appoint a Secretary to record minutes of Board meetings and resolutions in a precise and complete manner and to record any reservations raised by any member. The Bank shall keep all such records appropriately.
8. Prior BoD meeting, the senior executive management should provide BoD members with complete and accurate information and the Chairman should ensure doing so.

Responsibility and Accountability Limits

- BoD adopts clear boundaries of responsibility, accountability and commitment and to abide by them at all levels of management in JKB.
- Take the necessary steps to create a clear separation between the authorities of the shareholders who own an influential interest on one side, and the executive management on the other, for the purpose of reinforcing proper Corporate Governance, and hence, create adequate mechanisms to reduce the effect of shareholders who own influential interest, through the following, as an example:
  - That none of the shareholders who own influential interest occupies any position in the executive management.

- That the top executive management derives its authority from the board only, and work within the mandate granted to it by the board.

- BoD should ensure that JKB organizational structure plainly reflects the lines of responsibility and authority, and that it includes the necessary regulatory levels under the laws and regulations in force.
- Ensure that senior executive management performs their responsibilities related to the management of JKB daily operations, they contribute to the implementation of corporate governance at the Bank, they delegate powers to the staff, they establish an effective management structure that will give a boost to accountability and they carry out tasks in various areas and the activities of JKB businesses in a manner that is consistent with the policies and procedures approved by BoD.
- BoD approves the appropriate controls which enable them to hold the senior executive management accountable for their actions.
- In addition to what is stated in laws, the General Manager shall act as follows:
  - Develop JKB strategic direction
  - Implement JKB strategies and policies
  - Execute BoD decisions
  - Provide guidance to implement short and long term action plans.
  - Deliver JKB vision, mission and strategy to the staff.
  - Inform BoD by all the significant aspects of JKB operations.
  - Manage JKB day-to-day operations.

The Board Committees:

- To further organize the work of BoD and increase its efficiency and effectiveness, BoD forms various committees from its members, delegate certain powers and responsibilities to them and name their chairmen.
- The committees must submit periodical reports to the Board as stipulated in their charters. The existence of these committees does not absolve BoD to assume direct responsibility for all matters relating to JKB.
- Any member of the Board shall not serve as chairperson of more than one of the following committees (Audit, Risk & Compliance, Nomination & Remuneration, and Corporate Governance). He is also prohibited from serving as chairperson of more than two committees of all Board committees.
- Board committees have the following authorities:
  - Request any data or information from bank staff who must cooperate to provide this data in a complete and accurate manner.

- Request legal, financial, administrative or technical advice from any external consultant.
- Request the presence of any bank employee to provide any necessary clarifications.

- The members of committees emanating from the Board of Directors may vote on the decisions of the committees which have been fully attended through the video or telephone because of inability to attend in person due to an acceptable reason to the Board of Directors, and sign of the minutes of the meetings of these committees provided it is duly documented. The members attending the meeting in person should not be less than two thirds of the members of the committee, and that the personal attendance of the member shall not be less than (50%) of the meetings of the committee held within one year.

A. Board Audit Committee:

Committee's Role:

The Board Audit Committee is tasked to carry out the following, in addition to other relevant functions stated in its Charter. The Charter stipulates the right of the committee to get any information from the executive management and its right to call any administrator to attend its meetings. The Audit committee's tasks may not be merged with the tasks of any other committee.

1. The Committee shall review:
    a. The scope, results and the adequacy of JKB internal and external audit
    b. Accounting issues that have a significant impact on JKB financial statements
    c. JKB internal control and monitoring systems.
2. Provide recommendations to BoD regarding the external auditor's appointment, termination, fees and any other related contracting terms, taking into account any other tasks entrusted to them which lie outside the scope of the audit.
3. Verify the independence of the external auditor annually.
4. The Committee shall enjoy the power to obtain any information from the executive management, and has the right to call any administrative officer to attend any of its meetings, if so is stipulated in the committee's charter.
5. Meet with the external and internal auditors and compliance officer once at least annually without the attendance of any of the senior executive management members.
6. Review and monitor procedures that enable the employee to report confidentially any mistake in financial reports or any other matters. The Board Audit Committee shall ensure implementing the necessary arrangements for carrying out an independent investigation and follow the results of the investigation and treat them objectively.

