بنك الاردن
Bank of Jordan

Date: 1/6/2020

Ref: Fin/ 275/2020

The Honorable,

Jordan security Commission

Amman Stock Exchange

Amman, Jordan.

للإيداع
بورصة عمان
البيدحمر
٦/١

Dear Sirs,

Subject: "Annual Financial Report for the year ended December 31,2019

Kindly find attached the translated annual report and translated consolidated financial statements for the year ended December 31,2019.

With all due respect,

Bank Of Jordan

Head Office

هيئة الأوراق المالية
الدائرة الإدارية / الديوان
٠١ حزيران ٢٠٢٠
الرقم المتسلسل ٦٠٥٠
الجهة المختصة

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2019

بنك الاردن
Bank of Jordan

Annual Report

bankofjordan.com

2019

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Bank of Jordan
Public Shareholding Limited Company, established in 1960,
Commercial Registration No. 13, Paid-up Capital JD 200,000,000
P.O. Box 2140 Amman 11181 Jordan, Tel.: +962 6 5696277 Fax: +962 6 5696291

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Website: bankofjordan.com
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His Majesty
King Abdullah II Bin Al Hussein

His Royal Highness
Crown Prince Hussein Bin Abdullah II

Our Vision

To be a pioneering bank that excels in providing products and services, offers comprehensive Fnancial solutions and acquires an advanced position in the Arab region.

Our Mission

To build amicable relations with our customers, optimize the returns to shareholders and contribute to social advancement by providing comprehensive Financial solutions through high-quality and effcient service channels and a modern business environment that comprises an excelling team of employees.

Board of Directors

Chairman of the Board/ Dedicated

Mr. Shaker Tawfiq Fakhouri/ Representative of Al-Ekbal Jordanian General Trading (LLC)

Vice Chairman

Mr. Walid Tawfiq Fakhouri/ Representative of Al Tawfiq Investment House - Jordan

Members

Dr. Mazen Mohammad Al-Basheir/ Representative of Arab Gulf General Inv. & Transport Co.

Dr. Yanal Mawloud Zakaria/ Representative of Al Yamama for General Investments Co. (Limited liability)

Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali/ Representative of Al Araka for Investments Co.

Mr. Haitham Mohammed Samih Barakat/ Representative of Al Lu'lu'a Trading & Investment Co.

Mr. Mohammad Anwar Hamdan

Mr. Husam Rashed Manna'

Mr. Walid Mohammad Al-Jamal/ Representative of Al Pharaenah Int'l for Industrial Investments Co.

Mr. Walid Rafiq Anabtawi

Mr. Wissam Rabee' Saab

Chief Executive Officer

Mr. Saleh Rajab Hammad

Auditors

Kawasmy & Partners Co. (KPMG)

Chairman's Letter

Dear valued shareholders,
As the events unfold relating to the COVID-19 pandemic, I felt that we, at Bank of Jordan, needed to give you the assurance in these times that your bank is on top of these events. And yes, we are.

As crises fall upon us, three tasks need to be planned for and executed well for the organization not only to survive, but to thrive;

- Business continuity planning and administration in face of the crisis
- Containment of the ill effects of the crisis
- Planning for and adapting to the post-crisis "new normal"

On the business continuity front, our 2019 work on upgrading the network infrastructure, moving a significant portion of our systems to the cloud, including collaboration systems, and implementing an outsourced on-the-cloud Security Operations Center (SOC), has paid well during the crisis. And with the enhancements done on the Mobile application, the Contact Center, and IP-Telephony, we were able to operate all bank functions by a combination of minimal on-site and remote resources.

As such, we assure you that your bank, Bank of Jordan, is fully open for businesses and is conducting all normal activities and has been so since the early days of the COVID-19 crisis and in all geographies.

As for the effects of the crisis, it is worth noting that the Central Bank of Jordan (CBJ) has taken several steps to enhance liquidity in the market. On the other hand, the CBJ has also taken steps to delay payments, suspend customer reclassification rules and force reduction of charged interest, for a large sector of Corporate and SME business, and for all Retail customers. Given our current liquid position, and given that our bank has implemented a methodological approach to pricing both assets and liabilities, the impact of such actions by the CBJ is minimal on our income statement, as the margins remained stable, and the delayed repayment schedules did not affect our liquidity position.

To quantify the macroeconomic impact of the crisis on our balance sheet, the bank conducted an impact-analysis on all our clients, by sector, and then individually for SME and Corporate clients. We also performed stress analysis on our asset and liability portfolio, including modelling the different sentiment modes of our depositors and corresponding deposit flight scenarios. We want to assure you that these analyses confirmed the resilience of Bank of Jordan's liquidity and capital adequacy positions in face of the most strenuous scenarios.

As for the "new normal", the bank has taken steps to greatly expedite its strategic projects, and particularly relating to enhancing digital enablement of clients and employees, reducing paperwork, limiting need for in-person physical interaction, and streamlining operations. We need to assure you here of the minimal impact that the COVID-19 crisis had on the progress of our strategic projects in mobility, data mining, CRM, digital banking, and content management, as well as on Enterprise Risk Management restructuring.

Year 2019 was a challenging year, despite the initial signs of improvement over 2018. Yet, we were able to grow our top line and reduce our operating expenses. Yet, sector challenges, and particularly in Real Estate and Contracting in Jordan, forced us to take higher provisions than planned. The additional taxes levied in 2019 by the Government of Jordan also impacted our bottom line. These adverse effects in Jordan were partially offset by improved performance by our branches in Bahrain and Palestine and our subsidiary in Syria, which allowed us to maintain an almost flat net profit.

To overview Year 2019 specific numbers, net profit in 2019 was 40.2 million JOD, compared to 41.5 in 2018. This was despite growing the 2019 operational revenues to 140.1 million, a 3.5% improvement over prior year. The drop of 1.3 million in net profit that was due to an increase of 11 million in provisions. This increase in provisions offset not only the growth in revenues, but also the improvements we achieved in operational efficiency. Operational costs dropped in 2019 to 46%, a 3% improvement over the 49% in Year 2018.

Despite it all, Bank of Jordan continued to maintain good profit margins. Our return on average assets was 1.52%, with a 9.72% return on average shareholder equity, both among the best in the banking sector.

The bank left 2019, going into the COVID-19 crisis, commanding healthy capitalization numbers, with capital adequacy at 17.07% and liquidity at 138.6%, both well above regulatory requirements. Our Nonperforming Loan provisions (NPLs), at around 100% coverage, continue to be one of the best in the market.

Dear Shareholders,
Our original plan, which was approved by the Board of Directors and by the CBJ prior to the COVID-19 crisis, was to recommend distributing 0.18 JOD/share as dividends. A post-crisis general directive by the CBJ suspended all dividends distributions by all banks. As such, we will not recommend dividends distribution for this year, as we are forced by the CBJ to delay this planned distribution to 2020.

Finally, our gratitude extends to you, our esteemed investors, for your continued support and our continued appreciation for the Bank of Jordan team, in Jordan, Palestine, Syria, and Bahrain, for their distinguished efforts during the last year and continuing through this crisis, and their relentless drive to achieve excellence.

Yours very truly,
Shaker Tawfiq Fakhoury
Chairman of the Board

Board of Directors' Report 2019

- Economic Performance 2019
- Achievements in 2019
- Analysis of Financial Position and Business Results for the Year 2019
- Our Goals for 2020
- Additional Information as Required by the Jordan Securities Commission 2019

Economic Performance 2019

The pace of global economic activity is still weak. Increased trade tensions between the US and China, credit tightening in China, and macroeconomic pressures in Argentina and Turkey have been driving forces behind the sluggish growth. Figures show that the global economic growth retracted to 3.6% in 2018 and is projected to fall to 2.9% in 2019.

Growth in the MENA region is also expected to drop from 1.1% in 2018 to 0.1% in 2019, and to rebound to a 2.7% in 2020. The huge volatility is attributed to the US sanctions on Iran and the civil strife in other countries. Advanced economies on the other hand, are projected to expand by 1.7% in 2019 against 2.2% in 2018. Emerging and developing markets will likely expand by 3.7% in 2019 against 4.5% in 2018.

In Jordan, regional and international challenges continue to stifle growth and development despite strenuous efforts to absorb shocks and the relative success in dealing with their repercussions. Figures reveal that real GDP growth has not changed much since 2015; 2 - 2.5% on average, and unemployment is still stubbornly high particularly among the youth and women.

The pace of reforms is also slower than planned and yields from increasing revenues and expanding the tax base fell short of expectations, leaving little space for public investment. Debt is at record levels and imbalances were even more pronounced in 2019. This means Jordan will be in dire need for international assistance from the donor community to advance growth-enhancing reforms.

At the regional front, Jordan is still wary of the fresh wave of protests sweeping neighboring countries, most recently Iraq and Lebanon. These tensions, combined with the crisis in northern Syria and instability in Palestine, could negatively affect trade exchange and dampen investor sentiment across the Arab region, including in Jordan.

To make up for marked revenue underperformance, the government slapped an additional 3% tax – the national contribution tax - on banks under the new income tax law which entered effect on 1/1/2019. This brings up the total taxes paid by banking sector to 38% instead of 35%.

Additionally, the new legislation slashed tax exemptions for both individuals and corporations. Tax deductions will also gradually increase in 2019 and 2020, which means the ability to spend and to borrow money will be adversely affected. Higher taxes will eat up corporate profits across all economic sectors – another challenge when we know that the private sector is a key contributor to tax revenues.

Domestically, 2019 was a tough year for the economy; the trading value fell 12% to JD 4.6 billion during the year 2019 compared to the year 2018. The real estate and housing sector were particularly hit by the decline, and government revenues from the sector have subsequently shrank. Real estate investors blamed the fall on the high taxes and fees imposed on the sector. The year also witnessed a sharp drop in demand across the board, provoking public outcry and growing frustration from both individuals and businesses. These pressures made public finance management even more difficult for the government.

Against this backdrop, the government approved a stimulus package to reinvigorate the national economy, boost investment, push administrative reforms forward, improve living standards, and enhance public services.

Macroeconomic indicators show that GDP at constant prices inched up 1.9% in the first three quarters of 2019, and by 3.6% at current prices. Direct investment (net inflows) stood at JD473.1 million in the three quarters of 2019, a drop of 12.8% when compared to the corresponding span in 2018. Tourism income, meanwhile, rose by 9.9% to JD3.8 billion at the end of the first eleven months of 2019 against the same span the year before. It is worth noting that tourism is a key pillar of the economy with income rising by 14.7% in 2017 and 13.1% in 2018. The number of tourists is also expected to exceed five million annually by 2020, according to the Jordan Tourism Board.

Remittance saw a minimal increase of 1.4% year-to-November, reaching JD2.4billion when compared to the corresponding period in 2018. It is worth noting that remittances are considered vital for socio-economic growth and development; they help reduce poverty and improve public housing, education, and health services. They also help boost foreign reserves and deposits and increase lending for the private sector.

As for unemployment, figures show that the government has not met much success in creating new job opportunities since 2008; unemployment remained obstinately high at 19.1% in Q3 2019. This compares with 18.6% in the corresponding quarter in 2018. Inflation stood at 0.3% in the first eleven months of 2019 against 4.5% by end of November 2018, according to recent available figures.

On public finances, the total public debt skyrocketed to JD 30.2 billion end of October 2019, equivalent to 96.9% of the GDP projected for end of the same month. The total public debt stood at JD 28.3 billion or 94.4% of GDP for 2018. The deficit, including foreign grants, amounted to JD1.133 billion ends of October 2019, representing 4.4% of GDP projected for the first ten months of the year. The budget shortfall amounted to JD 859.5 million by end of October 2018, equivalent to 3.4% of GDP projected for the first ten months of 2018.

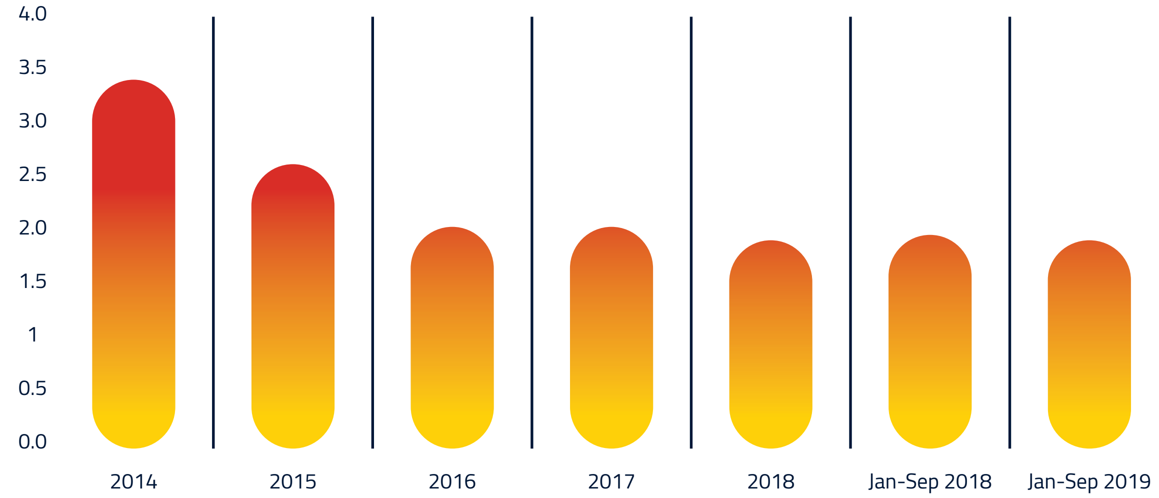
Key monetary and banking indicators, on the other hand, unveil that foreign reserves with the Central Bank of Jordan (CBJ) rose 1.7% end of November 2019 to JD11.7 billion from end of 2018. Customer deposits surged 3.8%, reaching JD 35.1 billion, while credit facilities surged 3.9% and reached JD 27.1 billion, year-to-November 2019 from end of 2018. The total assets of the banking sector grew to JD53.3 billion by the end of November 2019, higher by 4.7% from the end of 2018.

Gross Domestic Product:

GDP at constant prices expanded by 1.9% to JD21,918.6 million during the first three quarters of 2019, an increase of 2% when compared to total output of JD21,507.3 million recorded between January and September 2018. The economic performance varied from sector to sector in the first three quarters; a 5.7% pick-up was recorded in "mining and quarrying," a 3.4% expansion in "social and personal services," and a 3.1% increase in "transport, storage and communications." Agriculture grew by 2.6% while "private non-profit services for households" and "financial, insurance, real estate, and business services" expanded by 2.9% each.

Other sectors saw slower growth in the first three quarters of 2019. These include "water and electricity" and "government services" which nudged up 1.7% and 1.9% consecutively. The "manufacturing industry," "the trade, restaurants, and hotels," and the "household services" saw a negligible expansion of 1.3%, 1.0%, and 0.1% respectively. The construction sector, in the meantime, retracted by 0.3%.

Gross Domestic Product (%) 2014 - 2019



Inflation measured against the CPI stood at 0.3% in the first eleven months of 2019 against 4.5% registered during the corresponding span a year earlier. Main items that contributed to the increase included rent, vegetables, cereals and products, education, culture, and entertainment. Key groups that saw a drop-in price during the comparison period were transport, dairy products, eggs, meat, chicken, tobacco and cigarettes.

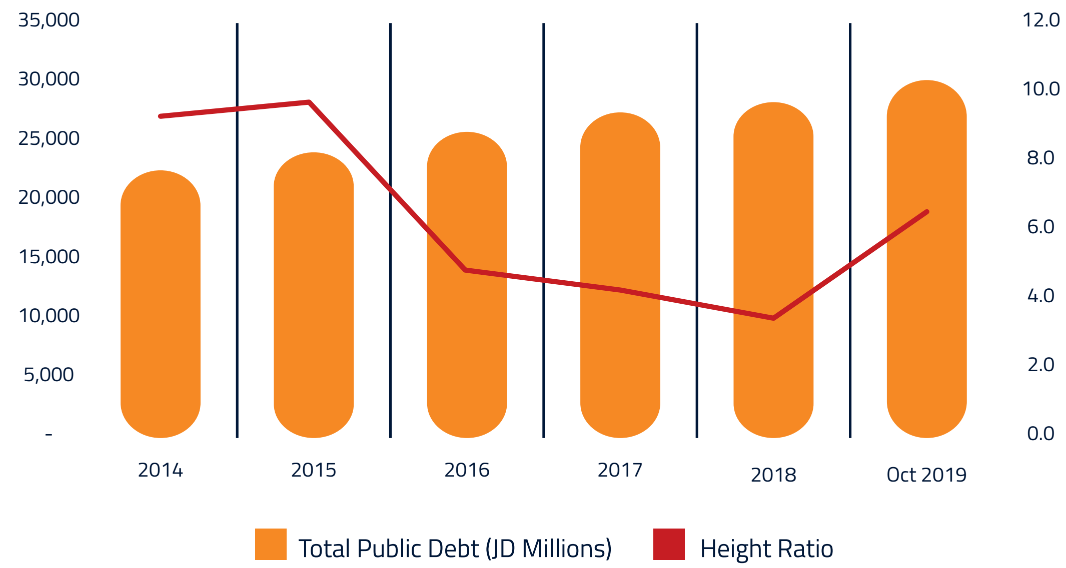
Public Finance:

Domestic revenues and foreign grants amounted to JD6.04 billion in the first ten months of 2019 against JD5.9 billion by end of October 2018, up 1.6%. Foreign grants retracted to JD207.3 million from JD263.4 million, while domestic revenues edged up 2.7% to JD5.8 billion during the comparison period. The increase in domestic revenues came on higher tax and non-tax revenues, which soared by JD118.1 million and JD35.5 million respectively.

Expenditure, in the meantime, exceeded revenues for the same period as it surged by 5.5% to JD7.2 billion. A 6.3% increase in current expenditure is blamed for higher spending. Capital expenditure, meanwhile, fell 3%. This left the budget with a shortfall, grants included, of JD1.133 billion ends of October 2019, compared with JD859.5 million ends of October 2018. Excluding external aid, the budget gap hit JD1.340 billion, up from JD1.123 billion for the same period. Domestic revenues financed 88.7% of current expenditure in the first ten months of 2019, while they financed 91.8% of current spending in the same period the year before.

Accordingly, the total public debt reached fresh highs of JD30.2 billion, equivalent to 96.9% of GDP projected for end of October 2019 from JD28.3 billion or 94.4% of GDP for 2018. It is worth noting that the accumulated debt of the state-owned National Electric Power Company (NEPCO) and Water Authority of Jordan skyrocketed to JD7.6 billion ends of October. The net public debt (internal and external) clocked in at JD28.9 billion, or 92.8% of GDP estimated for the first ten months of the 2019 fiscal year against JD26.9 billion or 89.7% of GDP for 2018.

Developmemt Of Total Public Debt Volume 2014-2019



The Monetary and Banking Sector:

Regional political uncertainty, global economic tensions - mainly trade wars - combined with abrupt changes in interest rates, and confusion in world stock markets were warning signs that a new financial crisis could be looming. The inversion of US bond yield curve and soaring gold prices have also stocked worries and adversely affected Jordan's macroeconomic indicators.

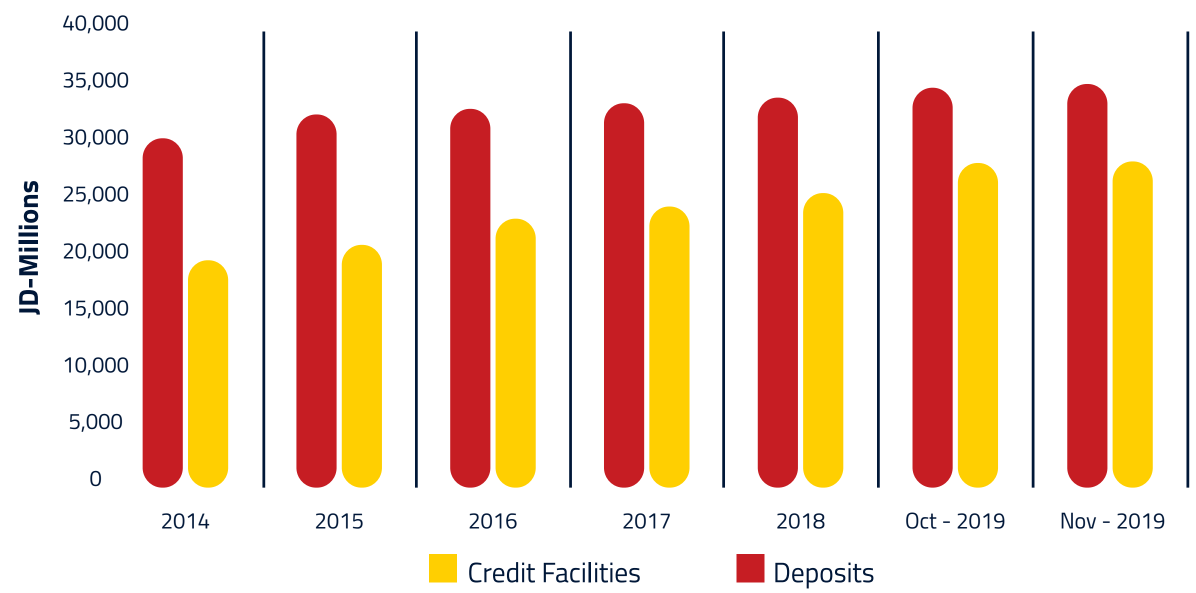
Successive and concurrent crises led to a slowdown and disruption in several economic sectors, underscoring the need for broader reforms to avert public and business frustration. Thus, a national program for economic and structural reforms was launched that included a host of measures aimed at advancing fiscal consolidation and reducing tax distortions. The program also seeks to revive the national economy, achieve higher growth rates, and combat unemployment. And the package bore some fruit; national exports saw a rise in first nine months of 2019, and foreign currency reserves witnessed a growth in the first eleven months of the year. Tourism income, among other indicators, also recorded an increase which reflected positively on banking indicators.

Official figures show that foreign currency reserves inched up 1.7% to USD11.7 billion ends of November 2019 compared to end of the corresponding month in 2018. Domestic liquidity surged by 4.3% year-to-November, hitting JD34.8 billion compared to its balance at the end of 2018.

Customer deposits with the banking sector rose 3.8% in the first eleven months of 2019 compared with the end of 2018, settling at JD35.1 billion. The largest increase was noted in dinar-denominated deposits, which grew by 4.8% to JD27 billion. Foreign-currency savings accounts, in the meantime, rose by JD43 million to JD8.2 billion.

Credit facilities also grew 3.9% to JD27.1 billion from a year earlier. By sector, the highest year-on-year growth was recorded in credit granted to the manufacturing sector, which rose 11.4% to JD439.6 million. Credit to other sectors (retail) increased 9.1% to JD485.7 million, accounting for 47.5% of total growth. This was followed by the public services and utilities and the manufacturing sectors whose share stood at 43% and 21.7% respectively. However, financial services, general trade, and the mining sectors, contributed to lowering credit growth by 16.2%, 14% and 5% consecutively.
A note to mention here is that the total assets of the banking sector climbed around 4.7% to JD53.3 billion when compared to their balance at end of 2018.

Development of deposits and credit Facilities in Banking Sector



he weighted average interest on deposits and credit facilities fluctuated in the first eleven months of 2019, averaging 0.43% for demand deposits, 0.68% and 4.90% for savings accounts and time deposits respectively. This represents an increase of 5 basis points for demand deposits, a drop of 3 bps for savings accounts, and an increase of 17 bps for time deposits compared to the end of 2018.

For overdraft, the weighted average interest stood at 8.63% end of November 2019, up 22 bps from the end of 2018. On loans and advances, it witnessed a drop of 49 bps, averaging 8.20%. The sharpest drop of 78 bps was on discounted bills, where the average stood at 8.86%. In line with international developments, the CBJ lowered interest by 75 bps since the start of August; three times in total in the second half of 2019, by 25 bps each time.

The move will help bring down interest rates on loans, which will in turn alleviate the debt burden for businesses and retail clients. This is intended to encourage customers to borrow more money to finance investments and consumption expenditure. It is also meant to boost foreign direct investments and lower borrowing cost for the government from banks and other financial institutions locally, as well as the cost of debt on the short and medium term.

There are also high hopes that the move will motivate depositors to invest at least a portion of their deposits that sit idle in banks back in the economy. Should interest rates stabilize internationally as projected, they will stabilize locally. This is expected to bolster the banking sector and create bigger opportunities for launching more financial products that offer affordable interest and increase demand.

Amman Stock Exchange (ASE):

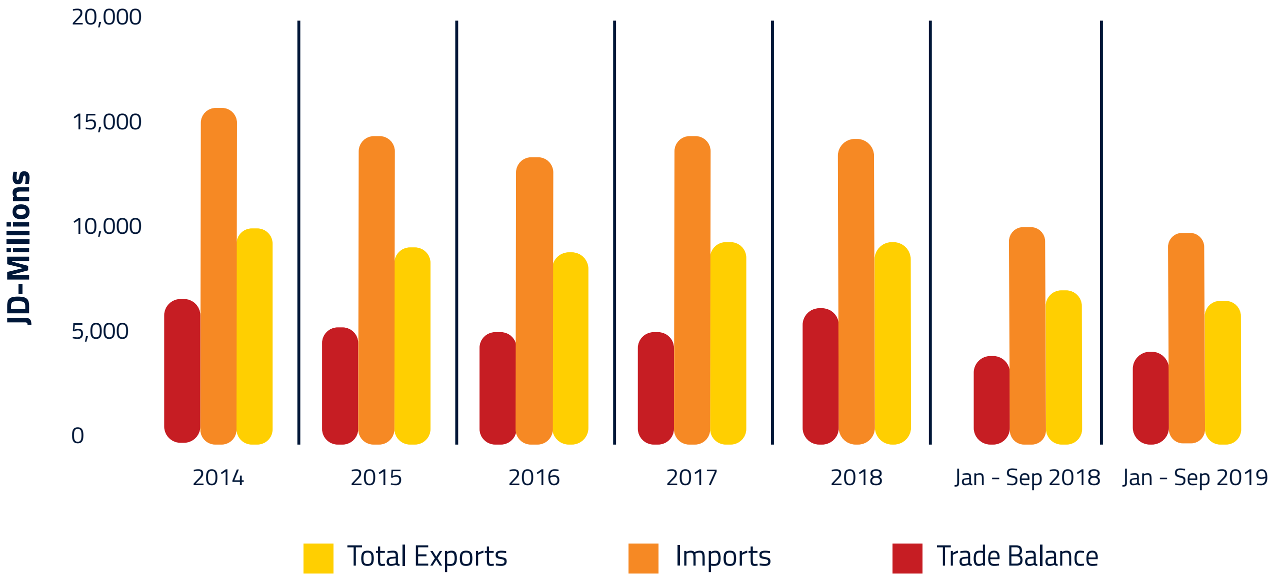
Amman Stock Exchange continued a downward trend started 10 years ago; with the trading value sinking 88% at the end of 2018 when compared to 2008. By end of 2019, the trading value plunged 31.6% to JD1.6 billion from a year earlier. Market capitalization of listed stocks, meanwhile, plummeted by 7.5% to JD14.9 billion. The Share Price Index weighted by market capitalization also fell by 7.5% to 3,513 points at the end of 2019 compared to the end of 2018. The contribution of non-Jordanian investments in listed companies stood at 51.6% in 2019, close to their share of 51.7% in 2018, according to ASE statistics.

External Trade:

External trade (national exports and imports) dropped by 2% in the first nine months of 2019 to JD13.8 billion compared to the same period in 2018. National exports increased by 7.8% to JD3.7 billion while imports dropped by 5.3% to JD10.1 billion. More than a quarter of exports – 28% - headed for the US. A total of 11% of total exports were sold to Saudi Arabia, and 9.5% to the Indian market.
As for imports, trade statistics unveil that 17.3% of Jordan's exports came from Saudi Arabia. China came in second place and the US came in third place, accounting for 16.1% and 8.5% of imports consecutively. Transport vehicles and spare parts constituted 23.3% of imports while crude oil and oil derivatives made 19.8% of the total.

Consequently, the trade gap narrowed by 13.4% to JD5.7 billion year-on-year.

Development of Total Exports, Imports and Trade Balance



Historically, Jordan has taken several measures to boost external trade, starting with joining the WTO in 2000, signing an FTA with the US, and extending and broadening of the trade agreement with the EU. This in addition to the "London Initiative" Conference held at the end of February 2019, which once again showed the international community's commitment to support Jordan's efforts to spur growth, create jobs, and boost investments.

Economic Performance 2020:

The International Monetary Fund (IMF) lowered its global growth forecast to 2.9% from 3.3% in 2019 and to 3.3% from 3.6% in 2020.
The downward revision came after growth projections were cut for emerging and developing economies, such as China, India, and Brazil. The trade war between the US and China is cited as a main reason for weaker prospects and heightened international tensions. Other factors include the slow recovery in the Eurozone, the ongoing currency war. For advanced economies, the growth momentum will likely weaken particularly for countries that rely on external demand.

It is worth noting that economic expansion in advanced economies is projected at 1.7% at the end of 2019 and 2020. Emerging and developing countries are set to see a growth of 3.7% in 2019 and 4.4% in 2020.

In Jordan, IMF said the economic slowdown is expected to continue; growth is not expected to exceed 2.2% (at constant prices) in 2019 but will likely pick up to 2.4% in 2020. Geopolitical tensions and global trade uncertainties that escalated in recent month continue to represent risks to the outlook in the region, according to the IMF Regional Economic Outlook for October 2019. Inflation is expected to remain low when compared to 2018, averaging 2-2.5% in 2019 and 2020.

For unemployment, however, the picture looks bleak, with forecasts that it will surpass 19% in 2020. Delays in implementing drastic solutions to combat unemployment combined with weak demand in the local market make it more and more difficult to create new jobs. According to the IMF estimates, official foreign currency reserves are expected to rebound; ranging USD13.4 - USD14.7 billion between 2019 and 2020.

It is worth noting that Jordan's draft budget for 2020 envisages public revenues of JD8.6 billion. Expenditure is projected at JD9.8 billion, JD768.8 million higher from re-estimates for 2019. Considering the revenue-expenditure gap, the deficit, including foreign aid, is projected to swell to JD1.25 billion or 3.9% of GDP against JD1.21 billion re-estimated for 2019 or 3.9% of GDP. Before grants, the deficit is forecast at JD2.05 billion or 6.4% of GDP against a revised JD2.02 billion for 2019 equivalent to 6.5% of GDP. The deficit-to-GDP ratio is projected to narrow from 3.9% in 2020 to 3.7% in 2021 and to 3.6% in 2022. However, the debt-to-GDP ratio is forecast to rise from 99.8% in 2020 to 100.2% in 2021 and 100.5% in 2022.

Under the "Extended Fund Facility", the IMF met with the Jordanian authorities for conducting Article IV consultation. The two sides discussed recent developments and risks to the economy and agreed on priorities for the next few years. These are preserving economic stability, supporting growth, creating jobs, and enhancing social protection. To realize these goals, the two parties discussed the adoption of a new IMF-supported four-year economic program.
For its part, the Jordanian government reaffirmed its commitment to continue reforms and overcome obstacles to growth. Positive signs included softening inflation, improvement in the balance of payments, and a recent recovery in international reserves. The IMF team commended the government for preserving macroeconomic stability. They also commended the authorities for strengthening the business climate in Jordan which has placed the Kingdom as one of the world's top three improvers, according to the World Bank's Doing Business Indicators.

Monetary policy and the exchange rate position remain appropriate, and foreign reserves are at comfortable levels, said the global lender. The Fund recommended adjusting interest rates as needed to ensure currency stability and bolster confidence.
As for financial soundness indicators for the banking sector, figures reveal that that the capital adequacy ratio of banks stood at 16.99% in the first half of 2019 against 16.94% at the end of 2018. Legal liquidity reached 129.5% against 131.9%, and non-performing loans to total debt stood at 5.2% versus 4.9% (according to latest statistical data).

Achievements 2019

Bank of Jordan continued to innovate, streamline, and automate. Persistent efforts have been put in to develop financial solutions that would appeal to retail and institutional clientele. Procedures and processes have been further simplified, and the shift to digital moved at a faster pace. Efficient resource management aimed at achieving operational excellence, maximum profitability and growth was also a top priority in 2019.

Implementation of the second phase of BoJ strategic plan for 2018-2020 also began during the year to ensure a seamless customer experience. Focus, this time, was placed on developing the retail banking and operations sectors through executing projects aimed at service enhancement across all distribution channels while embracing latest industry trends. Thus, the two sectors involved built their operational plans for 2019 using the balanced scorecard tool to ensure alignment with the Bank's overall goals. The first review of the three-year plan, in the meantime, was conducted and goals were updated considering socio-economic and IT variables that could impact the Bank's performance in the various markets.

Several projects and action plans including the Enterprise Content Management (ECM), the Enterprise Risk Management (ERM), the Managed Security Services (MSS), and the Customer Experience (CX) were executed under the strategic plan. Other projects for improving the credit process and business intelligence reporting were also carried out. Furthermore, enhancements were introduced to BOJ Mobile and the updated version of the app was launched in Palestine.

To bolster its regional physical presence, the Bank has its sights set on Iraq this time; plans are under way to open a branch in the Republic of Iraq. After securing approval from the Central Bank of Jordan, BoJ is completing other regulatory requirements mandated by the Central Bank of Iraq to start operations.

Financial Results:

Despite local and regional economic challenges, Bank of Jordan succeeded in consolidating its strong financial position and maintaining growth and profitability. Crucial financial ratios were kept within regulatory limits, chiefly the capital adequacy and legal liquidity ratios which reached 17.07% and 138.6% respectively in 2019. The ratio of non-performing loans to total credit (net interest in suspense), in the meantime, stood at 6.9% against 5.3% in 2018.

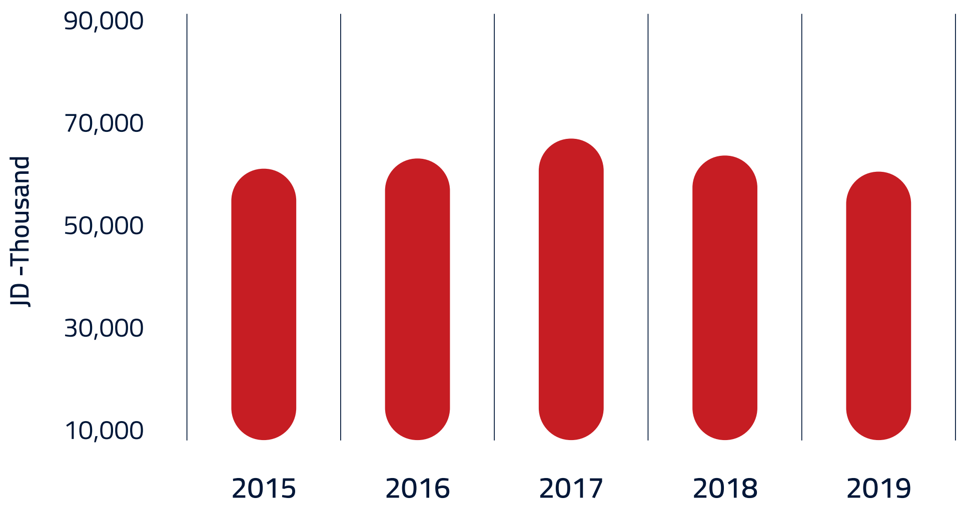
Additionally, the loan-loss coverage ratio reached 99% at the end of 2019 – considered among the best ratios in the banking sector.

Financial results for 2019 also showed that the net profit attributable to Bank shareholders stood at JD40.2 million, 3.3% lower than the JD41.5 million recorded a year earlier.

Net profit before tax was down by 2.9% settling at JD61.1 million by the end of 2019 from JD62.9 million in 2018. The year-on-year drop is largely blamed on higher provisions for impairment of credit facilities which rose by JD11 million from a year ago. The local and regional economic slowdown and its impact on the business and retail sectors is cited as a key factor behind the spike in non-performing loans during the year.

The same results unveiled a growth of 12.5% in net income before tax and provisions from JD71.7 million in 2018 to JD80.7 million in 2019. Likewise, assets grew by 3.4% from 2,619 to JD2,708 million. Shareholder's equity, meanwhile, was up 0.6% to JD411.3 million. It is worth noting that the average return on asset stood at 1.52% and the average return on shareholder's equity reached 9.72% - one the highest in the banking sector.

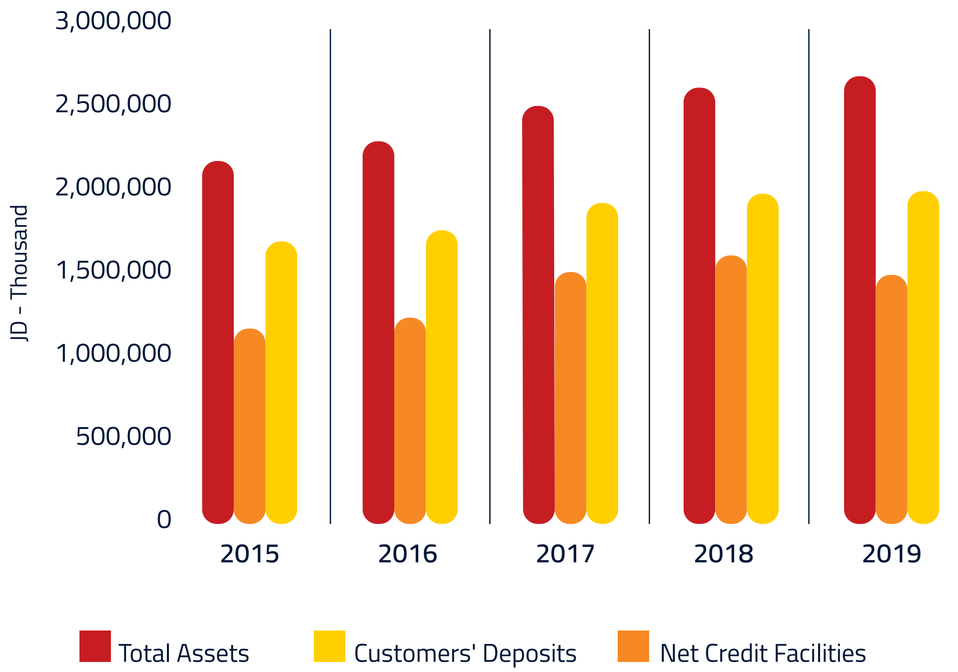
Net Profit Before Deducting Taxes



As for the sources of funding, figures show that customer deposits rose by 2.7% to JD1,919.1 million by end of 2019 from the year before. Saving accounts and time deposits rose to JD790.7 million and JD554.9 million respectively, while demand deposits slid to JD467.4 million and CDs fell to JD106.2 million.
Despite the decline in general economic activity, the Bank continued to lend, cautiously though, to various business sectors while keeping a close watch on the different markets.

On the credit side, the net credit portfolio shrank by 2.8% year-on-year to JD1,531.5 million. Loans to the Corporate sector dropped by 8.4% to JD681.8 million. A breakdown of these loans show that corporate loans amounted to JD438.1 million while loans to SMEs stood at JD243.7 million. Similarly, credit extended to the public sector dropped by 8.9% to JD122.7 million while lending to the real estate sector was down 4.1% to JD238.6 million. The only growth in credit was seen in the retail sector which grew by 9.1% to JD488.4 million.

The Development of Financial Position



The consolidated income statement revealed that the Bank's total income rose by 5.4% to JD149.4 million at the end of 2019 versus JD141.7 million twelve months earlier. This was primarily due to the JD4.8 million increase in operating revenues generated from net interest and commission income which reached JD140.1 million and which accounted for 93.8% of total income. A smaller increase of JD2.1 million was recorded in other revenues, which rested at JD5.3 million. Foreign currency earnings edged up JD786.5 to JD3.2 million.

Also, this year, the bank managed to rein in expenditure and applied best practices in asset management. Thus, its operating efficiency ratio reached 46% in 2019 against 49% in 2018.

Competitive Positions

Bank of Jordan continued to position itself as a market leader with a share of 4.1% of total customer deposits in Jordan and 4.6% of total credit facilities at the end of November 2019. This was made possible through implementing a prudent credit policy, and at the same time diversifying income solutions through investing in the various economic sectors to ensure sustainable business growth.

Its market share of the Palestinian banking sector stood at 3.80% of total deposits and 3.6% of credit facilities end of November. In Syria, Bank of Jordan – Syria claimed 2.7% of deposits of private banks by end of third quarter of 2019, and 3.6% of credit facilities provided by private banks – according to latest available data.

Products and Services:

Diversifying into new product lines and services to meet the various needs of retail and large corporate clients and SMEs was at the core of BoJ business strategy for 2019.

Retail Services:

Bank of Jordan pressed ahead with introducing new financial solutions and altering existing ones to satisfy the requirements of its wide retail client base. In view of that, the biggest monthly prize of JD250,000 for savings accounts was marketed with a new shape and design. A special campaign for promoting the children's savings accounts "Sanabel" was also launched. The competitive housing loan came with additional benefits in 2019 including discounts from furniture and home appliances stores and a free internet access for one year. For auto loans, financing covered 70% of the care price with more privileges added and a faster-than-ever loan processing time. More flexible credit procedures were in place for the other 50-50 car loan program. Interest on personal loans was lowered as well. Also, this year, clients could postpone personal loan payments simply through contacting the call center.

And shopping became more convenient with the Instant Point Redemption Program; credit card owners can instantly accumulate points earned as cash or redeem them with every purchase made locally or abroad. This can be done through either contacting the call service center or simply through the BoJ app in a secure and swift manner. The wPay smart bracelet was on offer this year in addition to other campaigns that seek to encourage the use of credit cards and instant payment cards.

In the Palestinian market, more benefits and privileges to loan products were offered throughout 2019; Bank of Jordan exempted customers, who earn JD500 or more, from paying the life insurance commission that it usually charges on their personal loans. The loan payment period was extended for salary accounts and personal loans for public servants. Car financing agreements were also concluded with several car agents. A marketing campaign for savings accounts was launched end of June 2019 with a prize of ILS 20,000 awarded for each of the five winners every month and a prize of half a million ILS for one winner in September 2019. The grand annual prize of one and a half million ILS is drawn at the end of the year.

Corporate Services:

Despite the economic slowdown, Bank of Jordan continued to serve large businesses, through strengthening relationships with existing clients and attracting prospected customers. Key sectors financed during 2019 were the trade, electricity, water, construction, and the industrial sectors. A new transactional banking management function was created and is tasked with improving cash management and external trade financing. This is in addition to upgrading digital services for large corporate clients in line with latest trends. Customer relationship managers, meanwhile, continued to receive training needed to face market challenges through certification programs delivered by "Bank of Jordan Credit Academy" in cooperation with Moody's Analytics. Marketing strategies that support relationship managers to identify and reach out to potential clients were adopted and backed by sector studies. An automated system for managing marketing opportunities (KINZ) was also rolled out.

Other financing products and services were accessible through Bank of Jordan-Bahrain - established as a wholesale Bank in 2018. These included short and long-term financing and trade finance products for sovereign funds, large businesses, and financial institutions through syndicated loan arrangements and investing in securitie in the Gulf and Egypt and others. The step seeks to enhance the bank's position in the MENA region and expand and foster relationships with financial and banking institutions alike.

SMEs Services:

The Bank was keen to serve SMEs, seen as engines of economic development and essential providers of jobs in Jordan and Palestine. Thus, credit was extended to SMEs in the trade, industrial, and services sectors through specialized centers across the Kingdom and Palestinian governorates.

Key sectors served were the trade, mining, manufacturing, agriculture, construction, real estate, hotels and restaurants, transportation, telecommunications, education and health. In Palestine, services were provided to SMEs in the trade and manufacturing, and real estate sectors.

Specialized training courses on credit analysis and research were organized for SME service centers in Jordan and Palestine through BoJ training program implemented in cooperation with Moody's Analytics.

Financial Leasing:

For clients who opt for alternative ways of financing, Bank of Jordan offered financial leasing services through its subsidiary, Jordan Company for Financial Leasing. Assets purchased and leased include cars, real estate, industrial machines, medical equipment, transport vehicles, and other fixed assets. The company's website was also launched allowing customers, both retail and corporate clients, to review the various financing programs and to apply online.

Branch Network and E-Digital Channels:

Bank of Jordan makes sure to serve clients whenever they need and wherever they may be. New ATMs were installed in high foot traffic areas across Jordan and features were enhanced. And to expand its physical presence, three new branches were opened in 2019 in Amman, while two other branches merged into one. In Palestine two branches opened their doors during the year; one in Jerusalem and another in Ramallah.

The Bank also continued to integrate technology to deliver a seamless banking experience for customers. For e-payments, the BOJ Mobile app was upgraded for Jordan and Palestine with enhanced features that make transactions smoother and more secure.

Moreover, the Bank launched a campaign to promote the "Tokenization" security technology which enables clients to pay using BoJ Mobile app through creating an e-wallet that connects the mobile to their payment card. The service, which will be ready for use in early 2020 is available for NFC-enabled cellular phones only.

Organization, Operations and IT Infrastructure:

Bank of Jordan moved ahead with improving its business models and upping its technology investment. It also continued to evaluate the current and the future needs of Bank of Jordan Group in order to ensure high service quality and smooth workflow.

In the area of customer relations and engagement, several projects were executed chiefly the CX system, a key business investment that helps manage interactions with the customer across all touchpoints. A database was also created for each customer. The e-marketing, social media, customer complaints, and sales systems were launched as part of the project.

On another front, efforts were ongoing to develop the business intelligence reporting system where business information is collected, analyzed, and reported to support better decision-making. And to increase process efficiency, the Bank is working on developing a document management system to manage and store documents and reduce paper usage while considering regulatory requirements. The project will be implemented as of 2020. Other processes were automated, and more systems are moving to the cloud.

At the organizational level, several studies were conducted, new departments were created, and others had merged in line with best management practices, Accordingly, a new "Financial Control and Data Management Department" was created under the Financial Control Department, and a "Cash Management Unit" started functioning as part of the Central Operations Management.
The "Service Quality and Customer Experience" and the "Electronic Channels and Branches" departments and the Call Center merged into the "Customer Experience and Communication Channels" Department. Similarly, the Engineering Services and the Real Estate departments became one entity.

Added to that, the strategic Planning and Studies Department was restructured. The Compliance Department, on the other hand, was separated from the Risk Management Department and reports now directly to the Board's Compliance Committee - in accordance with CBJ instructions and best practices in the field.

In Palestine, the CCM, AML, FICO systems were implemented. For ATMs, the BNA (Bunch Note Acceptor) and Aptra vision Solidcore projects were executed. Moreover, the EPCFG system was upgraded and data bases were centralized and saved on a special server.

SOPs for check clearing and deferred checks were also revised and the necessary changes were made ahead of launching the electronic check clearing project.
In Bahrain, job descriptions were created and approved, and the Bank successfully completed the implementation of the HR system. Additionally, an organizational study at the level of the Financial Control Department was conducted. Furthermore, HRMS Cloud was tested and launched to help Bahrain employees.

Best practices were in the area of risk monitoring and management, compliance, and data security were adopted. In due course, the Bank in cooperation with Moody's, started implementing the Enterprise Risk Management Framework (ERM) which seeks to improve credit and risk management at the institutional level. This is in addition to executing a project for improving the credit process where goals overlap with ERM goals. Thus, the Credit Lens has now replaced the older Moody's Risk Analyst. A methodology for setting temporary country risk ceilings has also been prepared. Other sub-projects related to risk management will be implemented while others will continue in 2020 within the ERM project.

In another step, the Bank contracted Scanwave to implement the Managed Security Services (MSS) project which will help manage information security and meet requirements mandated by regulators and guidelines on dealing with cyber risks.
The market, interest, and the liquidity risk management policies were updated as well as the complaints handling procedure and the financial contingency plan. Other policies that were revised and amended include the compliance and the AML/CFT which were approved by the Board while factoring in regulatory requirements and changes in the business environment.
In another achievement, Bank of Jordan was labelled as a domestic systematically important bank (D-SIBs) for the third year in a row, – after it satisfied all CBJ qualitative and quantitative requirements. Besides, the ICAAP was applied as per in accordance with CBJ and Basel I and Basel II regulations. The initial outcome showed that the Bank sits on enough capital to cover all types of risks – not only those calculated under Pillar I.

A note to mention here is that the Board remains committed to the best governance practices while considering the banking environment and bylaws governing the bank's operations.

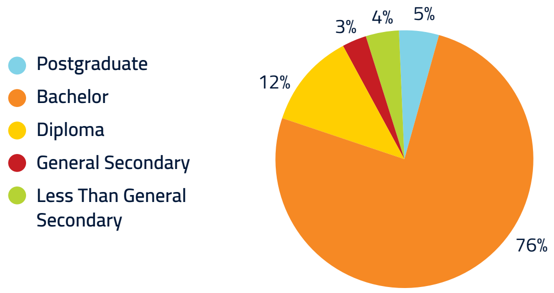
Human Resources

While investing in system upgrades, Bank of Jordan continued to upgrade employee skills and knowledge throughout 2019. Specialized training programs were organized inside and outside the bank including technical training to develop staff competencies. These included the Credit Academy, Sales Academy, and the Certified Business Relationship Manager training and certification programs. It is worth noting that all staff are getting training courses by the end of the year 2019, including E-learning.

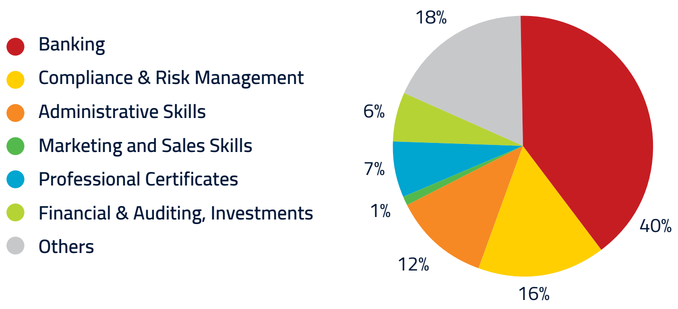
"My Job" internship program continued in 2019, where school and university students are oriented about the business environment, getting them ready to join the workforce after graduation. Moreover, e-training programs continued year-round such as the induction program for new employees, and other programs for tellers, data security and operational risk staff.

Also, this year the Bank started a reading club to enhance the exchange of knowledge and ideas among staff. Monthly sessions are organized for members to discuss the book selected for each month. Several sports activities and championships were also organized. The Bank also hosted Iftar banquets for employees during Ramadan and offered them various discounts.

Classification of Bank Employees According to Educational Qualifications for the Year 2019



Training Courses Distribution During 2019



Corporate Social Responsibility:

Education and Culture
Believing that education is a tool for empowering local communities, the Bank was still committed to supporting older education and cultural initiatives and backing new ones.

Thanks to "the Open Day" initiative, thousands of children have been given the opportunity over the last ten years to learn through edutainment at the Children's Museum. They enjoy free entry on the first Saturday of each month under the initiative which is supported by the Bank in cooperation with Queen Rania Foundation for Education and Development. The Bank is also a partner in the community financial literacy initiative that targets school children. Added to that, the Bank sponsored several scholarships in cooperation with national institutions; namely Elia Nuqul Foundation, the Faculty of Educational Sciences and Arts - UNRWA, and King's Academy. Furthermore, it co-sponsored "The International Conference on Creativity, Innovation and Entrepreneurship in Business Environment: Opportunities, Tools and Challenges" held at Balqa Applied University.

The Bank also extended support for youth and cultural initiatives and activities organized by the "National Forum for Awareness and Development," El-Hassan Youth Award, Haya Cultural Center, and the National Association for the Conservation of Petra.

Community Initiatives:
Throughout 2019, Bank of Jordan supported several medical and development organizations. These included Jordan Health Aid Society, Medical Aid for Palestinians, and Palestine International Institute. The Society for the Care of Gifted Autistic Children was another beneficiary. Furthermore, the Bank contributed to the Martyr's family Fund, and sponsored a house for orphaned and abandoned children at the SOS Village/Irbid.

During the holy month of Ramadan, the Bank was keen to give more; it sponsored Iftar banquets for several charities, distributed food parcels for the needy, and supported other activities. The bank donated money and employees donated time. Beneficiaries included King Hussein Cancer Center (KHCC), the General Union for Voluntary Societies, the White Beds Society for the Elderly, the Association of the Jordanian Society for the Deaf, and the Welfare Association for Youth (Taawon). It also extended financial support for Tkiyet Um Ali's Sustainable Food Aid Program.

Additionally, the Bank helped furnish a new training facility run by the Princess Taghrid Institute for Development and Training and supported the Seven Mountains Initiative launched by KHCC.

Moreover, the Bank decided to join an initiative aimed at raising public awareness about road safety and traffic rules and regulations. Thus, a group of employees committed to safe driving and to have a clean driving record – at least for one year from the start of the initiative!

Environmental Initiatives
With the increased threat of desertification, Bank of Jordan continued to support the ongoing Green Caravan Program organized by the Arab Society for the Preservation of Nature, which involved planting 500 trees – by BoJ team.

It also sponsored the annual drawing competition "Water Harvesting" launched by the Jordanian Friends of the Environment for students in private and state- run schools. The best thirteen drawings will be posted on the Bank's 2020 calendar.
Total donations stood at JD 681.6 thousand in 2019.

Planting 500 trees by the Arab Society for the Preservation of Nature

Sponsored three teams within the Amman Baccalaureate School Marathon

Signing an agreement between Bank of Jordan and the SOS Village

Supported two charity iftar parties in cooperation with the Taawon For youth

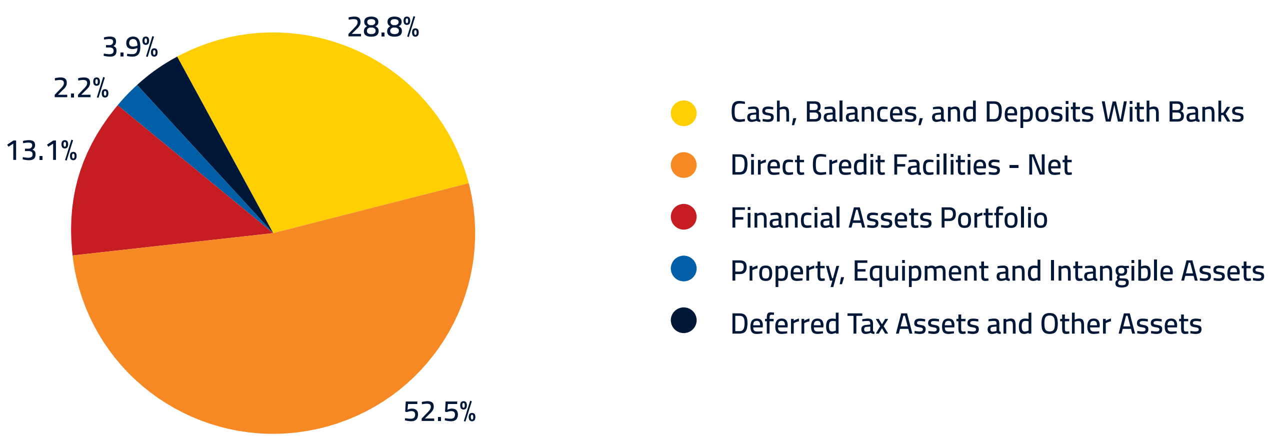
Supported Open Day Program within "The Museum for All" initiative in partnership with the Children Museum – Jordan

Analysis of Financial Position and Business Results for 2019

Assets rose by 3.4% in 2019 to JD2,708.1 million from JD2,619.1 million the year before. To maintain its financially strong platform, the Bank continued to grow shareholder equity while striking a balance between risk and reward. At the same time, it held liquidity buffers to protect against liquidity risks and to be able to honor its financial obligations.