7. Verify that the internal audit staff is rotated to audit JKB various activities every three years at minimum.

8. Verify not to task internal audit staff with any executive duties.

9. Verify that all JKB activities, including outsourced activities assigned to third parties, are subject to audit.

10. The Board Audit Committee shall exercise the role entrusted to it under the Banks Law and other relevant laws. This should include particularly the following:
    - Review and approval of the internal audit plan which includes audit scope and frequency.
    - Ensure that the executive management takes the corrective actions on a timely manner regarding weaknesses in the internal control, and cases of non-compliance with policies, laws and regulations, and other remarks identified by the internal audit.
    - Ensure that JKB is implementing the international accounting and audit standards accurately.
    - Review observations stated in the regulatory authorities and external auditor reports and follow-up the correction procedures.
    - Review JKB financial statements prior submitting them to BoD, particularly to verify regulatory authorities' orders on capital adequacy, adequacy of provisions taken against the bad debts and all other provisions and to express their opinion in JKB non-performing debts or debts proposed to be deemed as bad debts.
    - Ensure that the laws and regulations governing JKB work.
    - The Head of Internal Audit Department may attend the Committee meetings, and the Committee may invite any person to seek their opinion on a particular issue.

11. Appraise the Head and staff of Internal Audit Department performance and determine their remunerations.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall be formed and its chairperson appointed by a decision of the Board of Directors. It shall consist, at least, of three members, the majority of them including the Chairperson shall be independent, , provided that the chairperson is not the Chairman of the Board or the chairperson of any other committee emanating from the Board.
- All members of the Committee should hold academic qualifications and enjoy appropriate practical expertise in areas of accounting, finance or any other disciplines or areas related to JKB's areas of business.
- The Audit Committee shall meet at the invitation of its Chairperson at least once every three months, or whenever the need arises, or based on the decision of the Board of Directors, or on the request of two of its members, and submits its reports to the Board of Directors. The meeting shall be considered valid if attended by at least two members and its recommendations will be taken by majority vote. The Committee shall maintain documented minutes of meetings.

B. Board Risk Committee:

Committee's Role:

The Board Risk is tasked to carry out the following below stated duties at least, in addition to other relevant duties stated in its Charter:

1. Review JKB risk management framework.
2. Review JKB risk management strategy prior to BOD approval.
3. Cope with the developments affecting JKB risk management, and submit periodic reports to BoD.
4. Verify that there is no discrepancy between the actual risks that JKB takes and the level of acceptable risk approved by BoD.
5. Establish appropriate conditions that ensure the identification of fundamental impact of risks and any other activities carried out by JKB which may expose the Bank to higher risks than the acceptable level, report that to BoD and follow-up corrective measures.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall be formed and its chairperson appointed by a decision of the Board of Directors. It shall comprise of three members at least, one of whom shall be independent and the chairperson of the committee. The Committee membership may include members of the executive management. The committee may invite management representatives or other experts and specialists to attend its meetings.
- The Committee shall meet at the invitation of its Chairperson at least once every three months, or whenever the need arises, or based on the decision of the Board of Directors, or on the request of two of its members, and submits its reports to the Board of Directors. The meeting shall be considered valid if attended by at least two members and its recommendations will be taken by majority vote. The Committee shall maintain documented minutes of meetings.

C. Board Nominations and Remuneration Committee:

Committee's Role:

Board Nominations and Remuneration Committee is tasked to carry out the following below stated duties at least, in addition to other relevant duties stated in its Charter:

1. Identify qualified persons to join BoD within the members' relevance policy approved by BoD taking into consideration the capabilities and qualifications of the persons nominated. In case of re-nominations, member's attendance and extent of participation in Board meetings should be taken into account.

2. Nominate to BoD qualified persons to join the executive management, in accordance with the requirements of the Executives employment policy.
3. Ensure BoD members joining workshops or seminars on banking topics, particularly risk management and corporate governance, and the latest developments in the banking business.
4. Determine whether the member meets the independent member criteria taking into account the minimum requirements stated in the laws and regulations in force, and verify the status annually.
5. Supervise the implementation of policies adopted by BoD regarding BoD and senior executive management performance appraisal, including the General Manager.
6. Provide information and summaries on some of the important topics of JKB to BoD members upon request, and ensure updating them constantly about the latest topics related to the banking business.
7. Ensure that the policy of granting remunerations to JKB administrative staff is in place, review it regularly and implement this policy. Also, provide recommendations regarding the General Manager and other members of the senior executive management salaries, remunerations and other privileges. The Internal Audit Department Manager and staff performance appraisal and remunerations are to be determined by the Board Audit Committee.
8. Evaluate the work of the board, its committees, and its members as a whole annually, and it shall inform the Central Bank and the Securities Commission with the result of this evaluation.
9. Set clear methodology to verify that board members allocate sufficient time to carry out their duties, including (for example) the multi commitment of the member to other boards/bodies memberships/forums…etc.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall be formed and its Chairperson appointed by a decision of the Board of Directors. It shall comprise of three members at the least, the majority of whom are independent including the Chairperson. The Committee may invite members of the executive management or other specialized persons to attend its meetings.
- The Committee shall meet at the invitation of its Chairperson at least twice a year, or whenever the need arises, or based on the decision of the Board of Directors, or on the request of two of its members, and submits its reports to the Board of Directors. The meeting shall be considered valid if attended by at least two members and its recommendations will be taken by majority vote. The Committee shall maintain documented minutes of meetings.

D. Board Corporate Governance Committee:

Committee's Role:

1. In addition to their duties delegated by BoD, Board Corporate Governance Committee is in charge of directing and supervising the processes of preparing the Corporate Governance Manual, its update and implementation monitoring. The committee is also tasked to perform the following:
   - Ensure that JKB organizational structure serves the requirements of corporate governance.
   - Ensure commitment to the adopted JKB Code of Ethics at the level of BoD and all administrative levels in the Bank.
   - Formulate written procedures for the implementation of the Corporate Governance Guidelines of the listed companies issued by the Securities Commission and to ensure the Bank's compliance with these instructions and to study the comments of the Commission on its application and follow up on what has been done.
2. Prepare the Governance Report and submit it to the Board of Directors.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall be formed and its Chairperson appointed by a decision of the Board of Directors. It shall comprise of three BOD members at least, the majority of whom are independent and should include the Chairman of the Board. The Committee may invite members or representatives of the management or other experts and specialists to attend its meetings.
- The Committee shall meet at the invitation of its Chairperson at least twice a year, or whenever the need arises, or based on the decision of the Board of Directors, or on the request of two of its members, and submits its reports to the Board of Directors. The meeting shall be considered valid if attended by a majority of its members and its recommendations will be taken by majority vote. The Committee shall maintain documented minutes of meetings.

E. Board Compliance Committee

Committee's Role:

The Board Compliance Committee is tasked to carry out the following below stated duties at least, in addition to other relevant duties stated in its Charter:

1. Recommend to the BoD to adopt governing compliance management policies, including compliance policy, anti-money laundering policy, international sanctions policy, bribery policy, combatting fraud and any other policy related to compliance management, and periodically reviewing these policies and commitment to their application.
2. Assess the degree of effectiveness with which the Bank manages the risk of non-compliance at least once a year and review it should amendments have been made.

3. Adopt the organizational structure of the Compliance Control Department and ensuring its independence, in order to ensure the compliance control function is separate from the Bank's other departments.

4. Ensure that an annual non-compliance risk management plan is in place that takes into account any shortcomings of policies, procedures or their application, and that they are associated with the efficiency of the existing compliance risk management and identifies the need for any policies or procedures to deal with new non-compliance risks that arise during the annual risk assessment.

5. Review the reports that include compliance control tests results, including assessments of non-compliance risks, infractions and deficiencies detected and the remedial actions taken.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall be formed and its Chairperson appointed by a decision of the Board of Directors. It shall comprise of three Board members at least, the majority of whom are independent. The Committee may invite members or representatives of the management or other experts and specialists to attend its meetings.
- The Committee shall meet at the invitation of its Chairperson at least once every 3 months a year, or whenever the need arises, or based on the decision of the Board of Directors, or on the request of two of its members, and submits its reports to the Board of Directors. The meeting shall be considered valid if attended by a majority of its members and its recommendations will be taken by majority vote. The Committee shall maintain documented minutes of meetings.

F. Board Credit Committee:

Committee's Role:

1. Grant, modify, renew and restructure of credit facilities that exceed the authorities of the Management Credit Committee, headed by the General Manager, within the limits set by the Board of Directors. The Board of Directors shall take the decisions in matters exceeding the Committee's authorities.