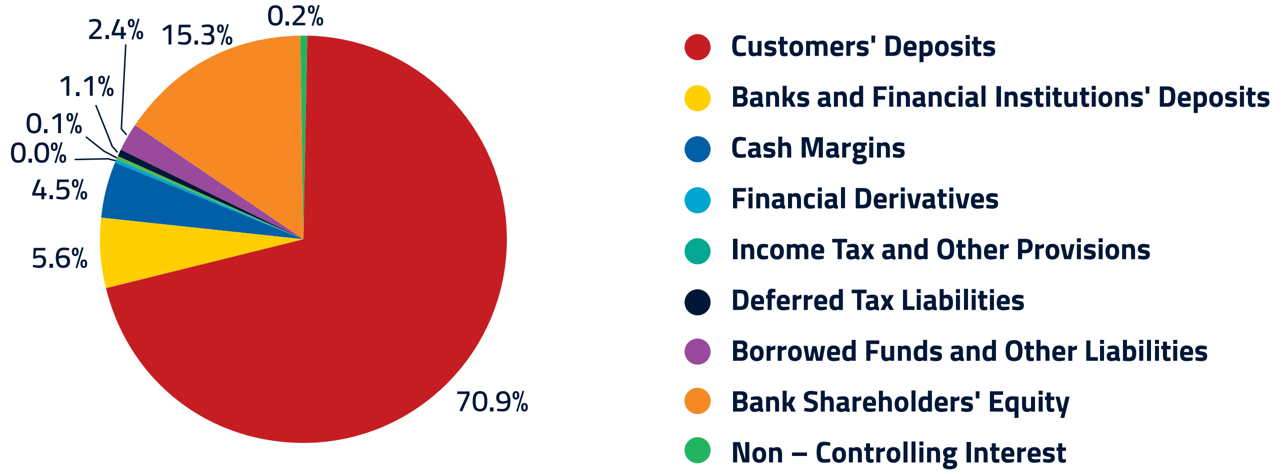
The Bank's Assests	JD (Millions)		Relative Significance %	
	2019	2018	2019	2018
Cash, Balances and Deposits with Banks	780.8	747.7	28.8%	28.5%
Direct Credit Facilities-Net	1,409.5	1,469.2	52.0%	56.1%
Financial Assets Portfolio	354.0	254.9	13.1%	9.7%
Property, Equipment and Intangible Assets	58.8	39.3	2.2%	1.5%
Deferred Tax Assets and Other Assets	105	108	3.9%	4.1%
Total Assets	**2,708.1**	**2,619.1**	**100%**	**100%**

Relative Significance of the Bank's Assets 2019



Liabilities and Owners' Equity	JD (Millions)		Relative Significance %	
	2019	2018	2019	2018
Customers' Deposits	1,919.1	1,867.8	70.9%	71.3%
Banks and Financial Institutions' Deposits	151.2	145.2	5.6%	5.5%
Cash Margins	120.6	117.3	4.5%	4.5%
Financial Derivatives	0	0	0%	0%
Income Tax and Other Provisions	28.8	27.2	1.1%	1.0%
Deferred Tax Liabilities	3.1	3.3	0.1%	0.1%
Borrowed Funds and Other Liabilities	65.2	40.8	2.4%	1.6%
Bank Shareholders' Equity	414.3	411.9	15.3%	15.7%
Non – Controlling Interest	5.8	5.6	0.2%	0.2%
Total Liabilities and Owners' Equity	**2,708.1**	**2,619.1**	**100%**	**100%**

Relative Significance of the Bank's Liabilities and Owners' Equity 2019



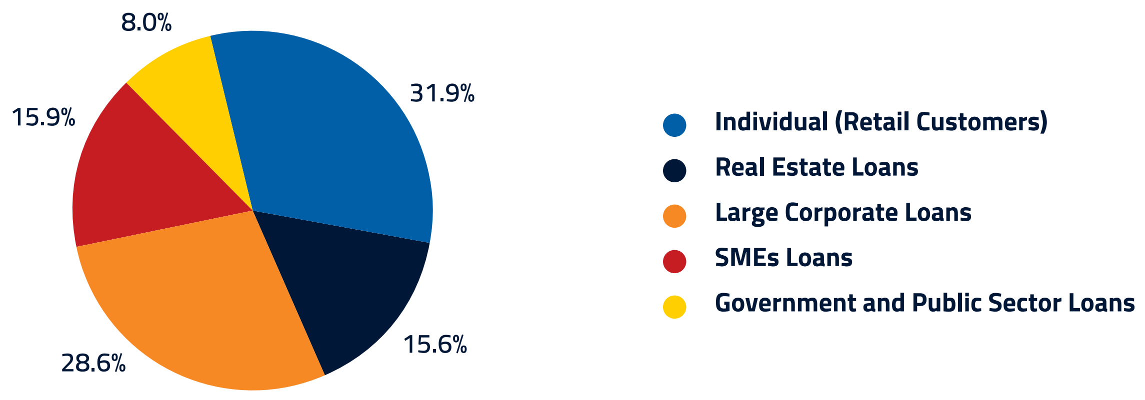
Direct Credit Facilities at Amortized Cost:

Direct credit facilities at amortized cost slipped 2.8% to JD1,531.5 million in 2019 from a year earlier. The Bank's risk policy considered, among other variables, fluctuations in interest rates and the loan yield. Market and credit risks were also factored in. Additionally, the portfolio quality was kept in check, and the collection team proceeded with collecting loans as they fell due. And to ensure effective risk and asset management, the Bank continued to finance large corporate clients, SMEs, individuals, and the public sector.

Figures for 2019 reveal that the ratio of non-performing loans to total credit (net interest in suspense) stood at 6.9% against 5.3% for 2018, still within the benchmark ratio.

Total of Credit Facilities Portfolio (After Deducting Interest and Commission Received in Advance)	JD (Millions)		Relative Significance %	
	2019	2018	2019	2018
Individual (Retail Customers)	488.4	447.6	31.9%	28.4%
Real Estate Loans	238.6	248.8	15.6%	15.8%
Large Corporate Loans	438.1	485.6	28.6%	30.8%
SMEs Loans	243.7	258.4	15.9%	16.4%
Government and Public Sector Loans	122.7	134.7	8.0%	8.6%
Total Direct Credit Facilities	**1,531.5**	**1,575.1**	**100%**	**100%**

Relative Significance of Credit Facilities Portfolio According to Type 2019



Provision for Impairment of Direct Credit Facilities:

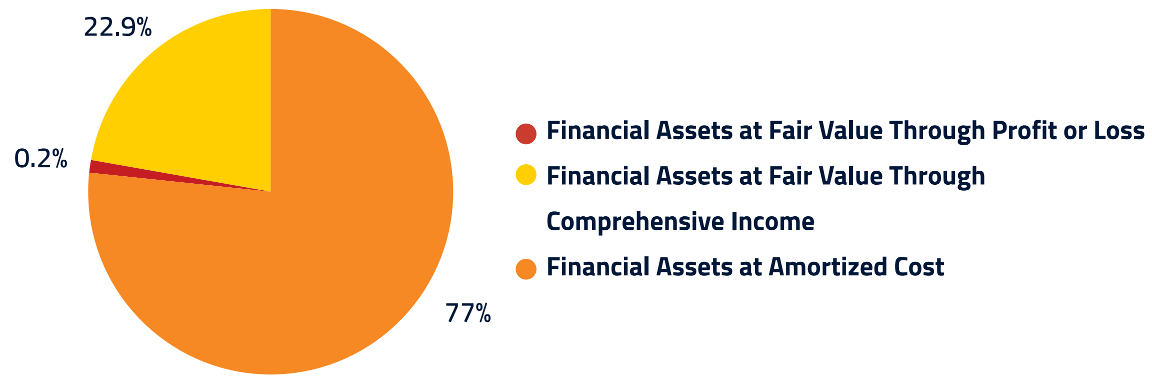
As per regulatory and accounting requirements and audit recommendations, Bank of Jordan set up provisions for uncollected loans and loan payments. In 2019, the coverage ratio of provisions for non-performing loans (net interest in suspense and cash margin) stood at 100% versus 109% in 2018. The fair value of collateral against loans reached JD526.2 million in 2019 against JD611.8 million in 2018.

Financial Assets Portfolio:

The financial assets portfolio saw a remarkable increase of 38.9% (99.1 million) year-on-year. Financial assets at fair value through comprehensive income soared by 57.4% (29.5 million). Likewise, financial assets at amortized cost surged 34% (69.2 million). These represent investments in government-guaranteed bonds, as well as other bonds and debentures. At the same time, financial assets through profit and loss edged up JD0.4 thousand.

Financial Assets Portfolio	JD (Millions)		Relative Significance %	
	2019	2018	2019	2018
Financial Assets at Fair Value through Profit or Loss	0.6	0.2	0.2%	0.1%
Financial Assets at Fair Value through Comprehensive Income	80.9	51.4	22.9%	20.2%
Financial Derivatives	-	-	-	-
Financial Assets at Amortized Cost	272.5	203.3	77%	79.8%
Total	**354.0**	**254.9**	**100%**	**100%**

Relative Significance of Financial Assets Portfolio According to Type 2019

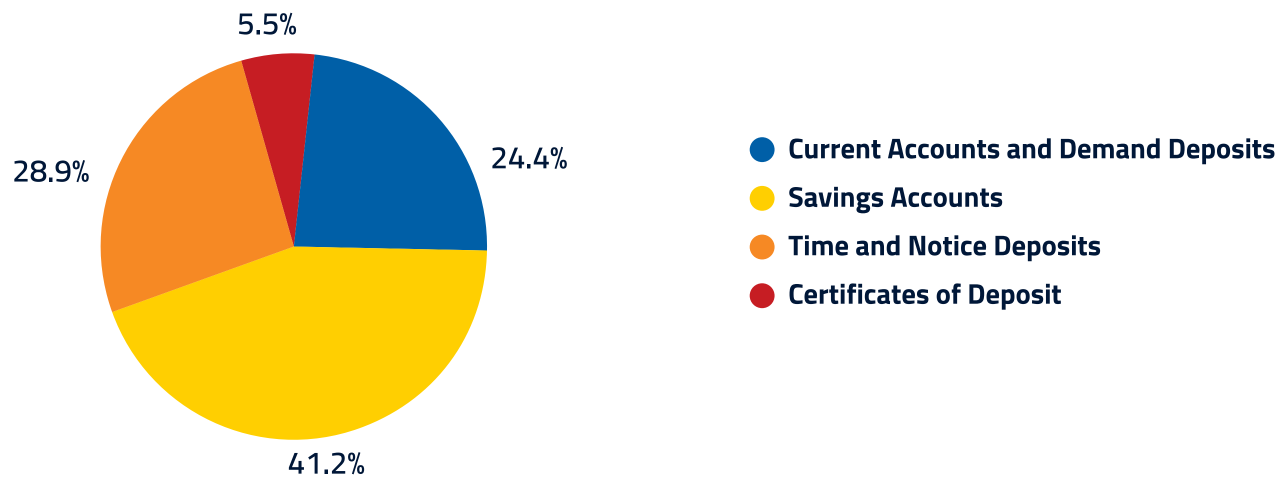


Customer Deposits:

Customer deposits edged up 2.7% in 2019 when compared to the previous year, clocking in at JD1,919.1 million And a comparative balance of deposits for 2018 with the amount of JD 1,867.8 million. The Bank continued to attract fixed and low-cost deposits and to expand its client base. Furthermore, the Bank moved ahead with developing and marketing its savings account and CDs programs. The numbers show customer deposits and time deposits rose 6.1% and 37.3% respectively in 2019, while CDs plunged 35.8%. Current and demand deposits also fell by 15.5%. Non-interest-bearing deposits, in the meantime, amounted to JD641.8 million versus JD627.8 million in 2018.

Customer Deposits According to Type	JD (Millions)		Relative Significance %	
	2019	2018	2019	2018
Current Accounts and Demand deposits	467.4	553.3	24.4%	29.6%
Savings Accounts	790.7	745.0	41.2%	39.9%
Time and Notice Deposits	554.8	404.1	28.9%	21.6%
Certificates of Deposit	106.2	165.4	5.5%	8.9%
Total	**1,919.1**	**1,867.8**	**100%**	**100%**

Relative Significance of Customers' Deposits 2019



Shareholders' Equity:

Shareholder's equity inched up 0.6% to JD414.3 million in 2019 from a year earlier. Legal reserves climbed 7% to JD94.1 million, while the fair value reserve went down 6.4% compared to 2018. As per the Board's recommendation to the General Assembly, shareholders are set to receive cash dividends of 18% of capital – equivalent to JD36 million. The remaining profits will be retained.

Capital Adequacy:

The capital adequacy ratio rose to 17.07% in 2019 from 16.81% in 2018 - higher than the CBJ minimum ratio of 14.125%, set in accordance with Basel III guidelines. The Common Equity Tier 1 (CET1) ratio also saw a slight increase to 16.50% from 16.35% in 2018.

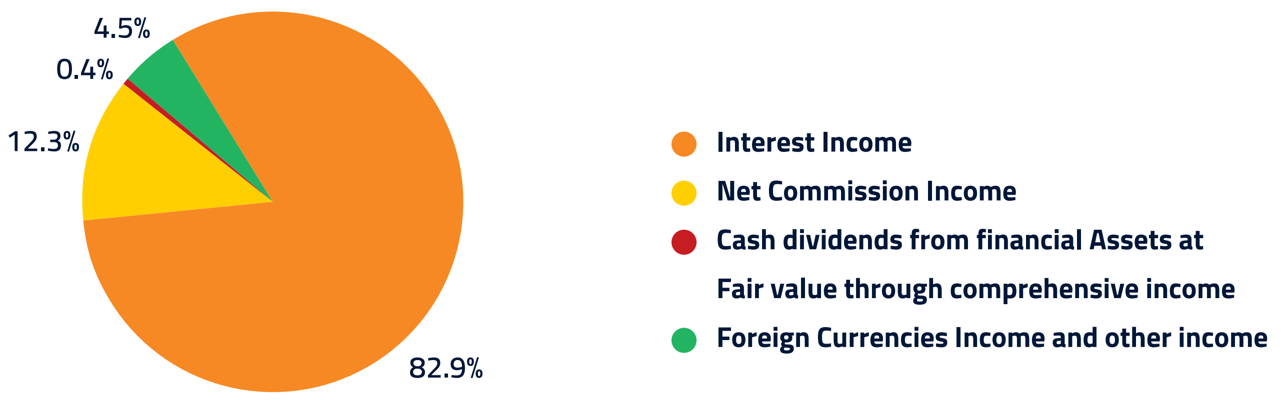
Financial Results:

Total revenues rose by 7.8% to JD192.8 million from JD178.8 million in 2018. Total income reached JD149.4 million, up 5.4% from JD141.7 million recorded in 2018. Net interest and commission income stood at JD140.1 million, up 3.5% from 2018. Profits before tax and provisions, in the meantime, netted JD80.7 million compared with JD71.7 million in 2018 However, when provisions for impairment of direct credit facilities, provisions for property seized, other provisions, and income tax are deducted, the net income rests at JD40.4 million in 2019 against JD41.2 million in 2018, representing a drop of -2%.

Net Profit Before and After Taxes and Provisions	JD (Millions)		Difference
	2019	2018	2019
Net Profit before Taxes and Provisions	80.7	71.7	9.0
Financial Assets Expected Credit Loss Provision	16.2	6	10.2
Direct Credit Facilities Provision	2.5	1.6	0.9
Provision for assets foreclosed by the bank	0.4	0.2	0.2
Other Provisions	0.5	1.0	(0.5)
Profit Before Income Tax	61.1	62.9	(1.8)
Income Tax Expenses	(20.8)	(21.7)	0.9
Net Profit	40.4	41.2	(0.8)

Total Realized Revenue	JD (Millions)		Relative Significance %	
	2019	2018	2019	2018
Interest Income	159.8	147.8	82.9%	82.7%
Net Commissions Income	23.7	24.6	12.3%	13.8%
Cash dividends from financial Assets at Fair value through comprehensive income	0.7	0.5	0.4%	0.3%
Foreign Currencies Income and other income	8.6	5.9	4.5%	3.3%
Total	192.8	178.8	100%	100%

Relative Significance of Total Revenues 2019



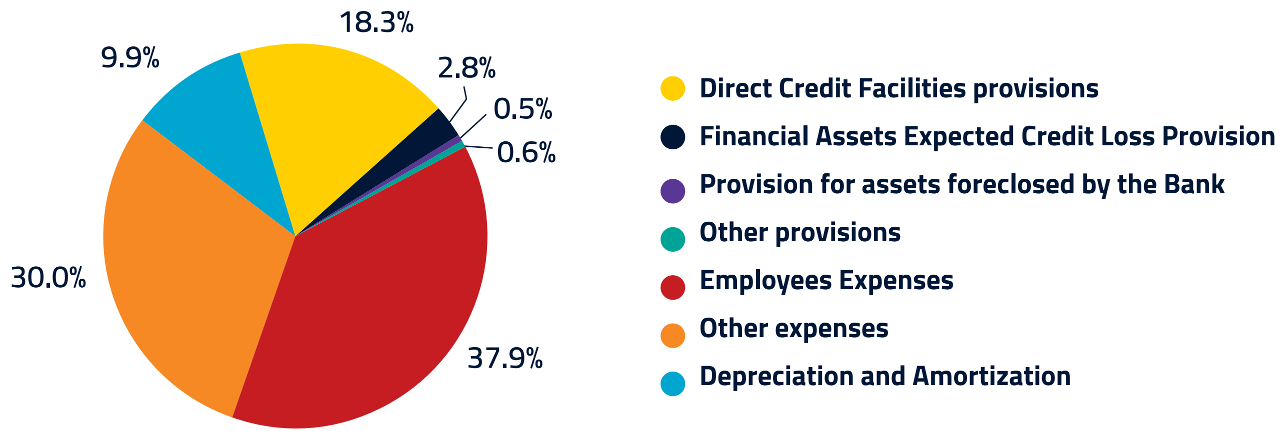
Expenses and Provisions:

The Bank's expenses and provisions saw a year-on-year increase of 12.1% hitting JD88.3 million. Higher expenses were blamed on the JD10.2 million rises in the provision for impairment of direct credit facilities. Moreover, the depreciation and amortization item witnessed a huge rise of 70.6% equivalent to JD3.6 million. On a positive note, employee expenses were slashed by JD2 million. A drop-in hospitality expenditure, rent expense, and other expenses related to stationary, printing, lighting, and heating has also helped lower other expenses by JD2.9 million.

The compensation package of the senior management totaled JD2.4 million. Audit fees stood at JD133.5 thousand and JD25.4 thousand for Bank of Jordan and Bank of Jordan – Syria, respectively. For Excel for Financial Investments, the audit fees totaled JD4.6 thousand and JD4.5 thousand for Jordan Leasing Company.

Expenses and Provisions	JD (Millions)		Relative Significance %	
	2019	2018	2019	2018
Financial Assets Expected Credit Loss Provision	16.2	6.0	18.3%	7.6%
Expected credit loss on other financial assets Provision	2.5	1.6	2.8%	2.0%
Provision for assets foreclosed by the bank	0.4	0.2	0.5%	0.3%
Other Provisions	0.5	1.0	0.6%	1.3%
Employees Expenses	33.5	35.5	37.9%	45.1%
Other Expenses	26.5	29.4	30.0%	37.3%
Depreciation and Amortization	8.7	5.1	9.9%	6.5%
Total	**88.3**	**78.8**	**100%**	**100%**

Relative Significance of Expenses and Provisions 2019

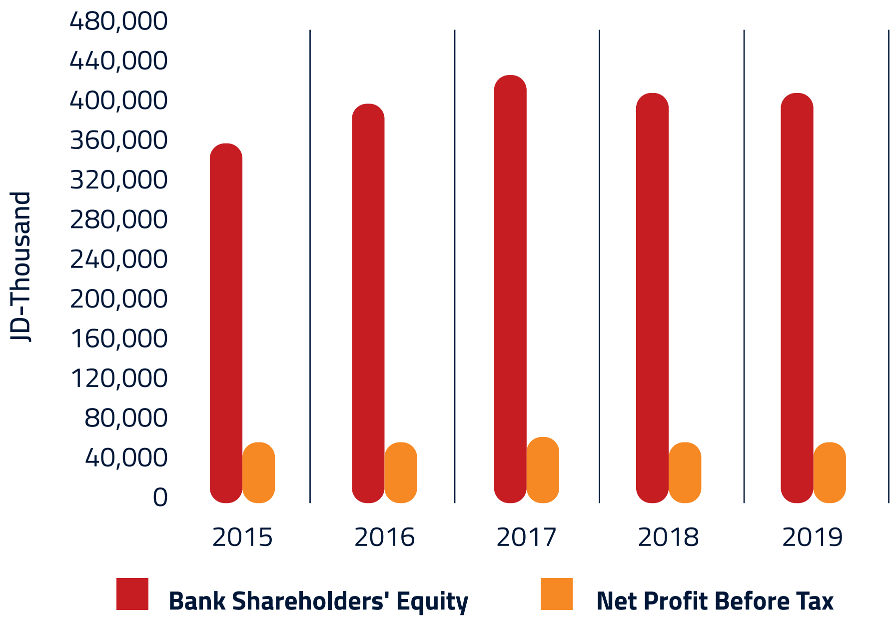


Main Financial Ratios	2019	2018
Return on Average Bank shareholders' Equity	9.72%	9.82%
Return on Capital	20.2%	20.62%
Return on Average Assets	1.52%	1.59%
Profitability per Employee (after Tax)	JD 18,886	JD 19,077
Interest Income / Average Assets	6.00%	5.70%
Interest Expense / Average Assets	1.63%	1.43%
Interest Margin / Average Assets	4.37%	4.27%
Coverage Ratio of provisions for Non-Performing Loans (Net)	99.05%	109.41%
Non-performing loans/ total credit facilities (after deducting interest in suspense)	6.9%	5.3%

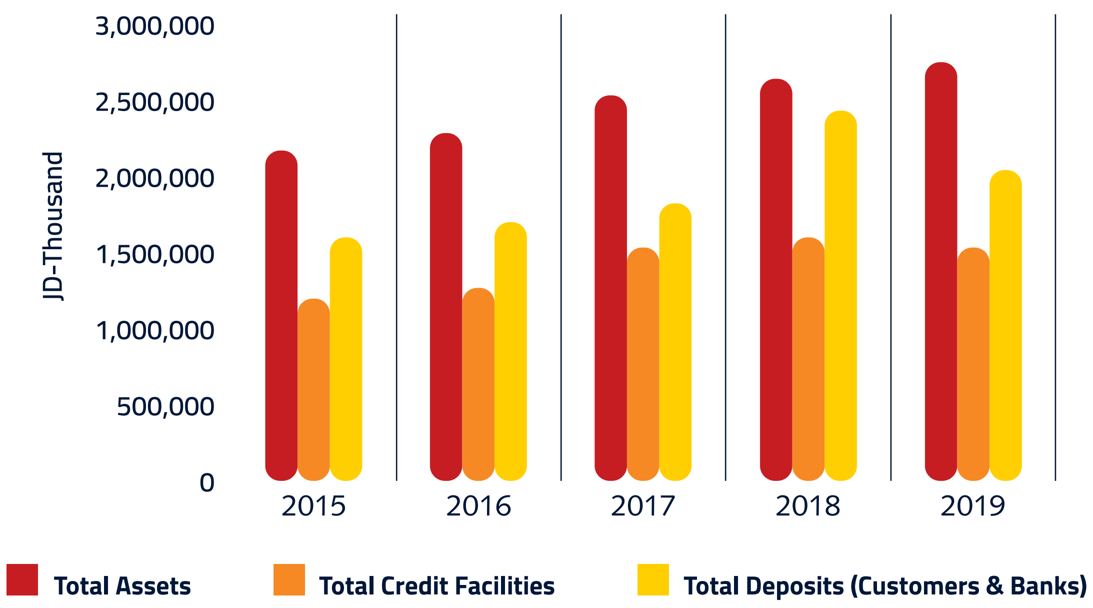
Financial indicators for the years (2015– 2019)

	Amount in JD Thousand				
Financial Year	2015	2016	2017	2018	2019
Total Assets	2,206,222	2,338,839	2,565,132	2,619,080	2,708,102
Total Credit Facilities	1,221,967	1,297,832	1,541,582	1,575,119	1,531,540
Total Deposits (Customers and Banks)	1,688,476	1,752,603	1,910,697	2,013,035	2,070,343
Bank Shareholders' Equity	362,242	405,447	433,665	411,891	414,333
Non-controllers' Interest	4,703	6,989	5,491	5,566	5,774
Net Profit Before Tax	61,966	62,315	67,583	62,959	61,130

The Development of Bank Shareholders' Equity and Profit



The Development of Financial Position



Our Goals for 2020

The implementation of newly enhanced digital services has been defined as a key goal for 2020 aimed at satisfying the expectations of connected customers - which are evolving faster than ever before. This has also been set as a main objective in the third phase of the Bank's strategic plan and other operational plans.

Financial Goals

- Ensure that key financial ratios fall within the range set by the regulators and within international standards.
- Improve Bank of Jordan competitive positioning in the markets in which the bank operates.
- Maximize profitability, and aim for a return on assets ratio of no less than 1.66%
- Increase revenues and control costs to improve operational efficiency.

Markets and Customers:

- Focus on the customer experience to improve customer efforts and customer satisfaction indices. In addition, to develop the branch model to achieve readiness in all points of contact with customers.
- Contribute to the economic development efforts through financing key economic sectors and targeting new sectors with high-caliber teams and special SME financing programs.
- Bolster the Bank's image by continuing the active role of BOJ group in supporting CSR initiatives.
- Customize existing products and services and introducing new financing programs specifically for target sectors identified in the Bank's strategic plan.
- Press ahead with the Bank's regional expansion strategy through completing the regulatory requirements for opening a branch in Iraq, while exploring other opportunities in the region.
- Expand product and service offerings to meet the financing needs of wholesale customers in the MENA markets through Bank of Jordan-Bahrain.

Internal Processes:

- Move ahead with implementing the Electronic Content Management (ECM) system which will be necessary for launching other projects needed to execute business process re-engineering - which will eventually help upgrade service level.
- Complete big data management projects which will contribute in improving business processes as well as the Bank's decision-making process.
- Improve risk management process and practice though completing the Enterprise Risk Management Project (ERM). As well as enhancing information security systems in line with best international practices.

Learning and Development:

- Improve the performance of employees and empower them to do their jobs well through promoting a continuous learning culture at the workplace. Thus, specialized training programs will be offered year-round to enhance employees knowledge and skills – all of which have been designed to align with the Bank's strategic goals and future requirements.

Consolidated Financial Statements and Independent Auditor’s Report 2019

KPMG

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Independent Auditor's Report

To the Shareholders of
Bank of Jordan
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Bank of Jordan and its subsidiaries "The Bank"** which comprise the consolidated statement of financial position as of December 31, 2019, consolidated statements of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in owner's equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Bank as of December 31, 2019 and its consolidated financial position and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the Central Bank of Jordan.

Basis of Opinion

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

Key Audit Matters

Key audit matters are those matters that in our professional judgment, were of most significance in our audit for current year consolidated financial statements. 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:

KPMG

1. Adequacy of Expected Credit Loss Provision against Direct Credit Facilities

Key Audit Matters description	How our audit addressed the key audit matters
Credit facilities are considered important assets of the Bank. The nature and characteristics of credit facilities granted to customers vary from sector to sector and from country to country due to the nature of the Bank's geographical spread. Therefore, the methodology for calculating the expected credit loss provision against direct credit facilities is different due to sectors differences and different risk assessment related to these countries and their legal and organizational requirements. The calculation and accuracy of expected credit losses requires the Bank's management to make assumptions and definitions, including "probability of default", "significant increase in credit risk"…etc. It also requires the use of estimates on the classification of direct credit facilities on different stages and the adequacy of the collaterals then the suspension of interest in the event of default in accordance with the instructions of the regulatory authorities, such matters makes expected credit loss provision against direct credit facilities a key audit matter. Net credit facilities granted by the Bank to customers amounted to JD 1,410 million, which represent 52% of the total assets as of December 31, 2019 (JD 1,469 million, which represent 56% of the total assets as of December 31, 2018). The expected credit loss provision against direct and indirect facilities amounted to JD 122 million as of December 31, 2019 (JD 105 million as of December 31, 2018).	The audit procedures performed included a review and understanding of the nature of credit facilities portfolio, evaluating the Bank's credit policy, internal control system adopted in granting and monitoring credit and evaluating the extent to which they comply with the requirements of IFRS and comparing the results with the instructions of the regulatory authorities. We completed our understanding of the Bank's methodology for calculating expected credit losses by using experts where appropriate and assessing the expected credit loss model, which includes the following: - Review of the methodology used by the Bank to calculate the expected credit losses and its conformity with the requirements of IFRS (9). - Review of the expected credit loss methodology preparation at the model's level. - Credit exposures stages classification of and their reasonableness and determining the significant increase in credit risk - Review the validity and accuracy of the model used in the calculation process and its components (Probability of Default (PD), Loss Given Default (LGD), Exposure to Default (EAD) and effective interest rate and related accruals). - Review the assumptions used for the forward looking and macroeconomic factors - Review of the of expected credit loss calculations. - Review of the completeness of information used in the calculation of expected credit losses and review of the related maker-checker process and it's related supporting documentation - Review of the governance procedures related to the expected credit loss calculations. We also assessed the adequacy of the disclosures related to the credit facilities and the expected credit loss provision against credit facilities and related risks in the accompanying notes.

KPMG

2. **Foreign Currency Translation Reserve / Investments in Foreign Subsidiaries**

Key Audit Matters description	How our audit addressed the key audit matters
Due to the deployment of the Bank's foreign branches in several countries and the dealing in various foreign currencies, the Bank may be exposed to fluctuation of exchange rates risks arising from some of those countries' prevailing conditions. Therefore, translating the assets and liabilities of foreign branches and subsidiaries from the local currency (the functional currency) to Jordanian dinar is significant to our audit. Moreover, the exchange differences arising from evaluating the net investment in foreign branches and subsidiaries are shown within other comprehensive income items.	The audit procedures included testing the internal control system relating to determination of foreign currency exchange rates adopted by management. In addition, the audit procedures included reviewing a sample of foreign currency exchange rates adopted by management and matching them with those set by the Central Bank of Jordan. The audit procedures also included re-calculating a sample of the differences arising from translating those currencies shown within other comprehensive income items. They included as well obtaining the subsidiary's financial statements, verifying management's exchange rates, and matching them with the exchange rates of the Central Bank of Jordan.

Other Information

Management is responsible for the other information. This comprises the other information in the annual report excluding the consolidated financial statements and the independent auditor thereon, in which we expected to be made available to us after the date of our audit report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it 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 ISA, we exercise professional judgement 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

KPMG

- 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 Bank's effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty 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 Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank 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.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude 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 Bank maintains proper accounting records duly organized and in line with the accompanying consolidated financial statements. We recommend that the General Assembly of Shareholders approve these consolidated financial statements.

The accompanying consolidated financial statements are a translation of the statutory consolidated financial statements which are in the Arabic Language and to which reference should be made.

Kawasmy and Partners
KPMG

Hatem Kawasmy
License No. (656)

Amman – Jordan
January 30, 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Statement (A)

BANK OF JORDAN (PUBLIC SHAREHOLDING LIMITED COMPANY)		December 31,	
Amman - Jordan	Note	2019	2018
Assets		JD	JD
Cash and balances with central banks	7	384,396,176	360,142,503
Balances with banks and financial institutions	8	188,323,327	152,118,694
Deposits with banks and financial institutions	9	208,123,765	235,435,227
Financial derivatives	41	38,261	10,601
Financial assets at fair value through profit or loss	10	628,716	169,677
Financial assets at fair value through comprehensive income	11	80,865,636	51,391,078
Direct credit facilities at amortized cost	12	1,409,525,437	1,469,239,659
Financial assets at amortized cost	13	272,535,799	203,395,684
Property and equipment – Net	14	52,802,587	34,344,020
Intangible assets	15	5,986,282	4,998,823
Deferred tax assets	21	22,804,298	18,580,246
Other assets	16	82,071,242	89,253,998
Total Assets		2,708,101,526	2,619,080,210
Liabilities and Owners' Equity			
Liabilities:			
Banks and financial institutions' deposits	17	151,244,578	145,242,827
Customers' deposits	18	1,919,098,107	1,867,792,486
Cash margins	19	120,593,921	117,268,917
Other provisions	20	5,011,211	5,194,240
Income tax provision	21	23,803,895	21,978,685
Deferred tax liabilities	21	3,081,065	3,296,665
Borrowed funds	22	23,667,921	4,557,811
Other liabilities	23	41,493,803	36,291,532
Total Liabilities		2,287,994,501	2,201,623,163
Owners' Equity:			
Equity Attributable to the Bank's shareholders			
Paid-up capital	24	200,000,000	200,000,000
Statutory reserve	25	94,065,645	87,947,294
Voluntary reserve	25	134,165	134,330
General banking risks reserve	25	2,196,491	2,258,450
Special reserve	25	5,849,743	5,849,039
Foreign currency translation differences	26	(12,268,120)	(12,256,254)
Fair value reserve	27	24,954,157	26,668,016
Retained earnings	28	99,400,640	101,289,732
Total Equity Attributable to the Bank's Shareholders		414,332,721	411,890,607
Non-controlling interests		5,774,304	5,566,440
Total Owners' Equity		420,107,025	417,457,047
Total Liabilities and Owners' Equity		2,708,101,526	2,619,080,210

The accompanying notes from (1) to (49) constitute an integral part of these consolidated financial statements and should be read with them.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Statement (B)

BANK OF JORDAN (PUBLIC SHAREHOLDING LIMITED COMPANY)	Note	For the Year Ended December 31, 2019	2018
Amman - Jordan		JD	JD
Interest income	30	159,814,954	147,810,673
Less: Interest expense	31	43,447,831	37,072,130
Net Interest Income		116,367,123	110,738,543
Net – Commissions income	32	23,743,185	24,597,018
Net Interest and Commissions Income		140,110,308	135,335,561
Foreign currencies income	33	3,233,546	2,447,014
(Loss) from financial assets at fair value through profit or loss	34	(15,230)	(4,670)
Cash dividends from financial assets at fair value through comprehensive income	11	547,272	524,261
Gain on sale of financial assets – Debt instruments	11,13	191,679	-
Other income	35	5,336,976	3,440,414
Total Income		149,404,551	141,742,580
Employees expenses	36	33,497,668	35,500,079
Depreciation and amortization	14,15	8,726,851	5,116,629
Other expenses	37	26,492,603	29,381,128
Financial assets expected credit loss provision	38	18,629,356	7,642,134
Provision for assets foreclosed by the Bank	16	429,848	196,629
Other provisions	20	498,064	947,049
Total Expenses		88,274,390	78,783,648
Profit Before Income Tax		61,130,161	62,958,932
Less: Income tax expense	21	20,752,116	21,714,509
Profit for the Year Statements (C) and (D)		40,378,045	41,244,423
Attributable to:			
Bank's Shareholders		40,163,256	41,527,540
Non-controlling Interests		214,789	(283,117)
Profit for the Year		40,378,045	41,244,423
Earnings per share for the year attributable to the Banks' shareholders			
Basic/Diluted	39	0.201	0.208

The accompanying notes from (1) to (49) constitute an integral part of these consolidated financial statements and should be read with them.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Statement (C)

BANK OF JORDAN (PUBLIC SHAREHOLDING LIMITED COMPANY)	For the Year Ended December 31, 2019	2018
Amman - Jordan	JD	JD
Profit for the Year - Statement (B)	40,378,045	41,244,423
Other comprehensive income items:		
Items that may be reclassified subsequently to consolidated statement of profit or loss:		
Change in fair value reserve of debt instruments classified as financial assets at fair value through comprehensive income	1,016,235	
Foreign currencies translation differences	(14,208)	-
	1,002,027	-
Items that will not be reclassified subsequently to consolidated statement of profit or loss:		
(Loss) from sale of financial assets at fair value through comprehensive income - net after tax	-	(4,266,804)
Change in fair value reserve of equity instruments classified as financial assets at fair value through comprehensive income - net of tax	(2,730,094)	(15,276,485)
	(2,730,094)	(19,543,289)
Total Consolidated Comprehensive Income-Statement (D)	38,649,978	21,701,134
Total Consolidated Comprehensive Income attributable to:		
Bank's Shareholders	38,442,114	21,984,251
Non-controlling Interests	207,864	(283,117)
	38,649,978	21,701,134

The accompanying notes from (1) to (49) constitute an integral part of these consolidated financial statements and should be read with them.

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

Statement (D)

BANK OF JORDAN (PUBLIC SHAREHOLDING LIMITED COMPANY)

Amman - Jordan

Description	Paid-Up Capital	Reserves				Foreign Currency Translation Differences	Fair Value Reserve	Retained Earnings	Total Equity Attributable to the Banks' Shareholders Equity	Non-Controlling Interests	Total Owners' Equity
		Statutory	Voluntary	General Banking Risks	Special						
For the year ended December 31, 2019	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance - Beginning of the Year	200,000,000	87,947,294	134,330	2,258,450	5,849,039	(12,256,254)	26,668,016	101,289,732	411,890,607	5,566,440	417,457,047
Foreign currency translation differences	-	(165)	(165)	(31)	-	(11,866)	-	4,944	(7,283)	(6,925)	(14,208)
Profit for the year – Statement (B)	-	-	-	-	-	-	-	40,163,256	40,163,256	214,789	40,378,045
Change in fair value reserve in debt instruments classified as financial assets at fair value through comprehensive income	-	-	-	-	-	-	1,016,235	-	1,016,235	-	1,016,235
Change in fair value reserve in equity instrument classified as financial assets at fair value through comprehensive income - Net of tax	-	-	-	-	-	-	(2,730,094)	-	(2,730,094)	-	(2,730,094)
Total Comprehensive Income – Statement (C)	-	(165)	(165)	(31)	-	(11,866)	(1,713,859)	40,168,200	38,442,114	207,864	38,649,978
Transferred to reserves	-	6,118,516	-	(61,928)	704	-	-	(6,057,292)	-	-	-
Dividends paid*	-	-	-	-	-	-	-	(36,000,000)	(36,000,000)	-	(36,000,000)
Balance – End of the Year	200,000,000	94,065,645	134,165	2,196,491	5,849,743	(12,268,120)	24,954,157	99,400,640	414,332,721	5,774,304	420,107,025
For the year ended December 31, 2018											
Balance - Beginning of the Year	200,000,000	80,820,952	134,330	15,128,290	4,103,632	(12,256,254)	81,288,341	64,446,126	433,665,417	5,490,933	439,156,350
Effect of IFRS (9) Implementation	-	-	-	-	-	-	-	(7,342,151)	(7,342,151)	(58,286)	(7,400,437)
Adjusted Balance- Beginning of the Year	200,000,000	80,820,952	134,330	15,128,290	4,103,632	(12,256,254)	81,288,341	57,103,975	426,323,266	5,432,647	431,755,913
Foreign Currency Translation Differences	-	-	-	-	-	-	-	-	-	-	-
Profit for the year – Statement (B)	-	-	-	-	-	-	-	41,527,540	41,527,540	(283,117)	41,244,423
Change in fair value reserve in equity instrument classified as financial assets at fair value through comprehensive income - Net of tax	-	-	-	-	-	-	(15,276,485)	-	(15,276,485)	-	(15,276,485)
Recognized (loss) from sale of equity instrument classified as financial assets at fair value through comprehensive income - Net after tax	-	-	-	-	-	-	(39,343,840)	35,077,036	(4,266,804)	-	(4,266,804)
Total Comprehensive Income – Statement (C)	-	-	-	-	-	-	(54,620,325)	76,604,576	21,984,251	(283,117)	21,701,134
Transferred to reserves	-	7,126,342	-	(12,869,840)	1,745,407	-	-	3,581,181	(416,910)	416,910	-
Dividends paid*	-	-	-	-	-	-	-	(36,000,000)	(36,000,000)	-	(36,000,000)
Balance – End of the Year	200,000,000	87,947,294	134,330	2,258,450	5,849,039	(12,256,254)	26,668,016	101,289,732	411,890,607	5,566,440	417,457,047

* According to the resolution of the Bank's General Assembly in its ordinary meeting held on May 5, 2019, it was approved to distribute 18% of the Bank's capital in cash to shareholders which is equivalent to JD 36,000,000 (Against 18% of the Bank's capital in cash to shareholders which is equivalent to JD 36,000,000 according to the resolution of the bank's general assembly in its ordinary meeting held on April 26, 2018).

** According to Central Bank of Jordan Circular No. 10/1/1359 dated January 25, 2018 and Central Bank of Jordan Circular No. 13/2018 dated June 6, 2018, general banking risks reserve accumulated balance as of January 1, 2018 related to Jordan branches and its subsidiaries was transferred to the retained earnings.

*** According to the instructions of the regulatory bodies:
- The general banking risks reserve and special reserve cannot be utilized without prior approval from the Central Bank of Jordan and the Palestine Monetary Authority.

- Retained earnings include a restricted amount of JD 22,804,298 against deferred tax benefits as of December 31, 2019. This restricted amount cannot be utilized through capitalization or distribution unless actually realized based on the Central Bank of Jordan's instructions.

- Retained earnings include an amount of JD 3,302,537 as of December 31, 2019 which are restricted amounts and represents the effect of early adoption of IFRS (9). These restricted amounts cannot be utilized unless realized through actual sale.

- The fair value reserve cannot be utilized including capitalization, distribution, losses write-off or any other commercial acts unless realized through actual sale as instructed by the Central Bank of Jordan and Jordan Securities Commission, retained earnings balance also includes JD 813,437 as of December 31 2019 that cannot be utilized through distribution or any other purposes unless there is a prior approval from the Central Bank of Jordan resulting from implementation of Central Bank of Jordan Circular no. 10/1/1359 dated January 25, 2018 and Central Bank of Jordan Circular No. 13/2018 dated June 6, 2018.

The accompanying notes from (1) to (49) constitute an integral part of these consolidated financial statements and should be read with them.

CONSOLIDATED STATEMENT OF CASH FLOWS

Statement (E)

BANK OF JORDAN (PUBLIC SHAREHOLDING LIMITED COMPANY)		For the Year Ended December 31,	
Amman - Jordan	Note	2019	2018
Cash Flows from Operating Activities:		JD	JD
Profit before income tax – Statement (B)		61,130,161	62,958,932
Adjustments for Non-Cash Items:			
Depreciation and amortization	14,15	8,726,851	5,116,629
Financial assets expected credit loss allowance	38	18,629,356	7,642,134
Loss (Gain) from sale of property and equipment	35	6,692	(11,626)
Unrealized loss from financial assets at fair value through profit or loss	34	22,192	17,109
Effect of exchange rate fluctuations	33	(3,246,156)	(2,165,919)
Other provisions	20	498,064	947,049
Provision for assets foreclosed by the bank	16	429,848	196,629
Assets foreclosed by the bank revaluation loss	35	326,702	1,488,560
Foreign currency exchange differences		3,232	-
Profit before changes in assets and liabilities		86,526,942	76,189,497
Changes in Assets and Liabilities:			
(Increase) in restricted balances		(676,358)	(1,367,787)
Decrease (Increase) in deposits with banks and financial institutions (maturing over 3 months)		27,202,911	(110,452,225)
(Increase) Decrease in financial assets at fair value through profit or loss		(481,231)	10,201
Decrease (Increase) in direct credit facilities at amortized cost		43,539,293	(29,593,245)
(Increase) in other assets		(4,561,114)	(22,998,935)
Increase in deposits and financial institutions (maturing over 3 months)		-	109,405,874
Increase in customer's deposits		51,305,621	21,991,730
Increase (Decrease) in cash margins		3,325,004	(32,087,776)
Increase in borrowed funds		4,365,730	2,120,095
Increase (Decrease) in other liabilities		2,332,182	(10,087,309)
Net Change in Assets and Liabilities		126,352,038	(73,059,377)
Net Cash Flows from Operating Activities before paid Taxes, end-of-Service Indemnity Provision, and Lawsuits Provision		212,878,980	3,130,120
End-of-service indemnity and lawsuits provisions paid	20	(681,001)	(759,574)
Taxes paid	21	(23,151,663)	(21,816,266)
Net Cash Flows from (used in) Operating Activities		189,046,316	(19,445,720)
Cash Flows from Investing Activities:			
(Purchase) of financial assets at amortized cost		(132,384,857)	(42,941,639)
Sale and Maturity of financial assets at amortized cost		63,646,459	58,521,996
(Purchase) of financial assets at fair value through comprehensive income		(42,479,888)	(610,884)
Sale of financial assets at fair value through comprehensive income		17,488,194	51,979,238
(Purchase) of financial derivatives		(27,660)	(189,434)
(Purchase) of property and equipment and advance payments to acquire property and equipment		(7,036,457)	(6,845,067)
Sale of property and equipment		82,830	186,255
(Purchase) of intangible assets	10	(1,986,497)	(1,019,570)
Net Cash Flows (Used in) from Investing Activities		(102,697,876)	59,080,895
Cash Flows from Financing Activities:			
Foreign currency translation differences		(14,208)	-
Dividends distributed to shareholders		(35,738,306)	(35,916,117)
Net Cash Flows (used in) Financing Activities		(35,752,514)	(35,916,117)
Effect of exchange rate fluctuations on cash and cash equivalents	33	3,246,156	2,165,919
Net Increase in Cash and Cash Equivalents		53,842,082	5,884,977
Cash and cash equivalents - Beginning of the year		482,731,837	476,846,860
Cash and Cash Equivalents - End of the Year	40	536,573,919	482,731,837

The accompanying notes from (1) to (49) constitute an integral part of these consolidated financial statements and should be read with them.

1. General

- Bank of Jordan was established in 1960 as a public shareholding Limited Company with headquarters in Amman – Jordan. The bank was registered on March 3, 1960 under number (1983) according to the Companies Law No. 33 for the year 1962 with an authorized capital of JD 350,000, represented by 70,000 shares at a par value of JD 5 per share. However, the Bank's authorized and paid-up capital was increased in several stages, the last of which took place in accordance to the general assembly's resolution at their extraordinary meeting held on April 9, 2016, for which, the Bank's capital was increased from JD 155/1 million to JD 200 million through the capitalization of JD 13,702,858 from voluntary reserve and JD 31,197,142 from retained earnings. The legal procedures related to the capital increase were completed on April 19, 2016.

- The Bank provides all financial and banking services within its scope of activities. Those services are offered at its (77) branches across Jordan, (16) branches across Palestine and its subsidiaries in Jordan and Syria (Excel for Financial Investments Company, Jordan Leasing Company and Bank of Jordan – Syria).

- The Bank has established a branch at the Kingdom of Bahrain, which commenced its operations during the first quarter of 2018 after obtaining all necessary approvals from Central Bank of Jordan and regulatory authorities in the Kingdom of Bahrain, in addition, the bank has obtained all necessary approvals from Central Bank of Jordan and the regulatory authorities in Iraq for the establishment of a branch in Iraq. The branch is still in establishment phase.

- The consolidated financial statements have been approved by the Board of Directors in its meeting No. 622 held on January 23, 2020, and subject to The Central Bank of Jordan approval.

2. Consolidated Financial Statements Basis of Preparation

The consolidated financial statements for the Bank and its subsidiaries were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and the interpretations issued by International Financial Reporting Interpretation Committee affiliated with the International Accounting Standards Board as adopted by the Central Bank of Jordan.

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

- Expected credit losses allowances are calculated in accordance with the Central Bank of Jordan (CBJ) instructions No. (13/2018) "International Financial Reporting Standard No. (9) Implementation" dated June 6, 2018 and in accordance with the Regulatory authorities instructions in the countries that the Bank operates whichever is more strict, the main significant differences are as follows:
    - Debt instruments issued or guaranteed by the Jordanian government are excluded, so that credit exposures issued or guaranteed by the Jordanian government are treated with no credit losses.
    - When calculating credit losses against credit exposures, the calculation results in accordance to International Financial Reporting Standards (9) are compared with the instructions of the Central Bank of Jordan No. (47/2009) dated December 10, 2009 for each stage separately and the greater results are recorded.
- In accordance with the instructions of the Central Bank of Jordan and the instructions of the supervisory authorities in the countries in which the bank operates, interest and commissions are suspended on non-performing credit facilities.
- Assets foreclosed by Bank are presented at the consolidated statement of financial position within other assets at the value that has been acquired by the Bank or the fair value, whichever is lower, and are reassessed individually on each consolidated financial statements date, and any impairment in their value is recorded as a loss in the consolidated statement of profit or loss but the increase is not recorded, to the extent that it does not exceed the value of the previously recorded impairment. Starting the year 2015, and in accordance with the Central Bank of Jordan Circular No. 10/1/4076 dated March 27, 2014 and Circular No. 10/1/2510 dated February 14, 2017, the Bank has started to calculate gradual provision against the assets foreclosed by the bank in exchange of credit facilities that have been in possession for more than 4 years. Central Bank of Jordan issued Circular No. 10/1/16239 dated November 21, 2019 approving the extension of Circular No. 10/1/2150 dated February 14, 2017, confirming to postpone the provision calculation until the end of year 2020 and amending the second clause of it.

- Additional provisions are calculated in the consolidated financial statements against some of the Bank's foreign investments in some neighbouring countries.
- The net outcome of the differences between the Central Bank of Jordan instructions and the International Financial Reporting Standards represented by having the Bank to book additional allocations to comply with these instructions.
- The consolidated financial statements were prepared on the historical cost basis except for financial assets at fair value through profit or loss, financial assets at fair value through comprehensive income and financial derivatives measured at fair value at the date of the consolidated financial statements. Moreover, hedged financial assets and financial liabilities are stated at fair value.

3. Functional and Presentation Currency

These financial statements are presented in Jordanian Dinar, which is the company's functional currency.

4. Significant Accounting Judgments and Key Sources of Uncertainty Estimates

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

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

Management believes that its estimates in the consolidated financial statements are reasonable. Based on the following details:

Impairment of foreclosed assets

Impairment of foreclosed assets is recognised based or on accredited and updated real-estate evaluations performed by certified appraisers for the purpose of asset impairment calculation, at which the impairment is reviewed periodically Starting from the year 2015 and in accordance with the Central Bank of Jordan Circular No. 10/1/4076 dated March 27, 2014 and Circular No. 10/1/2510 dated February 14, 2017 the bank has started to calculate gradual provision against the assets foreclosed by the bank in exchange of credit facilities that have been in possession for more than 4 years. Central Bank of Jordan issued Circular No. 10/1/16239 dated November 21, 2019 approving the extension of Circular No. 10/1/2150 dated February 14, 2017, in which it confirmed postponing the provision calculation until the end of year 2020 and amending the second clause of it.

Tangible and intangible assets useful life

Management periodically reassesses the economic useful life of property, plant and equipment, intangible assets, based on the general condition of these assets and the expectation of their useful economic lives in the future. The impairment loss is recognized in the consolidated statement of profit or loss for the year.

Income tax

Management recognizes income tax expense deferred tax assets, deferred tax liabilities and required tax provision for the year based on management's estimate for taxable profit in accordance with the prevailing laws, regulations and IFRSs.

Litigation provision

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

Provision for end-of-service indemnity

Recalculation and formation of end of service benefits for each employee for current and prior periods which are discounted to their present value.

Assets and liabilities at cost

Management periodically reviews assets and liabilities to assess and evaluate impairment, and any loss incurred is recognised within the consolidated statement of profit or loss for the year.

Allowance for expected credit losses

Management is required to use significant judgments and estimates to estimate the amounts and timing of future cash flows and assess the risks of a significant increase in credit risks for financial assets after initial recognition and future measurement information for the expected credit losses. The most important policies and estimates used by the Bank's management are detailed in note (43).

Evaluation of business model

The classification and measurement of financial assets depend on the results of the principal and interest payments test on the principal outstanding and the business model test. The Bank defines a business model at a level that reflects how the groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment that reflects all relevant evidence, including how to assess the performance of the assets and measure their performance, the risks that affect the performance of assets and how they are managed, and how asset managers are compensated. The Bank monitors financial assets measured at amortized cost or fair value through other comprehensive income and derecognized before maturity to understand the reason for derecognition and whether the reasons are consistent with the objective of the business held. In this respect, control is part of the Bank's continuous assessment of whether the business model under which the remaining financial assets are retained is appropriate, and whether it is inappropriate if there is a change in the business model, and therefore, a future change is made in the classification of those assets.

Significant increase in credit risk

The expected credit loss is measured as an allowance equivalent to the expected credit loss of 12 months for the assets of the first stage, or the credit loss over the life of the assets of the second or third stage. The asset moves to the second stage if credit risk increases significantly since initial recognition. IFRS (9) does not specify what constitutes a significant increase in credit risk. In assessing whether the credit risk of any asset has increased significantly, the Bank takes into account reasonable and reliable quantitative and qualitative information. The estimates used by the Bank's management concerning the significant change in credit risk that result in a change in the classification within the three stages (1, 2 and 3) are shown in detail in note (43).

Establish groups of assets with similar credit risk characteristics

When expected credit losses are measured on a collective basis, financial instruments are grouped basing on credit risks shared qualities for example (instrument type, credit risk severity, guarantee type, initial recognition date, remaining period till due date, industry, geographical location for the lender, etc.) the bank continuously monitors the convenience of credit risks properties to assess whether it is still consistent. This is required to guarantee that in case there are any changes in credit risk properties the assets get redistributed accordingly. That may result in building up new portfolios of the transfer of existing assets to existing portfolios that better reflect credit risk properties for that group of assets.

Re-division of portfolios and movements between portfolios

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

Models and assumptions used

The Bank uses various models and assumptions in measuring the fair value of financial assets as well as in assessing the expected credit loss described in note (43). The judgment is applied when determining the best models for each type of asset as well as for the assumptions used in those models, which include assumptions regarding the main drivers of credit risk.

A. Classification and measurement of financial assets and liabilities

The Bank classifies financial instruments or components of financial assets at initial recognition either as a financial asset or a financial liability, or as an equity instrument in accordance with the substance of the contractual agreements and the definition of the instrument. The reclassification of a financial instrument is subject to the substance of the financial statements and not to its legal form. The Bank shall determine the classification at initial recognition and reassess such determination, if possible and appropriate, at each date of the consolidated statement of financial position. When measuring financial assets and liabilities, certain assets and liabilities of the Bank are re-measured at fair value for financial reporting purposes. In assessing the fair value of any assets or liabilities, the Bank uses available observable market data. In the absence of Tier 1 inputs, the Bank conducts evaluations using professionally qualified independent evaluators. The Bank works closely with qualified external evaluators to develop appropriate valuation and data valuation techniques.