2. The Committee's authority is limited to taking the right decision regarding the facilities that have been recommended for approval by the Management Credit Committee.

3. The Board of Directors may delegate to the Management Credit Committee some or all of this Committee's authorities; in respect of modifying the terms or restructuring of facilities with the need to keep the Board Credit Committee informed of the decisions taken under these authorities.

4. The Committee's authority shall not include the following:

a. Granting credit facilities to members of the Board of Directors.

b. Writing-off debts.

5. Submit to the Board periodically details of the credit facilities that have been approved by the committee.

6. The Committee's decisions are considered valid by the presence and personal voting of its members, if a member is unable to attend, he may express his opinion through telephone or video, and has the right to vote and sign the minutes of the meeting that have to be duly documented.

7. The work of this committee shall be evaluated by the Board of Directors.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall be formed and its Chairperson appointed by a decision of the Board of Directors. It shall comprise of at least five Board members, one of whom may be independent but not a member of the Audit Committee. The meeting shall be considered valid if attended by at least four members, and decisions are taken by majority of its members regardless of the number of attendees. If the votes are equal, the side to which the Committee Chairperson votes will outweigh.
- The Committee may invite members or representatives of the management or other experts and specialists to attend its meetings.
- The Committee meets once every week if needed, and maintains documented minutes of meetings.
- The General Manager is the Secretary of the Committee.

G. Information Technology Governance Committee

Committee's Role:

The Committee shall undertake the following tasks guided by the Governance and Management of Information Technology and its accompanying Instructions No. 65/2016 dated 25/10/2016 issued by CBJ:

1. Approve the Information Technology strategic objectives and appropriate organizational structures, including Steering Committees at Executive Management Level, particularly (The Information Technology Steering Committee), ensuring the achievement of the Bank's strategic objectives, and realizing the best value-added of projects and investments in Information Technology while utilizing the tools and standards to monitor and ascertain the extent of achievement, such as using the IT Balanced Scorecard system, and calculating the rate of return on investment (ROI) and measuring the investment impact on financial and operational efficiency.

2. Approve the general framework for the control and monitoring of resources and projects, that corresponds to best accepted international practices in this regard, particularly (COBIT) (Control Objectives for Information and related Technology), complying with and facilitating the achievement of objectives and regulations, through the sustainable achievement of corporate objectives, and achieve the information objectives' chart and its associated technology and cover IT governance operations

3. Approve the corporate objectives chart, and its associated Information Technology objectives, considering its legibility as minimum, and define the sub-objectives needed for its achievement.

4. Approve the responsibility chart (RACI Chart) towards the major operations of IT governance and its emanating sub-operations i.e.: The party or parties or the person primarily responsible (Responsible), and those finally responsible (Accountable), and those consulted (Consulted), and those to be informed (informed) towards all operations guided by the standard (COBIT 5 Enabling processes) in this regard.

5. Ensure the existence of a general IT Risk Management Framework that complies and integrates with the Bank's general comprehensive Risk Management Framework, and takes into account all IT governance operations.

6. Approve an information technology resources and projects budget in line with the Bank's strategic objectives.

7. Oversee and be acquainted of the progress of information technology operations, resources and projects to ensure its adequacy and its effective contribution in achieving the Bank's business and its requirements

8. Be acquainted of the audit reports on information technology and taking the necessary action to correct deviations.

9. Recommend to the Board of Directors to take the necessary measurements to correct any deviations.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall be formed and its Chairperson appointed by a decision of the Board of Directors, and the Board determines its objectives and powers, to be demonstrated in its Charter.
- The Committee shall comprise of, at least, three Board members and preferably comprising persons with expertise or strategic knowledge in information technology. The committee, in coordination with the Chairman of the Board, may seek the assistance of external experts when necessary, at the expense of the Bank to make up the shortfall in this area and enhance

substantive opinion. The Committee may invite any of the Bank's administrators to attend its meetings to express their opinion, including those involved in internal audit and senior executive management members (such as Information Technology Manager) or those involved in External auditing.