B. Fair value measurement

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

C. Derivative financial instruments

- The fair values of derivative financial instruments measured at fair value are generally obtained by reference to quoted market prices, discounted cash flow models and, where appropriate, recognized pricing models. In the absence of prices, fair values are determined using valuation techniques that reflect observable market data. These techniques include comparison with similar instruments at observable market prices, discounted cash flow analysis, pricing option models and other valuation techniques commonly used by market participants. The main factors that management takes into consideration when applying the model are:
- The expected timing and probability of future cash flows on the instrument where such cash flows are generally subject to the terms of the instrument, although the management's judgment may be required, where the counterparty's ability to repay the instrument in accordance with contractual terms is in doubt; and
- An appropriate discount rate for the instrument. Management determines the instrument discount rate at a rate higher than the non-risk rate. In assessing the instrument by reference to comparative instruments, Management considers the maturity, structure, and degree of classification of the instrument based on the system in which the existing position is compared. When evaluating tools on a model basis using the fair value of the main components, they also consider the need to adjust for a several factors, such as bid differences, credit status, portfolio service costs, and uncertainty about the model.

Leases

Some leases of office premises have extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practical, the Group looks to include extension options in new leases to supply operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Key Sources of Uncertainty Estimates

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

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

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

Probability of Default

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

Loss Given Default

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

Fair Value Measurement and Valuation Procedures

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

Lease Payments Discount

Lease payments are discounted using the implicit lease interest rate or the incremental borrowing rate.

Management have applied the judgments and estimates to determine additional borrowing rate on the start of the lease date.

5. Changes in the Accounting Polices
The application of the new and Amended International Standards

A. Amendments that did not have a material impact on the banks consolidated financial statements:
The following new and revised International Financial Reporting Standards were adopted, effective starting from or after January 1, 2019, when preparing the consolidated financial statements for the Bank, which did not significantly affect the amounts and disclosures stated in the consolidated financial statements for the year and prior years, noting that they may have an impact on the accounting treatments of future transaction and arrangements:

New and revised standards	Amendments to new and revised IFRSs
Annual improvements to IFRSs issued between 2015 - 2017	Improvements include amendments to IFRS No. (3) "Business Combinations", No. (11) "Joint Arrangements", International Accounting Standards No. (12), "Income taxes" and (23) "Borrowing costs".
IFRIC (23) "Uncertainty on the treatment of Income tax"	The interpretation clarifies the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax benefits and tax rates when there is uncertainty about the treatment of income tax under IAS (12) and specifically addresses: ▪ Whether the tax treatment should be considered in aggregate. ▪ Assumptions regarding the procedures for the examination of tax authorities; ▪ Determination of taxable profit (tax loss), tax basis, unused tax losses, unused tax breaks, and tax rate; and ▪ The impact of changes in facts and circumstances.
Amendments to IFRS 9 "financial instruments"	These amendments relate to the advantages of prepayment with negative compensation, where the current requirements of IFRS (9) regarding termination rights have been amended to allow for the measurement at amortized cost (or on the business model at fair value through other comprehensive income) status of negative compensation payments.
Amendments to IAS (28) "investment in associate and joint ventures"	These amendments relate to long-term shares in allied enterprises and joint venture. These amendments clarify that an entity applies IFRS (9) "financial instruments" to long term interests in an associate or joint venture if the equity method has not been applied to it.
Amendments to IAS 19 "employee benefits"	These amendments relate to adjustments to plans, reductions, or settlements.

B. Amendments Affecting the Bank's Consolidated Financial Statement:
IFRS 16 "Leases"
The Bank has adopted IFRS 16, "Leases", which supersedes the existing guidelines on leases, including IAS 17 "Leases" and International Interpretation (4) "Determining whether an arrangement contains a lease and SIC Interpretation (15) "Operating leases - incentives" and SIC interpretation (27) "evaluating the substance of transactions involving the legal form of a lease".

IFRS 16 was issued on January 2016 and is effective for financial periods beginning on or after January 1st, 2019. IFRS 16 provides that all leases and associated contractual rights and obligations shall generally be recognized in the financial position of the Bank, unless the period is 12 months or less or a lease for low-value assets. Accordingly, the classification required under IAS 17 "Leases" as operating or finance leases has been canceled for lessors. For each lease, the lessee recognizes a liability for future lease commitments. In contrast, the right to use the leased asset is capitalized, which is generally equivalent to the present value of future lease payments plus directly attributable costs that are amortized over the useful life.

The Bank has adopted the second option of the modified retrospective approach of accounting - which allows comparative figures presented under IAS 17 "Leases" not to be restated – which is permitted under IFRS 16 at the first-time adoption of IFRS 16 over the individual Operating leases (for each lease separately), the right to use leased assets is generally measured at the amount of the lease obligation using the interest rate at initial application.

Right-of-use assets have been measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to lease contract recognized at the statement of financial position as of December 31, 2018. No adjustments made to retained earnings as of 1 January 2019 under this method. No impaired lease contracts required adjustments on the right of use at initial application date.

The Right-of-use assets recognized is related to leased real estates as of December 31, 2019 and January 1st, 2019.

The Bank leasing activities and related accounting treatment:
The Bank leases real estate in its normal course of business and usually has lease contracts with fixed terms that range from one to twenty years and may include extensions. The terms of each lease contracts are negotiated individually and may include a group of different provisions and conditions. Lease contracts do not include covenants and cannot be used as a guarantee for borrowing purposes.

Were up to the end of the financial year 2018, properties leases were classified either as an operating lease or a finance lease, amounts paid in respect of operating leases are recognized in the statement of profit or loss on a straight-line basis over the lease term.

Starting from January 1, 2019, leases are recognized as assets and liabilities at the date that the asset is ready for use by the Bank, the amount of each lease payment is allocated between the lease commitments and finance costs. Finance costs are recognized in the statement of profit or loss during lease period to reach a fixed periodic interest rate on the remaining balance of the liability for each period, assets right if use are amortized over the useful life of the asset or the lease period whichever is less according to the straight-line method.

The asset and liabilities resulting from lease contracts are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Bank's incremental borrowing rate as of January 1st 2019. Lease payments included in the measurement of the lease liability comprise the net present value of the following lease payments:
- Fixed payments (including in-substance fixed payments) and deducted the accrued rent benefits.
- Variable lease payments that depend on an index or a rate;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise (if any), and
- Payment of the contract termination fees, if the lease terms includes this option.

Lease payments are discounted using the implicit lease interest rate or the incremental borrowing rate of the lessee if it is not available, which is the price that the lessee must pay to borrow funds to obtain an asset in a similar economic environment.

Right of use assets are measured at cost which includes the following:
- Initial measurement for lease liabilities
- Any lease payments made at or before the lease start date deducted any collected lease incentives
- Direct initial costs
- Lease returning costs (renovation and restoration)

Right-of-use assets are measured at the amount equal to the lease liability, which is adjusted for any lease payments made or accrued – the Bank has adopted this approach over all its leases.

While payments related to short-term leases and low-value leases are recognized on a straight-line basis as an expense in the statement of profit or loss, short-term leases are leases of 12 months period or less.

The Bank used the following practical expedients when applying IFRS 16 for the first time:
- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Relying or previous assessments on whether the lease contracts are impaired.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Use estimates when determining the lease term if the contract contains options for extending or terminating the lease.
- Use estimates to determine the term of the lease, as the contract contains options for extending or the terminating the lease.

The bank has elected not to revaluate whether the contract contains al lease at the intial date of application. Instead, for the contracts that was signed before transition date the Bank has applied IAS 17 "leases" and IFRIC (4) "Determining Whether an Arrangement Contains a Lease".

Effect on consolidated financial statements:
Right-of-use assets have been measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to lease contract recognized at the statement of financial position as of December 31, 2018. No adjustments made to retained earnings as of 1 January 2019 under this method.

On transition to IFRS 16, the Group recognised right-of-use assets by the amount of JD 13,771,577 and lease liabilities by the amount of JD 13,771,577 . The details of the rights of use of assets, lease liabilities and the borrowing rate used are mentioned in notes (14) and (22).

The Bank presents right-of-use assets in 'property and equipment', and presents related lease liabilities in the borrowed funds in the consolidated statement of financial position as follow:

In Jordanian Dinar	Effect of application of IFRS 16 as of January 1, 2019
Operating lease commitments as of December 31, 2018	17,199,417
Discounted using the incremental borrowing rate as of January 1, 2019	13,771,577

Based on the adoption of IFRS 16, the Group has recognised depreciation and interest costs related to lease contracts instead of operating lease expense in the consolidated statement of profit or loss during the year ended December 31, 2019 as follows:

In Jordanian Dinar **Amounts recognized in the consolidated statement of profit or loss:**	For the year ended December 31, 2019
Depreciation against the right to use the assets	3,038,962
Interest against lease liability	747,668
Short term contract lease expense	1,201,201

C. New and revised IFRSs issued and not yeat effective:
The Bank has not adopted the following new and amended IFRSs issued but not yet effective as of the date of the consolidated financial statements. The details are as follows:

New and revised standards	Amendments to the new and revised IFRSs
Amendments to IAS (1) "Presentation of Financial Statements" (Effective January 1, 2020)	These amendments are mainly related to the significance definition.
Amendments to IFRS 3 " Business combinations" (Effective January 1, 2020)	These amendments clarify the definition of business as the international accounting standards board published the revised financial reposting framework. This includes revised definitions on measurement, derecognition, presentation, and disclosure. In addition to amended conceptual framework, the IASB issued amendments to the guidelines on the conceptual framework in the IFRS standards, which contain amendments to IFRS (2, 3, 6 and 14) and IAS (1,8,34,37 and 38) and IFRIC (12,19) and (20,22), and interpretations of standing committee for the interpretation of standards number (32), in order to update those statements with regard to references and quotaions from the framework or to refer to a different version of the conceptual framework.
IFRS 17 "Insurance Contracts" (Effective January 1, 2022)	Provides a more consistent measurement and presentation approach to all insurance contracts. These requirements are aimed at achieving a consistent, principle accounting objective for insurance contracts. IFRS (17) replaces IFRS (4) insurance contracts.
Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures (2011)" (The start date has been postponed indefinitely, and the application is still permitted)	These amendments relate to the treatment of the sale or contribution of the assets of the investor in the associate or joint venture.

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

6. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the bank in these consolidated financial statements for the year ended December 31, 2019 are the same as those applied by the Bank in its consolidated financial statements for the year ended December 31, 2018, except for International Financial Reporting Standards amendments and improvements that become effective on and after January 1, 2019 disclosed in note (5-A and 5-B).

This is first set of the group's annual financial statement in which IFRS 16 "leases" has been applied. The related changes to significant accounting polices are described in Not (5)

Basis of Consolidation of Financial Statements
The Consolidated financial statements comprise of the financial statements of the Bank (and its subsidiaries which are subject to its control), the principle of control sets out the following three elements of control:
- Power over the investee.
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use power over the investee to affect the amount of the investor's returns.

The Bank reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control at each reporting year.

If the voting rights for the bank decreased below the majority voting rights at any of the subsidiaries, the Bank has control when its voting rights are sufficient to give the bank the ability to direct the activities of the subsidiary facility from one side only.

And the Bank takes into consediration all facts and circumstances when estimating whether the Bank has sufficient voting rights that enables the Banks control. Among those facts and circumstances are:

- The size of the voting rights that the bank posesses and the distribution of other voting rights.
- Possible voting rights that the bank posessess and any other parties that posess voting rights as such.
- Emerging rights from other contractual arrangements; and,
- Any other facts and circumstances that indicates that the Bank may or may not become liable when its required to make decisions, including voting mechanism in previous general assembly meetings.

Subsidiaries are consolidated when the Bank controls the entity and consolidation pauses when the Bank loses control over the subsidiary. Specifically; the aquired or disowned subsidiaries during the year their results are included in the consolidated profit and loss statement from the control till the loss of control date.

Profits and losses and every item from the comprehensive income items gets distributed to the owners in the entity and non-controling interests, the comprehensive income of subsidiaries are distrbuted to the owners at the entity and the non-controlling interests even if this distribution would lead to a deficit in the total balance of the non-controlling interests.

Adjustments on the subsidiaries financial stetments are performed, on necessity to match the accounting policies of the Bank.

All assets, liabilities, owners equity, income, intercompany transactions, and balances between the bank and the subsidiaries are removed on consolidation.

NCI in subsidiaries are determined separately from the Bank's equity in these subsidiaries. NCI are measured initially at their proportionate share of the acquirer's identifiable net assets at the date of acquisition,
Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

When the Bank loses control over a subsidiary, resulting profit or loss from the disposal of the subsidiary is recognised in the profit and loss statement by calculating the difference between (A) total fair value of the reveiced amount and the fair value of any ramaining shares and (B) the current value of the assets (including good will) netted from it the liabilities of the subsirdiaries are and any non-controling interests. All previously recognised amounts are staed in the statement of comprehensive income regarding that subsidiary as if the Bank had just disposed of the assets and liabilities relating to that subsidiary. The fair value of the investment held at the previous subsidiary at the loss of control date as a fair value on initial recognition of subsequent accounting according to the international financial reporting standard (9) "financial instruments" on application of the standard, or the initial recognition cost of the investment at an associate or in a joint project.

The Bank has the following subsidiary companies as of December 31, 2019:

Name of Subsidiary	Paid-up Capital	Bank's Ownership Percentage	Subsidiary's Nature of Business	Place of Operation	Acquisition Date
		%			
Excel for Financial Investments Company	JD 3.5 Million	100	Financial Brokerage	Amman	March 23, 2006
Bank of Jordan – Syria*	3,000 Million (Syrian – Lira)	49	Banking Activities	Syria	May 17, 2008
Jordan Leasing Company	JD 20 Million	100	Finance Lease	Amman	October 24, 2011

The most important information of the subsidiaries for the year 2018 and 2019 is as follows:

Name of Subsidiary	December 31, 2019		For the Year 2019	
	Total Assets	Total Liabilities	Total Revenues	Total Expenses
	JD	JD	JD	JD
Excel for Financial Investments Company	5,780,304	211,366	540,816	328,947
Bank of Jordan – Syria*	53,849,233	42,377,741	3.690,478	3,269,415
Jordan Leasing Company	28,262,123	4,784,310	2,016,553	59,949

Name of Subsidiary	December 31, 2018		For the Year 2018	
	Total Assets	Total Liabilities	Total Revenues	Total Expenses
	JD	JD	JD	JD
Excel for Financial Investments Company	5,858,341	501,270	1,618,578	639,506
Bank of Jordan – Syria*	51,119,962	40,052,837	2,612,253	3,164,907
Jordan Leasing Company	25,961,127	4,439,320	1,932,007	1,066,581

* The results of Bank of Jordan – Syria has been consolidated in the accompanying consolidated financial statements due to the Bank's power to govern the financial and operating policies of the subsidiary Company.

Segmental Information

- Business is a group of assets and operations that jointly provide products or services subject to risks and returns different from those of other business segments, to the effect that it is measured according to the reports used by the Executive Directors and the main decision maker at the Bank.

- Geographical sector relates to providing products or services in an economic environment subject to specific risks and returns different from those operating in other sectors of other economic environments.

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

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

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

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

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

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

A contract with a customer that results in a recognized financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

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

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

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

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

The presentation of dividend income in the consolidated statement of the statement of income depends on the classification and measurement of the equity investment, i.e.:
- For equity instruments which are held for trading, dividend income is presented as trading income;
- For equity instruments classified at fair value through other comprehensive income, dividend income is presented in dividends from financial assets at fair value through other comprehensive income line within the statement of income.
- For equity instruments not classified at fair value through other comprehensive income and not held for trading, dividend income is presented as net income from other instruments at fair value through the statement of income.

Financial Instruments
Initial Recognition and Measurement
Financial assets and financial liabilities are recognized in the Bank's consolidated statement of financial position when the Bank becomes a party to the contractual provisions of the instrument. Loans and customers overdrafts are recognized once booked on the customer's account.

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

If the transaction price differs from fair value at initial recognition, the Bank will account for such difference as follows:
- If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognized in the statement of income on initial recognition (i.e. day 1 the statement of income);
- In all other cases, the fair value will be adjusted to become it in line with the transaction price (i.e. day 1 the statement of income 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 recognized in the statement of income on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability or when derecognizing the instruments.

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

Subsequent Measurement

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

- Debt instruments held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortized cost;
- Debt instruments held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are (SPPI), are subsequently measured at fair value through other comprehensive income;
- All other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at fair value through profit or loss.

  However, the Bank may irrevocably make the following selection / designation at initial recognition of a financial asset on an asset-by-asset basis:
- The Bank may irrevocably select to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, in other comprehensive income; and
- The Bank may irrevocably designate a debt instrument that meets the amortized cost or fair value through other comprehensive income criteria as measured at fair value through the statement of income, if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

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

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

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

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

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

Assessment of Business Models

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

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

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

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

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

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

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

Financial Assets - Assessment of whether contractual cash flows are solely payments of principal and interest

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 the profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- Contingent events that would change the amount and timing of cash flows.
- Prepayment and extension terms.
- Terms that limit the Bank's claim to cash flows from specified assets.

Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss are:

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

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

Reclassifications

If the business model under which the Bank holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model, which results in reclassifying the Bank's financial assets. The changes in the contractual cash flows are considered under the accounting policy on the modification and de-recognition of financial assets described below.

Foreign Exchange Gains and Losses

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

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

Fair Value Option

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

- If the selection leads to a significant cancellation or reduction of the accounting mismatch.
- If the financial liabilities are part of a portfolio managed on a fair value basis, in accordance with a documented risk management or investment strategy; or
- If a derivative is included in the underlying financial or non-financial contract, and the derivative is not closely related to the underlying contract.

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

Impairment

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

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

No impairment loss is recognized on equity investments.

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

- 12-month expected credit loss, i.e. lifetime expected credit loss that results from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Full lifetime expected credit loss, i.e. lifetime expected credit loss that results from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime expected credit loss 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, expected credit losses are measured at an amount equal to the 12-month expected credit loss.

Expected credit losses are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Bank under the contract and the cash flows that the Bank expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate.
For unutilized loan limits, the expected credit loss is the difference between the present value of the difference between the contractual cash flows that are due to the Bank if the holder of the commitment draws down the loan and the cash flows that the Bank expects to receive if the loan is utilized; and

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

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

Expected credit losses allowances are calculated in accordance with the Central Bank of Jordan (CBJ) instructions No. (13/2018) "International financial reporting standard No. (9) Implementation" dated June 6, 2018 and in accordance with the Regulatory authorities instructions in the countries that the Bank operates whichever is more strict.

The main significant differences are as follows:

- Debt instruments issued or guaranteed by the Jordanian government are excluded, so that credit exposures issued or guaranteed by the Jordanian government are treated without credit losses.
- When calculating credit losses against credit exposures, the calculation results are compared according to the International Financial Reporting Standard No. (9) with the instructions of the Central Bank of Jordan No. (47/2009) dated December 10, 2009 for each stage separately and the strictest results are taken in the recognition.

Credit-Impaired Financial Assets

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

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

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

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

Purchased or Originated Credit-Impaired (POCI) Financial Assets

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

Definition of Default

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

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

- The borrower is past due more than 90 days on any material credit obligation to the Bank; or
- The borrower is unlikely to pay its credit obligations to the Bank in full.

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

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

Significant Increase in Credit Risk

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

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

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

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

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

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

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

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

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

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

Modification and Derecognition of Financial Assets

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

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

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

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

In the case where the financial asset is derecognized, the loss allowance for expected credit loss is re-measured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month expected credit loss except in the rare occasions, where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognized at a significant discount to its revised 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 derecognition, the Bank determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- The remaining lifetime probability of default estimated based on data at initial recognition and the original contractual terms; with
- The remaining lifetime probability of default at the reporting date based on the modified terms.

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

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

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

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

Write-off

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

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

Loss allowances for expected credit loss are presented in the statement of financial position as follows:

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

Financial Liabilities and Equity

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

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

Loans and Advances

'Loans and advances' captions in the consolidated statement of financial position include:

- loans and advances measured at amortized cost; they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortized cost using the effective interest method;
- Loans and advances mandatorily measured at FVTPL or designated as at FVTPL; these are measured at fair value with changes recognized immediately in profit or loss; and
- Lease receivables.
- Interests and commissions on non-operating credit facilities granted to customers are suspended in accordance with the Central Bank of Jordan instructions, the Regulatory authorities in Syria and the Palestinian Monetary Authority whichever is strict.
- Credit facilities and their related suspended interests are included in off-balance sheet provisions, and that is in accordance with the board of directors' decisions.
- Suspended interests for the accounts that have legal cases are included in off-balance sheet provisions, and that is in accordance with the board of directors' decisions.

When the Group purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset), at a fixed price on a future date (reverse repo or stock borrowing), the consideration paid is accounted for as a loan or advance, and the underlying asset is not recognized in the Group's financial statements.

Equity Instruments

Paid up Capital

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

Treasury Shares

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

Compound Instruments

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

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

Financial Liabilities

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

Financial Liabilities at Fair Value Through the Statement of Profit or loss

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

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

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

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Bank's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire hybrid (combined) contract to be designated as at fair value through the statement of Profit or loss.

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

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

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

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

Other Financial Liabilities

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

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of Financial Liabilities

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

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

Derivative Financial Instruments

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

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

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

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

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

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

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at fair value through profit or loss and not arising from a transfer of a financial asset, are subsequently measured at the higher of:
- The amount of the loss allowance determined in accordance with IFRS 9; and
- The amount initially recognized less, where appropriate, the cumulative amount of Profit or loss recognized in accordance with the Bank's revenue recognition policies.

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

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

Commitments to Provide a Loan at a Below-Market Interest Rate
Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at the higher of:
- The amount of the loss allowance determined in accordance with IFRS 9; and
- The amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the Bank's revenue recognition policies.

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

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

Derivatives
Derivatives for Trading
The fair value of derivative financial instruments held for trading (such as forward foreign exchange contracts, future interest contracts, swaps, foreign exchange options rights) is recognized in the consolidated statement of financial position, and fair value is determined at the prevailing market rates. If this information is not available, the assessment methodology is disclosed, and the change in fair value is recognized in the consolidated statement of Profit or loss.

Hedge Accounting
The Bank designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations, as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

The Bank does not apply fair value hedge accounting of portfolio hedges of interest rate risk. In addition, the Bank does not use the exemption to continue using IAS 39 hedge accounting rules, i.e. the Bank applies IFRS 9 hedge accounting rules in full.

At the inception of the hedge relationship, the Bank documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Bank documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:
- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Bank actually hedges, and the quantity of the hedging instrument that the Bank actually uses to hedge that quantity of the hedged item.

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

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

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

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

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

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

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

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

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

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

Cash Flow Hedges

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

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

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

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

Offsetting

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

Accounts Managed on Behalf of Customers

These represent the accounts managed by the Bank on behalf of its customers, but do not represent part of the Bank's assets, fees and commissions on such accounts are shown in the consolidated statement of profit or loss, a provision against the impairment in the capital-guaranteed portfolios managed on behalf of customers is taken.

Fair Value

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

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

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

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

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

Provisions

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

Employees Benefits

Short term employee benefits

Employees short term benefits are recognised as expenses when delivering relevant services. Liability is recorded against the related commitment when the bank is legaly obliged implicitly or explicitly to pay for past services rendered by the employee and the liability can be estimated reliably.

Other long term employee benefits

The banks liabilities relating to employees benefits are the future benefits amount that the employees received regardless of their prior and current service periods. There benefits are discounted to specify their current amount. Remeasurment is recognised in the consolidated statement for profit or loss in the period that they emerged.

Income Tax

- Income tax expenses represent accrued taxes and deferred taxes.
- Income tax expenses are accounted for on the basis of taxable income. Taxable income differs from declared income in the consolidated financial statements because the latter includes non-taxable revenues or disallowed taxable expenses in the current year but deductible in subsequent years, tax acceptable accumulated losses, and items not accepted for tax purposes or subject to tax.
- Taxes are calculated on the basis of the tax rates according to the prevailing laws, regulations, and instructions enforced in the countries where the Bank operates.
- Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of assets and liabilities in the consolidated financial statements and the value of taxable amounts. Deferred tax is calculated on the basis of liability method in the consolidated statement of financial position according to the rates expected to be applied when the tax liability is settled, or deferred tax assets are recognized.
- Deferred tax assets and deferred tax liabilities are reviewed as of the date of the consolidated financial statements and reduced in case it is expected that no benefit or need will arise, partially or totally.

Foreclosed Assets

Assets foreclosed by bank are presented at the consolidated statement of financial position within other assets at fair value or at the value of their ownership by the bank whichever is less, at the date of the consolidated financial statements these assets gets re-evaluated individually, and any impairment in their value is recorded as a loss in the consolidated statement of profit or loss but the increase is not recorded as revenue, Subsequent value increase is taken to the consolidated statement of profit or loss to the extent that it does not exceed the previously recorded impairment amount. Starting from the year 2015 and in accordance with the Central Bank of Jordan Circular No. 10/1/4076 dated March 27, 2014 and Circular No. 10/1/2510 dated February 14, 2017 the bank has started to calculate gradual provision against the assets foreclosed by the bank in exchange of credit facilities that have been in possession for more than 4 years. Central Bank of Jordan issued Circular No. 10/1/16239 dated November 21, 2019 approving the extension of Circular No. 10/1/2150 dated February 14, 2017, in which it confirmed postponing the provision calculation until the end of year 2020 and amending the second clause of it.

Mortgaged Financial Assets

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

Repurchase and Resale Agreements

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

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

Property and Equipment

- Property and equipment are stated at cost less accumulated depreciation and any impairment loss in its value. Moreover, depreciation is calculated (except for lands) when the assets are ready for use on the straight-line basis over the estimated useful lives of these assets as follows:

	%
Buildings	2 – 15
Equipment and Fixtures	15
Furniture	9
Vehicles	15
Computers	15
Improvements and Decorations	15

- When the carrying amounts of Property and Equipment exceed their recoverable values, assets are written down, and impairment losses are recorded in the consolidated statement of profit or loss.
- The useful lives of Property and Equipment are reviewed at the end of each year. In case the expected useful life is different from what was determined before, the change in estimate is recorded in the following years.
- Property and Equipment are derecognized when disposed of or when there is no expected future benefit from their use.

Intangible Assets

Goodwill

- Goodwill is initially measured at cost, being the excess of the cost of acquisition or purchase of investment in an associate or subsidiary company over the Bank's share in the net fair value of the identifiable assets at the date of acquistion. Goodwill arising from the investment in subsidiaries will be separately shown under intangible assets, while that arising from the investment in associates will be shown as part of investment in associates and subsequently adjusted for any impairment losses.
- Goodwill is allocated to each of the Bank's cash-generating units, or groups of cash-generating units for the purpose of impairment testing.
- Goodwill is reviewed for impairment, at the date of the consolidated financial statements, if events or changes in circumstances indicate that the estimated recoverable amount of a cash-generating unit or group of cash-generating units is less than their carrying amount. Moreover, impairment losses are charged to the consolidated statement of Profit or loss.

Other Intangible Assets

- Intangible assets acquired through business combination are recorded at their fair value on that date. Other intangible assets are measured on initial recognition at cost.
- Intangible assets are classified based on the assessment of their useful life to definite and indefinite. Intangible assets with definite lives are amortized over their useful economic life, while intangible assets with indefinite useful lives are assessed for impairment at each reporting date, and impairment loss is charged to the consolidated statement of profit or loss.
- Internally generated intangible assets are not capitalized and are expensed in the consolidated statement of profit or loss.
- Indications of impairment of intangible assets are reviewed, and their useful economic lives are reassessed at each reporting date. Adjustments are reflected in the current and subsequent periods.

Computer Software's

Computer Software's are shown at cost at the time of purchase and amortized at an annual rate of 15% - 20%.

Impairment of Nonfinancial Assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets except for deferred tax assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.
Impairment losses are recognized in profit or loss.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Foreign Currencies

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

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

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

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

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

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

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

Leases

The Bank has adopted IFRS 16, "Leases", which supersedes the existing guidelines on leases, including IAS 17 "Leases" and International Interpretation (4) "Determining whether an arrangement contains a lease and SIC Interpretation (15) "Operating leases - incentives" and SIC interpretation (27) "evaluating the substance of transactions involving the legal form of a lease".

Policy applicable from 1 January 2019

The Bank has adopted the second option of the modified retrospective approach of accounting - which allows comparative figures presented under IAS 17 "Leases" not to be restated – which is permitted under IFRS 16 at the first-time adoption of IFRS 16 over the individual Operating leases (for each lease separately), the right to use leased assets is generally measured at the amount of the lease obligation using the interest rate at initial application.

The Bank determines whether a contract is, or contains, a lease. A contract is considered or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration as the definition of a lease in the standard.

Bank acting as a lessee

At commencement or on modification of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Bank has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Bank recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Bank uses its incremental borrowing rate.

The Bank determines the borrowing rate by Analyzing its loans from various external sources and making some adjustments to reflect the lease terms and the type of leased assets.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When lease liabilities are measured using this method, the adjustments are made to related right of use asset or in the consolidated statement of profit or loss if the net book value for the related right of use asset was not fully depreciated. The right-of-use of assets are presented within property and equipment caption and the related lease liabilities are presented in other liabilities (Borrowed funds) in the consolidated statement of financial position.

Short-term leases and leases of low-value assets

The Bank has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, the Bank recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Bank as lessor

When the Group acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.
To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Applicable policies prior to January 1, 2019

For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset.

As a lessee

The groub did not have any linaces leasees under IAS (17).

Assets held under other leases were classified as operating leases and were not recognized in the Group's statement of financial position. Payments made under operating leases were recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognized as an integral part of the total lease expense, over the term of the lease.

As a lessor

When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances with central banks and balances with banks and financial institutions, less balances due to banks and financial institutions maturing within three months and restricted funds.

Earnings per Share

The Group presents basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Bank by the weighted-average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

7. Cash and Balances with Central Banks

This item consists of the following:	December 31,	
	2019	2018
	JD	JD
Cash at vaults	72,423,711	74,159,406
Balances at Central Banks:		
- Current accounts and demand deposits	45,510,029	45,256,616
- Term and notice deposits	95,075,098	128,078,099
- Certificates of deposit	69,513,000	11,500,000
- Statutory cash reserve	102,130,953	101,342,436
	384,652,791	360,336,557
Less: Expected credit loss	(256,615)	(194,054)
	384,396,176	**360,142,503**

- Balances at central banks amounted to JD 312,229,080 as of December 31, 2019 (JD 286,177,151 as of December 31, 2018), these balances are distributed to credit stages as follows:

Item	As of December 31, 2019				As of December 31, 2018
	Stage One	Stage Two	Stage Three	Total	Total
Balance at the beginning of the year	286,177,151	-	-	286,177,151	196,829,576
New balances during the year	63,185,504	-	-	63,185,504	116,276,200
Paid balances	(37,133,575)	-	-	(37,133,575)	(26,928,625)
	312,229,080	-	-	312,229,080	286,177,151
Transferred to stage one	-	-	-	-	-
Transferred to stage two	-	-	-	-	-
Transferred to stage three	-	-	-	-	-
Changes due to the adjusments	-	-	-	-	-
Adjusment due to exchange rates fluctuations	-	-	-	-	-
Balance at the End of the Year	**312,229,080**	**-**	**-**	**312,229,080**	**286,177,151**

Distribution of the total balances with central banks according to the banks internal credit rating categories was as follows:

Item	As of December 31, 2019						As of December 31, 2018
Credit risk rating based on the Bank's internal credit rating system:	Stage One		Stage Two		Stage Three		
	Individual Level	Collective Level	Individual Level	Collective Level		Total	Total
1	247,706,557	-		-	-	247,706,557	227,637,131
2	-	-		-	-	-	-
3	-	-		-	-	-	-
4	-	-		-	-	-	-
5	-	-		-	-	-	-
6	64,522,523	-		-	-	64,522,523	58,540,020
7	-	-		-	-	-	-
8	-	-		-	-	-	-
9	-	-		-	-	-	-
10	-	-		-	-	-	-
Total	**312,229,080**	**-**		**-**	**-**	**312,229,080**	**286,177,151**

The expected credit loss allowance movement summary was as follows:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			
Balance at the beginning of the year	194,054	-	-	-	-	194,054	200,884
Expected credit loss on new balances during the year	172,243	-	-	-	-	172,243	2,955
Expected credit loss reversal on Paid balances	(109,642)	-	-	-	-	(109,642)	(9,785)
	256,655	-	-	-	-	256,655	194,054
Transferred to stage one	-	-	-	-	-	-	-
Transferred to stage two	-	-	-	-	-	-	-
Transferred to stage three	-	-	-	-	-	-	-
Changes due to the adjusments	-	-	-	-	-	-	-
Adjusment due to exchange rates fluctuations	(40)	-	-	-	-	(40)	-
Balance at the End of the Year	**256,615**	**-**	**-**	**-**	**-**	**256,615**	**194,054**

- Statutory cash reserve, amounted to JD 102,130,953 as of December 31, 2019 (JD 101,342,436 as of December 31, 2018).
- Restricted balances other than cash reserve amounted to JD 2,440,098 as of December 31, 2019 (JD 2,443,099 as of 31 December 2018).
- Term and notice Deposit balance includes JD 10,635,000 maturing within a period exceeding three months as of December 31, 2019 (JD 10,635,000 as of December 31, 2018).
- Expected credit losses allowance was not calculated in accordance with the requirements of the International Financial Reporting Standard (9) on the Central Bank of Jordan balances as at December 31, 2019 and 2018 that is in accordance with the Central Bank of Jordan Instructions No.13/2018 regarding the application of International Financial Reporting Standard No. (9).

8. Balances with Banks and Financial Institutions	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	As of December 31,					
This item consists of the following:	2019	2018	2019	2018	2019	2018
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	-	-	121,074,922	24,583,280	121,074,922	24,583,280
Deposits maturing within 3 months or less	48,376,500	95,372,559	18,874,863	32,166,489	67,251,363	127,539,048
	48,376,500	95,372,559	139,949,785	56,749,769	188,326,285	152,122,328
Less: Expected credit loss	(263)	(152)	(2,695)	(3,482)	(2,958)	(3,634)
	48,376,237	**95,372,407**	**139,947,090**	**56,746,287**	**188,323,327**	**152,118,694**

Distribution of the total balances with banks and financial institutions according to the banks internal credit rating categories was as follows:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two				
Item	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total	Total
Credit risk rating based on the Bank's internal credit rating system:							
1	-	-	-	-	-	-	5,346,817
2	119,503,328	-	-	-	-	119,503,328	11,063,216
3	13,534,979	-	-	-	-	13,534,979	26,908,111
4	17,968,927	-	-	-	-	17,968,927	1,925,055
5	2,742,570	-	-	-	-	2,742,570	9,576,900
6	34,474,900	-	-	-	-	34,474,900	96,398,810
7	-	-	101,581	-	-	101,581	903,419
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Total	**188,224,704**	**-**	**101,581**	**-**	**-**	**188,326,285**	**152,122,328**

Balances at Banks' and financial institutions credit stages distribution was as follows:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three		
Item	Individual Level	Collective Level	Individual Level	Collective Level		Total	Total
Balance at the beginning of the year	151,218,909	-	903,419	-	-	152,122,328	265,682,212
Impairment loss for new balances during the year	111,274,189	-	-	-	-	111,274,189	43,602,608
Paid balances	(66,390,142)	-	-	-	-	(66,390,142)	(157,162,492)
	196,102,956	-	903,419	-	-	197,006,375	152,122,328
Transferred to Stage One	903,419	-	(903,419)	-	-	-	-
Transferred to Stage Two	(57,381)	-	57,381	-	-	-	-
Transferred to Stage Three	-	-	-	-	-	-	-
Impact on allowance - at year end due to adjustments among stages during the year	5,819	-	44,200	-	-	50,019	-
Changes due to the adjustments	(8,730,109)	-	-	-	-	(8,730,109)	-
Balance at the End of the Year	**188,224,704**	**-**	**101,581**	**-**	**-**	**188,326,285**	**152,122,328**

The movement on the expected credit loss provision was as follows:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three		
Item	Individual Level	Collective Level	Individual Level	Collective Level		Total	Total
Balance at the beginning of the year after IFRS (9) implementation	3,634	-	-	-	-	3,634	17,291
Credit loss on new balances during the year	58	-	-	-	-	58	3,006
Expected credit loss reversal- Paid balances	(1,138)	-	-	-	-	(1,138)	(16,663)
	2,554	-	-	-	-	2,554	3,634
Transferred to Stage One	-	-	-	-	-	-	-
Transferred to Stage Two	-	-	-	-	-	-	-
Transferred to Stage Three	-	-	-	-	-	-	-
Impact on allowance - at year end due to adjustments among stages during the year	-	-	431	-	-	431	-
Changes due to the adjustments	(25)	-	-	-	-	(25)	-
Adjustment due to exchange rates fluctuations	(2)	-	-	-	-	(2)	-
Balance at the End of the Year	**2,527**	**-**	**431**	**-**	**-**	**2,958**	**3,634**

- Non-interest bearing balances at banks and financial institutions amounted to JD 20,497,643 as of December 31, 2019 (JD 17,231,357 as of December 31, 2018).
- Restricted balances at banks and financial institutions amounted to JD 3,023,348 as of December 31, 2019 (JD 2,343,989 as of December 31, 2018).

9. Deposits with Banks and Financial Institutions	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	As of December 31,		As of December 31,		As of December 31,	
This item consists of the following:	2019	2018	2019	2018	2019	2019
	JD	JD	JD	JD	JD	JD
Deposits maturing within 3 to 6 months	25,000,000	-	11,007,225	-	36,007,225	-
Deposits maturing within 6 to 9 months	-	-	-	-	-	-
Deposits maturing within 9 months to a year	-	-	2,051,089	-	2,051,089	-
Deposits maturing after 1 year	146,085,000	196,085,000	24,106,000	39,367,225	170,191,000	235,452,225
	171,085,000	196,085,000	37,164,314	39,367,225	208,249,314	235,452,225
Less: Expected credit loss	(88,612)	(15,281)	(36,937)	(1,717)	(125,549)	(16,998)
	170,996,388	**196,069,719**	**37,127,377**	**39,365,508**	**208,123,765**	**235,435,227**

Distribution of the total deposits with banks and financial institutions according to the banks internal credit rating categories was as follows:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two				
Item	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total	Total
Credit rating categories based on the Bank's rating system:							
1	-	-	-	-	-	-	11,007,225
2	11,007,225	-	-	-	-	11,007,225	-
3	100,000,000	-	-	-	-	100,000,000	-
4	27,051,089	-	-	-	-	27,051,089	-
5	70,191,000	-	-	-	-	70,191,000	28,360,000
6	-	-	-	-	-	-	196,085,000
7	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Total	**208,249,314**	**-**	**-**	**-**	**-**	**208,249,314**	**235,452,225**

- Deposits with banks and financial institutions credit stages distribution was as follows:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three		
Item	Individual Level	Collective Level	Individual Level	Collective Level		Total	Total
Balance at the beginning of the year	235,452,225	-	-	-	-	235,452,225	125,000,000
New balances during the year	2,051,089	-	-	-	-	2,051,089	125,542,225
Paid balances	(29,254,000)	-	-	-	-	(29,254,000)	(15,000,000)
	208,249,314	-	-	-	-	208,249,314	235,542,225
Transferred to Stage One	-	-	-	-	-	-	-
Transferred to Stage Two	-	-	-	-	-	-	-
Transferred to Stage Three	-	-	-	-	-	-	-
Changes due to the adjustments	-	-	-	-	-	-	-
Written off- Balances	-	-	-	-	-	-	-
Adjustment due to exchange rates fluctuations	-	-	-	-	-	-	-
Balance at the End of the Year	**208,249,314**	**-**	**-**	**-**	**-**	**208,249,314**	**235,542,225**

The movement on the expected credit loss provision was as follows:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two				
Item	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total	Total
Balance at the beginning of the year	16,998	-	-	-	-	16,998	7,150
Credit loss on new balances during the year	112,242	-	-	-	-	112,242	11,524
Expected credit loss reversal of matured balances	(3,691)	-	-	-	-	(3,691)	(1,676)
	125,549	-	-	-	-	125,549	16,998
Transferred to Stage One	-	-	-	-	-	-	-
Transferred to Stage Two	-	-	-	-	-	-	-
Transferred to Stage Three	-	-	-	-	-	-	-
Changes due to the adjustments	-	-	-	-	-	-	-
Written off- Balances	-	-	-	-	-	-	-
Adjustment due to exchange rates fluctuations	-	-	-	-	-	-	-
Balance at the End of the Year	**125,549**	**-**	**-**	**-**	**-**	**125,549**	**16,998**

There are no restricted deposits as of December 31, 2019 and 2018.

10. Financial Assets at Fair Value through Profit or Loss	As of December 31,	
This item consists of the following:	2019	2018
	JD	JD
Shares listed in local active markets	512,720	61,200
Shares unlisted in local active markets*	115,996	108,477
	628,716	**169,677**

The fair value for unlisted investments had been calculated in accordance with the Bank's share of the net assets of these Investments based on the latest audited financial statements for the Company in which the Bank invested.

11. Financial Assets at Fair Value Through Comprehensive Income	As of December 31,	
This item consists of the following:	2019	2018
	JD	JD
Shares listed in local active markets	45,214,112	40,970,486
Shares unlisted in local active markets*	2,941,952	3,397,719
Shares listed in foreign active markets	5,580,083	5,512,994
Shares unlisted in foreign active markets*	1,219,501	1,509,879
Total of equity instruments	54,955,648	51,391,078
Corporate bonds	25,909,988	-
Total of debt instruments	25,909,988	-
	80,865,636	51,391,078

- Total cash dividends from financial assets at fair value through comprehensive income amounted to JD 547,272 for the year ended December 31, 2019 (JD 524,261 for the year ended December 31, 2018).

* The fair value for unlisted investments had been calculated in accordance with the Bank's share of the net assets of these Investments based on the lastest audited financial statements for the Company in which the Bank invested.
During the year 2019, finacail assets at fair value through comprehensive income – debt instruments were sold with a nominal value of JD 17,725,000 which resalted in profits amounted to JD 130,988 during the year ended December 31, 2019.

Debt instruments included in the financial assets at fair value through comprehensive income distibution according to the bank's internal credit rating was as follows:

Item	As of December 31, 2019				As of December 31, 2018
Credit risk rating based on the Bank's internal credit rating system	Stage One Individual Level	Stage Two Individual Level	Stage Three	Total	Total
1	-	-	-	-	-
2	-	-	-	-	-
3	-	-	-	-	-
4	-	-	-	-	-
5	14,875,218	-	-	14,875,218	-
6	11,034,770	-	-	11,034,770	-
7	-	-	-	-	-
8	-	-	-	-	-
9	-	-	-	-	-
10	-	-	-	-	-
Total	**25,909,988**	**-**	**-**	**25,909,988**	**-**

The movement of debt instruments included in the financial assest at fair value through comprehensive income during the year was as follows:

	As of December 31, 2019				As of December 31, 2018
Item	Stage One	Stage Two	Stage Three	Total	Total
Fair value at the beginning of the year	-	-	-	-	-
New investments during the year	25,909,988	-	-	25,909,988	-
Matured investments during the year	-	-	-	-	-
	25,909,988	-	-	25,909,988	-
Transferred to stage one	-	-	-	-	-
Transferred to stage two	-	-	-	-	-
Transferred to stage three	-	-	-	-	-
Changes due to the adjusments	-	-	-	-	-
Adjusment due to exchange rates fluctuations	-	-	-	-	-
Balance at the End of the Year	**25,909,988**	**-**	**-**	**25,909,988**	**-**

The expected credit loss allowance movement summary against debt instruments included in the financial assets at fair value through comprehensive income during the year was as follows:

Item	As of December 31, 2019				As of December 31, 2018
	Stage One	Stage Two	Stage Three	Total	Total
Balance at the beginning of the Year	-	-	-	-	-
Credit loss on new investments during the year	77,271	-	-	77,271	-
Expected credits loss reversal of matured investments	-	-	-	-	-
	77,271	-	-	77,271	-
Transferred to stage one	-	-	-	-	-
Transferred to stage two	-	-	-	-	-
Transferred to stage three	-	-	-	-	-
Changes due to the adjusments	-	-	-	-	-
Adjustments due to changes in currency exchange prices	-	-	-	-	-
Balance at the End of the Year*	**77,271**	**-**	**-**	**77,271**	**-**

* Expected credit loss allowance above was not presented in the consolidated statement of financial position due to fact that the book value of investments in bonds at fair value through comprehensive income represents their fair value.

12. Direct Credit Facilities at amortized cost	December 31,	
This item consists of the following:	2019	2018
	JD	JD
Individual (Retail Customers):	488,438,680	447,634,876
Overdraft accounts	12,835,949	12,402,174
Loans and discounted bills*	451,086,250	412,272,989
Credit cards	24,516,481	22,959,713
Real estate loans	238,577,717	248,820,243
Corporate:	681,832,288	743,969,204
Large corporate customers	438,140,685	485,610,545
Overdraft accounts	74,961,948	72,572,930
Loans and discounted bills*	363,178,737	413,037,615
SMEs	243,691,603	258,358,659
Overdraft accounts	55,061,893	61,478,453
Loans and discounted bills*	188,629,710	196,880,206
Government and public sector	122,691,256	134,694,447
Total	1,531,539,941	1,575,118,770
Less: expected credit loss provision	(112,104,787)	(97,004,644)
Less: Interest in suspense	(9,909,717)	(8,874,467)
Net Direct Credit Facilities at amortized cost	**1,409,525,437**	**1,469,239,659**

* Net of interest and commission received in advance amounting to JD 17,143,660 as of December 31, 2019 (JD 17,143,016 as of December 31, 2018).

- Non-performing credit facilities amounted to JD 114,630,680 representing (7/5%) of the direct credit facilities balance for the year (JD 91,750,968 representing (5/83 %) for prior year).
- Non-performing credit facilities after deducting the suspended interest amounted to JD 104,723,259 representing (6/9%) of direct credit facilities after deducting the suspended interest for the year (JD 82,912,912 representing (5/3%) for prior year).
- Credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 32,598,476 representing (2/13%) of total direct credit facilities for the year (JD 62,383,704 representing (3/96%) for the prior year). Moreover, credit facilities granted to the public sector in Palestine amounted to JD 46,734,985 for the year (JD 44,387,835 for the prior year).

Total direct credit facilities credit stages distribution was as follows:	As of December 31, 2019					
	Stage One		Stage Two		Stage Three	Total
Item	Individual Level	Collective Level	Individual Level	Collective Level		
Balance at the beginning of the year	820,264,824	591,291,301	43,835,749	27,975,928	91,750,968	1,575,118,770
New facilities during the year	68,770,402	116,221,082	3,055,428	2,970,455	3,209,553	194,226,920
Facilities paid	(30,476,769)	(53,502,298)	(2,810,105)	(1,822,183)	(8,723,295)	(97,334,650)
	858,558,457	654,010,085	44,081,072	29,124,200	86,237,226	1,672,011,040
Transferred to Stage One	23,345,623	10,772,363	(23,345,623)	(9,724,840)	(1,047,523)	-
Transferred to Stage Two	(103,952,073)	(20,996,081)	104,496,747	22,978,514	(2,527,107)	-
Transferred to Stage Three	(19,079,422)	(7,322,366)	(6,191,098)	(7,864,391)	40,457,277	-
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	10,372,676	(1,000,688)	(17,211,679)	(936,607)	(4,888,808)	(13,665,106)
Changes due to the adjustments	(105,236,383)	(16,309,974)	(1,165,024)	(473,819)	(1,731,953)	(124,917,153)
Written off-Balances	-	-	-	-	(1,861,964)	(1,861,964)
Adjustment due to exchange rates fluctuations	(9,234)	(204)	(8,474)	(2,496)	(6,468)	(26,876)
Balance at the End of the Year	**663,999,644**	**619,153,135**	**100,655,921**	**33,100,561**	**114,630,680**	**1,531,539,941**

- The combined movement on the total expected credit loss allowance was as follows:	As of December 31, 2019					
	Stage One		Stage Two			Total
Item	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	
Balance at the beginning of the year	1,745,391	4,086,242	14,672,544	1,114,957	75,385,510	97,004,644
Credit loss on new balances during the year	314,666	1,023,407	169,370	814,799	12,096,632	14,418,874
Expected credit loss reversal of matured facilities	(97,125)	(323,776)	(3,655,207)	(445,454)	(14,537,099)	(19,058,661)
	1,962,932	4,785,873	11,186,707	1,484,302	72,945,043	92,364,857
Transferred to Stage One	108,131	1,072,667	(108,131)	(267,918)	(804,749)	-
Transferred to Stage Two	(238,181)	(138,858)	564,872	1,666,490	(1,854,323)	-
Transferred to Stage Three	(37,908)	(54,344)	(86,832)	(285,474)	464,558	-
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	(56,276)	(987,629)	207,575	(1,461,077)	23,890,590	21,593,183
Changes due to the adjustments	294,991	680,074	32,894	(152,121)	(1,634,305)	(778,467)
Written off- Balances	-	-	-	-	(1,555,947)	(1,555,947)
Adjustment due to exchange rates fluctuations	(51)	(4)	(223)	-	481,439	481,161
Balance at the End of the Year	**2,033,638**	**5,357,779**	**11,796,862**	**984,202**	**91,932,306**	**112,104,787**

Total direct credit facilities credit stages distribution was as follows:	As of December 31, 2018					
	Stage One		Stage Two			Total
Item	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	
Balance at the beginning of the year	862,917,501	518,253,341	60,036,556	26,970,527	76,705,423	1,544,883,348
New facilities during the year	253,557,738	235,440,198	6,971,225	6,188,264	11,332,525	513,489,950
Facilities paid	(286,419,501)	(153,810,416)	(28,939,887)	(4,114,298)	(12,101,482)	(485,385,584)
	830,055,738	599,883,123	38,067,894	29,044,493	75,936,466	1,572,987,714
Transferred to Stage One	11,049,068	9,721,599	(11,049,068)	(9,268,092)	(453,507)	-
Transferred to Stage Two	(18,050,529)	(13,456,500)	18,052,679	14,143,170	(688,820)	-
Transferred to Stage Three	(6,975,690)	(3,975,655)	(1,790,560)	(4,295,143)	17,037,048	-
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	-	-	-	-	-	-
Changes due to the adjustments	4,186,237	(881,266)	554,804	(1,648,500)	(80,219)	2,131,056
Written off – Balances	-	-	-	-	-	-
Adjustment due to exchange rates fluctuations	-	-	-	-	-	-
Balance at the End of the Year	**820,264,824**	**591,291,301**	**43,835,749**	**27,975,928**	**91,750,968**	**1,575,118,770**

- The combined movement on the total expected credit loss allowance was as follows:	As of December 31, 2018					
	Stage One		Stage Two		Stage Three	Total
Item	Individual Level	Collective Level	Individual Level	Collective Level		
Balance at the beginning of the year after adopting IFRS (9)	1,287,889	3,382,752	23,430,064	335,632	62,879,246	91,315,583
Credit loss on new balances during the year	343,900	978,038	140,958	438,442	10,280,599	12,181,937
Expected credit loss reversal of matured facilities	(182,822)	(261,445)	(8,534,121)	(189,416)	(6,820,189)	(15,987,993)
	1,448,967	4,099,345	15,036,901	584,658	66,339,656	87,509,527
Transferred to Stage One	(66,064)	(56,096)	44,932	56,096	21,132	-
Transferred to Stage Two	167,215	83,829	(412,594)	(83,829)	245,379	-
Transferred to Stage Three	-	-	-	-	-	-
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	(136,870)	(32,537)	2,837	404,814	8,981,609	9,219,853
Changes due to the adjustments	332,143	(8,299)	468	153,218	161,346	638,876
Written off- Balances	-	-	-	-	-	-
Adjustment due to exchange rates fluctuations	-	-	-	-	(363,612)	(363,612)
Balance at the End of the Year	**1,745,391**	**4,086,242**	**14,672,544**	**1,114,957**	**75,385,510**	**97,004,644**

Expected credit loss allowance against credit facilities

The following is the movement on the expected credit loss allowance againts direct credit facilities:	As of December 31, 2019					
			Corporates			
	Individual (Retail Customers)	Real Estate Loans	Large Corporate Customers	SMEs	Government and Public sector	Total
	JD	JD	JD	JD	JD	JD
Balance – Beginning of the year	29,508,935	6,150,599	39,872,490	21,268,030	204,590	97,004,644
Impairment loss of new facilities during the year	9,626,128	1,125,767	2,539,558	1,116,262	11,159	14,418,874
Reversed from impairment loss of the (settled) balances	(7,598,587)	(1,383,027)	(7,575,493)	(2,501,554)	-	(19,058,661)
	31,536,476	5,893,339	34,836,555	19,882,738	215,749	92,364,857
Transferred to Stage One	-	-	-	-	-	-
Transferred to Stage Two	-	-	-	-	-	-
Transferred to Stage Three	-	-	-	-	-	-
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	4,370,096	1,062,844	6,819,728	9,340,515	-	21,593,183
Changes due to the adjustments	241,454	178,180	611,314	(1,936,138)	126,723	(778,467)
Written-off balances	(87,682)	-	-	(1,468,265)	-	(1,555,947)
Adjustment due to exchange rates fluctuations	134,137	(89)	128,096	219,017	-	481,161
Balance at the End of the Year	36,194,481	7,134,274	42,395,693	26,037,867	342,472	112,104,787
Distributed as follow:						
Allowance on individual level	168,410	1,456,259	42,249,329	25,544,883	342,472	69,761,353
Allowance on collective level	36,026,071	5,678,015	146,364	492,984	-	42,343,434
Balance at the End of the Year	**36,194,481**	**7,134,274**	**42,395,693**	**26,037,867**	**342,472**	**112,104,787**

	As of December 31, 2018					
			Corporates			
	Individual (Retail Customers)	Real Estate Loans	Large Corporate Customers	SMEs	Government and Public sector	Total
	JD	JD	JD	JD	JD	JD
Balance – beginning of the year	21,961,829	5,394,424	47,560,829	11,568,432	-	86,485,514
Effect of adopting IFRS (9)	447,918	676,587	(7,235,768)	10,714,428	226,904	4,830,069
Adjusted Balance – Beginning of the Year	22,409,747	6,071,011	40,325,061	22,282,860	226,904	91,315,583
Impairment loss of new facilities during the year	8,510,955	1,400,317	999,660	1,054,819	-	11,965,751
Reversed from impairment loss of the (settled) balances	(1,732,527)	(1,450,016)	(9,050,506)	(3,516,444)	(22,314)	(15,771,807)
	29,188,175	6,021,312	32,274,215	19,821,235	204,590	87,509,527
Transferred to Stage One	-	-	-	-	-	-
Transferred to Stage Two	-	-	-	-	-	-
Transferred to Stage Three	-	-	-	-	-	-
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	394,233	(6,413)	7,496,286	1,335,747	-	9,219,853
Changes due to the adjustments	173,496	135,700	126,531	203,149	-	638,876
Written-off balances	-	-	-	-	-	-
Adjustment due to exchange rates fluctuations	(246,969)	-	(24,542)	(92,101)	-	(363,612)
Balance at the End of the Year	29,508,935	6,150,599	39,872,490	21,268,030	204,590	97,004,644
Distributed as follows:						
Allowance on individual level	47,860	1,685,143	39,731,812	21,203,511	204,590	62,872,916
Allowance on collective level	29,461,075	4,465,456	140,678	64,519	-	34,131,728
Balance at the End of the Year	**29,508,935**	**6,150,599**	**39,872,490**	**21,268,030**	**204,590**	**97,004,644**