- The Board shall elect one of its members to be an observer member in the Information Technology Steering Committee.
- The Committee shall submit periodic reports to the Board, the Board's mandate to the Committee does not relieve it from its responsibilities in this regard.
- The Committee shall meet at the invitation of its Chairperson at least once every three months, or whenever necessary, or in accordance with the decision of the Board of Directors, or the request of two of its members, and shall submit its reports to the Board of Directors. The meeting shall be considered valid if attended by the majority of its members and its recommendations will be taken by majority vote. The Committee shall maintain documented minutes of meetings.

Senior Executive Management

BoD approves the appointment of JKB Executive Management. BoD makes sure that members of the Executive Management possess the necessary expertise, competencies and integrity to manage JKB businesses and affairs in a manner consistent with the standards of professional conduct, particularly supervising the JKB management, enjoying the appropriate competences to oversee key individuals associated with the Bank operations. JKB develops a policy to manage and fill top executive jobs to meet laws and regulations requirements in force and the aspirations of JKB.

The Executive Management implements the principles of corporate governance in JKB and provides adequate control over the activities they manage

In this context, the Executive Management identifies the staff tasks accurately. They also propose the administrative structure which is meant to promote the concept of accountability and transparency. The Executive Management is to supervise the fulfillment of the specific responsibilities/ powers and they will be responsible for JKB performance.

Administrators' Performance Appraisal:

JKB develops policies of performance appraisal which ensure the participation of all those involved in managing JKB businesses to achieve the Bank objectives through carrying out tasks, objectives and obligations assigned to each one of them within a framework of fair competition based on the culture of excellence in performance.

- Performance Appraisal Policy for BoD and its members
- Performance Appraisal Policy for holders of senior positions and accountability
- Performance Appraisal Policy for other JKB staff members.

All the aforementioned policies are based on the latest international practices which are meant to objectively measure of performance, take into account risk aversion and the provisions of laws and regulations in force.

Internal Control and Audit Systems:

The Board and the Executive Management of JKB are in charge of developing, implementing and maintaining internal control and audit systems that are able to ensure and achieve the following:

- Accurate and integral financial and operational data issued by JKB.
- Efficient and effective performance of JKB operational processes.
- Effective protection procedures of JKB assets and property.
- Compliance with work policies and internal procedures, laws and regulations in force.

This is based on BoD belief in the importance of effective internal control and audit system as it is one of the most important elements of good management and the basis for the soundness and quality of JKB operations. JKB adopted a number of internal control and audit systems which the senior executive management is responsible to set up, follow-up its development and update them. JKB management is constantly monitoring and assessing the efficiency and effectiveness of these systems, their ability to achieve the desired goals and strive to enhance them. Supervisory departments make sure that transactions with stakeholders are conducted in accordance with the adopted policies and procedures.

BoD adopts control and audit policy addressing all aspects of the internal control systems in terms of their definition, components and BoD and senior executive management responsibilities.

To ensure JKB supervisory departments independence and that they fulfil their supervisory roles they tasked to carry out, their reports are to be submitted to BoD committees. BoD committees appraise the performance of the holders of senior positions at supervisory departments under the Performance Appraisal Policy for holders of senior positions adopted by BoD.

JKB Supervisory Departments

Internal Audit Department: This department is tasked to review commitment with the Corporate Governance Manual, verify of compliance with JKB policies, procedures, international standards and laws related to JKB activities, verify the existence and compliance with internal control and audit systems quite enough to encompass JKB activities and its subsidiaries, carry out financial and managerial auditing, review the soundness and comprehensiveness of the Stress Testing and ensure the accuracy of the internal capital adequacy assessment process (ICAAP).

Internal Audit Department submits its reports to the Board Audit Committee and to the General Manager simultaneously.

Risk Management Department: This department is tasked to monitor risks in JKB at all levels and market and operational areas, information risks, credit risks and business continuity, and monitor JKB departments compliance with the identified levels of risk in accordance with the best international standards. Risk Management Department submits its reports to the Board Risks and Compliance Committee. The tasks of the risk management department shall be as follows as a minimum:

1. Review the Banks' risk management framework before it is approved by the board.
2. Implement the risk management strategy in addition to developing work policies and measures to manage all types of risks.
3. Develop methodologies to identify, measure, monitor, and control all types of risks.
4. Submit reports to the board through the risk management committee, with a copy to the senior executive management, which include information about the actual risk profile for all the bank's activities, compared to risk appetite document, while continuing to address negative deviations.
5. Verify the integration of risk measurement mechanisms with the management information systems used.
6. Study and evaluate all types of risks faced by the Bank.
7. Submit recommendations to the risk management committee about the bank's exposure to risks, recording cases of exemption from the risk management policy.
8. Provide the necessary information regarding the Bank risks, to be used for disclosure purposes.