The following are the details for each business segment as of December 31, 2019:

A. Individual Portfolio (Retail)	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	Total
Item	Individual Level	Collective Level	Individual Level	Collective Level			
Credit risk rating based on the Bank's internal credit rating system:							
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-
5	56,894	-	-	-	-	56,894	-
6	626,042	-	-	-	-	626,042	393,809
7	-	-	51,656	-	-	51,656	77,034
8	-	-	-	-	-	-	-
9	-	-	-	-	90,319	90,319	-
10	-	-	-	-	599,969	599,969	332,074
Unclassified	-	434,486,858	-	17,493,817	35,033,125	487,013,800	446,831,959
Total	**682,936**	**434,486,858**	**51,656**	**17,493,817**	**35,723,413**	**488,438,680**	**447,634,876**

Related Facilities Movement Disclosure:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	1,123,998	402,377,559	77,034	15,419,716	28,636,569	447,634,876	378,188,288
New facilities during the year	122,575	88,771,823	44,440	2,095,892	1,394,469	92,429,199	206,422,240
Facilities paid	(372,425)	(40,466,708)	(7)	(1,517,164)	(1,981,069)	(44,337,373)	(134,840,863)
	874,148	450,682,674	121,467	15,998,444	28,049,969	495,726,702	449,769,665
Transferred to Stage One	29,849	6,679,383	(29,849)	(5,959,090)	(720,293)	-	-
Transferred to Stage Two	(3,836)	(12,045,865)	3,836	12,520,533	(474,668)	-	-
Transferred to Stage Three	(247,753)	(4,555,318)	(29,447)	(4,163,044)	8,995,562	-	-
The effect on the allowance as at the end of the year as a result of a change in classification between the three stages during the year	-	(791,952)	(3,110)	(493,703)	(5,883)	(1,294,648)	(2,134,789)
Changes due to the adjustments	30,528	(5,482,027)	(11,241)	(409,323)	(127)	(5,872,190)	-
Written off-Balances	-	-	-	-	(120,884)	(120,884)	-
Adjustments due to exchange rates Fluctuations	-	(37)	-	-	(263)	(300)	-
Total Balance at the End of the Year	**682,936**	**434,486,858**	**51,656**	**17,493,817**	**35,723,413**	**488,438,680**	**447,634,876**

Expected credit loss allowance movment:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	3,383	3,385,955	307	893,019	25,226,271	29,508,935	22,409,747
Impairment Loss of new balances during the year	885	892,961	16	791,252	7,941,015	9,626,129	8,510,955
Recoveries from impairment loss on facilities due	(1,140)	(277,025)	-	(166,977)	(7,153,445)	(7,598,587)	(1,732,527)
	3,128	4,001,891	323	1,517,294	26,013,841	31,536,477	29,188,175
Transferred to Stage One	-	934,228	-	(266,809)	(667,419)	-	-
Transferred to Stage Two	(32)	(108,127)	32	512,379	(404,252)	-	-
Transferred to Stage Three	(15)	(44,016)	-	(285,359)	329,390	-	-
The effect on the allowance as at the end of the year as a result of a change in classification between the three stages during the year	2	(867,832)	(32)	(364,354)	5,602,312	4,370,096	394,233
Changes due to the adjustments	(392)	533,954	(292)	(169,635)	(122,181)	241,454	173,496
Written off-Balances	-	-	-	-	(87,682)	(87,682)	-
Adjustments due to changes in exchange rates	-	-	-	-	134,136	134,136	(246,969)
Total Balance at the End of the Year	**2,691**	**4,450,098**	**31**	**943,516**	**30,798,145**	**36,194,481**	**29,508,935**

B. Real Estate Loan Portfolio	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Credit risk rating categories based on the Bank's internal credit rating system:							
1	-	-	-	-	-	-	4,749
2	-	-	-	-	-	-	-
3	187,877	-	-	-	-	187,877	-
4	135,577	-	-	-	-	135,577	1,059,061
5	5,510,847	-	-	-	-	5,510,847	3,242,293
6	14,005,718	-	-	-	-	14,005,718	20,223,140
7	-	-	9,046,500	-	-	9,046,500	4,204,948
8	-	-	-	-	1,246,376	1,246,376	-
9	-	-	-	-	219,057	219,057	16,589
10	-	-	-	-	941,805	941,805	1,001,649
Unclassified	-	180,957,729	-	15,232,595	11,093,636	207,283,960	219,067,814
Total	**19,840,019**	**180,957,729**	**9,046,500**	**15,232,595**	**13,500,874**	**238,577,717**	**248,820,243**

Related facilities movement disclosure:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	36,632,710	184,148,903	4,640,753	12,473,667	10,924,210	248,820,243	235,388,486
New facilities during the year	3,461,303	26,253,842	170,361	755,804	163,866	30,805,176	47,035,334
Facilities Paid	(6,222,283)	(12,399,252)	(78,298)	(294,547)	(2,658,998)	(21,653,378)	(33,395,408)
	33,871,730	198,003,493	4,732,816	12,934,924	8,429,078	257,972,041	249,028,412
Transferred to Stage One	3,478,531	4,045,691	(3,478,531)	(3,746,724)	(298,967)	-	-
Transferred to Stage Two	(9,424,662)	(8,645,487)	9,424,662	10,153,252	(1,507,765)	-	-
Transferred to Stage Three	-	(2,520,387)	(562,655)	(3,665,472)	6,748,514	-	-
The effect on the allowance as at the end of the year as a result of a change in classification between the three stages during the year	(8,988)	(191,419)	(949,231)	(391,101)	132,773	(1,407,966)	(208,169)
Changes due to adjustments	(8,076,592)	(9,733,995)	(120,561)	(49,791)	(4,916)	(17,985,855)	-
Written-off facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	(167)	-	(2,493)	2,157	(503)	-
Total Balance at the End of the Year	**19,840,019**	**180,957,729**	**9,046,500**	**15,232,595**	**13,500,874**	**238,577,717**	**248,820,243**

Expected credit loss allowance movment:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	83,301	653,205	2,142	3,949	5,408,002	6,150,599	6,071,011
Credit loss of new balances during the year	9,077	128,708	733	23,547	963,702	1,125,767	1,400,317
Expected credit loss reversal of matured facilities	(15,385)	(42,402)	(120)	(64,101)	(1,261,019)	(1,383,027)	(1,450,016)
	76,993	739,511	2,755	(36,605)	5,110,685	5,893,339	6,021,312
Transferred to Stage One	-	110,954	-	(1,109)	(109,845)	-	-
Transferred to Stage Two	(24,762)	(30,398)	24,762	1,153,778	(1,123,380)	-	-
Transferred to Stage Three	-	(8,857)	(2,022)	(115)	10,994	-	-
The effect on the allowance as at the end of the year as a result of a change in classification between the three stages during the year	2,655	(92,469)	47,966	(1,096,815)	2,201,507	1,062,844	(6,413)
Changes due to adjustments	(18,810)	146,990	3,539	17,514	28,947	178,180	135,700
Written-off facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	(4)	-	-	(85)	(89)	-
Total Balance at the End of the Year	**36,076**	**865,727**	**77,000**	**36,648**	**6,118,823**	**7,134,274**	**6,150,599**

C. Facilities granted to corporates	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Credit risk rating categories based on the Bank's internal credit rating system:							
1	-	-	-	-	-	-	235,635
2	7,619,500	-	-	-	-	7,619,500	6,825,609
3	-	-	-	-	-	-	87,429,473
4	71,595,239	-	-	-	-	71,595,239	45,781,697
5	67,964,921	-	-	-	-	67,964,921	167,148,937
6	199,728,805	-	-	-	-	199,728,805	118,722,460
7	-	-	57,712,298	-	-	57,712,298	31,478,470
8	-	-	-	-	5,811,592	5,811,592	-
9	-	-	-	-	5,923,227	5,923,227	6,040,054
10	-	-	-	-	20,867,405	20,867,405	20,639,378
Unclassified	-	739,170	-	28,817	149,711	917,698	1,308,832
Total	**346,908,465**	**739,170**	**57,712,298**	**28,817**	**32,751,935**	**438,140,685**	**485,610,545**

Related facilities movement disclosure:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	426,143,811	1,246,622	31,478,467	-	26,741,645	485,610,545	460,492,604
New facilities during the year	41,201,996	154,504	1,599,914	-	1,118,925	44,075,339	166,828,981
Facilities paid	(6,401,296)	(276,170)	(2,513,627)	-	(2,049,304)	(11,240,397)	(147,144,218)
	460,944,511	1,124,956	30,564,754	-	25,811,266	518,445,487	480,177,367
Transferred to Stage One	17,963,031	-	(17,963,031)	-	-	-	-
Transferred to Stage Two	(60,549,800)	(30,075)	60,975,939	30,075	(426,139)	-	-
Transferred to Stage Three	(9,049,809)	(143,772)	(1,933,797)	-	11,127,378	-	-
The effect on the allowance as at the end of the year as a result of a change in classification between the three stages during the year	10,429,367	-	(13,283,222)	(1,258)	(3,837,221)	(6,692,334)	5,433,178
Changes due to adjustments	(72,821,510)	(211,939)	(639,992)	-	83,532	(73,589,909)	-
Written off facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	(7,325)	-	(8,353)	-	(6,881)	(22,559)	-
Total Balance at the End of the Year	**346,908,465**	**739,170**	**57,712,298**	**28,817**	**32,751,935**	**438,140,685**	**485,610,545**

Expected credit loss allowance movment:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	681,673	10,837	14,664,348	129,841	24,385,791	39,872,490	40,325,061
Credit loss on new balances during the year	208,311	914	157,804	-	2,172,529	2,539,558	1,215,846
Expected credit loss reversal of matured facilities	(27,482)	(1,169)	(3,513,231)	(129,841)	(3,903,770)	(7,575,493)	(9,266,692)
	862,502	10,582	11,308,921	-	22,654,550	34,836,555	32,274,215
Transferred to Stage One	102,057	-	(102,057)	-	-	-	-
Transferred to Stage Two	(87,386)	(333)	386,676	333	(299,290)	-	-
Transferred to Stage Three	(18,306)	(1,471)	(58,239)	-	78,016	-	-
The effect on the allowance as at the end of the year as a result of a change in classification between the three stages during the year	(58,642)	-	(49,580)	92	6,927,858	6,819,728	7,496,286
Changes due to adjustments	178,593	(870)	16,872	-	416,719	611,314	126,531
Written off facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	(40)	-	(222)	-	128,358	128,096	(24,542)
Total Balance at the End of the Year	**978,778**	**7,908**	**11,502,371**	**425**	**29,906,211**	**42,395,693**	**39,872,490**

D. Facilities granted to SME's	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Credit risk rating categories based on the Bank's internal credit rating system:							
1	-	-	-	-	-	-	3,461,303
2	-	-	-	-	-	-	-
3	1,320,597	-	-	-	-	1,320,597	41,127
4	1,835,262	-	-	-	-	1,835,262	1,822,271
5	42,237,593	-	-	-	-	42,237,593	65,873,050
6	128,483,516	-	-	-	-	128,483,516	150,472,107
7	-	-	33,845,467	-	-	33,845,467	7,639,495
8	-	-	-	-	286,695	286,695	1,111,671
9	-	-	-	-	11,508,303	11,508,303	240,252
10	-	-	-	-	20,234,405	20,234,405	23,531,817
Unclassified	-	2,969,378	-	345,332	625,055	3,939,765	4,165,566
Total	**173,876,968**	**2,969,378**	**33,845,467**	**345,332**	**32,654,458**	**243,691,603**	**258,358,659**

Related facilities movement disclosure:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	221,669,858	3,518,217	7,639,495	82,542	25,448,547	258,358,659	241,461,233
New facilities during the year	14,020,707	1,040,913	1,240,713	118,759	532,293	16,953,385	60,396,780
Facilities Paid	(17,480,765)	(360,168)	(218,173)	(10,472)	(2,033,924)	(20,103,502)	(42,540,190)
	218,209,800	4,198,962	8,662,035	190,829	23,946,916	255,208,542	259,317,823
Transferred to Stage One	1,874,212	47,289	(1,874,212)	(19,026)	(28,263)	-	-
Transferred to Stage Two	(33,973,775)	(274,654)	34,092,310	274,654	(118,535)	-	-
Transferred to Stage Three	(9,781,860)	(102,889)	(3,665,199)	(35,875)	13,585,823	-	-
The effect on the allowance as at the end of the year as a result of a change in classification between the three stages during the year	(47,703)	(17,317)	(2,976,116)	(50,545)	(1,178,477)	(4,270,158)	(959,164)
Changes due to adjustments	(2,401,797)	(882,013)	(393,230)	(14,705)	(1,810,442)	(5,502,187)	-
Written off-facilities	-	-	-	-	(1,741,080)	(1,741,080)	-
Adjustments due to changes in exchange rates	(1,909)	-	(121)	-	(1,484)	(3,514)	-
Total Balance at the End of the Year	**173,876,968**	**2,969,378**	**33,845,467**	**345,332**	**32,654,458**	**243,691,603**	**258,358,659**

Expected credit loss allowance movement:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	772,444	36,245	5,747	88,148	20,365,446	21,268,030	22,282,860
Impairment Loss of new balances during the year	85,234	825	10,817	-	1,019,386	1,116,262	1,054,819
Recoveries from impairment loss on facilities due	(53,118)	(3,180)	(141,856)	(84,535)	(2,218,865)	(2,501,554)	(3,516,444)
	804,560	33,890	(125,292)	3,613	19,165,967	19,882,738	19,821,235
Transferred to Stage One	6,074	27,485	(6,074)	-	(27,485)	-	-
Transferred to Stage Two	(126,001)	-	153,402	-	(27,401)	-	-
Transferred to Stage Three	(19,587)	-	(26,571)	-	46,158	-	-
The effect on the allowance as at the end of the year as a result of a change in classification between the three stages during the year	(291)	(27,328)	209,221	-	9,158,913	9,340,515	1,335,747
Changes resulting from modification	8,877	-	12,775	-	(1,957,790)	(1,936,138)	203,149
Written off facilities	-	-	-	-	(1,468,265)	(1,468,265)	-
Adjustments due to changes in exchange rates	(12)	-	(1)	-	219,030	219,017	(92,101)
Total Balance at the End of the Year	**673,620**	**34,047**	**217,460**	**3,613**	**25,109,127**	**26,037,867**	**21,268,030**

E. Facilities Granted to the Government and the Public Sector:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Credit risk rating categories based on the Bank's internal credit rating system:							
1	32,598,476	-	-	-	-	32,598,476	90,306,615
2	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-
6	90,092,780	-	-	-	-	90,092,780	44,387,832
7	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Unclassified	-	-	-	-	-	-	-
Total	**122,691,256**	**-**	**-**	**-**	**-**	**122,691,256**	**134,694,447**

Related facilities movement disclosure:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	134,694,447	-	-	-	-	134,694,447	229,352,737
New facilities during the year	9,963,821	-	-	-	-	9,963,821	32,806,615
Facilities Paid	-	-	-	-	-	-	(127,464,905)
Transferred to Stage One	144,658,268	-	-	-	-	144,658,268	134,694,447
Transferred to Stage Two	-	-	-	-	-	-	-
Transferred to Stage Three	-	-	-	-	-	-	-
The effect on the allowance as at the end of the year as a result of a change in classification between the three stages during the year	-	-	-	-	-	-	-
Changes due to adjustments	(21,967,012)	-	-	-	-	(21,967,012)	-
Written off-facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-	-
Total Balance at the End of the Year	**122,691,256**	**-**	**-**	**-**	**-**	**122,691,256**	**134,694,447**

Expected credit loss allowance movement:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	204,590	-	-	-	-	204,590	226,904
Credit loss on new balances during the year	11,159	-	-	-	-	11,159	-
Expected credit loss reversal of matured facilities	-	-	-	-	-	-	(22,314)
	215,749	-	-	-	-	215,749	204,590
Transferred to Stage One	-	-	-	-	-	-	-
Transferred to Stage Two	-	-	-	-	-	-	-
Transferred to Stage Three	-	-	-	-	-	-	-
The effect on the allowance as at the end of the year as a result of a change in classification between the three stages during the year	-	-	-	-	-	-	-
Changes due to adjustments	126,723	-	-	-	-	126,723	-
Written off-facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-	-
Total Balance at the End of the Year	**342,472**	**-**	**-**	**-**	**-**	**342,472**	**204,590**

Interest in Suspense:	As of December 31, 2019				
The following is the movement on the interest in suspense:			Corporates		
	Individual (Retail Customers)	Real Estate Loans	Large Corporate Customers	SMEs	Total
	JD	JD	JD	JD	JD
Balance at the Beginning of the Year	1,955,428	966,577	2,286,197	3,666,265	8,874,467
Add: Interest suspended during the year	207,268	541,503	602,034	861,393	2,212,198
Less: Interest in suspense reversed to revenues	(149,508)	(256,947)	(188,046)	(276,430)	(870,931)
Transferred to off balance sheet items	(35,802)	-	-	(270,215)	(306,017)
Balance at the End of the Year	**1,977,386**	**1,251,133**	**2,700,185**	**3,981,013**	**9,909,717**

	As of December 31, 2018				
			Corporates		
	Individual (Retail Customers)	Real Estate Loans	Large Corporate Customers	SMEs	Total
	JD	JD	JD	JD	JD
Balance at the Beginning of the Year	2,444,746	747,953	2,577,038	2,098,944	7,868,681
Add: Interest suspended during the year	404,140	430,950	600,999	405,964	1,842,053
Less: Interest in suspense reversed to revenues	(242,144)	(212,326)	(90,593)	(291,204)	(836,267)
Transfers	(651,314)	-	(801,247)	1,452,561	-
Balance at the End of the Year	**1,955,428**	**966,577**	**2,286,197**	**3,666,265**	**8,874,467**

Direct credit facilities are distributed in accordance with geographical distribution and economic sectors as following:

	Inside Kingdom	Outside Kingdom	Total As of December 31,	
			2019	2018
	JD	JD	JD	JD
Financial	8,648,647	-	8,648,647	8,856,920
Industrial	99,737,778	71,526,196	171,263,974	239,693,233
Trading	264,523,839	66,838,186	331,362,025	325,625,155
Real estate	229,788,393	8,215,505	238,003,898	219,414,547
Constructions	27,213,171	13,732,271	40,945,442	80,868,005
Agriculture	3,968,825	894,637	4,863,462	19,601,591
Tourism, restaurants and public facilities	60,396,837	42,013,460	102,410,297	119,052,651
Shares	11,322,220	-	11,322,220	8,750,746
Individuals	411,722,409	88,306,311	500,028,720	418,561,475
Government and public sector	75,956,272	46,734,984	122,691,256	134,694,447
Total	**1,193,278,391**	**338,261,550**	**1,531,539,941**	**1,575,118,770**

13. Financial Assets at Amortized Cost	December 31,	
This item consists of the following:	2019	2018
	JD	JD
Financial assets quoted in the market:		
Governmental bonds guaranteed by the government	206,307,665	122,203,545
Corporate bonds and debentures	27,218,660	47,813,637
Foreign governmental bonds	9,405,766	5,633,346
Total financial assets quoted in the market	242,932,091	175,650,528
Financial assets unquoted in the market:		
Corporate bonds and debentures	28,192,320	28,192,320
Treasury bills or guaranteed by the government	1,610,020	153,185
Total financial assets unquoted in the market	29,802,340	28,345,505
Total Financial Assets at Amortized Cost	272,734,431	203,996,033
Less: Expected credit loss provision	(198,632)	(600,349)
Net financial assets at amortized cost	**272,535,799**	**203,395,684**

Analysis of bonds and bills:	December 31,	
	2019	2018
	JD	JD
Financial assets with fixed-interest rate	264,177,929	195,430,823
Financial assets with floating interest rate	8,556,502	8,565,210
	272,734,431	203,996,033

- During the year 2019, financial assets at amortized cost were sold with a nominal value of JD 14,180,000 as a result of the decrease in the credit rating of the majority of these assets. The sale resulted in profits of JD 60,691 for the year ended 31 December 2019.

Distribution of financial assets at amortized cost according to the Bank's internal credit rating categories as of December 31, 2019 & 2018 was as follows:

	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
1	206,307,665	-	-	-	-	206,307,665	122,203,545
2	-	-	-	-	-	-	5,673,334
3	10,716,223	-	-	-	-	10,716,223	16,421,331
4	6,725,912	-	-	-	-	6,725,912	23,742,757
5	32,981,368	-	-	-	-	32,981,368	14,525,549
6	16,003,263	-	-	-	-	16,003,263	3,652,150
7	-	-	-	-	-	-	17,777,367
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Total	**272,734,431**	**-**	**-**	**-**	**-**	**272,734,431**	**203,996,033**

Financial assets at amortized cost credit stages distribution was as follows:

	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the Beginning of the Year	186,218,666	-	17,777,367	-	-	203,996,033	219,576,390
New invesment during the year	132,367,120	-	-	-	-	132,367,120	42,938,819
Matured invesments	(45,892,263)	-	(17,777,367)	-	-	(63,669,630)	(58,476,138)
	272,693,523	-	-	-	-	272,693,523	204,039,071
Transferred to stage one	-	-	-	-	-	-	-
Transferred to stage two	-	-	-	-	-	-	-
Transferred to stage three	-	-	-	-	-	-	-
Changes due to the adjusments	40,908	-	-	-	-	40,908	(43,038)
Balance at the End of the Year	**272,734,431**	**-**	**-**	**-**	**-**	**272,734,431**	**203,996,033**

The movement on the expected credit loss provision was as follows:	As of December 31, 2019				As of December 31, 2018
Item	Stage One	Stage Two	Stage Three	Total	Total
Balance at the Beginning of the Year	123,796	476,553	-	600,349	74,293
Credit loss on new balances during the year	109,782	-	-	109,782	60,169
Expected credit loss reversal of matured investments	(842)	(476,553)	-	(477,395)	(4,459)
	108,940	-	-	(367,613)	130,003
Transferred to stage one	-	-	-	-	-
Transferred to stage two	-	-	-	-	-
Transferred to stage three	-	-	-	-	-
Effect on the provision at the end of the period– as a result of classification changes between the three stages during the year	-	-	-	-	-
Changes due to adjusments	(34,104)	-	-	(34,104)	470,346
Balance at the End of the Year	**198,632**	**-**	**-**	**198,632**	**600,349**

The maturities of these financial assets at amortized cost are as follows:

	Up to 1 Month	Over 1 Month and Up to 3 Months	Over 3 Months and Up to 6 Months	Over 6 Months and Up to 1 Year	Over 1 Year and Up to 3 Years	Over 3 Years	Total
		JD	JD	JD	JD	JD	
December 31, 2019	-	8,750,010	47,369,743	860,009	156,383,614	59,371,055	272,734,431
December 31, 2018	5,673,334	25,145,321	15,050,437	3,573,513	83,206,715	71,346,713	203,996,033

14. Property and Equipment _ Net

The details of this item are as follows:

2019	Lands	Buildings	Equipment Furniture and Fixtures	Vehicles	Computers	Decorations and Improvements	Right of use of assets **	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Cost:								
Beginning of year balance	4,159,347	14,532,229	22,007,949	909,014	12,355,467	21,360,681	-	75,324,687
IFRS (16) adjustments	-	-	-	-	-	-	13,771,577	13,771,577
Adjusted balance beginning of year	4,159,347	14,532,229	22,007,949	909,014	12,355,467	21,360,681	13,771,577	89,096,264
Additions	-	20,672	5,926,447	184,053	1,263,797	1,664,165	5,644,292	14,703,426
(Disposals)	-	(123,617)	(1,763,117)	-	(337,323)	(1,153,091)	(173,934)	(3,551,082)
Foreign currencies differences	(195)	(2,125)	(318)	(46)	(262)	(1,132)	-	(4,078)
End of year balance	4,159,152	14,427,159	26,170,961	1,093,021	13,281,679	21,870,623	19,241,935	100,244,530
Accumulated depreciation:								
Beginning of year balance	-	6,517,318	16,258,673	475,283	8,616,670	16,863,796	-	48,731,740
Annual depreciation	-	253,836	2,000,766	111,826	1,027,044	1,295,423	3,038,962	7,727,857
(Disposals)	-	(114,022)	(1,716,945)	-	(335,438)	(1,121,221)	-	(3,287,626)
Foreign currencies differences	-	(326)	(516)	(31)	(183)	(576)	-	(1,632)
End of year balance	-	6,656,806	16,541,978	587,078	9,308,093	17,037,422	3,038,962	53,170,339
Net book value of property and equipment	4,159,152	7,770,353	9,628,983	505,943	3,973,586	4,833,201	16,202,973	47,074,191
Payments on acquisition of property and equipment*	-	43,556	620,808	-	2,256,266	2,807,766	-	5,728,396
Net Property and Equipment at the End of the Year	**4,159,152**	**7,813,909**	**10,249,791**	**505,943**	**6,229,852**	**7,640,967**	**16,202,973**	**52,802,587**

Property and Equipment _ Net

The details of this item are as follows:

2018	Lands	Buildings	Equipment Furniture and Fixtures	Vehicles	Computers	Decorations and Improvements	Right of use of assets **	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Cost:								
Beginning of year balance	4,159,347	13,849,927	20,569,386	892,918	11,956,635	20,572,804	-	72,001,017
Additions	-	682,302	2,117,958	16,096	678,882	2,028,331	-	5,523,569
(Disposals)	-	-	(679,395)	-	(280,050)	(1,240,454)	-	(2,199,899)
Foreign currencies differences	-	-	-	-	-	-	-	-
End of year balance	4,159,347	14,532,229	22,007,949	909,014	12,355,467	21,360,681	-	75,324,687
Accumulated depreciation:								
Beginning of year balance	-	6,263,580	15,427,229	380,780	7,834,029	16,594,741	-	46,500,359
Annual depreciation	-	253,738	1,479,214	94,503	1,025,582	1,403,614	-	4,256,651
(Disposals)	-	-	(647,770)	-	(242,941)	(1,134,559)	-	(2,025,270)
Foreign currencies differences	-	-	-	-	-	-	-	-
End of year balance	-	6,517,318	16,258,673	475,283	8,616,670	16,863,796	-	48,731,740
Net book value of property and equipment	4,159,347	8,014,911	5,749,276	433,731	3,738,797	4,496,885	-	26,592,947
Payments on acquisition of property and equipment*	-	2,393	4,894,432	-	1,371,160	1,483,088	-	7,751,073
Net Property and Equipment at the End of the Year	4,159,347	8,017,304	10,643,708	433,731	5,109,957	5,979,973	-	34,344,020

* The financial obligations relating to the acquisition of property and equipment amounted to JD 3,417,296 for the year 2019, and will be settled in accordance with the contractual conditions on the purchase of these assets.

** As stated in note 5, this item represents the effect of application of IFRS 16 that resulted in recognition of the right of use assets (Leased branches) which represent the present value of future payments for these contracts which are considered non-cash transations.

- Fully depreciated property and equipment cost amounted to JD 32,518,441 for the year 2019 (JD 31,601,660 for the year 2018).

15. Intangible Assets	December 31,	
This item consists of computer software's which are amortized at an annual rate ranging from 15% to 20%, the details are as follows:	2019	2018
	JD	JD
Balance at the Beginning of the Year	4,998,823	4,839,231
Additions during the year	1,986,497	1,019,570
Amortization for the year	(998,994)	(859,978)
Foreign currencies differences	(44)	-
Balance at the End of the Year	**5,986,282**	**4,998,823**

16. Other Assets	December 31,	
This item consists of the following:	2019	2018
	JD	JD
Accrued interest income	13,059,915	10,106,510
Prepaid expenses	3,408,442	4,346,029
Assets foreclosed by the Bank in repayment of non performing debts*	53,844,537	50,063,535
Financial Assets foreclosed by the bank **	-	6,816,468
Clearance cheques	3,697,797	7,593,695
Advanced payments on the acquisition of lands and real estates	1,049,107	1,579,037
Prepaid tax expenses	1,619,294	1,750,077
Accounts receivables and other debit balances	5,392,150	6,998,647
	82,071,242	**89,253,998**

*** The following is the movement on the assets foreclosed by the Bank in repayment of non performing debts:**	Foreclosed Assets	
	2019	2018
	JD	JD
Balance at the Beginning of the Year	59,991,327	54,781,771
Additions	4,993,591	5,640,794
Disposals	(782,741)	(431,238)
End of the year balance	64,202,177	59,991,327
Impairment provision of assets foreclosed by the Bank***	(10,357,640)	(9,927,792)
Balance at the End of the Year	**53,844,537**	**50,063,535**

- According to the Jordanian Banks' Law, buildings and plots of lands foreclosed by the Bank in repayment of debts from clients should be sold within two years from the foreclosure date. However, the Central Bank of Jordan may extend this period for two more years in exceptional cases. Starting from the year 2015 and in accordance with the Central Bank of Jordan Circular No. 10/1/4076 dated March 27, 2014 and Circular No. 10/1/2510 dated February 14, 2017 the bank has started to calculate gradual provision against the assets foreclosed by the bank in exchange of credit facilities that have been in possession for more than 4 years. Central Bank of Jordan issued Circular No. 10/1/16239 dated November 21, 2019 approving the extension of Circular No. 10/1/2150 dated February 14, 2017, in which it confirmed postponing the provision calculation until the end of year 2020 and amending the second clause of it.

** During the second quarter of 2019, the Bank transferred its financial assets foreclosed by the Bank to the Bank's investment portfolio at fair value through comprehensive income based on the business model and after obtaining the required approvals and procedures in this regard.

***** The movement on the assets foreclosed by the Bank in repayment of non-performing debts provision loans was as follows:**	2019	2018
	JD	JD
Balance at the Beginning of the Year	9,927,792	9,731,163
Additions ****	429,848	196,629
Balance at the End of the Year	**10,357,640**	**9,927,792**

**** The additions represent the provision made for the impairment of assets foreclosed by the Bank as of December 31, 2019 and 2018.

17. Banks and Financial Institutions' Deposits

This item consists of the following:	December 31, 2019 Inside the Kingdom of Jordan	December 31, 2019 Outside the Kingdom of Jordan	December 31, 2019 Total	December 31, 2018 Inside the Kingdom of Jordan	December 31, 2018 Outside the Kingdom of Jordan	December 31, 2018 Total
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	-	5,766,667	5,766,667	-	9,429,939	9,429,939
Deposits maturing within 3 months	-	14,540,044	14,540,044	-	4,875,021	4,875,021
Deposits maturing within 3-6 months	-	10,000,000	10,000,000	-	-	-
Deposits maturing within 6-9 months	-	-	-	-	-	-
Deposits maturing within 9-12 months	-	-	-	-	-	-
Deposits maturity exceeds one year	70,000,000	50,937,867	120,937,867	70,000,000	60,937,867	130,937,867
	70,000,000	**81,244,578**	**151,244,578**	**70,000,000**	**75,242,827**	**145,242,827**

18. Customer Deposits

Details of this item are as follows:	December 31, 2019 Individuals	December 31, 2019 Corporations	December 31, 2019 SME's	December 31, 2019 Government and Public sector	December 31, 2019 Total
Description	JD	JD	JD	JD	JD
Current accounts	316,215,766	64,341,378	73,812,652	13,011,528	467,381,324
Saving deposits	778,203,103	3,862,479	8,564,196	35,637	790,665,415
Term deposits	332,015,600	162,669,545	39,039,074	21,141,600	554,865,819
Certificates of deposits	93,066,189	11,359,000	1,760,360	-	106,185,549
Total	1,519,500,658	242,232,402	123,176,282	34,188,765	1,919,098,107

	December 31, 2018 Individuals	December 31, 2018 Corporations	December 31, 2018 SME's	December 31, 2018 Government and Public sector	December 31, 2018 Total
Description	JD	JD	JD	JD	JD
Current accounts	308,314,659	147,922,939	87,403,900	9,639,094	553,280,592
Saving deposits	731,787,872	1,759,724	11,357,537	52,203	744,957,336
Term deposits	254,608,734	89,293,564	33,534,295	26,702,514	404,139,107
Certificates of deposits	156,026,951	4,382,080	5,006,420	-	165,415,451
Total	1,450,738,216	243,358,307	137,302,152	36,393,811	1,867,792,486

* Government and Public Sector deposits in Jordan amounted to JD 26,131,415 equivalent to 1/40% of total deposits for 2019 (JD 28,539,472 equivalent to 1/53% of total deposits for 2018).
* Non-interest bearing deposits amounted to JD 641,780,616 equivalent to 33/44% of total deposits for 2019 (JD 627,781,302 equivalent to 33/61% of total deposits for 2018).
* Restricted deposits amounted to JD 15,885,523 equivalent to 0/83% of total deposits for 2019 (JD 16,128,531 equivalent to 0/86% of total deposits for 2018).
* Dormant deposits amounted to JD 68,696,918 for 2019 (JD 88,913,192 for 2018).

19. Cash Margins	December 31,	
The details of this item are as follows:	2019	2018
	JD	JD
Cash margins on direct credit facilities at amortized cost	96,998,394	97,690,528
Cash margins on indirect credit facilities	23,595,527	19,578,389
	120,593,921	**117,268,917**

20. Other Provisions					
The details of this item are as follows:	Beginning Balance	Provision Created during the Year	Provision Used During the Year	Foreign Currencies Differences	Ending Balance
2019	JD	JD	JD	JD	JD
Provision for end-of-service indemnity	3,904,765	424,311	(296,434)	-	4,032,642
Provision for lawsuits raised against the Bank	1,032,570	74,742	(243,834)	-	863,478
Other provisions	256,905	(989)	(140,733)	(92)	115,091
	5,194,240	498,064	(681,001)	(92)	5,011,211
2018					
Provision for end-of-service indemnity	4,073,409	514,366	(683,010)	-	3,904,765
Provision for lawsuits raised against the Bank	676,564	432,570	(76,564)	-	1,032,570
Other provisions	256,792	113	-	-	256,905
	5,006,765	**947,049**	**(759,574)**		**5,194,240**

21. Income Tax		
A. Income tax provision:	2019	2018
The movement on the income tax provision is as follows:	JD	JD
Balance at the Beginning of the Year	21,978,685	19,602,158
Income tax paid	(23,151,663)	(21,816,266)
Accrued Income tax	24,976,873	24,192,793
Balance at the End of the Year	**23,803,895**	**21,978,685**

Income tax in the consolidated statement of profit or loss represents the following:	2019	2018
Income tax on current year's profit	24,000,873	19,978,599
Previous years income tax	976,000	1,378,746
Deferred tax assets for the year-addition	(6,573,042)	(3,253,263)
Amortization of deferred tax assets	2,348,285	3,610,427
	20,752,116	**21,714,509**

B. Deferred Tax Assets

The details of this item are as follows:

Accounts Included	Balance at the Beginning of the Year	Amounts Released	Amounts Added	Balance at the End of the Year	Deferred Tax	Deferred Tax
	As of December 31, 2019					As of December 31, 2018
	JD	JD	JD	JD	JD	JD
Deferred Tax Assets:						
Provisions for non-performing debts	14,483,348	3,488,000	-	10,995,348	4,178,232	5,503,672
Provision for non-performing debts previous periods	3,522,597	762,218	11,967,127	14,727,506	5,344,197	1,016,154
Provision for staff end-of-service indemnity	3,890,557	296,271	406,226	4,000,512	1,159,834	1,129,221
Interests in suspense	901,243	170,582	-	730,661	177,353	226,469
Provision for lawsuits raised against the Bank	1,032,570	243,834	74,742	863,478	309,708	373,962
Impairment of assets foreclosed by the Bank	9,927,792	-	429,848	10,357,640	3,693,155	3,531,592
Impairment of assets available for sale	62,831	-	-	62,831	23,876	23,876
Revaluation of assets foreclosed by Bank	1,488,560	-	326,702	1,815,262	689,800	565,653
Expected credit loss allowance	15,209,892	6,167	4,415,670	19,619,395	7,228,143	5,635,812
Other provisions	2,295,341	2,295,341	-	-	-	573,835
	52,814,731	**7,262,413**	**17,620,315**	**63,172,633**	**22,804,298**	**18,580,246**
C. Deferred Tax Liabilities:						
Fair value reserve	**34,605,578**	**2,257,842**	**69,036**	**32,416,772**	**3,081,065**	**3,296,665**

The movement of deferred tax assets and liabilities as follows:	Deferred Tax Assets		Deferred Tax Liabilities	
	2019	2018	2019	2018
	JD	JD	JD	JD
Balance- beginning of the year	18,580,246	14,683,719	3,296,665	-
Effect of adopting IFRS (9)	-	4,253,691	-	-
Adjusted balance- beginning of the year	18,580,246	18,937,410	3,296,665	-
Effect of new income tax law adjustment	-	1,249,475	-	-
Additions	6,573,042	2,003,788	6,595	3,296,665
Amortized	(2,348,285)	(3,610,427)	(222,195)	-
Foreign currency difference	(705)	-	-	-
Balance- Ending of the year	**22,804,298**	**18,580,246**	**3,081,065**	**3,296,665**

The percentage of tax used in the calculation of deferred taxes is the applied rate in the countries where the bank is operating*.

Income tax in the consolidated statement of comprehensive income represents the following:	2019	2018
Accrued income tax on profits from the sale of shares of financial assets through the statement of comprehensive income	-	4,214,194
	-	**4,214, 194**

- The legal income tax rate in Jordan is 38% for banks, knowing that the legal income tax rate in Palestine in which the bank has investments and branches is 15%, and in Syria (a subsidiary company) 25% and subsidiaries in Jordan 28%.
- A final settlement was reached with the Income and Sales Tax Department in Jordan up to the end of 2013 and 2015, and the bank submitted its annual tax returns for the years 2014, 2016 and 2017 and paid the required amounts according to the law, however no final settlement was reached with the Income and Sales Tax Department for those years yet, noting that Income and Sales Tax Department requests the bank with tax differences for the year 2014 in the amount of JD 2.9 Million, which have been duly contested, the bank filed a case against the Income and Sales Tax Department in this regard, in which the Court of Cassation issued a decision obligating the bank to pay about JD 1.3 Million, and the bank recorded the necessary related provisions. As for the years 2016 and 2017, they are still under review by the Income and Sales Tax Department, regarding the year 2018 it was accepted according to the sampling system. In the opinion of management and its legal and tax advisors, the bank will not have any obligations in excess of the provisions that were booked in the consolidated financial statements.
- A final settlement was reached with the Income tax and VAT departments on the results of the bank's operations in Palestine until the end of the year 2018, In the opinion of management and its tax advisor current booked provisions are sufficient to pay the tax obligations.
- A final settlement was reached with the Income and Sales Tax Department in Jordan with regard to Excel for Financial Investments Company (Subsidiary) until the end of year 2018 except for year 2016, for which the company submitted its tax return for the year 2016 and paid related taxes but still not reviewed by the Income and Sales Tax Department Yet, In the opinion of management and its tax advisor current booked provisions are sufficient to pay the tax obligations.
- A final settlement was reached with the Income and Sales Tax Department in Jordan with regard to Jordan Leasing Company (Subsidiary) until the end of year 2017, with regard to year 2018 the company submitted its tax return for the year 2018 and paid related taxes but still not reviewed by the Income and Sales Tax Department Yet, In the opinion of management and its tax advisor current booked provisions are sufficient to pay the tax obligations.
- Taxes due over the bank, its subsidiaries and external branches has been calculated for the year ended December 31, 2019, and in the opinion of the management and its tax advisor current booked provisions are sufficient to pay the tax obligations as of that date.

D. The following is a summary of the reconciliation between accounting profit and taxable profit:	2019	2018
	JD	JD
Accounting profit	61,130,161	62,958,932
Tax-exempt profits	(22,855,536)	(20,570,736)
Undetectable tax expenses	33,948,836	23,653,818
Taxable profit	**72,223,461**	**66,042,014**
Income tax rate	33,2%	36,6%
	24,000,783	**24,192,793**

22. Borrowed Funds

The details of this item are as follows:		Number of Installments				
December 31, 2019	Amount	In Total	The Remaining	Periodic Installments Maturity	Collaterals	Price of Borrowing Interest
	JD				JD	
Borrowing from the Central Bank of Jordan*	8,923,541	24 - 113	4 – 83	Monthly	Treasury Bonds and bills	1%-1.75%
Lease obligations**	14,744,380	685	530	Quarterly, semi-annually, annually	Non	5.75% Average
Total	**23,667,921**					

		Number of Installments				
December 31, 2018	Amount	In Total	The Remaining	Periodic Installments Maturity	Collaterals	Price of Borrowing Interest
	JD				JD	
Borrowing from the Central Bank of Jordan	4,557,811	725	611	Monthly	Treasury Bonds and bills	1%-2.25%
Total	**4,557,811**					

* The above balances has been re-lended to the Bank's customers listed under small and medium entities and corporates with an interest rate ranging from 3% - 5%.
- This balance is borrowed at a fixed interest rate, and there is no borrowing at floating interest rates or with zero interest rate as of December 31, 2019 and 2018.

** Lease obligations – Against right of use of assets – leased: In Jordanian Dinar	December 31, 2019
Maturity analysis - undiscounted contractual cash flows	
Less than one year	3,282,125
Year to five years	9,617,803
More than five years	6,220,674
Total undiscounted lease obligations	19,120,602
Discounted lease obligations included in the consolidated statement of financial position	14,744,380
Within one year	2,535,281
More than one year	**12,209,099**

- As stated in note (5), the implementation of IFRS 16 has resulted in the recognition of obligations against lease contracts (leased branches) that represent the present value of future cash payments for these contracts which is considered as non-cash transactions.

23. Other Liabilities

	December 31,	
The details of this item are as follows:	2019	2018
	JD	JD
Accrued interest payable	10,391,002	7,379,940
Accepted deferred cheques	7,250,887	5,598,178
Temporary deposits	4,198,390	5,658,133
Dividends payable	2,183,274	2,444,968
Deposits on safe boxes	175,355	174,124
Margins against sold real estate	37,000	140,200
Expected credit loss provision against indirect credit facilities **	10,206,853	7,598,485
Other liabilities*	7,051,042	7,297,504
	41,493,803	**36,291,532**

* **The details of other liabilities are as follows:**	December 31,	
	2019	2018
	JD	JD
Social security deposits	287,036	285,413
Income tax deposits	307,919	318,262
Accrued expenses	5,486,915	4,740,394
Incoming transfers	272,766	245,236
Board of Directors' members remuneration	55,000	55,000
Other credit balances	641,406	1,653,199
	7,051,042	**7,297,504**

Indirect credit facilities distribution was as follows:

A. Letter of credit	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Credit risk rating based on the Bank's internal credit rating system:							
1	-	-	-	-	-	-	-
2	12,728,446	-	-	-	-	12,728,446	-
3	236,924	-	-	-	-	236,924	-
4	5,656,506	-	-	-	-	5,656,506	15,973,907
5	21,227,495	-	-	-	-	21,227,495	29,744,844
6	25,353,646	-	-	-	-	25,353,646	12,732,817
7	-	-	3,949,511	-	-	3,949,511	6,667,657
8	-	-	-	-	61,683	61,683	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Total	**65,203,017**	**-**	**3,949,511**	**-**	**61,683**	**69,214,211**	**65,119,225**

Indirect facilities movement disclosure:

	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two				
Item	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total	Total
Balance at the beginning of the year	58,451,568	-	6,667,657	-	-	65,119,225	97,469,846
New facilities during the year	26,028,495	-	61,080	-	-	26,089,575	6,762,756
Facilities paid	(20,452,505)	-	(53,694)	-	-	(20,506,199)	(39,042,260)
	64,027,558	-	6,675,043	-	-	70,702,601	65,190,342
Transferred to Stage One	6,613,963	-	(6,613,963)	-	-	-	-
Transferred to Stage Two	(2,045,922)	-	2,045,922	-	-	-	-
Transferred to Stage Three	(348,519)	-	-	-	348,519	-	-
The effect on the provision at the end of the year as a result of changes in classification between the three stages during the year	220,749	-	1,842,509	-	(286,836)	1,776,422	(71,117)
Changes resulting from modification	(3,264,812)	-	-	-	-	(3,264,812)	-
Written off facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-	-
Total Balance at the End of the Year	**65,203,017**	**-**	**3,949,511**	**-**	**61,683**	**69,214,211**	**65,119,225**

Impairment provision movement diclosure:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	54,903	-	38,455	-	-	93,358	35,016
Impairment Loss of new balances during the year	15,281	-	489	-	-	15,770	59,322
Recoveries from impairment loss on investments due	(7,419)	-	(265)	-	-	(7,684)	(1,882)
	62,765	-	38,679	-	-	101,444	92,456
Transferred to Stage One	38,188	-	(38,188)	-	-	-	-
Transferred to Stage Two	(1,418)	-	1,418	-	-	-	-
Transferred to Stage Three	(11)	-	-	-	11	-	-
The effect on the provision at the end of the year as a result of the reclassification between the three stages during the year	(23,088)	-	43,374	-	40,246	60,532	(21)
Changes resulting from modifications	6,514	-	-	-	-	6,514	923
Written off facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-	-
Total Balance at the End of the Year	**82,950**	**-**	**45,283**	**-**	**40,257**	**168,490**	**93,358**

	As of December 31, 2019						As of December 31, 2018
B. Acceptances	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Credit risk rating based on the Bank's internal credit rating system:							
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-
4	1,820,830	-	-	-	-	1,820,830	659,318
5	1,137,972	-	-	-	-	1,137,972	30,422,413
6	7,739,181	-	-	-	-	7,739,181	8,935,981
7	-	-	8,651,156	-	-	8,651,156	276,412
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Total	**10,697,983**	**-**	**8,651,156**	**-**	**-**	**19,349,139**	**40,294,124**

Indirect facilities movement disclosure:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the Beginning of the year	40,017,712	-	276,412	-	-	40,294,124	52,615,066
New facilities during the year	3,784,603	-	3,142,269	-	-	6,926,872	18,198,316
Facilities paid	(7,817,414)	-	(198,129)	-	-	(8,015,543)	(30,497,327)
	35,984,901	-	3,220,552	-	-	39,205,453	40,316,055
Transferred to Stage One	78,283	-	(78,283)	-	-	-	-
Transferred to Stage Two	(5,802,292)	-	5,802,292	-	-	-	-
Transferred to Stage Three	-	-	-	-	-	-	-
The effect on the provision at the end of the year as a result of reclassification between the three stages during the year	(30,190)	-	(293,405)	-	-	(323,595)	(21,931)
Changes resulting from modification	(19,532,719)	-	-	-	-	(19,532,719)	-
Written off facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-	-
Total Balance at the End of the Year	**10,697,983**	**-**	**8,651,156**	**-**	**-**	**19,349,139**	**40,294,124**

Impairment provision movement diclosure:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the Beginning of the year	55,013	-	3,892	-	-	58,905	99,704
Impairment Loss of new balances during the year	5,583	-	27,510	-	-	33,093	26,389
Recoveries from impairment loss on facilities due	(27,493)	-	(2,922)	-	-	(30,415)	(76,154)
	33,103	-	28,480	-	-	61,583	49,939
Transferred to Stage One	1,018	-	(1,018)	-	-	-	-
Transferred to Stage Two	(3,561)	-	3,561	-	-	-	-
Transferred to Stage Three	-	-	-	-	-	-	-
The effect on the provision at the end of the year as a result of reclassification between the three stages during the year	(752)	-	4,665	-	-	3,913	401
Changes resulting from modifications	10,178	-	-	-	-	10,178	8,565
Written off facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-	-
Total Balance at the End of the Year	**39,986**	**-**	**35,688**	**-**	**-**	**75,674**	**58,905**

C. Letters of guarantee	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Credit risk rating based on the Bank's internal credit rating system:							
1	-	-	-	-	-	-	41,840
2	3,550,260	-	-	-	-	3,550,260	138,500
3	3,929,921	-	-	-	-	3,929,921	3,033,834
4	24,595,539	-	-	-	-	24,595,539	39,404,731
5	13,969,994	-	-	-	-	13,969,994	28,049,699
6	48,660,454	-	-	-	-	48,660,454	50,070,222
7	-	-	7,164,465	-	-	7,164,465	1,199,952
8	-	-	-	-	2,483,227	2,483,227	617,074
9	-	-	-	-	62,913	62,913	135,990
10	-	-	-	-	9,996,239	9,996,239	9,528,149
Total	**94,706,168**	**-**	**7,164,465**	**-**	**12,542,379**	**114,413,012**	**132,219,991**

Indirect facilities movement disclosure:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	120,738,826	-	1,199,952	-	10,281,213	132,219,991	133,848,163
New facilities during the Year	21,793,085	-	1,088,310	-	1	22,881,396	18,955,472
Facilities paid	(32,780,013)	-	(95,590)	-	(319,886)	(33,195,489)	(20,333,509)
	109,751,898	-	2,192,672	-	9,961,328	121,905,898	132,470,126
Transferred to Stage One	265,457	-	(261,949)	-	(3,508)	-	-
Transferred to Stage Two	(5,548,546)	-	5,584,330	-	(35,784)	-	-
Transferred to Stage Three	(7,171,920)	-	(205,612)	-	7,377,532	-	-
The effect on the provision at the end of the year as a result of reclassification between the three stages during the year	526,537	-	37,411	-	(4,757,187)	(4,193,239)	(250,135)
Changes resulting from modification	(3,114,393)	-	(182,267)	-	6	(3,296,654)	-
Written off facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	(2,865)	-	(120)	-	(8)	(2,993)	-
Total balance at the end of the year	94,706,168	-	7,164,465	-	12,542,379	114,413,012	132,219,991

Impairment provision movement diclosure:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	230,327	-	10,169	-	5,642,941	5,883,437	5,299,963
Impairment Loss of new balances during the year	61,100	-	20,899	-	616,864	698,863	661,116
Recoveries from impairment loss on facilities due	(10,381)	-	-	-	(104,490)	(114,871)	(481,751)
	281,046	-	31,068	-	6,155,315	6,467,429	5,479,328
Transferred to Stage One	4,737	-	(4,561)	-	(176)	-	-
Transferred to Stage Two	(20,348)	-	40,676	-	(20,328)	-	-
Transferred to Stage Three	(18,251)	-	(998)	-	19,249	-	-
The effect on the provision at the end of the year as a result of reclassification between the three stages during the year	2,277	-	45,756	-	1,644,432	1,692,465	350,118
Changes resulting from modifications	304,639	-	4,064	-	(776)	307,927	53,991
Written off facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	(11)	-	-	-	(4)	(15)	-
Total balance at the end of the year	**554,089**	**-**	**116,005**	**-**	**7,797,712**	**8,467,806**	**5,883,437**

D. Unutilized facilities limits	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Credit risk rating based on the Bank's internal credit rating system:							
1	-	-	-	-	-	-	406,156
2	3,545,000	-	-	-	-	3,545,000	-
3	11,340,082	-	-	-	-	11,340,082	18,798,895
4	112,041,297	-	-	-	-	112,041,297	54,246,165
5	62,969,573	-	-	-	-	62,969,573	123,859,138
6	185,964,413	-	-	-	-	185,964,413	114,123,356
7	-	-	33,267,994	-	-	33,267,994	26,218,833
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Unclassified	-	48,633,570	-	637,617	-	49,271,187	49,566,873
Total	**375,860,365**	**48,633,570**	**33,267,994**	**637,617**	**-**	**458,399,546**	**387,219,416**

Unutilized facilities movement disclosure:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the Beginning of the year	313,372,721	47,291,301	26,218,833	336,561	-	387,219,416	440,916,414
New facilities during the year	56,331,781	13,285,761	10,563,575	130,293	-	80,311,410	122,066,102
Facilities paid	(43,555,270)	(213,343)	(413,400)	(3,213)	-	(44,185,226)	(173,345,637)
	326,149,232	60,363,719	36,369,008	463,641	-	423,345,600	389,636,879
Transferred to Stage One	24,173,378	289,567	(24,173,378)	(289,567)	-	-	-
Transferred to Stage Two	(25,777,853)	(591,048)	25,777,853	591,048	-	-	-
Transferred to Stage Three	(701,957)	(192,937)	(268,334)	(22,488)	1,185,716	-	-
The effect on the provision at the end of the year as a result of reclassification between the three stages during the year	(8,059,632)	272,724	(3,999,078)	(158,189)	(1,185,716)	(13,129,891)	(2,417,463)
Changes due to adjustments	60,080,238	(11,508,455)	(438,021)	53,172	-	48,186,934	-
Written off facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	(3,041)	-	(56)	-	-	(3,097)	-
Total Balance at the End of the Year	**375,860,365**	**48,633,570**	**33,267,994**	**637,617**	**-**	**458,399,546**	**387,219,416**

Impairment provision movement diclosure:	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two				
Item	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total	Total
Balance at the Beginning of the year	670,269	400,636	488,922	2,958	-	1,562,785	1,089,758
Credit loss on new balances during the year	106,644	153,730	154,109	1,711	-	416,194	874,052
Expected credit loss reversal of matured facilities	(85,281)	(3,232)	(1,306)	(36)	-	(89,855)	(402,467)
	691,632	551,134	641,725	4,633	-	1,889,124	1,561,343
Transferred to Stage One	474,313	2,693	(474,313)	(2,693)	-	-	-
Transferred to Stage Two	(75,706)	(5,175)	75,706	5,175	-	-	-
Transferred to Stage Three	(2,794)	(1,727)	(1,686)	(200)	6,407	-	-
The effect on the provision at the end of the year as a result of reclassification between the three stages during the year	(447,507)	5,693	28,369	314	(6,407)	(419,538)	1,442
Changes due to adjustments	(57,125)	83,045	(1,294)	683	-	25,309	-
Written off facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	(12)	-	-	-	-	(12)	-
Total Balance at the End of the Year	**582,801**	**635,663**	**268,507**	**7,912**	**-**	**1,494,883**	**1,562,785**

Indirect credit facilities credit stages distribution was as follows:	Aa of December 31, 2019						As of December, 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual	Collective	Individual	Collective			Total
Balance at the Beginning of the Year	532,580,827	47,291,301	34,362,854	336,561	10,281,213	624,852,756	724,849,489
New exposures during the year	107,937,964	13,285,761	14,855,234	130,293	1	136,209,253	165,982,646
Accrued exposures	(104,605,202)	(213,343)	(760,813)	(3,213)	(319,886)	(105,902,457)	(263,218,733)
	535,913,589	60,363,719	48,457,275	463,641	9,961,328	655,159,552	627,613,402
Transferred to stage one	31,131,081	289,567	(31,127,573)	(289,567)	(3,508)	-	-
Transferred to stage two	(39,174,613)	(591,048)	39,210,397	591,048	(35,784)	-	-
Transferred to stage three	(8,222,396)	(192,937)	(473,946)	(22,488)	8,911,767	-	-
Effect as a result of classification changes between the three stages during the year	(7,342,536)	272,724	(2,412,563)	(158,189)	(6,229,739)	(15,870,303)	(2,760,646)
Changes due to the adjusments	34,168,314	(11,508,455)	(620,288)	53,172	6	22,092,749	-
Written – off facilities	-	-	-	-	-	-	-
Adjusment due to exchange rates fluctuations	(5,906)	-	(176)	-	(8)	(6,090)	-
Balance at the End of the Year	**546,467,533**	**48,633,570**	**53,033,126**	**637,617**	**12,604,062**	**661,375,908**	**624,852,756**

** Total expected credit loss provision distribution against indirect credit facilities was as follows:	Aa of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual	Collective	Individual	Collective			Total
Balance at the Beginning of the Year	1,010,512	400,636	541,438	2,958	5,642,941	7,598,485	6,524,441
Credit loss on new exposures during the period	188,608	153,730	203,007	1,711	616,864	1,163,920	1,620,879
Impairment loss over accrued exposures	(130,574)	(3,232)	(4,493)	(36)	(104,490)	(242,825)	(962,254)
	1,068,546	551,134	739,952	4,633	6,155,315	8,519,580	7,183,066
Transferred to stage one	518,256	2,693	(518,080)	(2,693)	(176)	-	-
Transferred to stage two	(101,033)	(5,175)	121,361	5,175	(20,328)	-	-
Transferred to stage three	(21,056)	(1,727)	(2,684)	(200)	25,667	-	-
Effect as a result of classification changes between the three stages during the year	(469,070)	5,693	122,164	314	1,678,271	1,337,372	350,498
Changes due to the adjusments	264,206	83,045	2,770	683	(776)	349,928	64,921
Written -off facilities	-	-	-	-	-	-	-
Adjusment due to exchange rates fluctuations	(23)	-	-	-	(4)	(27)	-
Balance at the End of the Year	**1,259,826**	**635,663**	**465,483**	**7,912**	**7,837,969**	**10,206,853**	**7,598,485**

24. Paid_ Up Capital

- The authorized capital of the Bank is JD 200 million as of December 31, 2019, and 2018.
- The authorized capital of the Bank is JD 200 million by year end, divided into 200 million shares at a par value of JD 1 each.

25. Reserves

- Statutory Reserve
  The amount accumulated in this account is transferred at 10% from the annual net income before tax during the year and previous years according to the Banks Law and Companies Law. This reserve cannot be distributed to shareholders.

- Voluntary Reserve
  The amounts accumulated in this account are transferred at 10% from the annual net income before taxes during the previous years. This reserve will be used for the purposes approved by the Board of Directors. Moreover, the General Assembly of Shareholders has the right to capitalize or distribute the whole reserve or part thereof as dividends.

- General Banking Risks Reserve
  This item represents the general banking risks reserve in line with the instructions of the Central Bank of Jordan, The balance of the general bank risk reserve has been transferred to retained earnings as of January 1ST 2018 based on Central Bank of Jordan Circular No. 1359/1/10 dated January 25, 2018 and Central Bank Instructions No. 13/2018 dated June 6, 2018 and other regulatory authorities.

- Special Reserve
  This reserve represents the periodic fluctuation reserve calculated according to the instructions of the Palestinian Monetary Authority concerning the Bank's branches operating in Palestine.

The restricted reserves are as follows:

Reserve	Amount JD	Nature of Restriction
Legal reserve	94,065,645	Companies and Banks Laws
General banking risks reserve	2,196,491	Regulatory bodies requirements
Special reserve	5,849,743	Regulatory bodies requirements

26. Foreign Currency Translation Differences

This item represents the differences resulting from the translation of net investment in foreign subsidiary (Bank of Jordan – Syria) upon consolidating the financial statements.

The movement on this item during the year is as follows:	2019	2018
	JD	JD
Balance at the Beginning of the Year	(12,256,254)	(12,256,254)
Changes in the translation of net investment in the subsidiary Company during the year*	(11,866)	-
Balance at the End of the Year	**(12,268,120)**	**(12,256,254)**

* This item includes the Bank's net share of the structural position related to the investment in the capital of Bank of Jordan – Syria for the years 2019 and 2018.

27. Fair Value Reserve	2019	2018
The details of the fair value reserve are as follows:	JD	JD
Balance at the Beginnings of the Year	26,668,016	81,288,341
Unrealized gains (loss) – Equity instruments	2,730,094	(11,979,820)
Unrealized gains- debt instruments	938,964	
Expected credit loss provision – debt instruments	77,271	
(Loss) of equity instruments at fair value through comprehensive income transferred to retained earnings as a result of the sale	-	(39,343,840)
Deferred Tax Liabilities	(3,081,065)	(3,296,665)
Balance at the End of the Year*	24,954,157	26,668,016

* The fair value reserve is presented net of deferred tax in amount of JD 3,081,065.

28. Retained Earnings	2019	2018
The details of this item are as follows:	JD	JD
Balance at the Beginning of the Year	101,289,732	64,446,126
Expected credit losses over the assets as a result of IFRS (9) implementation	-	(11,595,842)
Effect of IFRS (9) implementation on the deferred tax assets	-	4,253,691
Adjusted Balance- Beginning of the year	101,289,732	57,103,975
Dividends distributed to shareholders	(36,000,000)	(36,000,000)
Profit for the year	40,163,256	41,527,540
Transferred (to) from reserves	(6,057,292)	3,581,181
Profit transferred as a result for sale of financial assets through comprehensive income	-	35,077,036
The currencies translation differences	4,944	-
Balance at the End of the Year	99,400,640	101,289,732

- Retained earnings include an amount of JD 22,804,298 restricted against deferred tax assets as of December 31, 2019 (JD 18,580,246 as of December 31, 2018).
- Retained earnings include an amount of JD 3,302,537 as of December 31, 2019 which represents the effect of early adoption of IFRS (9). These restricted amounts cannot be utilized unless realized as instructed by Jordan Securities Exchange Commission. Also retained earnings include an amount of JD 813,437 as of December 31, 2019 that cannot be utilized by distribution or any purpose unless there is a formal approval from Central Bank of Jordan resulting from the application of Central Bank of Jordan circular No. 10/1/1359 dated January 25, 2018.

29. Declared Dividends

The Board of Directors recommended the distribution of 18% of capital as cash dividends to it's shareholders in the meeting held during the year 2020 equivalent to JD 36 Million which remain subject to the approval of the General Assembly (while a dividend of 18% of the capital was distributed during the year 2019 in the amount of JD 36 million according to the general assembly decision in its meeting held on May 4, 2019).

30. Interest Income

The details of this item are as follows:	2019	2018
	JD	JD
Direct Credit Facilities at amortized cost:		
Individual (retail customers):	48,474,467	43,674,550
Overdraft accounts	1,650,601	1,401,145
Loans and discounted bills	42,549,301	38,581,909
Credit cards	4,274,565	3,691,496
Real estate loans	18,961,088	19,142,570
Corporate Entities:	55,954,995	53,160,940
Large corporate customers:	36,370,792	34,216,166
Overdraft accounts	5,372,250	4,927,052
Loans and discounted bills	30,998,542	29,289,114
SMEs:	19,584,203	18,944,774
Overdraft accounts	4,131,069	4,064,077
Loans and discounted bills	15,453,134	14,880,697
Government and Public Sector	8,715,135	10,501,155
Other items:		
Balances with central banks	4,108,507	1,008,608
Balances and deposits with banks and financial institutions	13,570,149	11,239,472
Financial assets at amortized cost	10,030,613	9,083,378
Total	**159,814,954**	**147,810,673**

31. Interest Expense

The details of this item are as follows:	2019	2018
	JD	JD
Banks and financial institution deposits	6,173,919	3,381,364
Customers' deposits:		
Current and demand deposits	9,498	48,849
Saving accounts	4,189,378	4,017,155
Time and notice deposits	20,476,569	18,088,044
Certificates of deposit	7,049,635	5,941,725
Borrowed funds	106,111	48,188
Cash margins	1,728,632	1,575,377
Deposits insurance fees	2,966,421	3,971,428
Lease obligations interest	747,668	-
	43,447,831	**37,072,130**

32. Net – Commissions Income

The details of this item are as follows:	2019	2018
	JD	JD
Commission's Income:		
Direct credit facilities commissions	5,263,633	5,328,169
Indirect credit facilities commissions	3,262,080	3,705,590
Other commissions	15,809,462	16,007,310
Total	24,335,175	25,041,069
Less: Commissions Expense	591,990	444,051
Net Commissions Income	**23,743,185**	**24,597,018**

33. Foreign Currencies Income

The details of this item are as follows:	2019	2018
	JD	JD
From trading / dealing	(12,610)	281,095
From revaluation	3,246,156	2,165,919
	3,233,546	**2,447,014**

34. (Loss) from Financial Assets at Fair Value Through Profit or Loss

The details of this item are as follows:	Realized Gain	Unrealized (Losses)	Shares Dividends	Total
Year 2019	JD	JD	JD	JD
Local shares	518	(22,192)	(6,444)	(15,230)
	518	**(22,192)**	**(6,444)**	**(15,230)**
Year 2018	JD	JD	JD	JD
Local shares	3,847	(17,109)	8,592	(4,670)
	3,847	**(17,109)**	**8,592**	**(4,670)**

35. Other Income

The details of this item are as follows:	2019	2018
	JD	JD
Revenues recovered from prior years	409,696	1,610,139
Gain from the sale of assets foreclosed by the Bank	673,459	740,340
Revenue from telephone, post, and swift	593,325	597,941
Rents received from the Bank's real estate	256,909	212,277
(Losses) gains from the sale of property and equipment	(6,692)	11,626
Interest in suspense reversed to income	870,931	836,267
Financial assets foreclosed by the bank revaluation loss	(326,702)	(1,488,560)
Other revenues	2,866,051	920,384
	5,336,976	**3,440,414**

36. Employees Expenses

The details of this item are as follows:	2019	2018
	JD	JD
Salaries, bonuses, and employees' benefits	27,095,023	27,983,983
Bank's contribution to social security	2,254,086	2,308,215
Bank's contribution to provident fund	1,651,959	1,670,592
Medical expenses	1,327,592	1,614,458
Staff training expenses	365,630	948,498
Transportation and travel expenses	732,575	888,986
Life insurance	70,803	85,347
	33,497,668	**35,500,079**

37. Other Expenses

The details of this item are as follows:	2019	2018
	JD	JD
Rent	1,201,201	4,230,069
Printing and stationery	865,873	1,092,634
Telephone, post and swift	1,925,033	1,634,606
Maintenance, repairs, and cleaning	4,392,534	4,295,374
Fees, taxes, and licences	3,842,973	3,682,945
Advertisements and subscriptions	6,672,140	6,062,016
Insurance expenses	2,549,649	2,466,019
Electricity and heating	713,212	1,806,266
Donations	681,566	668,663
Hospitality	442,381	452,041
Professional, consultancy and legal fees	1,749,460	1,627,866
Board of Directors members remunerations	55,000	55,000
Miscellaneous	1,401,581	1,307,629
	26,492,603	**29,381,128**

38. Financial Assets Expected Credit Losses Provision

	For the year ended December 31,	
The details on this item are as follows:	2019	2018
	JD	JD
Expected credit losses over cash with central banks balances	62,601	(6,830)
Expected credit losses over balances with banks and financial institutions	(674)	(13,657)
Expected credit losses over deposits with banks and financial institutions	108,551	9,848
Expected credit losses over financial assets at fair value through comprehensive income – debt securities	77,271	-
Expected credit losses over direct credit facilities at amortized cost	16,174,929	6,052,673
Expected credit losses over financial assets at amortized cost	(401,717)	526,056
Expected credit losses over off balance sheet items	2,608,395	1,074,044
	18,629,356	**7,642,134**

39. Earnings Per Share from Profit for the Year

The details of this item are as follows:	2019	2018
	JD	JD
Profit for the year (Bank's shareholders)	40,163,256	41,527,540
Weighted average number of shares	200,000,000	200,000,000
Net income for the year/share (Bank's shareholders)		
Basic	0.201	0.208
Diluted	0.201	0.208

40. Cash and Cash Equivalents

The details of this item are as follows:	December 31, 2019	December 31, 2018
	JD	JD
Cash and balances with Central Banks maturing within 3 months	374,017,791	349,701,557
Add: Balances with banks and other financial institutions maturing within 3 months	188,326,285	152,122,328
Less: Banks and financial institutions' deposits maturing within 3 months	(20,306,711)	(14,304,960)
Restricted balances	(5,463,446)	(4,787,088)
	536,573,919	482,731,837

41. Financial Derivatives

The details of financial derivatives at year-end are as follows:	Positive Fair Value	Negative Fair Value	Total Nominal Value	Nominal Value Maturities		
				Within 3 Months	From 3 To 12 Months	Total
2019	JD	JD	JD	JD	JD	JD
Foreign currencies forward contracts (purchase)	41,020	(2,759)	5,919,885	2,812,250	3,107,335	5,919,585
Total	**41,020**	**(2,759)**	**5,919,885**	**2,812,250**	**3,107,335**	**5,919,585**
2018	JD	JD	JD	JD	JD	JD
Foreign currencies forward contracts (purchase)	165,322	(154,721)	10,008,421	6,346,825	3,661,596	10,008,421
Total	**165,322**	**(154,721)**	**10,008,421**	**6,346,825**	**3,661,596**	**10,008,421**

Nominal value indicates the value of transactions at year-end and does not relate to market risk or credit risk.

42. Related parties Transactions

Within its normal activities, the Bank entered into transactions with its major shareholders, members of the Board of Directors, executive management and the associate Company at the commercial rates of interest and commission. Moreover, all loans and advances with related parties are performing, and no provision for probable credit losses has been taken thereon.

The following are summaries of balances and transactions with related parties:

Consolidated Statement of Financial Position Items:	Related party: Subsidiaries*	Board of Directors Members	Executives Management	Staff Provident Fund	Other Parties	Total December 31, 2019	Total December 31, 2018
Assets:	JD	JD	JD	JD	JD	JD	JD
Investments	45,415,294	-	-	-	-	45,415,294	45,415,294
Credit Facilities	-	321,149	576,235	-	44,966,801	45,864,185	57,358,589
Current accounts and Deposits	799,195	-	-	-	-	799,195	1,190,099
Cash Margins	3,982,000	-	-	-	-	3,982,000	3,982,000
Liabilities:							
Customer Deposits and Margins	12,500,892	818,107	3,169,620	192,284	126,923,873	143,604,775	154,351,882
Bank Deposits	8,799,342	-	-	-	-	8,799,342	9,990,749
Borrowed funds	3,679,102	-	-	-	-	3,679,102	3,716,071
Off-consolidated balance sheet items							
Letters of guarantee	881,195	75,300	-	-	7,585,849	8,542,344	3,807,917
Acceptances and credits	-	-	-	-	3,391,097	3,391,097	-

Consolidated Statement of Profit or Loss Items:	Subsidiaries*	Board of Directors Members	Executives Management	Staff Provident Fund	Other Parties	Total for the year ended December 31, 2019	Total for the year ended December 31, 2018
						JD	JD
Credit interest and commission	14,976	32,791	73,231	234	3,488,022	3,609,254	4,303,153
Debit interest and commission	814,152	33,359	100,473	63,352	5,503,865	6,515,201	4,494,513

Interest rates:

- Credit interest rates against facilities in JOD range from 4.00% (represent the minimum price for interest margin against 100% cash margin) to 14%.
- Credit interest rate against facilities in foreign currency range from 3.18% to 6.00%
- Debit interest rates for JOD range from 0.0025% to 5.75%.
- Debit interest rates for foreign currency range from 0.10% to 4.00%.

* Balances and transacations with subsidiary companies are excluded from the consolidated financial statements, but presented for clarification purposes only.

- Investment in subsisidary - Syria is shown at cost, noting that the bank has hedged against the impairment of this investment in its records.
- Related parties number that have been granted facilities is 48 customers as of Dec 31, 2019.

Bank's Executive Management Salaries and Remunerations Summary is as follows:	2019 JD	2018 JD
Salaries and executive benefits	2,395,460	2,391,404
Transportation and board secretary	27,000	18,000
Board of directors membership, transportation and bonuses	665,421	567,247
Total	**3,087,881**	**2,976,651**

43. Risk Management

First: Qualitative Disclosures:

The Bank manages banking risks through identifying the risks that it might be exposed to and methods of challenging and mitigating them. This is achieved through implementing a group of restructuring projects using best standards and banking acts that aim at separating risk management activities from those related to development of business and operations (execution).

* In this context, the Bank has formed a Risk Management Committee, derived from the Board of Directors to ensure the presence of an effective internal monitoring function in accordance with the policies and scope of work set for it by the Board of Directors.

* Risk management assumes the responsibility of managing the various types of risks through:

- Preparing policies and getting them approved by the Board of Directors.
- Analysing the risk types (credit, market, liquidity, operations information security).
- Developing measurement and control methodologies for each risk type.
- Providing the Board of Directors and executive management with reports and information about quantitative and qualitative measurements of the Bank risks.

* The Bank has established several systems to control and measure risks like capital adequacy, liquidity risk and ratios (LCR, NSFR) operating risks and events and market risk.

Credit Risks

Credit risks arise from the probable inability and/or lack of desire of the borrower or third party to fulfil its obligations in a timely manner. These risks include on-consolidated financial statements items such as loans and bonds, and off-consolidated financial statements items such as guarantees and/or documentary credits causing financial losses to the Bank.

In this regard, the Bank reinforces institutional frameworks that govern the management of credit through the following:

1. Setting up independent specialized departments for the credit management as follows:

- Companies Credit Risk Department (for the management of companies' credit risks).
- Small and Medium Size Enterprises (SMEs) Risk Management Department (for management of SMEs credit risks).
- Individuals Credit Risk Department (for management of individual's credit portfolios risks).
- Credit Portfolios Risk Management Department: the department focuses on maintaining the quality of credit granted to the Bank's clients (Corporate, SME & Individual). Studying the Key Risk Indicators (KRI) and Key Performance Indicators (KPI) through preparing studies and reports covering the performance of economic sectors and industries and comparing it with the performance of the Bank's credit portfolios and associated provisions. Utilizing the aforementioned reports to establish proper recommendations which in turn provide guidance for the business development units to target promising economic sectors/industries or to avert expansion in the deteriorating ones. In addition to the above, the department of Credit Portfolios Risk Management conducts periodical studies and reports to shed light on the below aspects:
  - The concentration of credit portfolio across economic activity levels.
  - The concentration of credit portfolio across product levels.
  - Reports covering the Bank's default ratios and coverage ratios compared to the banking sector.
  - Credit portfolios performance reports, conducted on segment basis (Corporate, SME, Government and Individuals) compared to the banking sector in terms of growth and profitability rates.
  - The preparation for the implementation of IFRS (9) through conducting scenarios and reports required to comply with the IFRS (9) implementation by the beginning of 2018.
  - Applying a risk rating system through which the clients will be classified under ten stages (ratings) and according to the below factors:
- Obligor Risk Rating (economic sector, management, financial standing, experience, etc).
- Facility Risk Rating (risk weight will be assigned according to the type and nature of the facility).
- Collateral Rating: (risk weight will be assigned according to the type and nature of the collateral), which will directly impact the Recovery Ratio, thus the calculation of Loss Given Default LGD.

2. Separating the Business Development Department from Credit Risk Departments.

3. Implementing a set of approved policies and procedures that outline principles for defining, measuring, and managing the type of risk.

4. Determining credit concentrations at the credit type level, economic sector, geographical distribution, and credit portfolios, etc. Credit risks are managed by departments according to their specialization.

5. Implementing an authorization and relationship management system:

Bank of Jordan adopts an authorization system that includes authority granting, delegation, monitoring and relationship management of the various credit activities.

6. Determining credit risk mitigation methods:

Bank of Jordan adopts various methods to mitigate credit risks such as the following:

- Providing the proper credit structure that matches its purpose and repayment period.
- Ensuring the completion of all control aspects relating to the utilization of credit and the sources of its payment.
- Obtaining proper guarantees to hedge against any risks in this regard.
- Analysing and evaluating credit transactions by credit risk departments.
- Periodically evaluating guarantees according to the nature, type, and degree of risks to reinforce guarantees and ensure their adequacy constantly.
- Setting up specialized committees for approving credit.

7. Controlling credit execution by the credit control department in addition to a unit concerned with documentation, completion of legal audit, and execution.

8. Applying credit management mechanisms (CREMS and E-loan).

9. Setting up a specialized department to follow up on the collection of dues and non-performing debts.

10. Setting up a committee for risk management at the Board of Directors level to review policies, credit strategies, investments and risks.

11. Determining the duties of the various credit risk departments concerning the mechanism and periodicity of controls and issuance/submission of reports to the Board of Directors and Executive Management.

12. Analysing economic fluctuations and changes in the structure and quality of credit portfolios.

13. Preparation and implementation of Stress Testing procedures.

14. Control Reports:

The credit risks departments, each according to its specialization, control and evaluate all credit operations through a set of control procedures:
- Daily control:
  Monitoring credit violations, un-renewed due credit ceilings, due accounts, and others.
- Controlling the quality and distribution of the credit portfolio.
- Rating credit risks, economic sector, credit type, guarantees, concentration, credit asset quality trends, and others.
- Monitoring credit exposure at the customer level (Total Exposure), geographic area, credit type, economic sector, maturity date, guarantee type, and others.

These reports are submitted monthly to the risk management committee at the Board of Directors level. Timely reports on daily operations are submitted to the General Manager.

Operational Risk

Operational risks arise from the inefficiency or failure of internal operations, employees, or systems or may stem from external events including legal risks. The Operational Risk Unit was established in 2003 under the Risk Management Department to manage the Operational Risks in the bank where qualified staff were appointed and automated systems were supplied since that date to empower the unit to perform its duties effectively.

The Bank manages operational risks through the following process:

1. Setting the operational risks policy, approving it by the Board of Directors, and implementing it across the bank and its affiliates. This includes the standards for defining and measuring risks in addition to the Risk Appetite accepted for these risks.
2. Implementing an operational risk management system (CAREWeb).
3. Creating risk profiles for all Bank entities which include all operational risks that may affect the entity, the related controls to mitigate them and the frequency of their testing to ensure effective and continuous implementation. Reports on risk profiles are submitted to the Risk Committee on the Board level for approval.
4. Internal Audit Department evaluates the validity of monthly self-assessment tests for the Bank's various units, classifies these units according to the approved classification standards and incorporates them into the internal audit reports it submits to the Audit Committee on a timely basis. The Operational Risk Unit incorporates self-assessment results in comparison with internal audit results for all of the Bank's entities and submits them to the Audit Committee on a quarterly basis.
5. Continuous evaluation of the Risk Profiles:
   In this regard, a self-assessment tool (Control & Risk Self-Assessment) has been applied to manage operational risks through continuous evaluation of risks to identify new risks, ensure the efficiency of control procedures to mitigate these risks, and update the risk profiles on a timely basis to reflect the actual internal control environment.
6. Setting up a database for operational incidents, analysing them and submitting reports on the concentration and type of these incidents to the Risk Committee/Board of Directors.
7. Applying rating standards and evaluating the Bank's entities according to international classification standards for internal control environment.
8. Setting up and determining key risk indicators (KRIs) at the Bank's level and provides the related departments within the Bank with the results of these indicators to be monitored as well as applying rating standards and the correction procedures to avoid the risk before its occurrence.
9. Preparation and implementation of Stress Testing procedures specialized for operation risks.
10. Providing the Risk committee on the Board of Directors level with periodic reports (monthly, quarterly) that reflect the actual internal control environment for the various units in the Bank.
11. Evaluating the policies and procedures in the Bank to identify any control gaps in these processes and arrange with concerned entities to rectify these gaps.
12. Conducting trainings and awareness sessions for the Bank's employees on Operational Risk Management to enhance the internal control environment at the Bank.
13. The entity's risk profile is updated in coordination with the Internal Audit Department to identify the risks to which the entity may be exposed and adversely affect the achievement of the objectives and strategy of the entity and its profits. Any amendments to the entity's risk profile shall be presented to the Risk Management Committee to be approved. The Internal Audit Department annually evaluates the entity's control procedures and presents the results of the examinations to the Risk Management Committee.
14. The Operational Risk profile is updated at the entity level for AML Risk in coordination with the compliance department at the bank level for identifying AML and CTF risks and controls that mitigate them. Any amendments to the entity's AML risk profile shall be presented to the risk management committee to be approved by them. The Internal Audit Department annually evaluates the entity's control procedures and presents the results of the examinations to the and the Risk Management Committee.

Liquidity and Market Risk

Liquidity Risk

Liquidity risk represents the Bank's inability to make the necessary funding available to meet its obligations on their maturity dates or to finance its activities without incurring high costs or losses. Moreover, liquidity risks are divided into two types:

- Funding Liquidity Risk
  This risk represents the Bank's inability to change assets into cash - such as the collection of receivables - or to obtain funding to meet its obligations.
- Market Liquidity Risk
  This risk represents the Bank's inability to sell the asset in the market or selling the asset at a huge financial loss due to weak liquidity or demand in the market and includes the following:

Market Risk

Market risks: are the risks of exposure of the positions on and off the Bank's Consolidated Statement of Financial Position to losses as a result of price fluctuations in the market. This includes the risks arising from the volatility of interest rates and stock prices of investment portfolios, both for the purpose of trading or exchange and include the following:
- Interest rate risks.
- Currency exchange rate risks (dealing with foreign currency).
- Fluctuation in shares prices risks.
- Goods risks.

Market risks arise from:
- Changes that may occur in the political and economic conditions in markets.
- Fluctuations in interest rates.
- Fluctuations in the prices of financial instruments held for future buying and selling.
- Gaps in maturities of assets and liabilities and interest rate re-pricing.
- Holding of uncovered positions.

The substantial tools used to measure and manage markets risks are as follows:
- Basis Point Value
- Value at Risk
- Stress Testing

The Bank manages the market and liquidity risk through:
- A set of policies and procedures approved by the Board of Directors that define the principles for defining, measuring, monitoring, monitoring and managing market risks and liquidity risks.
- Asset and liability management system to adjust and measure liquidity risk and interest rates.
- Setting up a liquidity crisis management plan that includes the following:
  - Specialized procedures for the management of liquidity risk.
  - Specialized committee to manage liquidity risk.
  - A liquidity contingency plan.
- Developing measurement, management, and monitoring liquidity and market risk tools through:
  - Preparing liquidity risk reports according to the maturity scale.
  - Monitoring ceilings and quality of the investment portfolio.
  - Identifying sources of funds and classifying/analysing them according to their nature.
  - Monitor the application of liquidity coverage ratio (LCR) and compliance with the minimum ratio.
  - Controlling legal liquidity and daily cash liquidity. This means keeping an adequate amount of liquid assets (cash and cash equivalents) to meet obligations.
  - Matching maturities of assets and liabilities, taking into consideration all internal and external cash flows.
  - Performing stress testing.
  - The preparation of a periodic analysis about the developments in local and international markets.
  - Monitoring investment tools and analyzing the range of conformity with the issued investment limits in the investment policy and the allowed losses limits.
  - Analysing ceilings and limitations of the investments and providing a recommendation to adjust it according to improvements and circumstances of international and local markets, and diversifying investment with what achieves best returns and less risks.
  - Analysing the investment concentrations on the level of each tool.
  - Reviewing and assessing the portfolio's assets and liabilities.
  - Analysing credit rating for international and local banks according to the financial situation and how much it is effected by the economic crises and the spread of its range globally.
  - Monitor interest trends on the volume of deposits, maturity date and its suspended range.
  - The preparation of reports about the exceeding limit in investments tools.
  - Monitoring the changes on interest prices in international and local markets.
  - Monitoring the sensitivity of investment tools for changes in interest prices on each investment tool.
  - Monitoring the pricing process for borrowing and lending/investments ceiling.
  - Monitoring the concentration on markets/tool and geographical distribution.
- Submitting periodic reports to the Investment Committee and Risk Management Committee/Board of Directors.

Information Security Risk
Defined as any potential threat that may lead to a failure in confidentiality, availability, and integration of the Bank's information. Information security unit has been established to protect the Bank's information, users and assets by applying high level policies and procedures through specific definitions of mandatory baseline controls.

Bank of Jordan adopts the following principles to manage information security risks:
- Review Information Security Policies and update the policies to be in line with international standards.
- Comply with PCI-DSS Requirements.
- Monitor all systems, servers, and network components on a regular basis by using special tools to counter any threat.
- Review privileges based on job classification and function and restricted to least privileges necessary to perform job responsibilities.
- Identify threats and vulnerabilities and identify appropriate controls to mitigate any new risks.
- Review and update Business Contingency Plan periodically and periodically perform the necessary tests to check the effectiveness of the plan as well as the Disaster Recovery Plan.
- Review and evaluate the physical security controls on a regular basis.
- Coordinate or conduct security orientation and security awareness programs.
- Reporting information security/Communication Progress and related cases to upper management.
- Complying with SWIFT _ CSR requirements.
- Preparation of IT management governance guide and related technology and to be published on the Bank's website.
- Applying IT management governance and related technology COBIT 2019.

Compliance Risks
These represent the risks that arise from the probable failure of the Bank to comply with (violate/transgress) the prevailing laws, regulations, instructions, banking laws, and code of ethics issued by the international and local regulatory bodies, including the Bank's internal policies.

The Bank has set up a compliance department, staffed with qualified and trained personnel, equipped with automatic systems, and assigned with the task of managing this type of risk according to the following criteria:
- Risk of non-compliance with regulations, laws and regulations:
- Preparing, developing and reviewing the compliance policy at Bank of Jordan on group level periodically (at least one time/year), approving it by the Board of Directors, and enforcing it. This policy includes the principles for defining, measuring, and controlling risks.
- Applying an automatic system for managing compliance risks.
- Evaluating and adopting all work policies and procedures and ensuring their compliance with laws, regulations, and instructions governing the Bank's work.
- Preparing and applying compliance matrices, which include limiting the violation of laws and regulations and ensuring compliance with them periodically according to the nature and type of the matrix.
- Monitoring the implementation of the code of professional conduct.
- Preparing and monitoring implementation of a conflict of interest's management mechanism.
- Qualifying and training all Bank employees with regard to compliance management.
- Providing the Board of Directors and Executive Management with periodic reports that include violations and non-compliance at the Bank's unit level.
- Submit periodic report on the results of its work and monitors its compliance to the compliance Committee/Board of Directors and the Risk Committee.
- Risks of money laundering and terrorist financing:
  As for Anti-Money Laundering activities, an autonomous unit within the Compliance Department has been set up with appropriate and qualified capabilities and systems. The Bank manages the unit of Anti-Money Laundering and Terrorism Finance as follows:
- Preparing the policy of combating money laundering and terrorism financing and approving it by the Board of Directors in accordance with the Law No. 46/2007 to combat money laundering and terrorist financing, and the instructions issued pursuant to it and to monitor its application on the ground and review it permanently.
- The implementation of an automated system to check daily customer's transactions.
- Rating of customers in accordance to their risk grade.
- Automated and periodic verification of the bank's customers not being included in the lists of persons prohibited from dealing with them internationally.
- Carry out enhanced due diligence regarding transactions with high-risk clients.
- Awareness and education for all bank employees on issues related to dealing with money laundering and terrorist financing.

- Identify and evaluate the risks of money laundering and terrorist financing that may arise in connection with the development of products within new business lines, and those that may arise from the use of new technologies within new business lines or under development with respect to both new and existing products, and take appropriate measures to manage and reduce those risks.

- Risks of FATCA Non-compliance and dealing with fraud cases:

  The Financial and Tax Verification Unit was established / within the umbrella of the Compliance Department, which includes both the Financial Verification Department which aims to combat and address cases of suspicion, fraud and forgery, and the Tax Verification Section that meets the tax compliance requirements of the FATCA law and this unit follows global best practices to prevent any risks related to its business this unit was provided with qualified human resources and requirements for managing the compliance process which was prepared according to the following:
  - Establish the organizational structure of the unit and determine the responsibility of each employee in it.
  - The preparation and adoption of anti-fraud policy, corruption, and periodic review of this policy.
  - Prepare and approve a program to comply with FATCA requirements and a policy to deal with the FATCA law to be reviewed and updated on periodic basis, as needed.
  - Take measures to reflect all FFI Agreement requirements where required (amend procedures, business models, etc.)
  - Contracting with a specialized company to implement a system to manage FATCA requirements.
  - To qualify and continuously train all bank employees in a manner that meets the requirements of the unit in relation to dealing with the FATCA law and the requirements of the financial verification department.
  - The compliance committee/Board of Directors is responsible for overseeing cases of fraud and suspicion by following up on the periodic reports submitted to the committee.
  - The unit submits a periodic report on compliance with the FATCA requirements to the compliance committee and Risk committee / Board of Directors.

- The Bank manages and handles customer complaints according to the following:

  Based on the instructions of dealing with customers with the fairness and transparency of No. 56/2012 issued by the Central Bank of Jordan on 31/10/2012, a unit was established to manage and handle customer complaints and provide them with qualified human cadres and automated systems and administratively follow the Compliance Department. The unit complies to the following basis:
  - Prepare a mechanism for the management and handling of customer complaints and their adoption as required.
  - Preparation of the policy of dealing with customers fairly and transparently and duly adopted.
  - Preparing the policy of dealing with customer complaints and approving them according to the rules according to the internal procedures instructions to deal with the complaints of customers of financial and banking services providers No. 1/2017 dated 28/8/2017 issued by the Central Bank of Jordan.
  - Providing different communication channels to receive customer complaints.

IFRS (9) implementation related disclosures

First: Qualitative Disclosures

On July 24th, 2014, the International Accounting Standards Board issued the final version of IFRS 9 related to Financial Instruments and Provisions, which will replace IAS 39 and will be mandatory effective from 1 January 2018. The standard includes the below:
- Classification and measurement of financial instruments.
- Determination of expected credit loss allowance.
- Hedge accounting.

The standard came in response to the lessons learned from the global financial crisis, since one of the reasons for the crisis was the delay in recognition of debt losses whereas Losses are recognized when realized. The new standard requires establishing provisions for credit facilities based on the expectations of borrower default or inability to meet financial commitments.

This standard introduced radical amendments to the methods used to calculate bank provisions as the current concept of assigning provisions is based on losses resulted from non-performing loans while the new standard works in proactive basis by assigning provision against current performing credit facilities assuming the occurrence of future default for such credit facilities. Based on the expectations of the future of the working debt Proactive as expected credit loss provision.

Bank of Jordan carried out IFRS 9 implementation works in cooperation with Moody's where the historical data of Bank of Jordan Groups were used to measure the expected credit losses weighted by the impact of economic scenarios.

The Central Bank of Jordan instructions as well as the Bank's business Model, risk departments (risk framework) and supervisory departments were all taken into consideration when forming Bank of Jordan IFRS (9) methodology. The Bank's management ensured that the methodology emulate the Bank's business model and apply the best practices, quantitative methods and statistical models to produce the components of the expected credit loss formula in:

Expected Credit Loss = Probability of Default x Exposure at Default x Loss Given Default

IFRS (9) Scope of Implementation:

Bank of Jordan IFRS (9) methodology catered for applying the standard on group level (foreign branches) and its subsidiaries and in line with the host country laws and regulations. The model of Expected Credit Loss calculation covers the following:
- Loans and credit facilities (direct and indirect).
- Debt instruments carried at amortized cost.
- Financial guarantees (as per the standards requirements).
- Credit claims on banks and financial institutions (excluding current accounts used to cover the bank operations such as remittances, Letters of Guarantee and Letters of Credit) which falls within a short period of time (days).

The following are the main information and definitions used by the Bank to implement this standard:

- **Definition of Default:**

  The occurrence of 90 days or more past due where such event indicates the obligor inability to meet the contractual obligations in full with the Bank.

- **Definition of Probability of Default PD:**

  Probability of Default represent the risk of the customer's inability to meet its obligations toward the bank.
  - Determination of PD for Corporate and SME Portfolios: through mapping the obligors ratings generated by the internal risk rating system with it's equivalent Probability of Default at this level of risk, taking into account that each risk rate reflects a certain level of risk and weighted by the portfolios historical default events (Corporates and SMEs).
  - Determination of PD for Retail Portfolio: these PDs were established based on the historical product default data (collective level) for each product, where the Observed Default Rate is calculated by applying a statistical model (Autoregressive Model) for evaluating the default rate for each product of individual's credit portfolio.

- **Definition of Exposure at Default EAD:**

  represent the borrower outstanding indebtedness toward the bank when default takes place.

The calculation of exposure at default were carried out in line with the historical utilization for the credit facilities and according to its nature (direct, indirect, revolving and\or amortizing) thus the basis for calculating the exposure at default was set based on the facility nature and age.

- **Loss Given Default LGD:**

  represent the bank loss resulted from non-performing credit loss impairment, in other terms (1- Recovery Ratio).
  - At the level of corporate and SME portfolios: The Bank determine LGDs for credit instruments under Corporate and SME portfolios through using Moody's RiskCalc the LGD model, the model depends on the availability of several input such as obligor PD, business sector in addition to credit facility nature (revolving\amortizing) and takes into consideration the availability of tangible collaterals (secured or unsecured) and the collateral type and value. In addition to the above, the risk calculation LGD model avails LGD results according to credit maturity and its stage (12 months LGDs and the lifetime LGDs) accompanied with recovery ratios for each credit instrument.
  - At the level of the individual portfolio: the rate of loss was determined at the product level and conservatively based on the results of the bad debt sample for the previous five years.

- Zero LGDs was assigned for 100% cash collateralized facilities (dominated in the same currency) and for facilities availed for the Government of Jordan and\or backed by the Government of Jordan (regardless of credit facilities currency).

- **Calculating the Expected Credit Loss ECL for Time Deposits Held with Other Banks:**
Using the Banks Risk Calculation model, the probability of default and default due to default has been reached. Through Banks Risk Calculation, the called Expected Default Frequency EDF is produced, which is equivalent to the probability of default for the banks with which deposits are held. The risk of default in the inputs of the Risk Calculation LGD model Loss due to default and then the balance is calculated at default on the assumption of the entire deposit value without any modification to the possibility of default as the deposits can be subject to the calculation of the possibility of default for a period of time adjustment.

- **Calculating the Expected Credit Loss ECL for Bonds:**
The largest share of the bond portfolio is bonds guaranteed by the Government of Jordan and are not subject to the expected credit loss. The PDs calculated by using Banks Risk Calculation model to cater for banks bonds while PDs for corporate bonds generated by mapping the Internal Risk Rate for the subject companies with the equivalent PDs. LGDs determination by using the Risk Calculation LGD model (same as other assets subject to ECL). Bond value at reporting date represent EAD. Once the ECL formula components defined, the Bank executes the calculations to define the ECL for bonds.

- **Internal Credit Risk Rating:**
Bank of Jordan applies an internal risk rating system to classify the risks of corporate and small and medium-sized companies (SMEs) on a scale of 1-10, so each degree reflects the risk of default, thus identifying the possibility of the customer's failure through its risk rating.
  - The customer risk rating process includes the study and analysis of the customer's quantitative data so that the financial performance of the client is evaluated, the financial performance of the client, the business activity and its relationship with the Bank as well as industry risks.

    The risk rating table consists of 10 grades, each of which internally reflects the degree of risk associated with the customer. The higher the level of the customer's risk, the greater the risk of default. Consequently, more control is imposed on the client's account and more stringent procedures are followed. The grades from 1 to 6 generally reflect relatively acceptable risks (hence credit is included in the first stage), Grade 7 reflects a significant increase in the degree of risk to the client (therefore included in the second stage/watchlist), finally grades 8-10 reflects the customer's entry in the default case, accordingly to be classified within stage as a non-performing classification.

The table below shows the internal credit risk rating against customer risks and the probability of default corresponding to each rating:

Internal credit Risk Rating	Credit Stage	Propability of Default
1-6	Stage One – performing	From 0.008% to 4.2%
7	Stage Two - watchlist	From 6.5% to 15%
8-10	Stage Three – Non performing	100%

- **Calculating Obligors Risk Rating and the Expected Credit Loss on Collective Basis:**
Retail portfolio: Based on the historical product default data (collective level) for each product, where the Observed Default Rate calculated by applying a statistical model (Autoregressive Model) for evaluating the default rate for each product. Retail products categorized in 4 groups: housing loans, personal loans, auto loans and revolving loans including credit cards knowing that these products share the same characteristics in terms of: credit risk, collateral type, interest rate and maturity.

- **Calculating Obligors Risk Rating and the Expected Credit Loss on Individual Basis:**
  - At the level of the portfolio of corporates and SMEs: By determining the classification of the client by the business segment (Business Segment), whether companies or small and medium enterprises and then study the historical default rate of the portfolio Historical Default Data (for the previous five years) and therefore give the customer degree of risk commensurate The Segment Level Risk Rating is the historical default rate of the portfolio.
  - After determining the probability of default for the client at the portfolio level, the expected credit loss for the customer is calculated on an individual basis, depending on the nature of the facilities granted to the customer/age of credit and guarantees (as applicable to all SME customers).

IFRS (9) Implementation Governance:
Bank of Jordan IFRS (9) methodology covers the Governance procedures followed in applying the IFRS (9) which summarize the roles and responsibilities for all parties involved in implementation works in addition to data checking mechanisms applied in checking the data used in IFRS (9) implementation.
- Governance procedures covers audit role and the validation of expected credit loss adequacy allocated by the Bank. In addition to the above Audit is also responsible for conducting periodic review to ensure data accuracy used in applying the IFRS9 in order to meet the regulator requirements. Furthermore, Audit are in charge of monitoring involved units and evaluate the IFRS 9 implementation by generating periodic reports to the board who in turn approve the results and role responsible for applying effective monitoring through defining committees and unit roles in the Bank to unit roles in the Bank to provide the proper infrastructure and ensure work integration between these units ensure work integration between these units.

- **Changes in Credit Risk and Determinants Followed by the Bank's in Calculation of Expected Credit Loss:**
Adopting the Internal Credit Rating System adopted by the Bank of Jordan in addition to the decisions of the Credit Committee. For the purpose of determining a significant change in the classification of a customer's risk rating, the rating of the customer five years ago is compared with their current rating or (due appearance) for 30 days or more, which requires the transfer of the customer from Stage 1 to Stage 2 while a decline in customer rating (two notches) indicates a substantial change in the credit type.

For the purpose of transfer of credit claims between the stages, the following controls have been set:
- Adoption of a standard (30-day due period) since the inception of the application as an indication of an increase in credit risk.
- If there is a maturity of more than 30 days and up to 59 days at the account level, all the facilities granted to the customer are classified as Stage 2.
- Client classified under watchlist, all it's products granted shall remain within Stage 2 until the customer is obliged to pay (3) monthly instalments, two quarterly instalments or one semi-annual premium. In the case of a customer's commitment and the transfer of its classification to a regular transaction, the customer is treated according to the base number of days due only.
- If the classified client is not performing all the products granted to him remain within Stage 3. If the account is settled, the client is transferred to Stage 2, the classification of the customer will be under watch list transferred from non performing and the client will stay under this classification until point 3 is met.

Applying Macroeconomic Scenarios on the Expected Credit Loss (ECL) Results:
The ECL result is a weighted average of 3 scenarios (40% of baseline scenario + 30% of downside scenario + 30% of upside scenario) on the final result of the expected credit loss at the facility/instrument level and the expected credit loss is the result of the maturity of each facility and the stage at which the customer is classified (Stage 1, Stage2 & Stage3).

Several factors were used to predict the expected future events and to use more than one scenario (basic, negative and positive). These factors were summarized in the adoption of the impact of change in GNP, the performance of the financial market (for the corporate portfolio and SMEs) and the change in the consumer price index and the performance of the financial market (For the individual portfolio).

Employing the impact of economic scenarios in calculating the expected credit loss:

Corporates and SMEs Portfolio	The most statistically relevant model is one that includes the performance of the financial market Equity and GDP as independent variables having an impact on credit quality (dependent variable). Whenever one of these variables changes, it will affect the quality of credit (negatively or positively). Based on the results of the statistical test (t-statistics), the economic variables (the performance of the financial market and the GDP) were adopted as they were considered the most appropriate to determine the change in the credit quality of the customer.
Individuals Portfolio	The economic indicators adopted in the calculation of the credit loss are the Consumer Price Index (CPI) and the Stock Prices Proxies Index (SPI) as an indicator that reflects the position of the labor market.
Bonds	The propability of default PD and the loss given default: financial data were entered for the Banks bonds purchased as this process produces Expected Default Frequency which is equivalent to the probability of default.Then LGD is generated after that exposure at default EAD is calculated assuming the full bond value. The expected ECL loss is calculated using the Moody's Impairment calculation model.
Jordan Leasing Company	EAD is calculated based on the total value of the contract and not on the value of the receivables (net of utilized), regardless of the percentage of utilization linked to the percentage of completion. The calculation of the loss given default, taking into consideration the good coverage through the percentage of contribution and real estate value coverage of the loan, as the percentage of the contribution is fixed whether the project is within the stages of completion or completed. Linking the customer's portfolio propability of default with the point in time propability of default PIT PD to be subject to economic scenarios. Accordingly, the expected credit loss results have been produced at the customer level by classifying them within the corporate or individuals portfolio.
Excel for Financial invesmnet	EAD is calculated on the gross limits although the utilization is tied to the deposit of shares (it is not possible to utilize without a contribution from the customer) which represents the most conservative balance. Calculation of the LGD based on the percentage of the customer's contribution (1-percentage of the customer's contribution). Linking the customer's portfolio propability of default with the point in time propability of default PIT PD to be subject to the economic scenarios and will therefore produce the expected credit loss at the client and portfolio levels.
Bank's Deposits	Calculating the probability of default and the loss given default LGD for the production of Expected Default Frequency EDF, which is equivalent to the probability of default for the banks whose deposits are held. The LGD is then generated and then EAD is calculated assuming the full deposit value then ECL is calculated using the Moody's ImpairmentCalc model.

Second: Quantitative Disclosures:

(43/A) Credit Risk

Exposure to credit risk (after expected credit losses provisions and interest in suspense and before collateral held or other mitigation factors):	2019	2018
Consolidated Statement of Financial Position items	JD	JD
Balances with central banks	311,972,465	285,983,097
Balances with banks and financial institutions	188,323,327	152,118,694
Deposits with banks and financial institutions	208,123,765	235,435,227
Financial assets through comprehensive income – debt instruments at fair value	25,909,988	-
Credit facilities:	1,409,525,437	1,469,239,659
Individuals (retail customers)	450,266,813	416,170,513
Real estate loans	230,192,310	241,703,067
Corporates	606,717,530	676,876,222
Large corporate customers	393,044,807	443,451,858
SMEs	213,672,723	233,424,364
Government and public sector	122,348,784	134,489,857
Financial assets at amortized cost (Bonds & Treasury Bills)	272,535,799	203,395,684
	2,416,390,781	**2,346,172,361**
Off-Balance Sheet		
Letters of guarantee	105,945,206	126,336,554
Letters of credit	69,045,721	65,025,867
Acceptances	19,273,465	40,235,219
Un-utilized direct and indirect facilities limits	456,904,663	385,656,631
Total	**3,067,559,836**	**2,963,426,632**

The guarantees and mitigating credit risk factors against credit exposure mentioned above include the following:

- Obtaining suitable guarantees and recording them correctly against any potential risks. These guarantees represent cash guarantees, and non-cash guarantees such as real estate, vehicles, equipment and stock mortgages in addition to guarantees and credit derivatives binding to all parties involved and legally exercisable at all competent courts.
- Having a credit rating system for the Bank's customers and relying on the credit ratings issued by international credit agencies for banks and companies.
- Performing periodic evaluations of guarantees according to the nature, type and degree of risk to ensure regularly their adequacy against the credit granted.
- Conducting a legal audit of all contracts and documents their applicability according to the Bank's system, laws and regulations.
- Having financial derivatives that mitigate market risks.

Table below illustrates credit exposures distributution according to the risk grades:

Credit risk Rating Based on the Bank's internal risk Rating System:	Category Classification according to Instructions (47/2009)	December 31, 2019 Total Exposure	Expected Credit Losses (ECL)	Probability of Default (PD)	Classifications by External Classification Institutions	Exposure at Default (EAD) in Million Dinars	Average Loss given Default (LGD)%
1	Performing	486,612,699	-	0.008%	Aaa	486,612,699	0.000%
2	Performing	157,953,756	2,811	0.012% - 0.028%	Aa1 - Aa3	140,386,517	30.834%
3	Performing	140,419,604	15,839	0.042% - 0.100%	A1 - A3	136,752,004	24.195%
4	Performing	270,185,762	118,586	0.150% - 0.35%	Baa1 - Baa3	253,721,137	26.178%
5	Performing	335,897,333	445,474	0.51% - 1.30%	Ba1 - Ba3	328,679,368	30.257%
6	Performing	826,745,540	3,371,349	1.90% - 4.20%	B1 - B3	808,944,391	22.229%
7	Performing	153,790,628	12,262,776	6.50% - 15%	Caa1 - Caa3	150,992,585	49.582%
Unclassified	Performing	701,522,587	6,985,557	0.212%	-	686,168,518	51.015%
Non - Performing exposure							
8	Non-performing	9,883,143	8,013,667	100%	Default	10,532,311	40.300%
Unclassified	Non-performing	5,557,512	2,280,911	100%	Default	5,638,141	31.521%
9	Non-performing	16,692,175	13,801,521	100%	Default	16,425,662	52.472%
Unclassified	Non-performing	6,721,724	4,104,865	100%	Default	6,729,531	21.572%
10	Non-performing	46,910,115	41,999,986	100%	Default	46,864,385	41.332%
Unclassified	Non-performing	31,562,652	29,569,323	100%	Default	31,904,850	55.555%
Total		**3,190,455,230**	**122,972,665**			**3,110,352,099**	

Credit risk Rating Based on the Bank's internal risk Rating System:	Category Classification according to Instructions (47/2009)	December 31, 2018 Total Exposure	Expected Credit Losses (ECL)	Probability of Default (PD)	Classifications by External Classification Institutions	Exposure at Default (EAD) in Million Dinars	Average Loss given Default (LGD)%
1	Performing	458,669,526	67,006	0.008%	Aaa	460,652,537	37.140 %
2	Performing	24,890,751	685	0.012% - 0.028%	Aa1 - Aa3	24,890,751	44.505%
3	Performing	117,200,843	4,575	0.042% - 0.100%	A1 - A3	116,557,106	40.485%
4	Performing	221,265,036	84,093	0.150% - 0.35%	Baa1 - Baa3	207,958,989	38.345%
5	Performing	547,802,920	561,112	0.51% - 1.30%	Ba1 - Ba3	530,218,607	40.432%
6	Performing	840,360,478	2,377,257	1.90% - 4.20%	B1 - B3	826,592,816	37.256%
7	Performing	97,835,832	16,731,145	6.50% - 15%	Caa1 - Caa3	91,783,617	47.352%
Unclassified	Performing	667,625,050	4,563,840	0.212%	-	697,272,269	53.819%
Non - Performing exposure							
8	Non-performing	1,727,837	189,828	100%	Default	1,728,839	36.449%
Unclassified	Non-performing	1,754,710	730,401	100%	Default	1,759,787	61.025%
9	Non-performing	6,285,948	6,232,720	100%	Default	6,432,671	37.155%
Unclassified	Non-performing	4,411,687	2,952,805	100%	Default	4,495,482	58.017%
10	Non-performing	51,489,402	44,903,654	100%	Default	57,348,335	43.809%
Unclassified	Non-performing	27,524,776	26,019,043	100%	Default	30,242,399	51.013%
Total		3,068,844,796	105,418,164			3,057,934,205	

- Exposure includes direct credit facilities, balances and deposit with banks and financial institutions, Treasury bonds and any assets with credit exposures.