Compliance Control Department: This department is tasked to verify compliance with local and international laws and regulations governing JKB businesses. Compliance Department submits its reports the Board Risks and Compliance Committee and copy of the same to the General Manager. It is also tasked to monitor and combat money laundry. Moreover, it is tasked to manage Customers Complaints Unit within a framework approved by BoD as per the supervisory instructions.

All the aforementioned departments should develop their own charters to be approved by BoD.

Business Ethics Code

JKB adopted a code of business ethics which was approved by BoD and pledged to abide by all JKB staff in their respective administrative levels, in addition to the BoD members.

This code identified JKB staff's ethics, values and principles through four main themes, namely:

- Integrity.
- Compliance with the laws.
- Transparency.
- Loyalty to the bank.

As for integrity, the code included that JKB employees are committed to the following:

- Depositors' funds are a trust and responsibility which should be kept safe.
- Personal interest should not conflict with JKB interests.
- Not to use inside information to serve personal interests.
- Maintaining objective and non- bias personal relationships.
- Avoiding business relations with customers and suppliers.
- No-discrimination whatsoever among customers.
- Refrain from accepting gifts, benefits and invitations.

As for compliance with the laws and regulations, employees should abide by bank secrecy and JKB policies and work manuals. Also, they should pay more attention for combating money laundering, not to issue bad cheques and to abide by the management's decisions.

Concerning transparency, JKB employees should be committed to provide authorized accurate figures, data and reports, and that the data is accurate, adequate, timely and in line with the standards. Additionally, employees should disclose their personal interest and soundness of their financial standing and their personal business activities, and to disclose any violations and damages.

Regarding loyalty to JKB, this could be realized through achieving JKB mission, vision, objectives and role, transferring JKB slogan into a tangible reality, besides achieving customer satisfaction and retain them, being positive, excellent, responsible, enjoying qualities and efficiency, then accuracy and continuous learning, keeping up with working hours, adapting to work stress with the spirit of teamwork, paying attention to appearance, conduct and good handling of situations, being keen to maintain JKB reputation and achievements, maintaining JKB assets and its appearance, not to disclose work secrets, taking permission of the administration to make any statement related to JKB via any means of media.

The relevant standards and policies are published through JKB website. The level of adherence to those standards and policies should be identified in the Corporate Governance Report included in JKB annual report.

Conflict of Interest

JKB shall have written policies on conflict of interest covering its definition, independent execution, and disclosure; whether such conflict is between the Board members and JKB or between the Executive Management and JKB.

Conflict of interest policy shall cover various aspects related to this subject, such as:

- Board member shall avoid the activities which may lead to conflict of interest.
- BoD approval shall be obtained for any activity a Board member performs that may result in a conflict of interest and verify that the activity does not contain any conflict.
- Board member shall disclose any subject, which may lead to or has already led to a conflict of interest.
- Board member shall abstain from voting on any item of the agenda which might contain a conflict of interest for the member or has an effect on the objectivity of the vote.
- All transactions with related parties shall be based on equal basis and clear mechanism established for the Board to handle the case in the event of non-compliance with conflict of interest policy.
- The conflict of interest policy shall contain examples of cases where a conflict of interest may arise for a Board member.

Transactions with Stakeholders

- JKB shall have written policies on transactions with the related parties. These policies shall include rules and procedures for organizing transactions with such parties whether between JKB and its employees, JKB and its Board members or their companies, or parties related to them, including lending transactions and joint trading transactions with JKB.
- BoD shall ensure that the transactions with stakeholders are reviewed to assess their risks and are subjected to appropriate restrictions in place.

Whistle Blowing Policy

The Bank shall place policies and procedures to report on illicit acts/ Fraud- "Whistle Blowing Policy", including procedures enabling employees to contact the Chairman of the Board to communicate any concerns they might have on the possibility of violations or fraud, and in a way that allows independent investigation into these concerns and to follow-up them. These procedures shall ensure that JKB provides the required protection for these employees to assure them they will not be threatened or penalized even when there is nothing to prove their concerns.