Distribution of collaterals fair value against total credit exposures:

Item	Total Exposure Value	December 31, 2019 — Fair value of collaterals: Cash Collaterals	Quoted Stocks	Accepted Letter of Guaranteed	Real Estate	Cars and Mechanics	Others	Total Value of Collaterals	Net Exposure after Collaterals	Expected Credit Loss (ECL)
Balances with central banks	312,229,080	-	-	-	-	-	-	-	312,229,080	256,615
Balances with banks and financial institutions	188,326,285	-	-	-	-	-	-	-	188,326,285	2,958
Deposits with banks and financial institutions	208,249,314	-	-	-	-	-	-	-	208,249,314	125,549
Financial assets at fair value through comprehensive income - debt instruments	25,909,988	-	-	-	-	-	-	-	25,909,988	77,271
Direct credit facilities at amortized cost:										
Individuals	486,461,294	19,143,467	-	-	14,168,934	40,483,920	-	73,796,321	412,664,973	36,194,481
Real estate loans	237,326,584	843,603	-	-	204,715,044	15,628,520	-	221,187,167	16,139,417	7,134,274
Corporate:										
Large corporate customers	435,440,500	16,432,944	9,765,566	121,500	52,869,867	1,559,311	-	80,749,188	354,691,312	42,395,693
SMEs	239,710,590	17,292,822	5,071,027	2,194	90,995,568	8,312,921	-	121,674,532	118,036,059	26,037,867
Government and Public Sector	122,691,256	285,265	-	-	-	-	28,500,000	28,785,265	93,905,991	342,472
Bonds and Treasury Bills:										
Within financial assets at amortized cost	272,734,431	-	-	-	-	-	-	-	272,734,431	198,632
Total	2,529,079,322	53,998,101	14,836,593	123,694	362,749,413	65,984,672	28,500,000	526,192,473	2,002,886,850	112,765,812
Financial Guarantees	114,413,012	1,969,814	8,500	-	7,028,377	42,014	-	9,048,705	105,364,307	8,467,806
Letters of Credit and acceptances	88,563,350	2,412,045	-	-	270,371	-	-	2,682,416	85,880,934	244,164
Other Liabilities	458,399,546	6,346	-	-	648,746	-	-	655,092	457,744,454	1,494,883
Gross total	**3,190,455,230**	**58,386,306**	**14,845,093**	**123,694**	**370,696,907**	**66,026,686**	**28,500,000**	**538,578,686**	**2,651,876,545**	**122,972,665**

Distribution of collaterals fair value against total credit exposures:

Item	Total Exposure Value	December 31, 2018 — Fair value of collaterals: Cash Collaterals	Quoted Stocks	Accepted Letter of Guaranteed	Real Estate	Cars and Mechanics	Others	Total Value of Collaterals	Net Exposure after Collaterals	Expected Credit Loss (ECL)
Balances with central banks	286,177,151	-	-	-	-	-	-	-	286,177,151	194,054
Balances with banks and financial institutions	152,122,328	-	-	-	-	-	-	-	152,122,328	3,634
Deposits with banks and financial institutions	235,452,225	-	-	-	-	-	-	-	235,452,225	16,998
Direct credit facilities at amortized cost:										
Individuals (retail customers)	445,679,448	16,826,512	2,275,943	-	5,778,843	38,285,630	16,266	63,183,194	382,497,554	29,508,935
Real estate Loans	247,853,666	1,022,441	-	-	236,955,863	4,373	2,650,971	240,633,648	7,220,018	6,150,599
Corporate:										
Large corporate customers	483,324,348	23,080,033	10,432,626	2,524,057	35,469,699	7,984,198	8,862,145	88,352,758	394,971,590	39,872,490
SMEs	254,692,394	17,818,603	2,779,304	2,194	96,008,648	6,294,790	5,187,736	128,091,275	126,599,819	21,268,030
Government and Public Sector	134,694,447	-	-	-	-	-	91,524,517	91,524,517	43,169,930	204,590
Bonds and Treasury Bills:										
Within financial assets at amortized cost	203,996,033	-	-	-	-	-	-	-	203,996,033	600,349
Total	2,443,992,040	58,747,589	15,487,873	2,526,251	374,213,053	52,568,991	108,241,635	611,785,392	1,832,206,648	97,819,679
Financial Guarantees	132,219,991	2,186,192	8,500	552,423	7,374,266	82,480	-	10,203,861	122,016,130	5,883,437
Letters of Credit and acceptances	105,413,349	587,635	-	-	1,081,074	20,882	-	1,689,591	103,723,758	152,263
Other Liabilities	387,219,416	-	-	-	-	-	-	-	387,219,416	1,562,785
Gross total	**3,068,844,796**	**61,521,416**	**15,496,373**	**3,078,674**	**382,668,393**	**52,672,353**	**108,241,635**	**623,678,844**	**2,445,165,952**	**105,418,164**

Exposure under stage 3:

Item	December 31, 2019									
	Total Exposure Value	Fair value of collaterals							Net Exposure after Collaterals	Expected Credit Loss (ECL)
		Cash Collaterals	Quoted Stocks	Accepted Letter of Guarantees	Real Estate	Cars and Mechanics	Others	Total Value of Collaterals		
Direct credit facilities at amortized cost:										
Individual (retail customers)	33,748,322	54,755	-	-	392,811	14,218	-	461,784	33,284,243	30,798,145
Real estate Loans	12,249,742	16,934	-	-	11,499,001	2,456	-	11,518,391	731,350	6,118,823
Corporate:										
Large corporate customers	30,051,750	-	-	121,500	4,728,903	39,740	-	4,890,143	25,161,607	29,906,211
SMEs	28,673,445	416,089	956	2,194	9,774,012	312,503	-	10,505,754	18,167,691	25,109,127
Government and Public Sector	-	-	-	-	-	-	-	-	-	-
Total	104,723,259	487,778	956	123,694	26,394,727	368,917	-	27,376,072	77,344,891	91,932,306
Financial Guarantees	12,542,379	-	-	-	672,830	2,591	-	675,421	11,866,958	7,797,712
Letters of credit	61,683	-	-	-	-	-	-	-	61,683	40,257
Gross total	**117,325,024**	**487,778**	**956**	**123,694**	**27,067,557**	**371,508**	**-**	**28,051,493**	**89,273,532**	**99,770,275**

Exposure under stage 3:

Item	December 31, 2018									
	Total Exposure Value	Fair value of collaterals							Net Exposure after Collaterals	Expected Credit Loss (ECL)
		Cash Collaterals	Quoted Stocks	Accepted Letter of Guarantees	Real Estate	Cars and Mechanics	Others	Total Value of Collaterals		
Direct credit facilities at amortized cost:										
Individual (retail customers)	26,715,089	31,608	-	-	61,600	9,778	-	102,986	26,612,103	25,226,271
Real estate loans	9,960,094	4,957	-	-	7,736,258	4,373	-	7,745,588	2,214,506	5,408,002
Corporate:								-	-	
Large corporate customers	24,455,448	29,014	-	127,170	4,811,392	65,771	-	5,033,347	19,422,101	24,385,791
SMEs	21,782,281	914,010	2,376	2,194	11,496,404	816,951	-	13,231,935	8,550,346	20,365,446
Government and Public Sector	-	-	-	-	-	-	-	-	-	-
Total	82,912,912	979,589	2,376	129,364	24,105,654	896,873	-	26,113,856	56,799,056	75,385,510
Financial Guarantees	10,281,213	1,454,253	-	-	607,499	-	-	2,061,752	8,219,461	5,642,941
Gross total	**93,194,125**	**2,433,842**	**2,376**	**129,364**	**24,713,153**	**896,873**	**-**	**28,175,608**	**65,018,517**	**81,028,451**

1. Rescheduled Loans

These represent loans classified previously as non-performing, removed from non-performing credit facilities according to proper scheduling, and reclassified as debts under watch list.

Total rescheduled loans amounted to JD 7,276,037 as of December 31, 2019 (JD 6,343,863 as of December 31, 2018).
This balance represents the rescheduled loans either classified as watch list or returned to performing loans.

2. Restructured Loans

Restructuring means to rearrange facilities installments by increasing their duration, postponing some installments or increasing their grace period, and classifying them as debts under watch list. Total restructured loans amounted to JD 40,564,788 as of December 31, 2019 (JD 9,170,414 as of December 31, 2018).

3. Bonds, Debentures and Treasury Bills

The schedule below shows the distribution of bonds, debentures and bills according to the international agencies' classification:

Rating Grade	Rating Agency	Classification	Included within financial assets at fair value through OCI	Within Financial Assets at Amortized Cost	Total
			JD	JD	JD
Foreign Bank Bonds	Moody's	A2	-	5,747,111	5,747,111
Foreign Bank Bonds	Moody's	A3	-	4,969,111	4,969,111
Foreign Bank Bonds	Moody's	Ba1	18,441,434	-	18,441,434
Foreign Corporate Bonds	Moody's	Ba1	-	4,370,878	4,370,878
Foreign Government Bonds	Moody's	Ba1	-	2,131,592	2,131,592
Jordanian Government Bonds	Moody's	B1	-	206,307,665	206,307,665
Foreign Bank Bonds	Moody's	B2	7,468,554	12,131,560	19,600,114
Foreign Government Bonds	Moody's	B2	-	7,274,174	7,274,174
Unrated Bonds			-	29,802,340	29,802,340
Total			**25,909,988**	**272,734,431**	**298,644,419**

4. Concentration in credit exposure according to geographical distribution was as follows:

A. Gross Distribution Exposures Based on Geographic Areas:

Item	December 31, 2019								December 31, 2018
	Inside Jordan	Other Middle East Countries	Europe	Asia	Africa	America	Other Countries	Total	Total
Balances with central banks	311,972,465	-	-	-	-	-	-	311,972,465	285,983,097
Balances with banks and financial institutions	52,114,778	14,082,698	12,112,950	2,384,530	-	98,980,817	8,647,554	188,323,327	152,118,694
Deposits with banks and financial institutions	170,996,388	26,120,258	-	11,007,119	-	-	-	208,123,765	235,435,227
Credit facilities	1,089,527,360	304,127,806	-	-	15,870,271	-	-	1,409,525,437	1,469,239,659
Bonds and Treasury Bills:									
Within financial assets at amortized cost	214,305,976	53,862,251	4,367,572	-	-	-	-	272,535,799	203,395,684
Within financial assets at fair value through comprehensive income - fair value	-	25,909,988	-	-	-	-	-	25,909,988	-
Total/Current year	1,838,916,967	424,103,001	16,480,522	13,391,649	15,870,271	98,980,817	8,647,554	2,416,390,781	2,346,172,361
Financial Guarantees	79,831,220	11,500,138	8,400,187	5,999,997	73,551	106,327	33,786	105,945,206	126,336,554
Letters of Credit	54,703,521	14,128,691	-	80,333	46,681	-	86,495	69,045,721	65,025,867
Acceptances	19,150,001	123,464	-	-	-	-	-	19,273,465	40,235,219
Un-utilized balances	412,226,101	44,678,562	-	-	-	-	-	456,904,663	385,655,631
Total	**2,404,827,810**	**494,533,856**	**24,880,709**	**19,471,979**	**15,990,503**	**99,087,144**	**8,767,835**	**3,067,559,836**	**2,963,426,632**

B. Exposure Distribution According to Stages Classification as Per IFRS (9):

Item	December 31, 2019 Stage One Individual Level	Stage One Collective Level	Stage two Individual Level	Stage two Collective Level	Stage Three	Total	December 31, 2018 Total
Inside Jordan	1,660,916,272	569,337,417	125,769,154	31,896,903	16,908,064	2,404,827,810	2,388,838,081
Other middle east countries	384,823,465	92,455,846	15,758,698	847,161	646,686	494,533,856	462,082,357
Europe	24,880,709	-	-	-	-	24,880,709	52,658,633
Asia	19,471,979	-	-	-	-	19,471,979	21,983,658
Africa	15,990,503	-	-	-	-	15,990,503	8,877,918
America	99,087,144	-	-	-	-	99,087,144	7,770,780
Other Countries	8,767,835	-	-	-	-	8,767,835	21,215,205
Total	**2,213,937,907**	**661,793,263**	**141,527,852**	**32,744,064**	**17,554,750**	**3,067,557,836**	**2,963,426,632**

5. Concentration in credit exposure according to the economic sector as follows:

A. Gross distribution exposures based on financial instruments:

Item	December 31, 2019 Financial	Industrial	Trading	Real Estate	Agriculture	Touristic Hotels Restaurants Public Facilities	Stock	Individuals	Government and Public Sector	Total	As of December 2018 Total
Balances with central banks	311,972,465	-	-	-	-	-	-	-	-	311,972,465	285,983,097
Balances with banks and financial institutions	188,323,327	-	-	-	-	-	-	-	-	188,323,327	152,118,694
Deposits with banks and financial institutions	208,123,765	-	-	-	-	-	-	-	-	208,123,765	235,435,227
Direct credit facilities at fair value through other comprehensive income	7,468,555	-	-	-	-	-	-	-	18,441,433	25,909,988	-
Credit facilities	8,381,607	161,651,098	291,751,883	258,791,058	4,297,296	89,720,294	10,905,552	461,677,865	122,348,784	1,409,525,437	1,469,239,659
Bonds and Treasury Bills:											
Within financial assets at amortized cost	30,801,553	19,919,281	4,587,716	-	-	-	-	-	217,227,249	272,535,799	203,395,684
Total current year	755,071,272	181,570,379	296,339,599	258,791,058	4,297,296	89,720,294	10,905,552	461,677,865	358,017,466	2,416,390,781	2,346,172,361
Financial Guarantees	21,754,541	6,457,912	34,808,336	23,638,825	195,194	14,950,582	765,861	3,373,955	-	105,945,206	126,336,554
Letters of Credit	15,355,276	19,623,592	24,233,675	8,833,415	-	999,763	-	-	-	69,045,721	65,025,867
Acceptances	1,472	5,864,369	11,159,583	40,341	580,946	1,626,754	-	-	-	19,273,465	40,235,219
Un-utilized balances	24,794,234	129,978,562	180,608,600	30,318,261	3,505,551	34,163,188	211,393	51,575,493	1,749,381	456,904,663	385,656,631
Gross Total	**816,976,795**	**343,494,814**	**547,149,793**	**321,621,900**	**8,578,987**	**141,460,581**	**11,882,806**	**516,627,313**	**359,766,847**	**3,067,559,836**	**2,963,426,632**

B. Exposure distribution according to stages classification as per IFRS (9)

Item	As of December 2019						As of December 2018
	Stage One		Stage Two		Stage Three	Total	
	Individual Level	Collective Level	Individual Level	Collective Level			Total
Financial	815,638,790	-	1,287,035	-	50,970	816,976,795	794,848,486
Industrial	310,637,431	-	32,625,260	-	232,123	343,494,814	350,789,172
Trade	459,827,590	10,626	81,416,669	23,451	5,871,457	547,149,793	510,382,990
Real estates	101,317,176	177,420,867	20,384,939	15,108,397	7,390,521	321,621,900	366,040,866
Agriculture	5,869,005	-	2,683,840	-	26,142	8,578,987	62,332,517
Tourism, restaurants and public facilities	137,875,664	6,155	2,844,564	60	734,138	141,460,581	188,786,648
Stocks	11,882,806	-	-	-	-	11,882,806	7,691,460
Individuals	11,122,598	484,355,615	285,545	17,614,156	3,249,399	516,627,313	450,845,477
Government and Public Sector	359,766,847	-	-	-	-	359,766,847	231,709,016
Total	**2,213,937,907**	**661,793,263**	**141,527,852**	**32,746,064**	**17,554,750**	**3,067,559,836**	**2,963,426,632**

6. Re-classified credit exposures

A. Total re-classified credit exposure:

Item	December 31, 2019					
	Stage Two		Stage Three			
	Total Exposure Value	Reclassified exposures	Total Exposure Value	Reclassified exposures	Total reclassified exposures	Percentage of Reclassified Exposures
Cash and balances with central banks	-	-	-	-	-	0.00%
Balances with banks and financial institutions	-	-	-	-	-	0.00%
Deposits with banks and financial institutions	-	-	-	-	-	0.00%
Financial assets through comprehensive income - debt instruments	-	-	-	-	-	0.00%
Direct credit facilities at amortized cost	133,756,482	62,201,023	114,630,680	31,993,839	94,194,862	37.92%
Bonds and Treasury Bills within financial assets at amortized cost	-	-	-	-	-	0.00%
Total	133,756,482	62,201,023	114,630,680	31,993,839	94,194,862	37.92%
Letters of guarantees	7,164,465	5,154,180	12,542,379	2,581,053	7,735,233	39.25%
Letters of credit	3,949,511	(2,725,532)	61,683	61,683	(2,663,849)	-66.41%
Acceptances	8,651,156	5,430,604	-	-	5,430,604	62.77%
Un-utilized balances	33,905,611	(2,542,133)	-	-	(2,542,133)	-7.50%
Gross total	**187,427,225**	**67,518,142**	**127,234,742**	**34,636,575**	**102,154,717**	**32.46%**

B. Expected credit loss against reclassified exposures:

Item	December 31, 2019							
	Reclassified exposures			Expected credit loss for reclassified exposures				
	Gross Reclassified Exposure from Stage Two	Gross Reclassified Exposure from Stage Three	Gross Reclassified Eexposure	Stage Two		Stage Three		Total
				Individual Level	Collective Level	Individual Level	Collective Level	
Cash and balances with central banks	-	-	-	-	-	-	-	-
Balances with banks and financial institutions	-	-	-	-	-	-	-	-
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-
Financial assets through comprehensive income - debt instruments	-	-	-	-	-	-	-	-
Direct credit facilities at amortized cost	229,505	21,696,076	21,925,581	11,796,862	984,202	91,932,306	-	104,713,370
Bonds and Treasury Bills within financial assets at amortized cost	-	-	-	-	-	-	-	-
Total	229,505	21,696,076	21,925,581	11,796,862	984,202	91,932,306	-	104,713,370
Letters of guarantees	80,873	1,643,177	1,724,050	116,005	-	7,797,712	-	7,913,717
Letters of credit	6,604	40,257	46,861	45,283	-	40,257	-	85,540
Acceptances	7,208	-	7,208	35,688	-	-	-	35,688
Un-utilized balances	(369,328)	-	(369,328)	268,507	7,912	-	-	276,419
Gross total	**(45,138)**	**23,379,510**	**23,334,372**	**12,262,345**	**992,114**	**99,770,275**	**-**	**113,024,734**

6. Re-classified credit exposures (Cont.)

A. Total re-classified credit exposure:

Item	December 31, 2018					
	Stage Two		Stage Three			
	Total Exposure Value	Reclassified exposures	Total Exposure Value	Reclassified exposures	Total reclassified exposures	Percentage of Reclassified Exposures
Cash and balances with central banks	-	-	-	-	-	0.0%
Balances with banks and financial institutions	-	-	-	-	-	0.0%
Deposits with banks and financial institutions	-	-	-	-	-	0.0%
Direct credit facilities at amortized cost	71,811,677	4,699,290	91,750,968	15,814,502	20,513,792	12.5%
Bonds and Treasury Bills:						
Within financial assets at amortized cost	17,777,367	17,777,367	-	-	17,777,367	100.0%
Total	89,589,044	22,476,657	91,750,968	15,814,502	38,291,159	21.1%
Letters of guarantees	1,199,952	(86,937)	10,281,213	823,380	736,443	6.4%
Letters of credit	6,667,657	125	-	-	125	0.0%
Acceptances	276,412	(9,417)	-	-	(9,417)	(3.4%)
Un-utilized balances	26,555,394	9,661,132	-	-	9,661,132	36.4%
Gross total	**124,288,459**	**32,041,560**	**102,032,181**	**16,637,882**	**48,679,442**	**21.5%**

B. Expected credit loss against reclassified exposures:

	December 31, 2018							
	Reclassified exposures			Expected credit loss for reclassified exposures				
				Stage Two		Stage Three		
Item	Gross Reclassified Exposure from Stage Two	Gross Reclassified Exposure from Stage Three	Gross Reclassified Eexposure	Individual Level	Collective Level	Individual Level	Collective Level	Total
Cash and balances with central banks	-	-	-	-	-	-	-	-
Balances with banks and financial institutions	-	-	-	-	-	-	-	-
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-
Direct credit facilities at amortized cost	165,942	9,409,466	9,575,408	(364,357)	530,299	9,409,466	-	9,575,408
Bonds and Treasury Bills:								
Within financial assets at amortized cost	476,553	-	476,553	476,553	-	-	-	476,553
Total	642,495	9,409,466	10,051,961	112,196	530,299	9,409,466	-	10,051,961
Letters of guarantees	1,943	338,433	340,376	1,943	-	338,433	-	340,376
Letters of credit	-	-	-	-	-	-	-	-
Acceptances	553	-	553	553	-	-	-	553
Un-utilized balances	3,519	338,433	341,952	4,817	(1,298)	338,433	-	341,952
Gross total	**648,510**	**10,086,332**	**10,734,842**	**119,509**	**529,001**	**10,086,332**	**-**	**10,734,842**

43/b Market Risks:

Qualitative Disclosure:

These risks arise from the fluctuations in the fair values or the future cash flows of financial instruments due to the changes in market prices such as (interest rate, currency exchange rate, and shares prices). Moreover, market risks arise from the existence of open positions in interest rates, currency exchange rates, and investments in shares. These risks are monitored according to specific policies and procedures through special committees and associated work centres and include the following:
- Interest rate risks.
- Currency exchange rate risks.
- Fluctuation in share prices risks.

-Market risks: are the risks of exposure of the positions on and off the Bank's Consolidated Statement of Financial Position to losses as a result of price fluctuations in the market. This includes the risks arising from the volatility of interest rates and stock prices of investment portfolios, both for the purpose of trading or exchange.

Market risks arise from:
- Changes that may occur in the political and economic conditions in markets.
- Fluctuations in interest rates.
- Fluctuations in the prices of financial instruments held for future buying and selling.
- Foreign currency fluctuations.
- Gaps in maturities of assets and liabilities and interest rate re-pricing.
- Creation of uncovered positions.

Interest Rate Risks

Interest rate risks arise from the probable impact of changes in interest rates on the value of other financial assets. The Bank is exposed to the risk of interest rates due to a mismatch or a gap in the amounts of assets and liabilities, according to the various time limits or review of interest rates in a certain period. Moreover, the Bank manages these risks through reviewing the interest rates on assets and liabilities based on the risk management strategy undertaken by the Asset and Liability Management Committee. The Bank follows a policy of hedging all financial assets and financial liabilities whenever the need arises. Hedging is against anticipated future risks.

The Bank has developed analysis scenarios to measure the sensitivity of interest rate risk in addition to providing a system for controlling the difference in the history of re-pricing. This ensures control, reduces risk, and takes into account acceptable risk and balancing maturities of assets with liabilities, as well as the gaps and benefits of hedging their prices.

Foreign Currency Risks

Foreign currency risks are the risks arising from changes in the values of financial instruments as a result of fluctuations in the prices of foreign currencies, the bank is using a good policy to manage its foreign currency positions.

The Bank's investment policy includes a set of controls that limit this type of risk monitored by a market risk unit such as follows:
- Exceeding limits is not allowed, and any currency excess is settled immediately.
- Any dealer should close the position immediately when the loss reaches the allowed maximum limit.
- The Treasury and Investment Department analyses and controls open positions daily. It closes the positions in case of excesses of ceiling, loss limits or heightened risks due to market fluctuations.

The following is the net foreign currency positions at the Bank:	December 31,	
Currency Type	2019	2018
	JD	JD
USD	14,157,575	17,190,069
GBP	123,954	44,848
Euro	71,089	36,931
JPY	3,282	272
Other currencies	(40,647,534)	(23,307,421)
	(26,291,634)	(6,035,301)

Share Prices Risks

Share prices risks result from the changes in the fair values of investments in shares. The Bank manages these risks through diversifying investments across various geographical areas and economic sectors. Most of the shares investments held by the Bank are listed in Amman Stock Exchange.

Markets Risk Management

The Bank follows financial and investment policies for risk management within a specified strategy. Moreover, the Bank has an Asset and Liability Management Committee that supervises, and controls risks and performs the optimal strategic distribution of assets and liabilities both on and off the Consolidated Statement of Financial Position. Moreover, a market risk unit was established, staffed with qualified human resources, and equipped with electronic systems. These risk management procedures include the following:

- Preparation and implementation of an investment policy approved by the Board of Directors and the Central Bank of Jordan.
- Preparation and application of a market risk management policy approved by the Board of Directors including the criteria for the definition, measurement, and monitoring of this type of risk.
- Implementation of (Reuters) Application to monitor continuity risk in the global capital market, cash markets and currency exchange.
- Preparation of a mechanism for management of ceilings of local and foreign investments.
- Development of market risk measurement, management, and monitoring tools through:
  ▪ Value at risk (VAR).
  ▪ Basis point analysis.
  ▪ Stress testing.
  ▪ Defining stop loss limit.
  ▪ Preparation of investment concentration reports (geographical distribution, economic sector, currency, tool, etc.).
  ▪ Controlling investment ceilings.
  ▪ Controlling investment operations (based on financial positions, local and international stocks and bonds).
- Preparation of periodic reports, to be presented to the Investment Committee and Risk Management Committee /Board of Directors.

Quantitative Disclosures:

1. Interest Rate Risks		December 31, 2019	
Currency	Increase in Interest Rate (%)	Sensitivity of Interest Revenue Analysis (Profits and Losses)	Sensitivity of Equity
		JD	JD
USD	2%	283,152	-
GBP	2%	2,479	-
Euro	2%	1,422	-
JPY	2%	66	-
Other Currencies	2%	(812,951)	-
Currency	Decrease in Interest Rate (%)	Sensitivity of Interest Revenue Analysis (Profits and Losses)	Sensitivity of Equity Analysis
		JD	JD
USD	2%	(283,152)	-
GBP	2%	(2,479)	-
Euro	2%	(1,422)	-
JPY	2%	(66)	-
Other Currencies	2%	812,951	-
		December 31, 2018	
Currency	Increase in Interest Rate (%)	Sensitivity of Interest Revenue Analysis (Profits and Losses)	Sensitivity of Equity
		JD	JD
USD	2%	343,801	-
GBP	2%	897	-
Euro	2%	739	-
JPY	2%	5	-
Other Currencies	2%	(466,148)	-
Currency	Decrease in Interest Rate (%)	Sensitivity of Interest Revenue Analysis (Profits and Losses)	Sensitivity of Equity Analysis
		JD	JD
USD	2%	(343,801)	-
GBP	2%	(897)	-
Euro	2%	(739)	-
JPY	2%	(5)	-
Other Currencies	2%	466,148	-

2. Foreign Currency Risks		December 31, 2019	
Currency	Increase in Currency Exchange Rate (%)	Effect on Profits or Losses	Effect on Equity
		JD	JD
USD	5%	707,879	-
GBP	5%	6,198	-
Euro	5%	3,554	-
JPY	5%	164	-
Other Currencies	5%	(2,032,377)	-
		December 31, 2018	
Currency	Increase in Currency Exchange Rate (%)	Effect on Profits or Losses	Effect on Equity
		JD	JD
USD	5%	859,503	-
GBP	5%	2,242	-
Euro	5%	1,847	-
JPY	5%	14	-
Other Currencies	5%	(1,165,371)	-

3. Fluctuation in Share Prices Risks		December 31, 2019	
Indicator	Increase in Index	Effect on Profits or Losses	Effect on Equity
		JD	JD
Amman Stock Exchange	5%	25,636	2,260,706
Palestine Stock Exchange	5%	-	279,004
		December 31, 2018	
Indicator	Increase in Index	Effect on Profits or Losses	Effect on Equity
		JD	JD
Amman Stock Exchange	5%	3,060	2,048,524
Palestine Stock Exchange	5%	-	275,650

Concentration of Foreign Currency Risk	December 31, 2019					
Currency	USD	GBP	Euro	JPY	Other	Total
Item	JD	JD	JD	JD	JD	JD
Assets:						
Cash and balances with Central Banks	57,487,494	68,198	7,298,342	3,855	44,982,248	109,840,137
Balances with banks and financial institutions	232,353,700	7,822,279	10,544,791	67,817	20,730,652	271,519,239
Financial assets through comprehensive income	27,975,831	-	-	-	138,756	28,114,587
Direct credit facilities at amortized cost	240,288,290	2	1,682,640	-	136,168,737	378,139,669
Financial assets (at amortized cost and at fair value and associates)	77,969,661	-	3,718,940	-	860,009	82,548,610
Other assets	5,542,949	1,273	135,108	42	7,788,158	13,467,530
Total assets	641,617,925	7,891,752	23,379,821	71,714	210,668,560	883,629,772
Liabilities:						
Banks and financial institutions' deposits	8,747,902	477	1,631,987	-	3,482,636	13,863,002
Customers' deposits	492,093,586	7,744,986	18,267,223	29,837	195,513,446	713,649,078
Cash margins	25,339,683	6,017	3,425,064	38,595	8,002,825	36,812,184
Other liabilities	101,279,179	16,318	(15,542)	-	44,317,187	145,597,142
Total liabilities	627,460,350	7,767,798	23,308,732	68,432	251,316,094	909,921,406
Net concentration in the consolidated statement of financial position for the year 2019	14,157,575	123,954	71,089	3,282	(40,647,534)	(26,291,634)
Commitments and contingent liabilities off balance sheet for the year 2019	**94,463,700**	**192,385**	**9,086,043**	**2,529,925**	**6,857,695**	**113,129,748**
	December 31, 2018					
Currency	USD	GBP	Euro	JPY	Other	Total
Item	JD	JD	JD	JD	JD	JD
Total Assets	531,481,007	8,384,998	18,560,842	60,445	187,627,310	746,114,602
Total Liabilities	514,290,938	8,340,150	18,523,911	60,173	210,934,731	752,149,903
Net concentration in the consolidated statement of financial position for the year 2018	17,190,069	44,848	36,931	272	(23,307,421)	(6,035,301)
Commitments and contingent liabilities off Balance Sheet for the year 2018	**115,320,196**	**16,910**	**20,354,989**	**24,034**	**5,644,662**	**141,360,791**

Interest Re-pricing Gap

Classification is based on periods of interest re-pricing or maturity	Less Than 1 Month	From 1 to 3 Months	From 3 to 6 Months	From 6 Months to 1 Year	From 1 to 3 Years	More Than 3 Years	Items Without Interests	Total
Year 2019	JD	JD	JD	JD	JD	JD	JD	JD
Assets								
Cash and balances with Central Banks	162,176,467	11,448,000	-	-	-	-	210,771,709	384,396,176
Balances and deposit with banks and financial institutions	146,555,875	21,269,807	36,006,412	2,050,534	170,066,819	-	20,497,645	396,447,092
Financial derivatives	-	-	-	-	-	-	38,261	38,261
Financial assets at fair value	-	-	-	-	-	25,909,988	55,584,364	81,494,352
Direct credit facilities at amortized cost	133,885,240	130,791,059	139,391,655	155,062,600	365,210,275	485,184,608	-	1,409,525,437
Financial assets at amortized cost	-	8,748,322	47,366,435	3,848,768	179,018,036	33,554,238	-	272,535,799
Property and equipment – Net	-	-	-	-	-	-	52,802,587	52,802,587
Intangible assets	-	-	-	-	-	-	5,986,282	5,986,282
Deferred tax assets	-	-	-	-	-	-	22,804,298	22,804,298
Other assets	-	-	-	-	-	-	82,071,242	82,071,242
Total Assets	442,617,582	172,257,188	222,764,502	160,961,902	714,295,130	544,648,834	450,556,388	2,708,101,526
Liabilities								
Banks and financial institutions' deposits	15,249,484	-	10,000,000	-	-	120,937,867	5,057,227	151,244,578
Customers' deposits	255,359,600	99,432,816	211,075,899	196,135,601	108,757,176	107,547,099	940,788,917	1,919,098,107
Cash margins	39,477,957	2,113,211	2,634,488	9,640,713	2,541,288	13,434,712	50,751,552	120,593,921
Sundry provisions	-	-	-	-	-	-	5,011,211	5,011,211
Income tax provision	-	-	-	-	-	-	23,803,895	23,803,895
Borrowed funds	225,545	451,265	644,054	3,772,367	9,729,129	8,845,560	-	23,667,921
Deferred tax liabilities	-	-	-	-	-	-	3,081,065	3,081,065
Other liabilities	-	-	-	-	-	-	41,493,803	41,493,803
Total liabilities	310,312,586	101,997,292	224,354,441	209,548,681	121,027,593	250,765,238	1,069,987,670	2,287,994,501
Interest Re-pricing Gap	132,304,996	70,259,896	(1,589,939)	(48,586,779)	593,267,537	293,883,596	(619,431,282)	420,107,025
Year 2018								
Total Assets	523,078,092	246,751,948	178,884,127	158,787,177	617,121,861	446,218,747	448,238,258	2,619,080,210
Total Liabilities	821,383,558	127,926,205	96,797,418	169,109,013	180,431,248	58,667,131	747,308,590	2,201,623,163
Interest Re-Pricing Gap	(298,305,466)	118,825,743	82,086,709	(10,321,836)	436,690,613	387,551,616	(299,070,332)	417,457,047

Liquidity Risk

First: this table summarizes the (undiscounted) liabilities on the remaining period for contractual maturities at the date of consolidated financial statements:	Within 1 Month	From 1 to 3 Months	From 3 to 6 Months	From 6 Months to 1 Year	From 1 to 3 Years	Over 3 Years	Without Maturity	Total
December 31, 2019	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities								
Banks and financial institutions' deposits	20,306,711	-	10,000,000	-	120,937,867	-	-	151,244,578
Customers' deposits	352,780,645	124,428,738	252,420,828	319,483,705	406,493,207	463,490,984	-	1,919,098,107
Cash margins	44,709,014	2,113,211	5,026,313	12,314,141	23,704,355	32,726,887	-	120,593,921
Borrowed funds	225,545	451,265	644,054	3,772,367	9,729,129	8,845,561	-	23,667,921
Sundry provisions	-	-	-	-	-	-	5,011,211	5,011,211
Income tax provision	9,521,557	-	4,760,780	9,521,558	-	-	-	23,803,895
Deferred tax liabilities	-	-	-	-		-	3,081,065	3,081,065
Other liabilities	2,641,003	2,827,191	2,224,209	1,938,795	759,804	-	31,102,801	41,493,803
Total liabilities	**430,184,475**	**129,820,405**	**275,076,184**	**347,030,566**	**561,624,362**	**505,063,432**	**39,195,077**	**2,287,994,501**
Total Assets (According to expected maturity)	**674,859,622**	**174,701,403**	**231,048,305**	**167,404,923**	**787,009,461**	**466,850,693**	**206,277,119**	**2,708,151,526**
December 31, 2018	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities								
Banks and financial institutions' deposits	14,304,960	-	-	-	130,937,867	-	-	145,242,827
Customers' deposits	485,215,406	135,809,392	165,064,932	288,273,114	372,336,039	421,093,603	-	1,867,792,486
Cash margins	41,182,736	2,394,259	5,083,389	12,788,310	22,818,123	33,002,100	-	117,268,917
Financial derivatives	-	-	-	-	-	-	-	-
Borrowed funds	104,799	211,563	327,195	673,607	2,143,227	1,097,420	-	4,557,811
Sundry provisions	283,905	3,750,000	50,000	50,000	115,656	-	944,679	5,194,240
Income tax provision	8,431,153	-	4,215,577	9,331,955	-	-	-	21,978,685
Deferred tax liabilities	-	-	-	-	-	-	3,296,665	3,296,665
Other liabilities	19,112,374	381,971	81,865	8,765,877	-	-	7,949,445	36,291,532
Total liabilities	**568,635,333**	**142,547,185**	**174,822,958**	**319,882,863**	**528,350,912**	**455,193,123**	**12,190,789**	**2,201,623,163**
Total Assets (According to expected maturity)	**701,746,995**	**246,785,034**	**179,136,237**	**170,673,381**	**713,490,407**	**361,467,296**	**245,780,860**	**2,619,080,210**

Second: this table summarizes the financial derivatives maturities on the remaining period of contractual maturity from the date of the consolidated financial statements.

- Financial derivatives/liabilities which have been totally reconciled include:

Trading Derivatives	December 31, 2019			December 31, 2018		
	Up to 3 Months	from 3 Months to One Year	Total	Up to 3 Months	From 3 Months to One Year	Total
Currency Derivatives:	JD	JD	JD	JD	JD	JD
Outflow	(3,704,431)	(2,215,154)	(5,919,585)	(6,333,777)	(3,664,043)	(9,997,820)
Inflow	3,729,732	2,228,114	5,957,846	6,346,825	3,661,596	10,008,421
Total	**25,301**	**12,960**	**38,261**	**13,048**	**(2,447)**	**10,601**

Items off-consolidated statement of financial position:	As of December 2019			
	Up to 1 Year	1 to 5 Years	Over 5 Years	Total
	JD	JD	JD	JD
Letters of credit and acceptances	88,563,350	-	-	88,563,350
Un-utilized balances	458,399,546	-	-	458,399,546
Letters of guarantee	114,370,472	42,540	-	114,413,012
Operational lease contracts	2,535,281	7,393,888	4,815,212	14,744,381
Capital commitments	3,417,296	-	-	3,417,296
Total	667,285,945	7,436,428	4,815,212	679,537,585
	December 31, 2018			
	Up to 1 Year	1 to 5 Years	Over 5 Years	Total
	JD	JD	JD	JD
Letters of credit and acceptances	105,413,349	-	-	105,413,349
Un-utilized balances	387,219,416	-	-	387,219,416
Letters of guarantee	132,219,991	-	-	132,219,991
Operational lease contracts	3,599,220	9,102,589	4,636,800	17,338,609
Capital commitments	1,731,328	-	-	1,731,328
Total	630,183,304	9,102,589	4,636,800	643,922,693

44. Bank's Business Segments

1. Information about the Bank's business segments:

The Bank is organized for management purposes in a manner that allows measurement of its segments according to reports used by its Chief Executive Officer and main decision-makers through the following main segments:

- Retail Banking: includes following up on individual customers' accounts, granting them loans, credit, credit cards, and other services.
- Corporate Banking: includes following up on deposits, credit facilities, and other banking services pertinent to corporate customers.
- Treasury: includes providing dealing and treasury services and management of the Bank's funds.
- Financial Brokerage Services: includes providing purchase services and sale of customers' portfolios on their behalf, custody of investments, financial consultations, custody service, and management of initial public offerings.

Following is the information about Bank business segments distributed according to the activities:

	Individual (Retail Customers)	Corporation	Treasury	Financial Brokerage	Other	2019	2018
	JD	JD	JD	JD	JD	JD	JD
Total Revenues	55,337,280	71,759,943	21,316,086	519,301	471,941	149,404,551	141,742,580
Expected credit loss allowance	(8,402,784)	(10,386,709)	153,970	6,167	-	(18,629,356)	(7,642,134)
Segments operations results	46,934,496	61,373,234	21,470,056	525,468	471,941	130,775,195	134,100,446
Other expenses	(38,580,687)	(21,685,015)	(3,945,273)	(240,535)	(5,193,524)	(69,645,034)	(71,141,514)
Profit before tax	8,353,809	39,688,219	17,524,783	284,933	(4,721,583)	61,130,161	62,958,932
Income tax	(2,973,641)	(11,736,719)	(5,071,792)	(90,179)	(879,785)	(20,752,116)	(21,714,509)
Net profit for the Year	5,380,168	27,951,500	12,452,991	194,754	(5,601,368)	40,378,045	41,244,423
Other information							
Capital Expenditures	3,091,044	700,348	22,500	-	3,222,565	7,036,457	6,845,067
Depreciation and amortization	4,509,396	357,118	7,095	4,058	3,849,184	8,726,851	5,116,629
Total Assets	629,578,577	807,965,104	1,136,262,304	962,925	133,332,616	2,708,101,526	2,619,080,210
Total Liabilities	1,576,744,353	462,179,904	166,208,650	211,368	82,650,226	2,287,994,501	2,201,623,163

2. Information about geographical distribution

This disclosure represents the geographical distribution for Bank's business. The Bank performs its main business activities in Jordan which represents the local business and also performs international business through its branches in Palestine and its subsidiary companies. Following is the distribution of Revenues, Assets and Capital Expenditure according the geographical sector:

	In the country		Overseas		Total	
	2019	2018	2019	2018	2019	2018
	JD	JD	JD	JD	JD	JD
Total Revenues	160,434,820	151,710,250	33,009,552	27,548,502	193,444,372	179,258,752
Total Assets	1,963,880,915	1,796,184,264	744,220,611	822,895,946	2,708,101,526	2,619,080,210
Capital expenditures	5,896,220	5,799,352	1,140,237	1,045,715	7,036,457	6,845,067

45. Analysis of Assets and Liabilities Maturities:

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

	December 31, 2019		
	Up to 1 Year	Over 1 Year	Total
	JD	JD	JD
Assets			
Cash and balances with Central Banks	384,396,176	-	384,396,176
Balances with banks and financial institutions	188,323,327	-	188,323,327
Deposits with banks and financial institutions	38,056,946	170,066,819	208,123,765
Financial assets at fair value through profit or loss	628,716	-	628,716
Financial assets at fair value through comprehensive income	-	80,865,636	80,865,636
Direct credit facilities at amortized cost	572,966,810	836,558,627	1,409,525,437
Financial assets at amortized cost	56,968,956	215,566,843	272,535,799
Property and equipment – Net	-	52,802,587	52,802,587
Intangible assets	-	5,986,282	5,986,282
Deferred tax assets	-	22,804,298	22,804,298
Other Assets	7,340,299	74,769,204	82,109,503
Total Assets	1,248,681,230	1,459,420,296	2,708,101,526
Liabilities			
Banks and financial institutions' deposits	30,306,711	120,937,867	151,244,578
Customers' deposits	1,049,113,916	869,984,191	1,919,098,107
Cash margins	64,162,679	56,431,242	120,593,921
Financial derivatives	-	-	-
Other provisions	-	5,011,211	5,011,211
Income tax provision	23,803,895	-	23,803,895
Borrowed funds	5,093,231	18,574,690	23,667,921
Deferred tax liabilities	-	3,081,065	3,081,065
Other liabilities	9,631,198	31,862,605	41,493,803
Total Liabilities	1,182,111,630	1,105,882,871	2,287,994,501
Net	**66,569,600**	**353,537,425**	**420,107,025**

	December 31, 2018		
	Up to 1 Year	Over 1 Year	Total
Assets	JD	JD	JD
Cash and balances with Central Banks	270,431,363	89,711,140	360,142,503
Balances with banks and financial institutions	152,118,694	-	152,118,694
Deposits with banks and financial institutions	-	235,435,227	235,435,227
Financial assets at fair value through profit or loss	-	169,677	169,677
Financial assets at fair value through comprehensive income	-	51,391,078	51,391,078
Direct credit facilities at amortized cost	794,582,562	674,657,097	1,469,239,659
Financial assets at amortized cost	49,408,425	153,987,259	203,395,684
Property and equipment – Net	-	34,344,020	34,344,020
Intangible assets	-	4,998,823	4,998,823
Deferred tax assets	-	18,580,246	18,580,246
Other Assets	31,800,603	57,463,996	89,264,599
Total Assets	1,298,341,647	1,320,738,563	2,619,080,210
Liabilities			
Banks and financial institutions' deposits	14,304,960	130,937,867	145,242,827
Customers' deposits	1,074,362,844	793,429,642	1,867,792,486
Cash margins	61,448,694	55,820,223	117,268,917
Financial derivatives	-	-	-
Other provisions	4,133,905	1,060,335	5,194,240
Income tax provision	21,978,685	-	21,978,685
Borrowed funds	1,317,164	3,240,647	4,557,811
Deferred tax liabilities	-	3,296,665	3,296,665
Other liabilities	32,994,867	3,296,665	36,291,532
Total Liabilities	1,210,541,119	991,082,044	2,201,623,163
Net	**87,800,528**	**329,656,519**	**417,457,047**

46. Fair Value Hierarchy

A. The Fair Value of Financial Assets and Financial Liabilities of the Bank Specified at Fair Value on an Ongoing Basis:
Some financial assets and liabilities of the Bank are evaluated at fair value at the end of each fiscal period, the following table shows the information about how to determine the fair value of these financial assets and liabilities (evaluation methods and inputs used).

Financial Assets/Financial Liabilities	Fair Value		The Level of Fair Value	Evaluation Method and Inputs Used	Important Intangible Inputs	Fair Value and the Important Intangible Inputs
	December 31, 2019	December 31, 2018				
	JD	JD				
Financial Assets at Fair Value Through Income Statement						
Shares that have an available market price	512,720	61,200	Level One	Stated Rates in financial markets	Does Not Apply	Does Not Apply
Shares that do not have an available market price	115,996	108,477	Level Two	Financial Statements issued by companies		
Total	628,716	169,677				
Financial Assets at Fair Value through Comprehensive Income						
Shares that have available market price	50,794,195	46,483,480	Level One	Stated Rates in financial markets	Does Not Apply	Does Not Apply
Shares that do not have available market price	4,161,453	4,907,598	Level Two	Financial Statements issued by companies		
Total	54,955,648	51,391,078				
Bonds that have available market price	25,909,988	-	Level One	Stated Rates in financial markets	Does Not Apply	Does Not Apply
Total	25,909,988	-				
Assets Foreclosed by Bank	-	6,816,468	Level One	Stated Rates in financial markets	Does Not Apply	Does Not Apply
Forward contracts foreign currency	38,261	10,601	Level One	Stated Rates in financial markets	Does Not Apply	Does Not Apply
Total Financial Assets at Fair Value	81,532,613	51,571,356				
Financial Liabilities at Fair Value:						
Forward contracts foreign currency	-	-	Level One	Stated Rates in financial markets	Does Not Apply	Does Not Apply
Total	-	-				

There were no transfers between level 1 and level 2 during the year of 2019.

B. The Fair Value of Financial Assets and Financial Liabilities of the Bank (Non-Specific Fair Value on an Ongoing Basis):

Except as detailed in the table below, we believe that the carrying amount of financial assets and liabilities shown in the consolidated financial statements of the Bank approximate their fair value, because the Bank management believes that the carrying value of the items is equivalent to the fair value, and this is due to either its short-term maturity or having interest rates that have been repriced during the year.

	December 31, 2019		December 31, 2018		The Level of
	Book Value	Fair Value	Book Value	Fair Value	Fair Value
	JD	JD	JD	JD	JD
Financial Assets of Non-Specified Fair Value					
Balances at central banks	312,229,080	312,241,852	286,177,151	286,193,941	Level Two
Balances at banks and financial institutions	188,326,285	188,476,380	152,122,328	153,134,705	Level Two
Deposits at banks and financial institutions	208,249,314	213,803,299	235,452,225	239,298,074	Level Two
Loans, bills and other	1,364,163,670	1,367,341,050	1,405,705,500	1,408,994,013	Level Two
Financial assets at amortized cost	272,734,431	276,726,076	203,996,033	205,933,214	Level Two
Total Financial Assets of non-specified Fair Value	**2,345,702,780**	**2,358,588,657**	**2,343,444,564**	**2,402,043,219**	
Financial Liabilities of Non-Specified Fair Value					
Deposits at banks and financial institutions	151,244,578	152,150,581	145,242,827	146,062,258	Level Two
Customers' deposits	1,919,098,107	1,928,585,706	1,867,792,486	1,874,252,746	Level Two
cash margin	120,593,921	120,598,195	117,268,917	117,276,687	Level Two
Total Financial Liabilities of Non-Specified Fair Value	**2,190,936,606**	**2,201,334,482**	**2,130,304,230**	**2,137,591,692**	

The fair value for the financial assets and liabilities that are in level 2 and level 3 were determined in accordance to agreed pricing models, which reflect the credit risk of the parties dealing with it.

C. Non-Financial Assets and Liabilities not Measured at Fair Value but its in fair Value disclosed in the Consolidated Financial Statements:

	December 31, 2019		December 31, 2018		The Level of
	Book Value	Fair Value	Book Value	Fair Value	Fair Value
	JD	JD	JD	JD	JD
Other assets	64,202,177	110,857,621	59,991,327	108,489,272	Level Two
	64,202,177	110,857,621	59,991,327	108,489,272	

The above items set out the fair value of non-financial assets that are determined on the basis of prices of similar instruments in an inactive market.

47. Capital Management

Capital Components:

- Paid-Up Capital:

The paid-up capital of Bank of Jordan consists of (200/1) million ordinary shares at a nominal value of JD 1 per share. The Bank maintains capital, statutory reserves, and retained earnings to meet the growth in its operations and the requirements of local and regional expansion.

- Regulatory Capital:

Regulatory capital is considered a control tool according to the requirements of regulatory authorities and Basel (III) for the purposes of achieving control over the adequacy of capital and the ratio of regulatory capital to risky and weighted assets and market risk. Regulatory capital according to Basel (III) consists of:

- Ordinary shares, retained earnings, accumulated comprehensive income items, declared reserves, minority interest and profit after tax and expected distributions and regulatory adjustments.

- Regulatory Authorities' Requirements:

The regulatory authorities' instructions entail that the minimum capital shall be JD 100 million. Moreover, banks have been requested to increase their capital adequacy ratio to not be less than 14.125% according to the Central Bank of Jordan instructions, and the ratio of owners' equity to total assets financial leverage ratios must not be less than 4%.

- Achieving the Objectives of Capital Management:

The Bank's management aims at achieving the capital management objectives through developing (enhancing) the Bank's activities, achieving a surplus in operating profits and revenues, and optimally investing available funds. All of this is geared towards reaching the targeted growth in owners' equity, reflected in the increase in the reserves and retained earning

The regulatory capital adequacy ratios according to the standard approach are as follows:

Primary Capital Items for Ordinary Shareholders (CET 1):	In Thousands of JD 2019	In Thousands of JD 2018
Paid-up capital	200,000	200,000
Statutory reserve	94,066	87,947
Voluntary reserve	134	134
Other reserves	5,850	5,849
Fair value reserve	24,954	26,668
Retained earnings	68,285	61,174
Non-controlling interest in the capital of subsidiaries	3,432	3,103
Less: Regulatory capital adjustments	(46,041)	(35,836)
Total Primary Capital Ordinary Shareholder (CET 1)	350,680	349,039
Additional Capital Items		
Stage one provision balance against debt instruments not exceeding 1.25 % of the total risk weighted assets	9,870	7,581
General banking risk reserve	2,196	2,258
Total additional capital	12,066	9,839
Total regulatory capital	362,746	358,878
Total risk weighted assets	2,125,200	2,134,526
Capital adequacy ratio (%)	%17,07	16,81%
Primary capital for ordinary shareholders (CET 1)%	%16,50	16,35%
Capital adequacy Tier 1 (%)	**%16,50**	**16,35%**

48. Commitments and Contingent Liabilities

a. Contingent Liabilities:

	2019	2018
	JD	JD
Letters of credit includes:	69,214,211	65,119,225
Acceptances	19,349,139	40,294,124
Letters of guarantee:		
Payment	36,787,251	32,187,987
Performance	51,317,006	64,243,430
Other	26,308,755	35,788,574
Un-utilized direct and indirect credit facilities limits	458,399,546	387,219,416
Total	**661,375,908**	**624,852,756**

Expected credit loss provision based on IFRS (9) requirements on the off – balance sheet items (unfunded) amounted to JD 10,206,853 for the year ended December 31, 2019 (JD 7,598,485 as of December 31, 2018).

b. Contractual Obligations:	2019	2018
	JD	JD
Contracts for purchasing of property and equipment*	3,417,296	1,731,328
Contracts for operating and financing lease**	14,744,381	17,338,609
Total	18,161,677	19,069,937

* These commitments mature in less than 1 year.

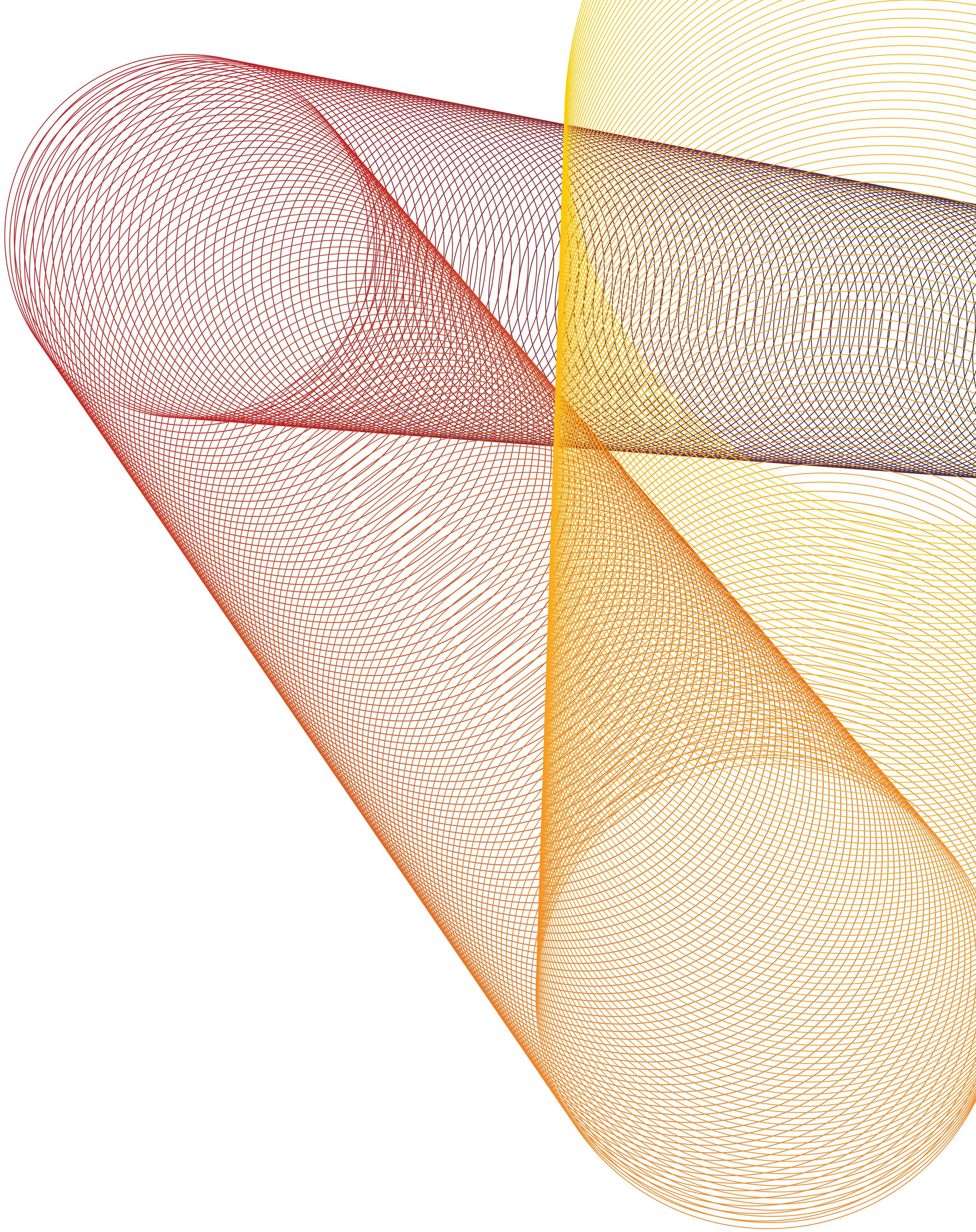
** These commitments mature between 1 year to 10 years.

c. Lawsuits against the Bank

The Bank is a defendant in lawsuits demanding cancellation of the Bank's claims against others, lifting of real estate mortgages, compensation for damages, and non-cashing of cheques. These lawsuits amounted to JD 19,113,597 as of December 31st, 2019 (JD 17,573,962 for prior year). In the opinion of the management and legal counsel, no material financial liability is likely to be incurred as a result of these lawsuits in excess of provision recorded which amounted to JD 863,478 as of December 31st, 2019 (JD 1,032,570 prior year). However, amounts that will probably be paid by the Bank as a result of dismissal or amicable settlement of these lawsuits will be taken to the consolidated Statement of Profit or Loss or against the recorded provision when paid.

49. Comparative Figures

Some comparative figures have been reclassified to conform with the current year classification, this amendment did not have any impact on the consolidated statement of changes in equity, the consolidated statement of profit or loss and consolidated statement of comprehensive income for the year ended and as of December 31, 2018.



Additional Information as Required by the Jordan Securities Commission 2019

Additional Information as Required by the Jordan Securities Commission 2019

A. Chairman's Letter

B. Board of Directors Report

1. a- Description of Main Activities:

The Bank provides a comprehensive range of banking products and services. These include accepting all types of deposits (demand, savings, and time deposits), and issuing certificates of deposit, letters of credit, as well as letters of guarantee to all clients in the various economic sectors locally and abroad. The Bank also provides financial leasing services and custody services.

1. b- Location of Branches and Number of Employees:

The Bank has (77) branches and (3) exchange offices in Jordan, in addition to (16) branches and one office in Palestine and one Branch in Bahrain. The address of each branch and office is listed at the end of the report under the section "Addresses of Bank of Jordan branches".

The total number of the Bank's employees has reached (1,899) The table below illustrates the number of employees in each branch and office.

Branch	No. of Employees	Branch	No. of Employees	Branch	No. of Employees	Branch	No. of Employees
Head Office	877	Zarqa	9	Zarqa Free Zone	7	Madaba	9
Regional Management	151	Faisal St./Zarqa	9	Marj Al Hamam	9	First Circle	11
Al Shmeisani	17	New Zarqa	6	Al Jeezah	7	Al hurrieh Mall	12
Amman/ Downtown*	0	North Shuneh	6	Dahyet Al Yasmeen	9	Dahyet El Nakheel	7
Karak	7	Kufranjah	4	Al Sweifieh	9	Radio and Television St.	8
Irbid	12	Al Qweismeh	12	Al Wehdat	9	Medical City St.	8
Al Hussun St.	8	Third Circle	7	Al Jabal Al Shamali	7	Hay Al - Zaytouna	7
Eidoun St./Irbid	7	Mecca St.	12	Durret Khalda	12	Ramallah	27
Ma'an	8	University of Jordan	6	Al Ruseifa	7	Hebron	18
Rumtha	7	Thirty St. /Irbid	7	Al Madina Al Monawara St./Tla'a Al Ali	9	Jenin	21
Al Turrah	5	Al Nuzha	9	Abu Alanda	9	Nablus	22
Salt	8	Al Hassan Industrial city	7	Khalda	9	Gaza	16
Jerash	9	Al Gardens	18	City Mall	14	Al Ram/Ramallah	8
Al Mahatta	7	Al Madina Al Monawara St.	7	Um Uthaina	9	Al Eizaryeh/Jerusalem	8
Al Yarmouk St./Al Nasser	8	Aqaba	12	Al Rabiyeh	9	Industrial Area/Ramallah	9
Marka	12	Al Bayader	9	Abdoun	11	Bethlehem	10
Ajloun	8	Industrial Area/Al Bayader	7	Al Hurrieh St./Mogablain	9	Tulkarm	9
Jabal Al Hussein	11	Al Mafraq	11	Al Rawnaq	11	Qabatiya	8
Al Khalidi	7	North Azraq	6	Sport City	7	Rafidia	7
Al Jubaiha	10	Jabal Al Weibdeh	8	Taj Mall	14	Al Naser	11
Commercial Market	9	Deir Abi Saeed	7	Abu Nsair	7	Al Eersal	5
Wadi Al Seer	6	Sweileh	10	North Hashmi	6	Al Braid Suburb / Jerusalem	6
Airport	6	Al Fuheis	7	Sahab	8	Al Tirah / Ramallah	8
Hakama St./Irbid	9	Tareq	11	Al Abdali Mall	12	Bahrain	8

*Temporarily closed for maintenance

1. c- Capital Investment Volume:

The Capital investment amounted to JD 9 million at the end of 2019 compared to JD 7.9 million at the end of 2018.

2. Subsidiaries:

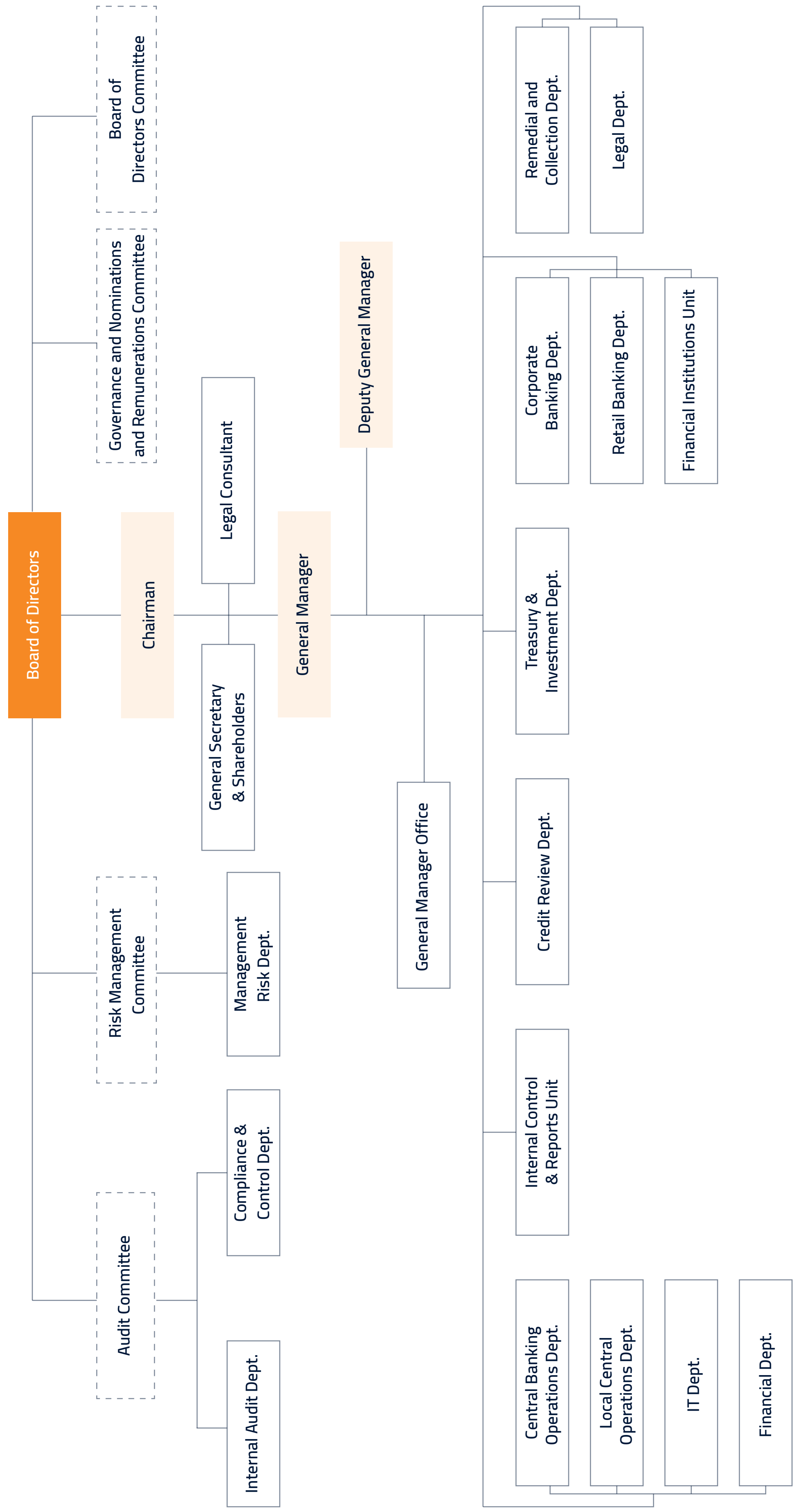
a. Bank of Jordan - Syria / Syrian Arab Republic

Name of Company	Bank of Jordan - Syria
Type of Company	Joint Stock Company
Date of Association	28/5/2008
Core Business	All Banking Operations
Paid-up Capital	SYP 3,000,000,000
Bank's Ownership Percentage	49%
Address	Sabaa Bahrat Square – Baghdad St. – Damascus P.O. Box 8058 Damascus – Syria Tel.: 00963-11-22900000 Fax: 00963-11-2317267
Number of Employees	228 employees
Projects Owned by the Bank and their Capitals	There are no projects owned

Branch Location and Number of Employees

Branch	Address	Tel.	Fax	P.O. Box	Number of Employees
Baghdad St. Branch	Damascus - Sabaa Bahrat Square	00963-11-22900100	00963-11-2317730	P.O. Box 8058 Damascus, Syria	10
Abu Rumaneh Branch	Damascus – Abu Rumaneh- Arab league Square	00963-11-3354500	00963-11-3354506	P.O. Box 8058 Damascus, Syria	11
Abaseen Branch	Damascus - Abaseen Square	00963-11-4438261	00963-11-4438267	P.O. Box 8058 Damascus, Syria	7
Jarmana Branch	Damascus Suburban – Jarmana – Al Raees Square	00963-11-5662273	00963-11-5659377	P.O. Box 8058 Damascus, Syria	7
Harasta Branch (Temporarily closed)	Damascus Suburban – Harasta	00963-11-5376711	00963-11-5376717	P.O. Box 8058 Damascus, Syria	None
Sahnaya Branch	Damascus Suburban – Daraa Highway	00963-11-22911300	00963-11-22911311	P.O. Box 8058 Damascus, Syria	7
Al Faisal St. Branch / Aleppo	Aleppo – Al Malek Faisal St.	00963-21-2228071	00963-21-2228071	P.O. Box 8058 Aleppo, Syria	7
Alazeziah Branch / Aleppo	Aleppo – Alazeziah Area – Alzahraa Cinema St.	00963-21-2122697	00963-21-2125672	P.O. Box 8058 Aleppo, Syria	7
Hamdanieh Branch / Aleppo (Temporarily closed)	Aleppo – Almartini Hotel – Hamdanieh	00963-21-5120152	00963-21-5120156	P.O. Box 8058 Aleppo,Syria	None
Homs Branch	Homs – Square 94 – Abou Tammam St.	00963-31-2220603	00963-31-2222305	P.O. Box 3058 Homs, Syria	7
Lattakia Branch	Lattakia - Al-Korneish Al-Gharbee St.	00963-41-2557623	00963-41-2556768	P.O. Box 58 Lattakia,Syria	12
Tartous Branch	Tartous – Al Thawra St.	00963-43-2313733	00963-43-2313793	P.O. Box 8058 Damascus, Syria	10
Al-Swaidaa Branch	Swaidaa – Qanawat St.	00963-16-324188	00963-16-324288	P.O. Box 88 Swaidaa, Syria	8

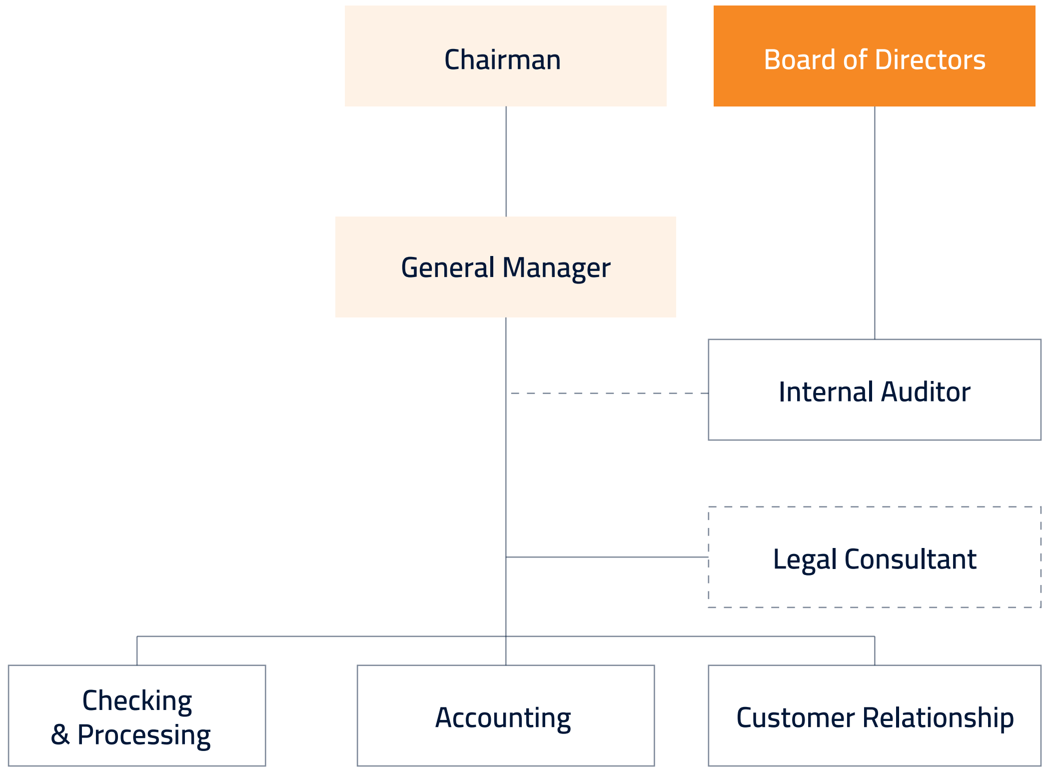
Organizational Structure / Bank of Jordan – Syria



b. Jordan Leasing Company - Limited Private Shareholding Company/ Hashemite Kingdom of Jordan

Name of Company	Jordan Leasing Company
Type of Company	Limited Private Shareholding Company
Date of Association	24/10/2011
Core Business	Financial Leasing
Paid-up Capital	JD 20,000,000
Bank's Ownership Percentage	100%
Address	Amman - Mecca St. - Al-Husseini Complex - Bldg. No.164 P.O. Box 2140 Amman 11181 Jordan Tel.: +962 6 5542697 Fax: +962 6 5542698
Number of Employees	4 employees
Branches	None
Projects Owned by Company and their Capitals	There are no projects owned

Organizational Structure / Jordan Leasing Company



C. Excel for Financial Investments Company - Limited Private Shareholding Company / Hashemite Kingdom of Jordan

Name of Company	Excel for Financial Investments Company
Type of Company	Limited Private Shareholding Company
Date of Association	23/3/2006
Core Business	Brokerage services (Buying and Selling Securities)
Paid-up Capital	JD 3,500,000
Bank's Ownership Percentage	100%
Address	Amman - Mecca St. - Al-Husseini Complex - Bldg. No. 164 P.O. Box 942453 – Amman 11194 – Jordan Tel.: +962 6 5519309 +962 6 5516809 Fax: +962 6 5519567
Number of Employees	7 employees
Branches	None
Projects Owned by Company and their Capitals	There are no projects owned

Organizational Structure / Excel for Financial Investments Company

3.a - Names and Resumes of Board of Directors:

Mr. Shaker Tawfiq Fakhouri
Chairman of the Board/Dedicated Representative of Al-Ekbal Jordanian General Trading (LLC).

Date of Birth: 14/11/1969 **Date of Membership:** 14/6/2001
Nature of Membership: Non-Executive/ Non-Independent

Educational Background:
– M.A. in Business Administration and Professional Accounting from Canisius College, Buffalo/ USA, 1995.
– B.A. in Economics from the University of Southern California/ USA, 1990.

Professional Experience:
- Chairman of the Board of Bank of Jordan, as of August 2007 to date.
- Chairman of the Board of Bank of Jordan - Syria From July 2015 until August 2019.
- Chairman & CEO of Bank of Jordan, as of August 2007 until January 2017.
- CEO of Bank of Jordan, as of August 2003 until January 2017.
- Deputy General Manager of Bank of Jordan, from December 1996 until August 2003.
- Executive Assistant to the General Manager of Bank of Jordan, from January 1995 until December 1996.
- Attended several advanced banking and leadership seminars and courses, including:
  ▪ The "Comprehensive Banking Operations" training program at Bank of Jordan branches, from February 1991 until January 1993.
  ▪ A specialized credit training course at the Headquarters of Manufacturers/ Hanover Bank, USA, from September 1990 until February 1991.

Other Current Board Memberships:
- Chairman of the Board of Directors of Excel for Financial Investments Co.
- Member of the Board of Trustees – King Abdullah II Center for Excellence.
- Board Member of the Middle East Company for Insurance.

Mr. Walid Tawfiq Fakhouri
Vice Chairman/ Representative of Al Tawfiq Investment House - Jordan

Date of Birth: 12/2/1972 **Date of Membership:** 18/4/2017
Nature of Membership: Non-Executive/ Non-Independent

Educational Background:
– M.A. in Business Administration from City University/ UK, 2000.
– B.A. in Science Marketing from Western International University/ UK, 1992.

Professional Experience:
- Chairman of the Board of Al-Tawfiq Investment House/ Jordan, as of 2007.
- Board member of Bank of Jordan from 17/02/2005 until 14/06/2015.
- Chairman of Petroeuropa/ Spain, as of 2014.
- Chief Executive Officer of JABA Inversiones Inmobiliarias / Spain, as of 2014.
- Chairman of the Board of the Arab Islamic Bank/ Palestine, from 2001 until 04/2016.
- Vice Chairman of Al-Ekbal Investment Company from 2009 until 08/2017.
- Vice Chairman of Excel for Financial Investments Company, from 23/03/2006 until 15/10/2014 and from 19/11/2014 until 18/04/2016.
- Member of the Executive Committee of the Islamic Corporation for Development of the Private Sector - Islamic Development Bank/ Jeddah, from 9/2009 until 2013.
- Assistant General Manager of Bank of Jordan, from 9/2003 until 4/2004.
- Managing Director of Arab Islamic Bank/ Palestine, from 9/1999 until 6/2001.
- Assistant General Manager of Bank of Jordan, from 4/1999 until 9/1999.
- Executive Manager of Bank of Jordan, from 7/1995 until 4/1999.

Other Current Board Memberships:
- Board member of Al-Ekbal Investment Company.

Former Board Memberships:
- The International Tobacco and Cigarettes Company.
- Zahrat Al Urdon Real Estate & Hotels Investments Company.
- Trust International Transport Company.
- Board Member of Jordan Express Tourist Transportation Company (JETT).
- Al-Yarmouk Insurance Company.
- Arab Union International Insurance Company.
- Industrial Development Bank.
- Al-Ekbal Printing and Packaging Company.

Professional Experience Gained Through Work in Private Business:
– A total of 17 years of experience in financial and investment services, including 10 years in the field of Islamic financial and investment services.

Dr. Mazen Mohammad Al-Basheir
Board Member/ Representative of Arab Gulf General Inv. & Transport Co.

Date of Birth: 6/7/1955 **Date of Membership:** 22/10/2008
Nature of Membership: Non-Executive/ Non-Independent

Educational Background:
– M.Sc. in Family Medicine, London University/ UK, 1990.
– Membership of the Royal College of Family Physicians/ UK, 1987.
– M.B, B.Ch. in Medicine from Cairo University/ Egypt, 1980.

Professional Experience:
- Founder and Director of the Jordan Center of Family Medicine, as of 10/1991.
- Family Physician in the private sector, as of 1992.
- Part-time Lecturer at Liverpool University, University of Jordan, Jordan University of Science and Technology, during the period between 1987 until 2000.
- President of the Jordanian Society of Family Physicians, serving several terms from 7/1993 until 2012.

Other previous Board Memberships:
-Board Chairman and Chief Executive Officer of the Consultant and Investment Group Company (Istishari Hospital) since 6/2007 until 1/2016.

Dr. Yanal Mawloud Zakaria
Board Member/ Representative of Al-Yamama for General Investments Co. (Limited Liability)

Date of Birth: 13/12 /1956 **Date of Membership:** 22/10/2008
Nature of Membership: Non-Executive/ Non-Independent

Educational Background:
– B.A. in Literature/ Philosophy and Social Studies from Beirut Arab University/ Lebanon, 1986.
– B.Sc. in Medicine and Surgery from Alexandria University/ Egypt, 1987.

Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali
Board Member/ Representative of Al-Araka for Investments Co.

Date of Birth: 6/7/1962 **Date of Membership:** 7/3/2009
Nature of Membership: Non-Executive/ Non-Independent

Educational Background:
– M.Sc. in Software Engineering (Computer Science/ Systems Analysis) from George Washington University, Washington D.C./ USA, 1985.
– B.Sc. in Mathematics & Military Sciences from The Citadel USA – The Military College of South Carolina/ USA, 1983.

Professional Experience:
- CEO of New Vision for Electronics as of 3/2015 until 10/2019.
– CEO of King Abdullah II Design and Development Bureau, from 7/2010 until 5/2014.
– CEO of Aqaba Development Corporation, from 1/2010 until 7/2010.
– General Manager of Saraya Aqaba, from 2/2007 until 12/2009.
– Revenues and Customs Commissioner in Aqaba Special Economic Zone Authority (ASEZA), from 1/2004 until 2/2007.
– Gulf Area Manager of Qatar for the Middle East Contracting Company, from 9/2002 until 12/2003.
– Tala Bay CEO, from 10/2000 until 9/2002.
– General Manager of Trans Jordan for Communications Services Company, from 5/1997 until 9/2000.
– General Manager of Al-Nisr for Advanced Telecommunications Company, from 2/1997 until 11/2003.
– Vast military experience, serving in the military, from 1985 until 1996.

Other Current Board Memberships:
- Chairman of the Jordanian Oil Terminals Company as of July 2019.
- Chairman of Jordan Investment Trust, as of October 2017.
- Member of the Board of Social Security Investment Fund, as of 4/2017.

Former Board Memberships:
- Chairman of the board of the King Abdullah II Design & Development Bureau (KADDB) from 12/2010 until 5/2014.
- Member of the Board of Injaz from 2016 until 2018.
- Member of the Board of Trustees - Mutah University from 2009 until 2018.
- Board Member of Jordan Investment Trust, as of July 2014 until October 2017.
- Member of the Board of Trustees - The Royal Tank Museum.
- Member of the Board of Trustees - Jordan University for Science and Technology (JUST).
- Member of the Board of Aqaba Water Company, from 1/2010 until 8/2010.
- Member of the Board of the Aqaba port and Containers Company, from 1/2010 until 8/2010.
- Member of the Board of Directors of Aqaba Airports Company, from 1/2010 until 8/2010.
- Member of the Board of Trustees - Applied Sciences University, from 1/2006 until 10/2009.
- ASEZA Commissioner, from 1/2004 until 2/2007.
- Board Member of Jordan Electricity Distribution Company, from 6/2006 until 3/2007.
- Board Chairman of Aqaba International School, from 6/2006 until 2/2007.
- Board Member of the Yemeni Payphone Company, from 9/1998 until 9/2000.
- Board Member of the Middle East Defense and Security Agency, from 8/1997 until 11/2003.
- Vice Chairman of the King Abdullah Special Operation Training Center (KASOTC), from 12/2010 until 2/2013.
- Member of Greater Amman Municipality Council, from 8/2010 until 8/2013.

Mr. Haitham Mohammed Samih Barakat
Board Member/ Representative of Al Lu'lu'a Trading & Investment Co.

Date of Birth: 1/5/1960 **Date of Membership:** 30/7/2015
Nature of Membership: Non-Executive/ Non-Independent

Educational Background:
– B.Sc. in Electrical Engineering from the Portland State University/ USA, 1984.

Professional Experience:
- General Manager of the Advanced Engineering Group/ Jordan, from 2007 until March 2018.
- Founder and partner of the Advanced Electrical Engineering Company/ Qatar, as of 2001 to date.
- CEO of Kuwait Electrical Poles & Lighting Industries Company WLL (KEPLIC)/ Kuwait, as of 1999 to date.
- Founder and CEO of the Qatar Electromechanical Company/ Qatar, from 1998 until September 2017.
- Deputy General Manager of the National Industries Company/ Jordan, from 1/2004 until 7/2004.
- Founder and CEO of Faddan Electromechanical Contracting Company/ Jordan, from 1994 until 1997.
- Deputy General Manager of Faddan for Trading and Contracting Company/ Kuwait, from 1984 until 1990.

Former Board Memberships:
- Board Member of Al-Saqr Insurance Company.
- Founding Member of the Clean Energy Company/ Jordan.
- Board Member of the United Cable Industries Company/ Jordan.
- Board Member of the Arab Islamic Bank/ Palestine.

Professional Experience Acquired from Private Business:
– Over 30 years of experience in Jordan, the Gulf, and the USA including founding and managing various engineering companies in several countries.

Other Professional Experience:
- Experience in project management and development.

Mr. Mohammad Anwar Hamdan
Board Member

Date of Birth: 5/12/1949 **Date of Membership:** 30/7/2015
Nature of Membership: Non-Executive/ Independent

Educational Background:
– MBA in International Management from Thunderbird University/ USA, 1979.
– B.A. in Accounting from the University of Jordan, 1973.

Professional Experience:
- Deputy General Manager of Bank of Jordan from 1/2007 until 6/2012.
- Assistant General Manager/ Credit Management/ Bank of Jordan, from 11/1994 until 1/2007.
- Assistant General Manager/ Credit Management/ Cairo Amman Bank, from 1/1990 until 11/1994.
- Senior Manager/ Credit Management/ Bank of Jordan, from 8/1985 until 12/1990.
- Assistant Manager for Investment & Branches/ Jordan Kuwait Bank, from 7/1979 until 8/1985.
- Senior Financial Analyst/ Central Bank of Kuwait, from 5/1976 until 5/1978.
- Financial Analyst/ Central Bank of Jordan, from 8/1973 until 5/1976.

Former Board Memberships:
- Board Member in Ready Mix Concrete & Construction Supplies Company - representing Bank of Jordan.
- Board Member in Baton for Concrete Blocks and Interlocking Tiles Company - representing Bank of Jordan.

Other Current Board Memberships:
- Membership of Investment Committee of the University of Jordan Fund.

Mr. Husam Rashed Manna'
Board Member

Date of Birth: 6/9/1963 **Date of Membership:** 30/7/2015
Nature of Membership: Non-Executive/ Independent

Educational Background:
-Master of Business Administration (MBA) from California State University, Chico 1989.
-Bachelor of Science, Business Administration from California State University, Chico 1987.

Professional Experience:
- Chief Commercial officer of Shams Ma'an Power Generation Co. from 10/2015 until 9/2017.
- Portfolio Manager/ Private business, as of 5/2004 to date.
- General Manager of Aqaba Manufacturing & Refining Vegetable Oils CO. (AMRV), from 5/2011 until 5/2013.
- Member of the Auditing Committee of Al Janoub Filter Manufacturing Company (AJFM), from 5/2008 until 10/2010.
- Portfolio Manager at Arab Banking Corporation/ Investment Department, from 3/2002 until 4/2004.
- Corporate Head/ Manager at Arab Banking Corporation/ Credit Facilities Department, from 9/2000 until 2/2002.
- Senior International Credit Officer/ Supervisor at Arab Bank Plc./ Credit Facilities Division – Int'l Branches & Assoc. Co.'s, from 7/1994 until 5/2000.
- Credit Officer/ Section Head at Arab Bank Plc. – Mahatta Branch/ Credit Facilities Dept., from 6/1991 until 6/1994.
- Account Executive at Metropolitan Life - San Francisco/ California, USA, from 6/1989 until 6/1990.

Former Board Memberships:
- Member of the Board of Directors of Al Janoub Filter Manufacturing Company (AJFM) from 5/2008 until 10/2010.
- Member of the Board of Directors of Real Estate Investment Compound Company from 3/2002 until 4/2004.

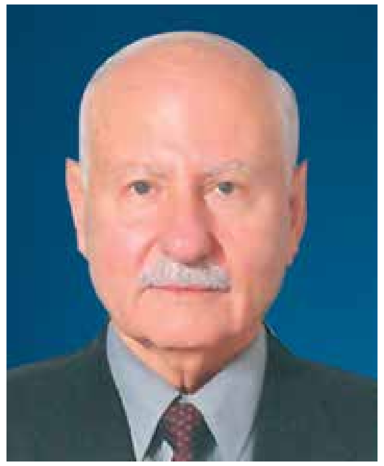
Mr. Walid Mohammad Al-Jamal
Board Member/ Representative of Al Pharaenah Int'l for Industrial Investments Co.

Date of Birth: 9/4/1971 **Date of Membership:** 12/1/2017
Nature of Membership: Non-Executive/ Non-Independent

Educational Background:
- Master of Business Administration in Professional Accounting, from Canisuis College, Buffalo/ USA, 1995.
- B.A. in Accounting from the university of Jordan/ Jordan, 1992.

Professional Experience:
- CEO of Jordan Decapolis Properties Company, as of 9/2014 to date.
- Director of Finance and Administration, First Jordan Investment Company, from 2011 until 2013.
- Deputy CEO for Finance and Administration/ MGC/ Saudi Arabia, from 2007 until 2011.
- Financial Controller and HR Director, Dar Al-Dawa Group, from 2001 until 2007.

Other Current Board Memberships:
- Chairman of the Board of Directors of Jordan Dubai Properties for Land Development Company.
- Chairman of the Board of Directors of Jordan Eye for Tourist Resorts Company.
- Chairman of the Board of Directors of Jordan Dubai for Specialized Tourist Resorts Company.
- Chairman of the Board of Directors of Aman Jordan Decapolis for Tourism Investments Company.
- Chairman of the Board of Directors of South Dead Sea Development for Specialized Resorts Company.
- Chairman of the Board of Directors of Ahyaa Amman for Hotel Investments Company.
- Chairman of the Board of Directors of Ahyaa Al Asimah for Tourist Investments Company.
- Chairman of the Board of Directors of Ahyaa Al Asimah for Real Estate Investments Company.
- Chairman of the Board of Directors of Ahyaa Al Asimah for Specialized Investments Company.
- Chairman of the Board of Directors of Eagle Group International Investment.
- Vice Chairman of the Board of Directors of Jordan Decapolis Properties Company.
- Chairman of the Board of Directors of Ahyaa Amman Real Estate Development Company.
- Chairman of the Board of Directors of Al Rashad Industrial Investments Company.
- Board Member of Al Daman Al-Mumayaz Tourism Investments Company.
- Board Member of Ma'in Hot Springs Resort Company.



Mr. Walid Rafiq Anabtawi
Board Member

Date of Birth: 30/3/1944 **Date of Membership:** 17/4/2017
Nature of Membership: Non-Executive/ Independent

Educational Background:
- B.A. in Accounting, from Alexandria University/ Egypt, 1968.

Professional Experience:
- Assistant General Manager - Investment and Branches Management/ Bank of Jordan/ Jordan, from Apr 2004 until Oct 2005.
- Assistant General Manager/ Bank of Jordan/ Jordan - Organization, Operations, and Automation Management, from Oct 2001 until Jun 2003.
- Executive Manager/ Bank of Jordan/ Jordan - Organization, Operations, and Automation Management, from Jan 1992 until Oct 2001.
- Manager of Internal Audit/ Bank of Jordan/ Jordan, from Mar 1990 until Jan 1992.
- Assistant Head at A department – Banks Supervision Department – Central Bank of Jordan/ Jordan, from Jul 1986 until Mar 1990.
- Senior Assistant Manager – Internal Audit Department/ Arab National Bank – Saudi Arabia, from Feb 1983 until Jun 1986.
- Supervisor/ Banking Supervision Department, Central Bank of Jordan/ Jordan, from Jul 1976 until Feb 1983.
- Division Assistant Head/ Arab Bank/ Amman Branch/ Jordan, from May 1969 until Jul 1976.
- Accountant – Accounting Department/ Royal Jordanian/ Jordan, from Oct 1968 until May 1969.
- Took part in and helped organize over 50 training workshops inside and outside Jordan.

Other professional Experience:
Extensive administrative experience in leading financial institutions including:
- Developing work procedures and control measure to ensure competence and effectiveness.
- Supervising the development and application of E-banking systems.
- Diverse experience in internal audit and internal control systems.

Mr. Wissam Rabee' Saab
Board Member

Date of Birth: 1/8/1981 **Date of Membership:** 17/4/2017
Nature of Membership: Non-Executive/ Independent

Educational Background:
- B.A. in Business Computer (Minor Mathematics), from Lebanese American University (L.A.U.)/ Beirut, Lebanon, 2005.

Professional Experience:
- Investment Manager, Zahran Group, Riyadh/KSA, Investment Management Dept., from Jan 2012 to date.
- Investment Advisor, DARFIN CAPITAL, Riyadh KSA, International Markets, Asset Management Dept. from Jun 2009 until Dec 2011.
- Investment Advisor, Abu Dhabi Commercial Bank (ADCB), Dubai, Private Banking & Wealth Management, from Jan 2008 until Oct 2008.
- Senior Relationship Manager, Abu Dhabi Commercial Bank (ADCB) Abu Dubai/ UAE, Private Banking & Wealth Management, From Apr 2007 until Dec 2007.
- Relationship Manager, Abu Dhabi Commercial Bank (ADCB), Dubai, private Banking & Wealth Management from Mar 2005 until Mar 2007.
- Sales Agent, American Life Insurance Company (ALICO), Lebanon, from Jul 1999 until Jan 2005.
- Insurance Broker, Fidelity General Insurance Co. – Beirut, Lebanon, from Jan 2001 until Dec 2003.
- Investment Agent, Investa Co. (Agents for Zurich Financial Services) - Beirut, Lebanon, from Jul 2001 until Dec 2001.
- Computer Assistant, LAU - Beirut, Lebanon, from Oct 1999 until Jun 2000.

b- Names and Resumes of Senior Executive Managers

Mr. Saleh Rajab Hammad
Chief Executive Officer

Date of Birth: 27/7/1962 **Date of Appointment:** 27/7/2015

Educational Background:
– B.Sc. in Computer Science from University of Jordan, 1985.

Professional Experience:
- Chief Executive Officer as of 22/03/2018 to date.
- Acting General Manager/CEO from 13/1/2017 until 21/03/2018.
- AGM/ Chief Risk Officer, and Board Secretary, at Bank of Jordan from 27/7/2015 until 12/1/2017.
- AGM/ Chief Risk Officer, and Board Secretary at Bank of Jordan, from 15/12/2014 until 28/5/2015.
- Executive Manager/ Compliance and Risk Department, and Board Secretary, at Bank of Jordan, from 1/2009 until 12/2014.
- Manager of Compliance and Operational Risk Department at Bank of Jordan, from 12/1994 until 12/2008.
- Long-standing experience in auditing and operations.
- Attended several courses on risk management and the Basel requirements organized in Jordan and abroad.
- Holds several professional certificates including CCO, and CORE certificates.

Other Current Board Memberships:
- Chairman of the Bank of Jordan – Syria.
- Chairman of the Jordan Leasing Company.
- Vice Chairman of Excel for Financial Investments Company.
- Board Member of Al-Ekbal Investment Co. (PLC.).
- Board Member of Jordan Payment and Clearing Co. (Jo - PACC).

Dr. Nasser Mustafa Khraishi
AGM/ Chief Operating Officer

Date of Birth: 25/4/1962 **Date of Appointment:** 9/4/2014

Educational Background:
- PhD in Electrical Engineering/ Control Theory/ Stanford University/ USA, 1990.
- M.Sc. in Engineering Economic systems/ Stanford University/ USA, 1985.
- B.Sc. in Electrical Engineering/ Kuwait University/ Kuwait, 1984.

Professional Experience:
- AGM/ Chief Operating Officer/ Bank of Jordan, as of December 2014 to date.
- Executive Manager/ Capital Markets Departmen/ Bank of Jordant, from April 2014 until December 2014
- General Manager/ Monere LLC/ California, from 2011 until 2014.
- Assistant General Manager/ Operations and Information Systems/ Bank Al Etihad, from 2009 until 2011.
- Assistant General Manager/ Information Systems/ Jordan Kuwait Bank, from 2004 until 2009.
- Held several executive senior positions in several research and consulting firms offering services in Information Systems/ USA, from 1988 until 2004.

Other Current Board Memberships:
- Board Member of Excel for Financial Investments Company.

Former Board Memberships
- Board Member of Al-Ekbal Investment Co. (PLC).

Mr. Osama Samih Sukkari
Legal Advisor

Date of Birth: 27/4/1955 **Date of Appointment as a Legal Advisor:** 28/4/2015

Educational Background:
– B.A. in Law from Beirut Arab University/ Lebanon, 1977.

Professional Experience:
- Legal Advisor of Bank of Jordan as of April 2015 to date.
- Legal Advisor & Head of legal Department, Bank of Jordan as of April 1994 to April 2015.
- Extensive experience in Legal consultations and lawsuits, as of 1981.

Other Current Board Memberships:
- Board Member of Bank of Jordan – Syria.
- Board Member of Axantia Company – UAE.

Former Board Memberships:
- Vice Chairman of the Board of Directors of Jordan Leasing Company.
- Member of the Insurance Council of the Social Security Corporation.
- Board Member of Excel for Financial Investments Company.
- Board Member of Al-Mowahadah for Transportation Company.
- Board Member of the National Industries Company.
- Board Member of Al-Takamolyeh Investments Company.
- Board Member of Al-Shamikha for Real Estate Investments Company.
- Board Member of Pharma International Company.

Mr. Nader Mohammad Sarhan
Executive Manager/ Chief Risk Officer
Board Secretary

Date of Birth: 7/10/1967 **Date of Appointment:** 2/4/2017

Educational Background:
- M.A. in Accounting from the Arab Academy for Banking and Financial Sciences/Jordan, 2002.
- B.A. in Accounting from Mansoura University/Egypt, 1990.

Professional Experience:
- Executive Manager / Chief Risk Officer at Bank of Jordan, as of 26/9/2019 to date.
- Executive Manager /Chief Risk Officer at Bank of Jordan, from 24/4/2017 until 25/9/2019.
- Certified Board of Directors Certified program, 2018 from international finance corporation (IFC).
- FATCA Responsible Officer as of 7/2017 to date.
- Board Secretary as of 18/4/2017 to date.
- Executive Manager /Credit Review Management /Bank of Jordan, from 2 /4/2017 Until 23/4/2017.
- Executive Manager /Credit Review Management /Bank of Jordan, from 15/12/2014 Until 28/1/2017.
- Manager / Credit Department (Corporate, commercial, branches abroad)/Bank of Jordan, from 21/4/2013 until 14/12/2014.
- Manager / Credit Department (Corporate and branches abroad)/Bank of Jordan, from 27/4/2009 until 20/ 4/2013.
- Manager / Corporate Credit Risk Department /Bank of Jordan, from 28/ 10/2007 until 26/4/2009.
- Manager / specialized finance / Housing Bank for Trade and Finance, from 7/9/ 2003 until 28/10/2007.
- Head of the Corporate Accounts/Jordan Commercial Bank, from13/10/2002 until 6/9/2003.
- Commercial Credit Officer in the Housing Bank from 28/ 5/ 1998 until 12/10/ 2002.
- Loan Officer in the Housing Bank from 3/ 5/ 1992 until 27/5/1998.

Mr. Khaled Atef Abu Jawid
Executive Manager/ Retail Banking Management

Date of Birth: 23/2/1970 **Date of Appointment:** 1/12/2015

Educational Background:
-Master Business Administration from al Zaytonah University / Jordan, 2011.
-Bachelor Financial management from Amman al ahliya University / Jordan, 1994.

Professional Experience:
- Executive Director / Retail Banking Department at Bank of Jordan as of 12/2015 To date.
- Director of Retail Banking Department / Arab Bank from 2012 until 2015.
- The region manager in the Arab Bank from 2010 until 2012.
- Manager / employee of several positions in the Arab Bank from 1994 until 2010.

Other Current Board Memberships:
- Financial solution for mobile payments Company.
- MEPS -Palestine Company.

Mr. Hatem Nafi' Foqahaa
Regional Manager/ Palestine Branches Management

Date of Birth: 4/5/1965 **Date of Appointment:** 28/1/1992

Educational Background:
-M.A. in Accounting/ University of Jordan/ Jordan, 1993.
-B.A. in Accounting/ Birzeit University/ Palestine, 1989.

Professional Experience:
- Regional Manager/ Palestine Branches Management/ Bank of Jordan, as of 1/2015 to date.
- Acting Regional Manager/ Palestine Branches Management/ Bank of Jordan, from 3/2014 until 1/2015.
- Assistant Regional Manager/ Palestine Branches Management/ Bank of Jordan, from 7/2012 until 3/2014.
- Credit Manager/ Palestine Branches/ Bank of Jordan, from 8/2010 until 7/2012.
- Manager/ Ramallah Branch/ Bank of Jordan, from 9/2001 until 8/2010.
- Assistant Manager/ Ramallah Branch/ Bank of Jordan, from 5/1999 until 9/2001.
- Supervisor of the Letters of Credit and Guarantee Department/ Bank of Jordan, from 10/1996 until 5/1999.
- Letters of Credit and Guarantee Officer/ Bank of Jordan, from 1/1992 until 10/1996.

Mr. Turki Yousef Al-Jabour
Executive Manager/ Internal Audit Department

Date of Birth: 9/10/1952 **Date of Appointment:** 1/11/1994

Educational Background:
– B.A. in Accounting from the University of Jordan, 1976.

Professional Experience:
– Vast experience in auditing and banking, including:
- Executive Manager/ Internal Audit Department, Bank of Jordan as of January 2012 to date.
- Manager of Internal Audit Department at Bank of Jordan, from January 2009 until December 2011.
- Manager of Bank of Jordan/ Amman Branch, from April 2006 until December 2007.
- Manager of Internal Audit Department at Bank of Jordan, from November 1994 until April 2006.
- Senior Inspector at Cairo Amman Bank, from January 1987 until October 1994.
- Huge experience in auditing and accounting gained through years of work with major auditing firms, including :
  - Auditor at Shair and Partners Company from December 1985 until June 1987
  - Auditor at Mohammed Fares Saleh Office from January 1984 until April 1985
  - Head of department at the National Bakeries Company from May 1980 until March 1983
  - Head of department at Steel Fabrication Company from May 1977 until May 1980
- Lecturer on Banking Operations and Auditing at training courses organized by Bank of Jordan.
- Attended several advanced courses and seminars on administration and banking.

Mr. Ra'f Yousef Abu Dahoud
Executive Manager/Commercial Business Development Department

Date of Birth: 8/12/1968 **Date of Appointment:** 27/6/2016

Educational Background:
- Bachelor in Accounting , Yarmouk University/Jordan, 1994.

Professional Experience:
- Executive Manager/Commercial Business Development Dept. at Bank of Jordan as of June/2016 to date.
- Executive Manager/Commercial Business Development Dept. at Bank of Jordan from septemper 2008 to April 2016.
- Manager / Small and Medium Enterprises Dept. at Bank al Etihad from 2001 until 2008.
- Credit Facilities Manager / Shmeisani branch at Bank al Etihad from 1999 until 2001.
- Inspector in the Audit Department / Head Office at Bank al Etihad from October 1997 until October 1999.
- Head of the Bills Section /Ramtha Branch at Bank al Etihad from September 1994 until October 1997.

Membership in other Boards of Director:
- Vice Chairman of the Jordan Leasing Company.
- Board Member of Excel Investment Company

Mr. Omar Ahmad Mustafa
Executive Manager/Corporate Business Development Department

Date of Birth: 18/5/1969 **Date of Appointment:** 24/7/2011

Educational Background:
- M.A. in International Trade, from Jordan Institute of Diplomacy/University of Jordan/ Jordan, 2003
- B.A. in Business Administration, Mutah University/Jordan, 1990.

Professional Experience:
- Executive Manager – Corporate Business Development Department at Bank of Jordan as of 24/7/2011 to date.
- Executive Manager – Corporate Business Development Department at Bank of Jordan from 2/11/2008 until 3/5/2009.
- Held senior positions in credit management at Arab Bank Group from 1992 until November 2008.
- Experience in Trade Finance and Credit at Arab Bank Group
- Participated in specialized training courses in banking Majors.
- Earned the Certified Lender Business Banker (CLBB) certification in 2005 from the Institute of Certified Bankers/the Arab Academy for Banking and Financial Sciences.

Mr. Mohammad Hikmat AlSawalqa
Executive Manager/Corporate Business Development Department

Date of Birth: : 9/3/1971 **Date of Appointment:** 22/3/2015

Educational Background:
- B.A Economic Graduated 1994 from Yarmouk University.

Professional Experience:
- Executive Manager/ corporate Banking Group /Bank of Jordan as of March /2015 to date.
- AVP / Corporate Banking Group / United Arab Bank/ UAE from June 2010 until March 2015.
- Team Leader-Large Corporate Banking / Arab Banking Corporation, Jordan from June 2009 until May 2010.
- commercial center manager / Commercial Bank of Dubai, United Arab Emirates- from October 2004 until October 2008.
- Deputy Branch manager & corporate manager for Two Branches / Commercial Bank International from October 1998 until October 2004.
- Credit Officer / Arab banking Corporation, Jordan from June 1995 until October 1998.

Mr. Rami Jamal Mahmood
Executive Manager/Commercial Business Development Dept.

Date of Birth: : 20/12/1977 **Date of Appointment:** 21/11/2019

Educational Background:
- M.A. in Business Administration (Specialization: Strategic Management), from York University, Canada, 2017.
- M.A. in financial management from Arab Academy for Banking and Financial Sciences, Jordan 2001.
- B.A. in Business Administration from the Hashemite University, Jordan,1998.

Professional Experience:
- Executive Manager/Commercial Business Development Dept. at Bank of Jordan as of 11/2019 to date.
- Manager Commercial Financial Services at the Royal Bank of Canada from 29/ 5/2017 until 01/11/2019.
- Senior Executive Manager / Head of Large Corporate Banking at Qatar International Islamic Bank / Qatar from 2011-2015.
- Deputy Head of Corporate Banking at Qatar International Islamic Bank / Qatar from 2006-2011.
- Senior Corporate Relationship Manager at Qatar International Islamic Bank / Qatar from 2003-2005.
- Section Head / Credit Facilities Department, at Bank of Jordan from 1/5/1999 – 24/11/2003.
- Credit Analyst / Credit Facilities Department, at Bank of Jordan from 25/10/1998 - 30/4/1999.
- Certified Lender Business Banker from American Bankers Association/The Institute of Certified Bankers, 2005

Mr. Mousa Yousef Mousa
Treasurer/ Treasury & Investment Department

Date of Birth: 13/2/1980 **Date of Appointment:** 31/3/2016

Educational Background:
– B.A. in Accounting/Al Zaytoonah University/ Jordan, 2002.

Professional Experience:
- Treasurer/ Treasury and Investment Department/ Bank of Jordan, as of 3/2016 to date.
- Treasurer/ Treasury and Investment Department/ Bank of Jordan, as of 3/2014 to 1/2016.
- Chief Dealer/ Treasury and Investment Department/ Bank of Jordan, from 2009 until 2014.
- Dealer assistant / Treasury And Investment Department, Bank of Jordan from 2007 until 2009.
- Dealer/ Treasury and Investment Department/ Cairo Amman Bank, from 2002 until 2006.

Mrs. Lana Fayez Al-Barrishi
Manager/ Compliance Department

Date of Birth: 30/7/1980 **Date of Appointment:** 29/11/2015

Educational Background:
- B.A. in Business Administration /University of Jordan/Jordan, 2002.

Professional Experience:
- Manager / Compliance Department/Bank of Jordan, as of November 2015 to date.
- Manager / Compliance Department/Bank of Jordan, from January 2015 until September 2015.
- Manager /Compliance and Operational Risk Department /Bank of Jordan, from June 2014 until December 2014.
- Officer/ Corporate Governance / Bank of Jordan.
- Head of the Anti-Money Laundering and Combating Financing Terrorism Unit/Bank of Jordan, from 2011 until June 2014.
- Officer/the Anti-Money Laundering and Terror Financing Unit/Cairo-Amman Bank, from 2006 until 2011.
- Customer Service Officer/Cairo Amman Bank, from 2002 until 2006.
- Certified Anti – Money Laundering specialist CAMS.
- Certified Anti- Corruption Manager CACM.
- ICA certified from International Compliance Association.
- Board of Directors Certified program, 2019 from International Finance Corporation (IFC).

Mr. Hani Hasan Mansi
Manager/ Financial Control Management

Date of Birth: 30/6/1981 **Date of Appointment:** 1/2/2015

Educational Background:
– Bachelor degree in Accounting, Applied Sciences University, 2005, Amman, Jordan.

Professional Experience:
- Manager/ Financial Control Department/ Bank of Jordan as of March 2016 to date.
- Acting Manager/ Financial Control Department/ Bank of Jordan as of February 2015 to February 2016.
- Manager – External Audit Division – Deloitte & Touche M.E, Amman/ Jordan from June 2012 until 2014.
- Assistant manager - External Audit Division - Deloitte & Touche M.E, Amman/ Jordan from December 2011 until May 2012.
- Supervisor - External Audit Division - Deloitte & Touche M.E, Amman/ Jordan from December 2010 until November 2011.
- Senior 2 - External Audit Division - Deloitte & Touche M.E, Amman/ Jordan from June 2010 until November 2010.
- Senior 1 Auditor - External Audit Division - Deloitte & Touche M.E, Amman/ Jordan from June 2009 until May 2010.
- Acting Senior Auditor - External Audit Division - Deloitte & Touche M.E, Amman/ Jordan from June 2008 until May 2009.
- Semi Senior Auditor - External Audit Division - Deloitte & Touche M.E, Amman/ Jordan from June 2007 until May 2008.
- Junior level - External Audit Division - Deloitte & Touche M.E, Amman/ Jordan from December 2005 until May 2007.

Other Professional Experience:
- Financial Consultant – Binladin Holding Company, Jeddah/ Saudi Arabia from 2014 until 2015.

Other Current Board Memberships:
- Board Member of Jordan Leasing Company.
- Board Member of Excel for Financial Investments Company.

Mr. Yousef Mousa Abu Humaid
Manager /Central Operations Management As of 24/11/2019

Date of Birth: 15/1/1980 **Date of Appointment:** 4/10/2015

Educational Background:
- M.A. in Accounting / Arab Academy for Management Banking and Financial Sciences/Jordan, 2004.
- B.A. in Accounting/ Bethlehem University/ Palestine, 2002.

Professional Experience:
- Manager /Central Operations Management/ Bank of Jordan as of 11/ 2019 to date.
- Manager / Organization Dept. / Bank of Jordan from 10/ 2015 until 11/ 2019.
- Manager / Organization Dept. / Bank of Jordan from 3/ 2013 until 7/ 2015.
- Unit Manager Operations Engineering Department/ Central Operations Dept. /Bank of Jordan, from 1/ 2009 until 3/2013.
- Unit Head Operations Engineering Department/ Central Operations Dept. /Bank of Jordan, from 7/ 2005 until 12/2008.
- Deposit Officer / Customer Service/Bank of Jordan, from 5/ 2004 until 7/2005.
- Accounting Officer/ Bank of Jordan, from 3/ 2003 until 5/2004.

Mrs. Sahar Shafek Al-Ziadat
Executive Manager / Human Resources Department, (Acting)

Date of Birth: 26/9/1984 **Date of Appointment:** 18/12/2017

Educational Background:
- B.A. in Industrial engineering/University of Jordan/Jordan, 2007.

Professional Experience:
- Executive Manager / HR Department (Acting) at Bank of Jordan, as of March 2019 to date.
- HR Business Partnership / HR Department Bank of Jordan from 18/12/2017 until 18/03/2019.
- Human Resource Development and Administration Manager / Airport International Group from 20/6/2010 until 12/10/2017.
- Senior Business Analyst / Business Insights Consultancy from 11/2/2007 until 03/06/2010.

Mr. Nasser "Mohammad Saleh" Obaid
Executive Manager / Human Resources Department Until 18/3/2019

Date of Birth: : 7/4/1968 **Date of Appointment:** 4/11/2018

Educational Background:
- M.A. in Human Resources and Employee Relations /Penn State University/ pennsylvania USA, 2017.
- B.A. of science in Business Management Human Resources Major /Indiana University/ USA, 1997.

Professional Experience:
- Executive Manager / HR Department/Bank of Jordan, From November 2018 until 18/3/2019.
- Executive manager / HR Department/Reza Company KSA, from 2015 until 2017.
- Executive manager / HR Department/Nadec Company KSA, from 2011 until 2015
- Executive manager / HR Department/Pepsico Company KSA, from 2007 until 2010.
- Regional Manager/ HR Department/Baker Hughes Company USA from 1998 until 2006.

Mr. Dumam Mohammad Khraisat
Executive Manager/ Central Operations Management Until 30/9/2019

Date of Birth: 20/12/1972 **Date of Appointment:** 2/7/2015

Educational Background:
– M.A. in Accounting from University of Jordan/ Jordan, 1996.
– B.A. in Accounting from University of Jordan/ Jordan, 1994.

Professional Experience:
- Executive Manager/ Central Operations Management/ Bank of Jordan From July 2015 until 30/9/2019
- Executive Manager/ Central Operations Management/ Bank of Jordan from March 2015 until May 2015.
- Manager Processes Reengineering Department/ Bank of Jordan, from November 2005 until February 2015.
- Manager/ Operations Engineering Department/ Bank of Jordan, from June 2005 until November 2005.
- Manager/ Banking Operations Department/ Bank of Jordan, from 1/6/2005 until 13/6/2005.
- Head of the Program Testing Unit/ Bank of Jordan, from August 2004 until May 2005.
- Branch Assistant Manager/ Bank of Jordan/ Marka Branch, from November 2003 until August 2004.
- Supervisor/ the Branches Management Department/ Bank of Jordan, from October 2002 until November 2003.
- Internal Auditor/ Internal Audit Department/ Bank of Jordan, from March 1998 until October 2002.
- Internal Auditor/ Internal Audit Department/ Cairo Amman Bank, from 1994 until 1998.

4. Shareholders who own 1% or more of the Bank's shares (2019 & 2018):

Name	Nationality	No. of Shares 2019	Percentage 2019	No. of Shares 2018	Percentage 2018	The ultimate beneficiary of shares 2019	No. of Shares mortgaged 2019	Percentage Shares mortgaged 2019	mortgage lenders 2019
Mrs. Maha Nasri Khalil Nasser	Jordanian	3,000,000	1.500%	3,000,000	1.500%	Herself	None	-	-
Mr. Hussni Jalal AlKurdi	Jordanian	3,914,653	1.957%	3,914,653	1.957%	Himself	None	-	-
Mr. Shaker Tawfiq Fakhouri	Jordanian	5,391,490	2.695 %	5,391,490	2.695%	Himself	None	-	-
Mrs. Awatef Mohammed Almasri	Jordanian	5,603,838	2.802%	5,603,838	2.802%	Herself	None	-	-
Mr. Graeme Allah bin Raddad Al-Zahrani	Saudi Arabia	8,033,561	4.016%	8,033,561	4.016%	Himself	None	-	-
Libyan Foreign Bank	Libyan	9,090,909	4.545%	9,090,909	4.545%	Himself The capital is fully owned by the Central Bank of Libya	None	-	-
ALARRAKKA FOR GENERAL INVESTMENTS	Cayman Islands	12,231,424	6.115%	12,231,424	6.115%	Tawfiq Shaker Fakhouri	None	-	-
AL EQBAL FOR GENERAL INVESTMENTS	Cayman Islands	16,000,000	8%	16,000,000	8%	Tawfiq Shaker Fakhouri	None	-	-
ALYAMAMA FOR GENERAL INVESTMENTS	Cayman Islands	17,371,178	8.685%	17,371,178	8.685%	Tawfiq Shaker Fakhouri	None	-	-
AL LOLOUA FOR GENERAL INVESTMENTS	Cayman Islands	18,000,000	9%	18,000,000	9%	Tawfiq Shaker Fakhouri	12,150,000	67.5%	Housing Bank
ARAB GULF FOR GENERAL INVESTMENTS	Cayman Islands	18,000,000	9%	18,000,000	9%	Tawfiq Shaker Fakhouri	12,150,000	67.5%	Housing Bank
Al Pharaenah Int'l for Industrial Investments Co.	Jordanian	19,765,863	9.882%	19,765,863	9.882%	Dima bint Ghaith bin Rashad Pharaon Hala bint Abdelrahman bin Pharaon Wael bin Ghaith bin Rashad Pharaon	1,251,153	6.329%	Jordan Commercial Bank / Main Branch

5. Competitive Position of the Bank and its Market Share:

Mentioned within the Bank's achievements in 2019 (page 21).

6. There is no depedence on specific suppliers or key clients (wether locally or aboard), who account for 10% or more of the Bank's total purchases and/or sales.

7. The Bank does not have any governmental protection, or any privileges, nor do any of its products or services, as stated by laws and regulations or others.

- The Bank has not obtained any patents or concession rights.

8. There are no decisions issued by the government or international organizations or any other entity that would have any material effect on the Bank's operations, products, or competitive capabilities.

- The Bank adheres to all laws, regulations, and international standards that are related to its business.
- International Quality Standards do not apply to the Bank.