JKB Governing Policies

Jordan Kuwait Bank regards providing written policies covering all the Bank's activities with high importance as these policies are adopted by the Board of Directors and circulated to all management levels as well as reviewing and updating them regularly to reflect any changes and amendments that occur to the laws, regulations, economic circumstances and any other matters related to the Bank.

Protecting Shareholders Rights and their Relations with the Bank

- BoD ensures the protection of shareholders' fundamental rights concerning the registration and transfer of ownership, participation in the General Assembly meetings, gaining profits and get information regularly on JKB.
- BoD shall encourage shareholders' active participation of in the General Assembly meetings; explaining voting procedures and rules, as well as inform them by the date and venue of the meeting along with the meeting agenda in sufficient time, in addition to inform shareholders by the General Assembly minutes of the meetings.
- JKB develops positive relations based on transparency with all shareholders. In this regard, the Bank saves no effort to encourage all shareholders, especially minority shareholders, to attend the annual meeting of the General Assembly and they are encouraged to vote. In addition, consideration is given to voting on each issue that is raised during the annual meeting of the General Assembly separately.
- The Chairmen of the various Board committees attend the annual General Assembly meeting.
- Following the General Assembly meeting, detailed report is prepared to inform shareholders of the various remarks and questions brought forth by the shareholders and management responses to them as well as the conclusions reached.
- Representatives of the External Auditors attend the annual General Assembly meeting to answer any questions that may be raised regarding audit and the auditors' report.
- Pursuant to the Companies Law, members of the Board of Directors are elected or re-elected during the annual General Assembly meeting. The external auditor is also elected during the same meeting.

Transparency and Disclosures

- JKB provides full information regarding its activities constantly and periodically to all stakeholders such as regulators, shareholders, depositors and the public in general; focusing on issues with material impact on the Bank.
- JKB is fully committed to the requirements of full disclosure according to the International Financial Reporting Standards (IFRS) and the disclosure instructions issued by the Central Bank and regulators.

- JKB follows up the various developments regarding the requirements of disclosure according to international standards, such that they are immediately reflected in its financial reports.
- JKB commits to providing permanent and professional communication lines with all relevant stakeholders such as regulators, shareholders, investors, depositors and other banks. To achieve this, JKB shall create a position of Investors Relation officer whose main task is to provide full and objective information regarding the Bank's financial and administrative standing as well as the Bank's various activities.
- JKB annual report shall contain all information related to the Bank in a manner that is transparent andobjective.
- Publish periodic reports that contain quarterly financial information, in addition to a report from the BoD regarding the trading of the Bank's stocks and its financial standing during the year as well as periodic briefs by Executive Management for shareholders, financial market analysts and journalists specialized in the financial sector.
- Hold periodic meetings between the Bank's Executive Management and investors and shareholders.
- JKB provides the information available in its annual or periodic reports on the Bank's website in both the Arabic and English languages, where information is updated constantly.
- The reports that JKB presents must contain disclosure from the Executive Management about the results of current and future operations, the financial standing of the Bank and any future results of risk that might affect the general financial standing of the Bank.

Branches & ATMs Directory

Amman Branches

Main Branch	06-5621310
Jabal Amman Branch	06-4641317
Wehdat Branch	06-4777174
Commercial Center Branch	06-4624312
Tla'a El'Ali Branch	06-5532168
Jabal Al-Hussein Branch	06-5658662
Yarmouk Branch	06-4742549
Wadi El-Seir Branch	06-5858864
Jubaiha Branch	06-5333501
Ibn Khaldoun Branch	06-4613902
Shmeissani Branch	06-5685403
Vegetable Market Branch	06-4127588
Marka Branch	06-4889531
Madinah Munawarah Branch	06-5533561
Amra Branch	06-5535292
Sweifiyyah Branch	06-5851028
Nazzal Branch	06-4382618
Mecca Mall Branch	06-5518649
Abu-Nsair Branch	06-5235223
Abdoun Branch	06-5924195
Al-Mougabalain	06-4203679
Marj El Hamam Branch	06-5731053
City Mall Branch	06-5824698
Al-Rabiyah Branch	06-5510839
Wadi Saqra Branch	06-5679174
Dabouq Branch	06-5411580
Mecca Street Branch	06-5532651
Petra University Branch	06-4711283
King Abdullah Bureau Branch	06-4626990
Al-Madina Al-Riyadiyah Branch	06-5161873
Zain Branch	06-5810734
Dair Ghbar Branch	06-5853681
Khalda Branch	06-5370835
Al-Rawnaq Branch	06-5850289
Southern Sweileh Branch	06-5356737
Taj Mall Branch	06-5936901
Galleria Mall Branch	06-4017870
Hashmi Al Shamali Branch	06-5051538
Tabarbour Branch	06-5065336
Zahran Branch	06-4612214
Abdali Mall Branch	06-5629415
Abu-Hassan Mall Branch	06-4164585
Dome of the Rock Branch	06-4386827
Abu Alanda Branch	4162756-06
Private Banking Branch "The Villa"	06-5903232

Middle Region Branches

Baq'ah Branch	06-4725090
Madaba Branch	05-3244853
Amman Ahliyyah University Branch	05-3500029
Al-Salt Branch	05-3558995
Samarah Mall Branch	05-3561243
Fuhais Branch	06-4710530

North Region Branches

Irbid Branch	02-7243665
Yarmouk University Branch	02-7256065
King Abdullah II Street Branch	02-7248496
Al-Mafraq	02-6235901
Al Huson Branch	02-7020208
Jerash	02-6340916

South Region Branches

Aqaba Branch	03-2015188
Al-Karak Branch	03-2396102

Zarqa Area Branches

Zarqa Branch	05-3983855
Russaifeh Branch	05-3744151
Free Zone – Zarqa Branch	05-3826196
New Zarqa Branch	05-3864556
Hussien Bin Talal St. Branch	05-3938498
Bab Al Madinah Branch	05-9851273

Jawal Branch

Jawal Branch	+962-791995682

Branches Outside Jordan

Cyprus Branch	+35725875555

ATM Locations – Jordan

Amman

- JKB Head Office ATM
- JKB Safeway Shmeissani ATM
- JKB Cozmo ATM
- JKB Avenue Mall ATM
- JKB Mecca Mall ATM
- JKB Baraka Mall ATM
- JKB Jabal Al-Weibdeh ATM
- JKB Isteklal Hospital ATM
- JKB Crowne Plaza Hotel ATM
- JKB Rawhi Pharmacy - Abdoun ATM
- JKB Rawhi Pharmacy - Khalda ATM
- JKB Total Gas Station-Gardens
- JKB Rainbow St. ATM
- JKB Regency Hotel ATM
- JKB Centro Mall ATM
- JKB Clemensou Hospital ATM
- JKB Carrefour Al-Madinah Al-Monawarah ATM
- JKB Carrefour Abu Nsair ATM
- JKB Carrefour Al-Nuzha ATM
- JKB Movenpick ATM
- JKB King Hussein Business Park ATM
- JKB Fairmont ATM
- JKB Kuwait Embassy ATM
- JKB The National Center for Diabetes ATM
- JKB Abdali Mall ATM
- JKB Central Mall ATM
- JKB Arab Orient Insurance ATM
- JKB Abdali Boulevard ATM
- JKB Andalucia Villas ATM
- JKB Al-Tajamoat Industrial City ATM
- JKB Head Office 2 Building ATM
- JKB ST Regis Residences ATM
- JKB ST Regis Hotel ATM
- JKB Al Quds Bank ATM
- JKB Hilton ATM

Middle Region

- JKB Crowne Plaza Hotel / Dead Sea ATM
- JKB Hilton / Dead Sea ATM
- JKB Kempinski / Dead Sea ATM
- JKB Holiday Inn Resort / Dead Sea ATM
- JKB Al-Ahliyya Amman University ATM

North Region

- JKB Irbid City Center Mall ATM

South Region

- JKB Kempinski Hotel-Aqaba ATM
- JKB Tala Bay Aqaba

Zarqa Area

- JKB Al Manaseer Gas Station / Zarqa ATM

ITM Locations

- ITM - Abdali Boulevard
- ITM - Irbid City Center
- ITM - Abdali Mall Branch
- ITM - Abdoun Branch
- ITM – City Mall Branch
- ITM - Al Madinah Al Munawwarah Branch

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