9. A- An Organizational Structure of the Bank and its Subsidiaries:

- Bank of Jordan Organizational Structure can be found on the last page, number (256).
- Bank of Jordan – Syria Organizational Structure can be found on (page 205).
- Jordan Leasing Company Organizational Structure can be found on (page 206).
- Excel for Financial Investments Company Organizational Structure can be found on (page 207).

B. Number of Employees and Educational Qualifications:

Academic Qualification	No. of Employees/ Bank of Jordan	No. of Employees/ Bank of Jordan–Syria	No. of Employees/ Jordan Leasing Co.	No. of Employees/ Excel for Financial Investments Co.
PhD	4	-	-	-
Master's Degree	92	8	1	1
Higher Diploma	4	1	-	-
Bachelor's Degree	1,436	162	2	5
Diploma	227	28	-	-
General Secondary Education	60	15	-	-
Pre-Secondary Education	76	14	1	1
Total	**1,899**	**228**	**4**	**7**

C. Details of Training Programs in 2019:

Description	No. of Courses	No. of Participants
In-house Courses (organized by the Bank's Training Department)	73	5,253
External Courses	73	145
Total	**146**	**5,398**

Areas of Training:

Topic	No. of Courses	No. of Participants
Banking	59	2,699
Compliance & Risk Management	23	2,021
Administrative Skills	17	469
Marketing and sales skills	2	98
Computer	10	23
Professional Certificates	10	14
Financial, Auditing and Investment	9	10
Legal	1	1
Others	15	63
Total	**146**	**5,398**

10. Description of Risks:

Mentioned within the corporate governance on (page 245). These risks include:

Credit Risk:

This risk arises from the probable inability and/or lack of desire of the borrower or third party to fulfill its obligations in a timely manner. These risks include on-consolidated financial statements items such as loans and bonds, and off-consolidated financial statements items such as guarantees and/or documentary credits causing financial losses to the Bank.

Operational Risk:

This risk arises from the inefficiency or failure of internal operations, employees, or systems or may stem from external events including legal risks.

Liquidity Risk:

Represents the Bank's inability to make the necessary funding available to meet its obligations on their maturity dates or to finance its activities without incurring high costs or losses. Moreover, liquidity risks are divided into two types:

- **Funding Liquidity Risk**

This risk represents the Bank's inability to change assets into cash – such as the collection of receivables – or to obtain funding to meet its obligations.

- **Market Liquidity Risk**

This risk represents the Bank's inability to sell the asset in the market or selling the asset at a huge financial loss due to weak liquidity or demand in the market.

Market risks:

These risks represent the exposure of the positions on and off the Bank's Consolidated Statement of Financial Position to losses as a result of price fluctuations in the market. This includes the risks arising from the volatility of interest rates and stock prices of investment portfolios, both for the purpose of trading or exchange and include the following:

- Interest rate risks
- Currency exchange rate risks (Dealing with Foreign Currency)
- Fluctuation in share price risks
- Goods Risks

Market risks arise from:

- Changes that may occur in the political and economic conditions in the markets.
- Fluctuations in interest rates.
- Fluctuations in the prices of financial instruments, held for future buying and selling.
- Gaps in the maturities of assets and liabilities and interest rate re-pricing.
- Holding of uncovered positions.

Interest Rate Risk:

This risk arises from the probable impact of changes in interest rates on the value of other financial assets. The Bank is exposed to the interest rates due to a mismatch or a gap in the amounts of assets and liabilities, according to the various time limits or review of interest rates in a certain period.

Foreign Currency Risks:

These risks arise from changes in the values of financial instruments as a result of fluctuations in the prices of foreign currencies using good policy to manage its foreign currency positions.

Share Price Risks:

These risks result from the changes in the fair values of investments in shares.

Information Security Risk:

Defined as any potential threat that may lead to failure in confidentiality, availability, and integration of the Bank's information.

Compliance Risk:

This arises from the probable failure of the Bank to comply with (violate/transgress) the prevailing laws, regulations, instructions, banking laws and code of ethics issued by the international and local regulatory bodies, including the Bank's internal policies.

11. Bank Achievements in 2019:

Mentioned in the Board of Directors' Report under a separate section (page 19), supported with figures and a description of the Bank's main events in 2019.

12. There is no financial impact of non-recurring operations during 2019 and no intervention in the Bank's main activities.

13. Realized Profits/Losses, Dividends, Bank Shareholders' Equity, and the Closing Price of Shares 2015-2019:

Financial Indicators for the past five years (2014-2018)							In JD (Thousand)
Fiscal Year	Bank Shareholders' Equity	Non-Controllers' Interest	Net Profit Before Tax	Cash Dividends		Distribution of Bonus Shares	Closing Price of Share (JD)
				Amount	%		
2015	362,242	4,703	61,966	31,020	20%	44,900	2.60
2016	405,447	6,989	62,315	36,000	18%	-	2.88
2017	433,665	5,491	67,583	36,000	18%	-	3.00
2018	411,892	5,566	62,959	36,000	18%	-	2.45
2019	414,333	5,774	61,130	36,000	18%	-	2.10
2015	Recommendation to distribute JD 44.9 million/share in 19/4/2016						

14. Analysis of Bank's Financial Position and Business Results for the Year 2019:

Mentioned in the Board of Directors' Report, under a separate section (page 27). Below are the main financial ratios:

No.	Financial Ratios	2019	2018
1	**Return on Average Bank Shareholders' Equity**	9.72%	9.82%
2	**Return on Capital**	20.2%	20.62%
3	**Return on Average Assets**	1.52%	1.59%
4	**Profitability per Employee (After tax)**	JD 18,886	JD 19,077
5	**Interest Income to Average Assets**	6.00%	5.70%
6	**Interest Expense to Average Assets**	1.63%	1.43%
7	**Interest Margin to Average Assets**	4.37%	4.27%
8	**Non-Performing Loans (after deducting interest in suspense) to Total Credit Facilities**	6.90%	5.3%

15. The Bank's Future Plans

The Bank's strategic future plans, projects, and the Board of Directors' projections, are all mentioned within Bank of Jordan's Goals for 2020, listed under a separate section (page 36).

16. Auditors' Remuneration (for Bank of Jordan and its Subsidiaries):

Statement	Auditors' Remuneration (JD)
Bank of Jordan	133,541
Bank of Jordan – Syria	25,358
Excel For Financial Investments Company	4,640
Jordan Leasing Company	4,495
Total	**168,034**

Auditors were paid an amount of (JD 15,080) in 2019 against Tax consulting services and other consulting (JD 21,356).

17. Statement of the Number of Financial Securities Issued by the Bank:

A. Number of Shares Owned by Members of the Board of Directors and/or their Relatives:

Name	Status	Nationality	No. of Shares 2019	No. of Shares 2018
Al-Ekbal Jordanian General Trading (LLC)	Board Member	Jordanian	5,000	5,000
Mr. Shaker Tawfiq Fakhouri	Chairman Of The Board/ Dedicated Representative of the company	Jordanian	5,391,490	5,391,490
Mrs. Suha Faisal Sroor	Wife	Jordanian	105,350	105,350
Tala Shaker Fakhouri	Daughter	Jordanian	10,018	10,018
Sarah Shaker Fakhouri	Daughter	Jordanian	10,218	10,218
Salma Shaker Fakhouri	Daughter	Jordanian	10,018	10,018
Tamara Shaker Fakhouri	Daughter	Jordanian	10,018	10,018
Tawfiq Shaker Fakhouri	son	Jordanian	352,000	352,000
Al Tawfiq Investment House - Jordan	Board Member	Jordanian	5,000	5,000
Mr. Walid Tawfiq Fakhouri	Vice Chairman of the Board/ Representative of the Company	Jordanian	156,517	176,957
Mrs. Shatha Abdel-majid Al-Dabbas	Wife	Jordanian	368	368
Rakan Walid Fakhouri	son	Jordanian	51,332	39,776
Mariam Walid Fakhouri	Daughter	Jordanian	92,178	71,829
A`esha Walid Fakhouri	Daughter	Jordanian	27,570	17,155
Ahmad Walid Fakhouri	son	Jordanian	24,679	14,800
Arab Gulf General Inv. & Transport Co.	Board Member	Jordanian	10,569	10,569
Dr. Mazen Mohammad Al-Basheir	Board Member/ Representative of the Company	Jordanian	138,039	138,039
Dr. Farihan Fakhri Barghouti	Wife	Jordanian	51,579	51,579
Al Yamama for General Investments Co. (Limited liability)	Board Member	Jordanian	5,000	5,000
Dr.Yanal Mawloud Zakaria	Board Member/ Representative of the Company	Jordanian	6,447	6,447
Mrs. Dana Kayd Sagha	Wife	Jordanian	844,890	795,970
Al Araka for Investments Co.	Board Member	Jordanian	5,000	5,000
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Board Member/ Representative of the Company	Jordanian	5,908	5,446
Al Pharaenah Int'l for Industrial Investments Co.	Board Member	Jordanian	19,765,863	19,765,863
Mr. Walid Mohammad Al-Jamal	Board Member/ Representative of the Company	Jordanian	-	-
Al Lu'lu'a Trading & Investment Co.	Board Member	Jordanian	12,131	12,131
Mr. Haitham Mohammed Samih Barakat	Board Member/ Representative of the Company	Jordanian	59,898	6,615
Mr. Mohammad Anwar Hamdan	Board Member	Jordanian	6,447	6,447
Mr. Husam Rashed Manna'	Board Member	Jordanian	6,447	6,447
Mr. Walid Rafiq Anabtawi	Board Member	Jordanian	10,000	5,000
Mr. Wissam Rabee' Saab	Board Member	Lebanese	5,000	5,000

B. Number of Shares Owned by the Executive Managers and/or their Relatives:

Name	Status	Nationality	No. of Shares	
			2019	2018
Mr. Saleh Rajab Hammad	Chief Executive Officer	Jordanian	42,079	42,079
Dr. Nasser Mustafa Khraishi	AGM / Chief Operating Officer	Jordanian	18,000	7,000
Mr. Osama Samih Sukkari	Legal Advisor	Jordanian	188,379	158,670
Mrs. Najwa Mohammad Manku	Wife	Jordanian	128,971	123,971
Mr. Nader Mohammad Sarhan	Executive Manager / Chief Risk Officer / Board Secretary	Jordanian	35,500	34,500
Mrs. Nida'a Hasan Abu Zahra	Wife	Jordanian	650	650
Shaker Nader Sarhan	Son	Jordanian	5,000	5,000
Mr. Khaled Atef Abu Jawid	Executive Manager / Retail Banking Management	Jordanian	-	-
Mr. Hatem Nafi' Foqahaa	Regional Manager / Palestine Branches Management	Palestinian	-	-
Mr. Turki Yousef Al-Jabour	Executive Manager / Internal Audit Department	Jordanian	105,000	85,000
Mr. Ra'f Yousef Abu Dahoud	Executive Manager/Commercial Business Development Department	Jordanian	-	-
Mr. Omar Ahmad Mustafa	Executive Manager/Corporate Business Development Department	Jordanian	37,000	37,000
Mr. Mohammad Hikmat AlSawalqa	Executive Manager/corporate Business Development Department	Jordanian	-	-
Mr. Rami Jamal Mahmood	Executive Manager/Commercial Business Development Department as of 21/11/2019	Jordanian	-	-
Mr. Mousa Yousef Mousa	Treasurer / Treasury & Investment Department	Jordanian	-	-
Mrs. Lana Fayez Al-Barrishi	Manager / Compliance Department	Jordanian	-	2,597
Mr. Hani Hasan Mansi	Manager / Financial Control Management	Jordanian	-	-
Mr. Yousef Mousa Abu Humaid	Manager/Central Operations Management as of 24/11/2019	Jordanian	-	-
Mrs. May Abdelrrahman Jeitem	wife	Jordanian	273	273
Mrs. Sahar Shafek Al Ziadata	Executive Manager / Human Resources Department (Acting)	Jordanian	-	-
Mr. Dumam Mohammad Khraisat	Executive Manager /Central Operations Management Until 30/9/2019	Jordanian	-	-
Mr. Nasser "Mohammad Saleh" Obaid	Executive Manager / Human Resources Department Until 18/3/2019	Jordanian	-	-

C. Companies Controlled by the Chairman, Board Members, the Executive Managers and/or their Relatives, and the Number of Shares held by those companies in Bank of Jordan for the Years 2019 and 2018:

Name	Position	Company	Equity Share in Bank of Jordan	
			2019	2018
Mr. Shaker Tawfiq Fakhouri	Chairman of the Board/ Dedicated	Shaker Fakhouri & Associates Co.	-	-
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Board Member	Apollo Trading Industrial Co.	-	-
		Jordan Investment Trust	7,360	7,360
		El-Ettjahat for Commercial Investment	-	-
Mr. Haitham Mohammed Samih Barakat	Board Member	(KEPLIC) Co. / Kuwait	-	-
Mr. Osama Samih Sukkari	Legal Advisor	Osama Sukkari & Associates / Attorneys at Law	-	-

There are no companies controlled by other Board Members and/or their relatives nor by the Executive Managers and/or their relatives.

18. The Benefits and Remuneration of the Board Chairman, Board Members, and Executive Managers:

A. Benefits and Remuneration of the Chairman and Board Members for the Year 2019:

Name	Position	Annual Transport Allowance And attend Committees	allowance membership	Annual Remuneration	Annual Expenses Travel	Total
		JD	JD	JD	JD	JD
Mr. Shaker Tawfiq Fakhouri	Chairman of the Board/ Dedicated/ Representative of Al-Ekbal Jordanian General Trading (LLC)	47,490	43,749.6	5,000	-	96,239.6
Mr. Walid Tawfiq Fakhouri	Vice Chairman of the Board/ Representative of Al Tawfiq Investment House – Jordan	5,400	24,999.6	5,000	9,660	45,059.6
Dr. Mazen Mohammad Al-Basheir	Board Member/ Representative of Arab Gulf General Inv. & Transport Co.	42,930	24,999.6	5,000	-	72,929.6
Dr. Yanal Mawloud Zakaria	Board Member/ Representative of AL Yamama for General Investments Co. (Limited liability)	38,940	24,999.6	5,000	-	68,939.6
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Board Member / Representative of Al Araka for Investments Co.	17,850	24,999.6	5,000	-	47,849.6
Mr. Walid Mohammad Al-Jamal	Board Member/ Representative of Al Pharaenah Int'l for Industrial Investments Co.	12,150	24,999.6	5,000	-	42,149.6
Mr. Haitham Mohammed Samih Barakat	Board Member / Representative of Al Lu'lu'a Trading & Investment Co.	33,030	24,999.6	5,000	5,960	68,989.6
Mr. Mohammad Anwar Hamdan	Board Member	20,700	24,999.6	5,000	-	50,699.6
Mr. Husam Rashed Manna'	Board Member	45,780	24,999.6	5,000	-	75,779.6
Mr. Walid Rafiq Anabtawi	Board Member	24,690	24,999.6	5,000	-	54,689.6
Mr. Wissam Rabee' Saab	Board Member	6,750	24,999.6	5,000	5,345	42,094.6
Total		**295,710**	**293,745.6**	**55,000**	**20,965**	**665,420.6**

B. Benefits and Remuneration of the Executive Managers for the Year 2019:

Name	Position	Annual Salary	Annual Remuneration	Annual Allowance for Transportation & Assuming Board Secretary Position	Total
		JD	JD	JD	JD
Mr. Saleh Rajab Hammad	Chief Executive Officer	277,133	186,300	-	463,433
Dr. Nasser Mustafa khraishi	AGM / Chief Operating Officer	173,456	75,737	-	249,193
Mr. Osama Samih Sukkari	Legal Advisor	225,180	113,266	-	338,446
Mr. Nader Mohammad Sarhan	Executive Manager / Chief Risk Officer/ Board Secretary	117,185	30,180	18,000	165,365
Mr. Khaled Atef Abu Jawid	Executive Manager / Retail Banking Management	130,814	-	-	130,814
Mr. Hatem Nafi' Foqahaa	Regional Manager / Palestine Branches Management	120,462	-	9,000	129,462
Mr. Turki Yousef Al-Jabour	Executive Manager / Internal Audit Dept.	85,908	22,507	-	108,415
Mr. Ra'f Yousef Abu Dahoud	Executive Manager/Commercial Business Development Dept.	108,834	34,214	-	143,048
Mr. Omar Ahmad Mustafa	Executive Manager/Corporate Business Development Dept.	103,538	-	-	103,538
Mr. Mohammad Hikmat AlSawalqa	Executive Manager/corporate Business Development Dept.	75,584	23,763	-	99,347
Mr. Rami Jamal Mahmood	Executive Manager/ Commercial Business Development Department as of 21/11/2019	11,278	-	-	11,278
Mr. Mousa Yousef Mousa	Treasurer/ Treasury & Investment Dept.	69,990	15,254	-	85,244
Mrs. Lana Fayez Al-Barrishi	Manager / Compliance Dept.	59,834	15,135	-	74,969
Mr. Hani Hasan Mansi	Manager / Financial Control Management	59,784	10,783	-	70,567
Mr. Yousef Mousa Abu Humaid	Manager/Central Operations Management as of 24/11/2019	54,026	9,812	-	63,838
Mrs. Sahar Shafek Al Ziadata	Executive Manager / Human Resources Department (Acting)	31,337	7,603	-	38,940
Mr. Dumam Mohammad Khraisat	Executive Manager /Central Operations Management Until 30/9/2019	78,205	17,358	-	95,563
Mr. Nasser "Mohammad Saleh" Obaid	Executive Manager / Human Resources Dept. Until 18/3/2019	51,000	-	-	51,000
Total		**1,833,548**	**561,912**	**27,000**	**2,422,460**

19. Donations, Grants, and Contribution to the Local Community:

The Bank's donations and support of activities related to the protection of the environment and the local community stood at JD(681.6) thousand, as detailed below:

Activity	Amount (JD)
Supporting the National Financial and Social Education Program	123,199
Supporting the Martyrs' Families of the Armed Forces and Security Services Fund	100,000
Scholarship / Student in the school of Kings Academy	62,038
Support the Taawon Foundation	55,175
Supporting the Children's Museum	55,000
Support the King Hussein Cancer Center	32,000
Supporting the National Forum for Awareness and Development	22,500
Supporting Social and Charitable Organizations and Activities	193,848
Supporting Education activities	6,665
Supporting Cultural activities	11,590
Supporting Environmental activities	4,500
Supporting Sports activities	9,000
Miscellaneous	6,051
Total	681,566

20. Contracts, Projects and Commitments Signed Between the Bank and its Subsidiaries, Affiliates, Chairman, Board Members, the General Manager, Employees in the Bank or their Relatives:

No contracts have been signed between the Bank and any of its subsidiaries or affiliates or with the Board Chairman or General Manager or board members or with any bank employee or their relatives. This is with the exception of the normal banking transactions - disclosed in note No. (42) on the financial statements - to which commercial interest and commission rates apply. All credit facilities granted to the concerned entities are classified as performing loans against which no provisions have been allocated.

21. Responsibility towards the Environment and Society and Corporate Social Responsibility:

A. Responsibility towards the Environment:

Keen to support environmental and social causes, Bank of Jordan continued to support the ongoing Green Caravan Program for the sixth consecutive year. The program, which involved planting 500 trees – with the support of BoJ team, was organized by the Arab Society for the Preservation of Nature and aims to combat desertification, expand green spaces, and provide income for impoverished families.

The Bank also sponsored the annual drawing competition "Water Harvesting for Solving the Water Crisis" which was launched by the Jordanian Friends of the Environment for students in private and state- run schools.

B. Social Responsibility towards the Community:

Bank of Jordan continued to give back to the community to create a stronger and sustainable community by donating to charities, volunteer-based, educational and development organizations and supporting local functions.

In education, the Bank renewed its support for the tenth year in a row for the "Open Day" initiative which gives children the chance to learn through edutainment at the Children's Museum. Added to that, the Bank sponsored several scholarships in cooperation with national institutions; namely Elia Nuqul Foundation, the Faculty of Educational Sciences and Arts - UNRWA, and King's Academy. The Bank is also a partner in the community financial literacy initiative for school children - executed by the CBJ. Furthermore, it co-sponsored "The International Conference on Creativity, Innovation and Entrepreneurship in Business Environment: Opportunities, Tools and Challenges" held at Balqa Applied University.

The Bank also donated to Jordan Health Aid Society, Medical Aid for Palestinians, the Martyr's family Fund, the Jordanian Parliamentarians Club, the University of Jordan, the Society for the Care of Gifted Autistic Children, Alooun Humaintarian Club among others during the year.

Additionally, the Bank helped furnish a new training facility run by the Princess Taghrid Institute for Development and Training, and supported the Seven Mountains Initiative launched by King Hussein Cancer Center.

Mentioned within the Bank's Achievements in 2019 (page 25)

C. Annual Financial Statements - 2019

The Bank's annual financial statements, audited by the Bank's auditors Kawasmy & Partners Co. (KPMG) Jordan and a comparison with the previous year (2018), can be found in the second part of the report (Page 38).

D. Report of the Bank's Auditors

The report from the Bank's auditors, KPMG Jordan, which includes the Bank's annual financial statements, reveals that the audit process was conducted in accordance with international auditing standards. It can be found at the beginning of the 2019 annual financial statements (Page 39).

E. Acknowledgment

As per paragraph (E)/ Article (4) of Disclosure and Accounting Standards Instructions issued by the Jordan Securities Commission Board of Commissioners:

1. The Board of Directors of Bank of Jordan acknowledges, in accordance with its knowledge and belief, that there are no material matters that may affect the continuity of the Bank's operations during the financial year 2020.
2. The Board of Directors of Bank of Jordan acknowledges its responsibility for the preparation of the financial statements for 2019 and that the Bank has an effective control system.
3. The Chairman of the Board, General Manager and the Financial Control Manager acknowledge that the information and data mentioned in the Bank of Jordan 2019 Annual Report are true, accurate and complete.
4. The Board of Directors acknowledge that they do not obtain in person or any of those related to them financial or in-kind benefits or rewards For the year 2019 other than those disclosed in Section No.18/A.

Corporate Governance

BANK OF JORDAN COMMITMENT TO THE CORPORATE GOVERNANCE GUIDE

Believing that good corporate governance practices are key to fairness, improved transparency, and accountability to all stakeholders. Realizing that good corporate governance is a key to success, the Bank's Board of Directors is keen on applying corporate governance practices that comply with the regulations issued by the Central Bank of Jordan and for banks in Jordan. These practices, which have been incorporated into the Bank of Jordan Corporate Governance Guide, also comply with the best international practices recommended by the Basel Committee. It is worth noting that Bank of Jordan also adheres to regulatory requirements and guidelines in other countries where it operates. The bank has published the Corporate Governance Report on its website bankofjordan.com.

It is worth noting that the Bank conducts periodic reviews of this Guide, and whenever the need arises, to ensure that it captures the Bank's changing needs as well as developments in the banking industry. The Corporate Governance Guide is included in the annual report (Arabic version), alongside a separate report for the general public (shareholders) on the Bank's compliance with provisions of the Guide.

COMPONENT ONE (BOARD OF DIRECTORS)

- Chairman of the Board:

The board shall elect chairman from among its members. This should be done based on separating the director general and Board Chairman positions. The Board Chairman must not be related to the director general within the fourth degree of consanguinity.

- Board of Directors:

While the Executive Management is responsible for running the daily operations of the Bank, the Board is in charge of drawing up strategies that best serve the interests of the Bank, and its shareholders and clients, in accordance with respective laws and regulations.

The board shall consist of 11 members who will be elected by the general assembly to a four-year term. The members shall have the expertise and qualifications that shall enable each of them to voice his/her opinion independently during board discussions. The suitability of board members has been assessed against the policy related to board members' suitability in line with the requirements of the Corporate Governance Guide, and adjustments/corrections have been made accordingly. The Board Chairman shall be elected by the board members.

The Board convened (9) times during 2019. The Board has a specific agenda in each meeting, and the minutes of meetings and decisions are officially documented by the Board Secretary.

Names of the Board Members:

Name	Status	Nature of Membership	No. of Attendance	Loan Balance for the Board Member JD
Mr. Shaker Tawfiq Fakhouri	Chairman of the Board/Dedicated Representative of Al-Ekbal Jordanian General Trading (LLC)	Non-Executive/ Non-Independent	9	6,425
Mr. Walid Tawfiq Fakhouri	Vice Chairman/Representative of Al Tawfiq Investment House - Jordan	Non-Executive/ Non-Independent	4	10,003
Dr. Mazen Mohammad Al-Basheir	Board Member/Representative of Arab Gulf General Inv. & Transport Co.	Non-Executive/ Non-Independent	9	2,139
Dr. Yanal Mawloud Zakaria	Board Member/Representative of Al-Yamama for General Investments Co. (Limited Liability)	Non-Executive/ Non-Independent	9	-
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Board Member/Representative of Al-Araka for Investments Co.	Non-Executive/ Non-Independent	9	28,757
Mr. Haitham Mohammed Samih Barakat	Board Member/Representative of Al Lu'lu'a Trading & Investment Co.	Non-Executive/ Non-Independent	8	157,584
Mr. Mohammad Anwar Hamdan	Board Member	Non-Executive/ Independent	9	112
Mr. Husam Rashed Manna'	Board Member	Non-Executive/ Independent	9	21,173
Mr. Walid Mohammad Al-Jamal	Board Member/Representative of Al Pharaenah Int'l for Industrial Investments Co.	Non-Executive/ Non-Independent	9	81,326
Mr. Walid Rafiq Anabtawi	Board Member	Non-Executive/ Independent	9	12,001
Mr. Wissam Rabee' Saab	Board Member	Non-Executive/ Independent	5	1,629
Mr. Nader Mohammad Sarhan	Executive Manager/ Chief Risk Officer/Board Secretary	-	8	Don't Apply

Memberships of the Board of Directors Held by a Member of the Board of Directors of Public Shareholding Companies:

Name	Membership in the Boards of Public Shareholding Companies
Mr. Shaker Tawfiq Fakhouri Chairman of the Board/Dedicated Representative of Al-Ekbal Jordanian General Trading (LLC)	Board Member of the Middle East Company for Insurance
Mr. Walid Tawfiq Fakhouri Vice Chairman Representative of Al Tawfiq Inv. House - Jordan	Board Member of Al-Ekbal Investment Company
Dr. Mazen Mohammad Al-Basheir Board Member Representative of Arab Gulf General Inv. & Transport Co.	None
Dr. Yanal Mawloud Zakaria Board Member Representative of Al-Yamama for General Investments Co. (Limited Liability)	None
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali Board Member Representative of Al-Araka for Investments Co.	Chairman of Jordan Investment Trust, as of October 2017
Mr. Haitham Mohammed Samih Barakat Board Member Representative of Al Lu'lu'a Trading & Investment Co.	None
Mr. Mohammad Anwar Hamdan Board Member	None
Mr. Husam Rashed Manna' Board Member	None
Mr. Walid Mohammad Al-Jamal Board Member Representative of Al Pharaenah Int'l for Industrial Investments Co.	Vice Chairman of the Board of Directors of Jordan Decapolis Properties Company
Mr. Walid Rafiq Anabtawi Board Member	None
Mr. Wissam Rabee' Saab Board Member	None

Name of the Bank's Corporate Governance Officer:

The Bank's Corporate Governance Officer/ Mrs. Lana Fayez Al-Barrishi/ Compliance Manager.

- The Committees of the Board:

As per the Corporate Governance Guide, seven committees stem from the Board of Directors to ease implementation of responsibilities. The committees are as follows: the Audit Committee, the Corporate Governance and Strategy Committee, the Nominations and Remunerations Committee, the Risk Management Committee, the Executive Committee, the Compliance Committee, and Information Technology Governance Committee.

- The Audit Committee:

The audit committee comprises three qualified board members who enjoy adequate experience in accounting, finance, or any other relevant field. The majority of the Committee members, including the head, must be independent.

Names, Qualifications, Financial and Accounting Expertise of the Members of the Audit Committee:

The Audit Committee consists of the following:	No. of Attendance	Qualifications	Professional Experience
Mr. Mohammad Anwar Hamdan Head of the Committee (Independent)	7	- MBA in International Management from Thunderbird University/ USA, 1979. - B.A. in Accounting from the University of Jordan, 1973	▪ Deputy General Manager of Bank of Jordan from 1/2007 until 6/2012. ▪ Assistant General Manager/Credit Management/Bank of Jordan, from 11/1994 until 1/2007. ▪ Assistant General Manager/Credit Management/Cairo Amman Bank, from 1/1990 until 11/1994. ▪ Senior Manager/Credit Management/Bank of Jordan, from 8/1985 until 12/1990. ▪ Assistant Manager for Investment & Branches/Jordan Kuwait Bank, from 7/1979 until 8/1985. ▪ Senior Financial Analyst/Central Bank of Kuwait, from 5/1976 until 5/1978. ▪ Financial Analyst/Central Bank of Jordan, from 8/1973 until 5/1976.
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali Member of the Committee (Non-independent)	7	- M.Sc. in Software Engineering (Computer Science/Systems Analysis) from George Washington University, Washington D.C./ USA, 1985. - B.Sc. in Mathematics & Military Sciences from The Citadel USA – The Military College of South Carolina/ USA, 1983.	▪ CEO of New Vision for Electronics as of 3/2015 until 10/2019. ▪ CEO of King Abdullah II Design and Development Bureau, from 7/2010 until 5/2014. ▪ CEO of Aqaba Development Corporation, from 1/2010 until 7/2010. ▪ General Manager of Saraya Aqaba, from 2/2007 until 12/2009. ▪ Revenues and Customs Commissioner in Aqaba Special Economic Zone Authority (ASEZA), from 1/2004 until 2/2007. ▪ Gulf Area Manager of Qatar for the Middle East Contracting Company, from 9/2002 until 12/2003. ▪ Tala Bay CEO, from 10/2000 until 9/2002. ▪ General Manager of Trans Jordan for Communications Services Company, from 5/1997 until 9/2000. ▪ General Manager of Al-Nisr for Advanced Telecommunications Company, from 2/1997 until 11/2003. ▪ Vast military experience, serving in the military, from 1985 until 1996.
Mr. Walid Rafiq Anabtawi Member of the Committee (Independent)	7	- B.A. in Accounting, from Alexandria University/ Egypt, 1968.	▪ Assistant General Manager - Investment and Branches Management/ Bank of Jordan/Jordan, from Apr 2004 until Oct 2005. ▪ Assistant General Manager/Bank of Jordan/Jordan - Organization, Operations, and Automation Management, from Oct 2001 until Jun 2003. ▪ Executive Manager/Bank of Jordan/Jordan - Organization, Operations, and Automation Management, from Jan 1992 until Oct 2001. ▪ Manager of Internal Audit/ Bank of Jordan/Jordan, from Mar 1990 until Jan 1992. ▪ Assistant Head at A department – Banks Supervision Department – Central Bank of Jordan/ Jordan, from Jul 1986 until Mar 1990. ▪ Senior Assistant Manager – Internal Audit Department/Arab National Bank – Saudi Arabia, from Feb 1983 until Jun 1986. ▪ Supervisor/Banking Supervision Department, Central Bank of Jordan/ Jordan, from Jul 1976 until Feb 1983. ▪ Division Assistant Head/Arab Bank/Amman Branch/Jordan, from May 1969 until Jul 1976. ▪ Accountant – Accounting Department/ Royal Jordanian/Jordan, from Oct 1968 until May 1969. ▪ Took part in and helped organize over 50 training workshops inside and outside Jordan
Mr. Turki Yousef Al-Jabour Executive Manager/Internal Audit Department Committee Rapporteur as of 31/1/2019	5	-	-
Mr. Nader Mohammad Sarhan Executive Manager Chief Risk Officer Board Secretary Committee Rapporteur Until 31/1/2019	2	-	-

The Audit Committee held (7) meetings in 2019.

The Audit Committee does not substitute the responsibilities of the Board of Directors or the Bank's Executive Management for the supervision and adequacy of the Bank's internal control system.

The Audit Committee met with the External Auditor (4) times during 2019.

- The Corporate Governance and Strategy Committee:

The Board Chairman and two independent members as a minimum were elected to the corporate governance and strategies committee. The committee provides guidance and feedback on the development of the Corporate Governance Guide. It also ensures the guide is updated and properly implemented.

The Corporate Governance and Strategy Committee consists of the following:	Status	No. of Attendance
Mr. Shaker Tawfiq Fakhouri	Head of the Committee (Non-independent)	4
Mr. Husam Rashed Manna'	Member (Independent)	4
Mr. Walid Rafiq Anabtawi	Member (Independent)	4
Mr. Nader Mohammad Sarhan Executive Manager/Chief Risk Officer	Board Secretary/ Committee Rapporteur	4

The Corporate Governance and Strategy Committee held (4) meetings during 2019.

- The Risk Management Committee:

The Risk Management Committee comprises three board members, one of whom is independent. Members of the senior executive management can also join the committee. The committee deals with all types of risks facing the bank.

The Risk Management Committee consists of the following:	Status	No. of Attendance
Dr. Mazen Mohammad Al Basheir	Head of the Committee (Non-independent)	5
Mr. Shaker Tawfiq Fakhouri	Member (Non-independent)	5
Mr. Mohammad Anwar Hamdan	Member (Independent)	5
Mr. Saleh Rajab Hammad	Member	5
Dr. Nasser Mustafa Khraishi	Member	5
Mr. Nader Mohammad Sarhan Executive Manager/Chief Risk Officer	Member / Board Secretary / Committee Rapporteur	5

The Risk Management Committee held (5) meetings during 2019.

- The Executive Committee:

Five board members were elected to the Executive Committee, other members of the senior executive management may join the committee's meeting to present their recommendations.

The Executive Committee consists of the following:	Status	No. of Attendance
Mr. Shaker Tawfiq Fakhouri	Head of the Committee (Non-independent)	42
Dr. Mazen Mohammad Al Basheir	Member (Non-independent)	48
Dr. Yanal Mawloud Zakaria	Member (Non-independent)	46
Mr. Haitham Mohammed Samih Barakat	Member (Non-independent)	37
Mr. Husam Rashed Manna'	Member (Independent)	47
Facilities Committee's Rapporteur/ Committee's Rapporteur		48

The Executive Committee held (48) meetings in 2019.

- The Nominations and Remunerations Committee:

The Nominations and Remunerations committee were elected and consists of three members.

The Nominations and Remunerations Committee consists of:	Status	No. of Attendance
Mr. Walid Rafiq Anabtawi	Head of the Committee (Independent)	3
Mr. Shaker Tawfiq Fakhouri	Member (Non-independent)	3
Mr. Mohammad Anwar Hamdan	Member (Independent)	3
Mr. Nader Mohammad Sarhan Executive Manager/Chief Risk Officer	Board Secretary/ Committee Rapporteur	3

The Nominations and Remunerations Committee held (3) meetings in 2019.

- Information Technology Governance committee:

Three board members were elected to the IT Governance committee who enjoy vast experience and/or knowledge in IT.

The Information Technology Governance committee consists of the following:	Status	No. of Attendance
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Head of the Committee (Non-independent)	3
Mr. Shaker Tawfiq Fakhouri	Member (Non-independent)	2
Mr. Husam Rashed Manna'	Member (Independent)	3
Mr. Walid Rafiq Anabtawi	Member (Independent)	3
Mr. Nader Mohammad Sarhan Executive Manager/Chief Risk Officer	Board Secretary/ Committee Rapporteur	3

The Information Technology Governance committee held (3) meetings in 2019.

- Compliance Committee:

The compliance Committee Comprises of three board members. The committee meets regularly and upon need.

The Compliance Committee consists of the following:	Status	No. of Attendance
Mr. Husam Rashed Manna'	Head of the Committee (independent)	5
Mr. Shaker Tawfiq Fakhouri	Member (Non-independent)	5
Mr. Walid Rafiq Anabtawi	Member (Independent)	5
Mr. Nader Mohammad Sarhan Executive Manager/Chief Risk Officer	Board Secretary/ Committee Rapporteur	5

The Compliance Committee held (5) meetings in 2019.

- The Board Secretary:

Minutes of meetings are significant for the Bank, shareholders, and supervisory agencies because they are a permanent register that demonstrate the Board's activities and deliverables, Board of Director's decisions and any other decisions made by committees operating under the Board. Given the vital role of the Board Secretary, it has been decided to appoint Mr. Nader Mohammad Sarhan Executive Manager/ Chief Risk Officer, as Board Secretary. Duties and responsibilities of the Board Secretary are incorporated in the Corporate Governance Guide of the Bank.

- The Senior Executive Management

Members of the senior executive management, including the general manager, must have the attributes and qualifications stated in the Bank's Corporate Governance Guide.

The following are the names of Senior Executive Management and their Executive Positions:

Name	Position
Mr. Saleh Rajab Hammad	Chief Executive Officer
Dr. Nasser Mustafa Khraishi	AGM/Chief Operating Officer
Mr. Osama Samih Sukkari	Legal Advisor
Mr. Nader Mohammad Sarhan	Executive Manager/Chief Risk Officer/Board Secretary
Mr. Khaled Atef Abu Jawid	Executive Manager/Retail Banking Management
Mr. Hatem Nafi' Foqahaa	Regional Manager/Palestine Branches Management
Mr. Turki Yousef Al-Jabour	Executive Manager/Internal Audit Dept.
Mr. Ra'f Yousef Abu Dahoud	Executive Manager/Commercial Business Development Dept.
Mr. Omar Ahmad Mustafa	Executive Manager/Corporate Business Development Dept.
Mr. Mohammad Hikmat AlSawalqa	Executive Manager/Corporate Business Development Dept.
Mr. Rami Jamal Mahmood	Executive Manager/ Commercial Business Development Department as of 21/11/2019
Mr. Mousa Yousef Mousa	Treasurer/Treasury & Investment Dept.
Mrs. Lana Fayez Al-Barrishi	Manager/Compliance Dept.
Mr. Hani Hasan Mansi	Manager/Financial Control Management
Mr. Yousef Mousa Abu Humaid	Manager/Central Operations Management as of 24/11/2019
Mrs. Sahar Shafek Al Ziadat	Executive Manager / Human Resources Dept. (Acting)
Mr. Dumam Mohammad Khraisat	Executive Manager/Central Operations Management Until 30/9/2019
Mr. Nasser "Mohammad Saleh" Obaid	Executive Manager/Human Resources Dept. Until 18/3/2019

- Conflict of Interests:

The Board of Directors emphasized in the Bank's Corporate Governance Guide that all members of the Board must specify their relationships with the Bank, disclose the nature of this connection, avoid conflicts of interest, and abide by the substance of the Code of Conduct in this regard. A written disclosure must be given on an annual basis or in case of any development that so requires.

Component Two (Planning and Policy Formulation)

The Board of Directors undertakes responsibility for devising the Bank's general strategy and its strategic course of action as well as defining the general objectives for the executive management and supervising their achievements.

Component Three (Control Environment)

The Board of Directors undertakes responsibility to adopt a general framework for internal control in order to achieve the following:

- Effectiveness and efficiency of operations.
- Credibility of financial reports.
- ▪ Adherence to laws and regulations in force.

The Board hereby affirms the existence of a general framework for internal control that enables it to follow up on its tasks and take whatever measures are necessary within the following framework:

1. Internal Audit:

The Bank realizes that having an effective internal audit department would fundamentally enhance the internal control systems and the general framework for managing risks related to the Bank is various activities. The internal audit administration performs its tasks within the following specifics:

a. Preparing the Internal Audit Charter and sanctioning it by the Board of Directors. The charter details the functions of the audit administration including its responsibilities, authorities, and work methodology.
b. Preparing internal auditing procedures that conform to the new organization of the Bank.
c. Ensuring the preparation of an annual audit plan to be approved by the Audit Committee. The plan should cover most of the Bank's activities as well as organizational units based on risks associated with its activities.
d. Preparing an annual report about the adequacy of internal control and audit systems in order to eliminate risks and provide suitable recommendations to remove weaknesses.
e. Ensuring the recruitment and appointment of employees possessing high academic qualifications and appropriate practical experience to audit all activities and operations. This process should include qualified staff to assess data security and IT risks.
f. Following up on violations and remarks stated in the reports of supervisory agencies and the external auditor; ensuring that they are addressed and that the executive management has adequate controls to ensure such violations are not repeated.
g. Ensuring that necessary procedures are in place to receive, process, and keep customer complaints as well as remarks related to the accounting system, internal control, and audit processes. Periodic reports concerning these matters must be submitted.
h. Keeping audit reports and sheets in a safe and organized manner for a period that conforms to applicable laws and regulations so that they can be examined by the regulatory authorities and the external auditor.
i. Reviewing the reporting procedures in the Bank to ensure key information about financial, administrative, and operational matters are accurate, reliable and timely.
j. Ensuring compliance with the Bank's internal policies, the international standards as well as related laws and regulations.
k. Submitting reports to the Head of the Audit Committee.

2. External Audit:

The External Auditor represents another level of control on the credibility of financial data issued by the Bank's accounting and information systems. This entails expressing clear and honest opinions about the fairness of these statements and the extent to which they mirror actual reality during a certain period. When dealing with external audit firms, the Board of Directors must consider the Bank's interest and professionalism of the auditing firms, keeping in mind the importance of regular audit rotations and previous experiences with such offices.

3. Risk Management:

The management of Bank of Jordan paid special attention to Basel III requirements as a framework to reinforce and enhance the Bank's capability to upgrade the control environment and challenge various types of risks. To implement these requirements, practical steps were taken such as establishing administrations in the Bank specialized in managing different risks (credit, operations, and market) and manning them with qualified staff and systems.

The Bank has also worked on enhancing credit risk management practices through setting up specialized departments (including Corporate Credit Review Department, SME Credit Review Department, Retail Credit Review Department, Credit Review Department for branches in Palestine), and Credit Portfolios Risk department. Furthermore, the Bank has updated, and developed policies and procedures related to risk management aimed at ensuring credit quality. In addition, the Bank implemented the "Reveleus System" for calculating the capital adequacy ratio.
As for operational risks, the Bank has been implementing the CAREweb system since 2003 and a Risk Profile has been created for each of the Bank's departments in addition to a database for operational errors. As for market risks, the Bank has set up a risk management unit comprised of qualified employees.

The Risk Management functions in line with the following general framework:

A. The Risk Management Department shall submit its reports to the Risk Management Committee on regular basis. As for daily operations, the Department shall report directly to the General Manager.
B. The Risk Management undertakes the following responsibilities:
 - Preparing risk policies for all types of risks and sanctioning them from the Board of Directors.
 - Analyzing all risks including credit, market, liquidity and operational risks.
 - Developing methodologies for measuring and controlling all types of risks.
 - The Department shall recommend to the Risk Management Committee risk ceilings and related approvals. It shall also submit reports and record any exceptions from the risk management policy.
 - Providing the Board and the Executive Management with information about risk assessment and risk profile at the Bank. The Board regularly reviews the Bank's qualitative and quantitative risk statistics.
 - Approving the means that help risk management, such as:
   ▪ Self-assessment of risks and setting risk indicators.
   ▪ Preparation of a historical database of the losses in terms of their sources and classification according to type of risk.
   ▪ Provision of the necessary systems suitable for risk management at the Bank.
C. Committees such as Credit, Assets, and Liabilities' Management/ Treasury, in performing their tasks, help the Risk Management to implement its duties, in accordance with the authorizations defined for these committees.
D. Incorporating information about risk management in terms of its structure, nature of operations, and progress in the Bank's annual report.
E. Conducting stress tests regularly in order to assess the Bank's ability to deal with risks and financial stressors. The Board plays a significant role in deciding on the assumptions and scenarios used in this simulation technique. The test results are later examined and thoroughly discussed by the board. Considering these results, the Risk Management Committee approves measures needed to manage potential risks and mitigate losses.
F. Conducting Internal Capital Adequacy Assessment Process (ICAAP), which helps identify all potential risks through an effective methodology that considers the Bank's strategy and capital adequacy. The methodology is regularly reviewed to ensure that the Bank keeps enough capital buffers to shield it against potential losses.
G. Providing information about risks facing the Bank for the purposes of disclosure and publication to the public.

4. Compliance:

In accordance with the Bank's commitment with the Regulators' requirements, the Compliance Department was established to ensure compliance with laws, ethical regulations, legislation, and standards, defined by different supervisory bodies and the Bank's internal policies. Qualified human resources and automatic systems were provided to the Department.

On the Compliance Department level, all laws and regulations regulating the Bank's operations were gathered, and compliance awareness was spread among employees through booklets and training courses. An anti-money laundering policy was developed to comply with the instruction of Anti-Money Laundering and Terrorist Finance No. (51/2010) date 23/11/2010. An independent Financial Crime Unit responsible for carrying out financial and tax audit. The unit, to which FATCA is affiliated, Customer complaints are handled by an independent unit affiliated with the Compliance Department.

The Compliance Department has the following responsibilities:

a. Drawing up the compliance policy as well as improving and reviewing it regularly (at least once a year) and whenever necessary.
b. Applying the compliance policy at the Bank.
c. Preparing an efficient methodology to ensure the Bank's compliance with effective laws and legislation in addition to any related regulations.
d. Submitting its periodic reports on its work and on the compliance of the Bank's departments and employees to Compliance Management Committee/ Board of Directors.
e. Special policies pertaining to anti money laundering and terrorism financing were drafted and implemented. Other policies related to implementing financial and tax audit, FATCA requirements, and to managing customer complaints were also formulated and implemented.

5. Financial Reports

The Executive Management of the Bank shall undertake the following tasks:

a. Preparing financial reports according to International Accounting Standards.
b. Presenting the reports to the Board members at each regular meeting.
c. Publishing financial data every three months.
d. Sending financial reports and full reports to the shareholders annually.

6. Code of Conduct:

The Bank has a Code of Conduct that was approved by the Board and circulated to all employees. Several training courses were organized to educate the Bank's employees on the concept of the Code. The compliance department ensures compliance with these concepts.

Component Four (Treatment of Shareholders)

Under the law, each shareholder has the right to vote during the General Assembly meetings and the right to discuss issues placed on the General Assembly's ordinary and extraordinary agendas. Added to that, shareholders enjoy the right to suggest any other topics to be added for discussion on the General Assembly's ordinary agenda, after obtaining the approval of several shareholders (representing at least 10% of stocks recorded) in the meeting. In order to foster this relationship, the Bank works on encouraging shareholders, mainly minority shareholders, to attend the annual General Assembly meetings and to vote in person or in their absence by proxy.

The Board shall provide shareholders with the following:

- A copy of the Annual Report mailed to their respective mailing addresses.
- An invitation to the General Assembly meeting and its agenda.
- All the information and publicity items addressed to the shareholders in general.

Furthermore, each shareholder has the right to get acquainted with the shareholders' register to get to know his/her own share. The Board shall be keen on the fair distribution of profits, which should be based on the number of stocks held by each shareholder.

Component Five (Transparency and Disclosure)

Bank of Jordan Corporate Governance Guidelines are based on the principles of integrity, objectivity, transparency, disclosure, openness, and accountability for decisions adopted by the Bank. This stems from the Bank's belief that disclosure offers the only means to provide transparent, accurate, comprehensive, and timely information. This helps users assess the Bank's financial position, its achievements, activities, as well as risks facing the Bank and the risk management policies. The Bank disclosed all required information from different regulatory institutions. It also published the Corporate Governance Guide to the public and the extent of the management adheres to it. In accordance with the instructions of dealing with customers fairly and transparently No. (56/2012) date 31/10/2012 the Bank established a dedicated unit to manage and address customers' complaints. The unit was equipped with qualified human resources and automated systems and all necessary means available to accommodate and resolve complaints. This unit was administratively subordinated to the compliance department in the Bank.

Shaker Tawfiq Fakhouri
Chairman of the Board

Disclosure and Transparency

Disclosure and Transparency

Based on the instructions of dealing with customers fairly and transparently No. (56/2012) issued by the Central Bank of Jordan on 31/10/2012, a unit was established to manage and address customer complaints. The unit was equipped with qualified human resources and automated systems to be controlled and managed administratively by the compliance department. The Bank addresses and manages customer complaints within the following principles:

- The customer complaints mangement and handling procedures are approved and circulated to all Bank employees.
- The policy to deal with customers fairly and in a transparent manner that is adopted and disseminated to the whole Bank.
- The provision of different communication channels for receiving customer complaints through the following ways:
  - Direct call to the unit dialing (06-5692572) or a toll-free number (080022335).
  - Email complainthandling@bankofjordan.com.jo
  - Fax to 06-5600918.
  - Telephone complaints allotted to the Bank's branches in times of official business.
  - Personal visit to the General Administration Building.
  - Contact Center for complaints made after official hours.
- Adoption of Service Level Agreement (SLA) and escalation procedures in the event of delay to respond to customer complaints from various units of the Bank in order to meet customer requirements within the specified time frame.
- Study and evaluation of customer complaints to find out actual facts of these complaints and concentration, classification and impact.
- Provision of the Board of Directors and senior management with periodic disclosures including a summary of complaints by the degree of risk concentration and classified according to the degree of risk and the actions taken to reduce their recurrence in the future.
- Provision of Central Bank of Jordan with the statistics periodically (quarterly) of complaints received by the unit.

Following is the statistical report of the complaints that were received from customers in 2019 through various channels distributed according to The nature and type of complaint based on instruction of internal procedures to deal with complaints of clients of financial and banking services provides issued by Central Bank of Jordan No. (1/2017) dated 28/8/2017.

Bank Cards	Contracts, Terms and Conditions	Interest rates/ returns	Marketing Services And products	Remittances	Work Environment	Commissions, and Fees	E-Services	Professional Behavior	Others	Total
10	35	20	16	3	100	18	8	188	20	418

These complaints were resolved within the following framework:

- Complaints were given a reference number which was also provided to customers with the aim of follow-up.
- Complaints were studied, analyzed and responded to within the time frame specified by the degree and nature of complaints classification.
- Recommendation of the following proposed actions to reduce the recurrence of such complaints in the future:
  - Modify work procedures, if necessary.
  - Taking disciplinary measures against underperforming employees.
  - Rehabilitation and training of staff on working procedures, products, communication skills with customers, etc.
  - Development of the Bank's various sites to receive customers and improve the service provided to them.

Addresses of Bank of Jordan Branch Network

Addresses of Bank of Jordan Branches
Jordan Branch Network

Head Office – Al Shmeisani
bankofjordan.com
Tel.: 5609200 Fax: 5696291 P.O.Box 2140 Amman 11181 Jordan

Amman Area

Al Shmeisani - Main Branch
Tel.: 5609200 Fax: 5696092 P.O.Box 2140 Amman 11181 Jordan

Amman – Downtown Branch
Tel.: 4624340 Fax: 4657431 P.O.Box 2140 Amman 11181 Jordan

Commercial Market Branch
Tel.: 4617005 Fax: 4624498 P.O.Box 2140 Amman 11181 Jordan

Al Mahatta Branch
Tel.: 4616212 Fax: 4651728 P.O.Box 2140 Amman 11181 Jordan

Al Yarmouk St.- Al Nasser Branch
Tel.: 4910331 Fax: 4910038 P.O.Box 2140 Amman 11181 Jordan

First Circle Branch
Tel.: 4653205 Fax: 4653914 P.O.Box 2140 Amman 11181 Jordan

Third Circle Branch
Tel.: 4614748 Fax: 4656632 P.O.Box 2140 Amman 11181 Jordan

Al Khalidi Branch
Tel.: 4680026 Fax: 4680028 P.O.Box 2140 Amman 11181 Jordan

Jabal Al Hussein Branch
Tel.: 4655808 Fax: 4653403 P.O.Box 2140 Amman 11181 Jordan

Al Gardens Branch
Tel.:5696810 Fax: 5688416 P.O.Box 2140 Amman 11181 Jordan

Al Madina Al Monawara St. Branch
Tel.: 5514864 Fax: 5514938 P.O.Box 2140 Amman 11181 Jordan

Jabal Al Weibdeh Branch
Tel.: 4646981 Fax: 4615605 P.O.Box 2140 Amman 11181 Jordan

Tareq Branch
Tel.: 5061758 Fax: 5053908 P.O.Box 2140 Amman 11181 Jordan

Marka Branch
Tel.: 4891980 Fax: 4894341 P.O.Box 2140 Amman 11181 Jordan

Al Qweismeh Branch
Tel.: 4765237 Fax: 4745301 P.O.Box 2140 Amman 11181 Jordan

Al Rabiyeh Branch
Tel.: 5520746 Fax: 5521653 P.O.Box 2140 Amman 11181 Jordan

Abu Alanda Branch
Tel.: 4166385 Fax: 4162697 P.O.Box 2140 Amman 11181 Jordan

Al Bayader Branch
Tel.: 5812780 Fax: 5815391 P.O.Box 2140 Amman 11181 Jordan

Industrial Area – Al Bayader Branch
Tel.: 5852969 Fax: 5813642 P.O.Box 2140 Amman 11181 Jordan

Sweileh Branch
Tel.: 5356895 Fax: 5342318 P.O.Box 2140 Amman 11181 Jordan

Al Fuheis Branch
Tel.: 4720833 Fax: 4720831 P.O.Box 2140 Amman 11181 Jordan

Abu Nsair Branch
Tel.: 5235573 Fax: 5249080 P.O.Box 2140 Amman 11181 Jordan

Jabal Al Nuzha Branch
Tel.: 4649026 Fax: 4645934 P.O.Box 2140 Amman 11181 Jordan

Wadi Al Seer Branch
Tel.: 5856045 Fax: 5816552 P.O.Box 2140 Amman 11181 Jordan

Dahyet Al Yasmeen Branch
Tel.: 4387574 Fax: 4391242 P.O.Box 2140 Amman 11181 Jordan

Marj Al Hamam Branch
Tel.: 5712825 Fax: 5713569 P.O.Box 2140 Amman 11181 Jordan

Al Sweifieh Branch
Tel.: 5866714 Fax: 5861237 P.O.Box 2140 Amman 11181 Jordan

Al Wehdat Branch
Tel.: 4735717 Fax: 4778982 P.O.Box 2140 Amman 11181 Jordan

Mecca St. Branch
Tel.: 5542609 Fax: 5542389 P.O.Box 2140 Amman 11181 Jordan

Khalda Branch
Tel.: 5534706 Fax: 5534593 P.O.Box 2140 Amman 11181 Jordan

Al Jubaiha Branch
Tel.: 5347937 Fax: 5354739 P.O.Box 2140 Amman 11181 Jordan

University of Jordan Branch
Tel.: 5355971 Fax: 5355974 P.O.Box 2140 Amman 11181 Jordan

City Mall Branch
Tel.: 5829970 Fax: 5857684 P.O.Box 2140 Amman 11181 Jordan

Abdoun Branch
Tel.: 5929871 Fax: 5929872 P.O.Box 2140 Amman 11181 Jordan

Al Rawnaq Branch
Tel.: 5829216 Fax: 5829042 P.O.Box 2140 Amman 11181 Jordan

Al Hurrieh St.- Mogablain Branch
Tel.: 4203289 Fax: 4203376 P.O.Box 2140 Amman 11181 Jordan

Sport City Branch
Tel.: 5159271 Fax: 5159304 P.O.Box 2140 Amman 11181 Jordan

Taj Mall Branch
Tel.: 5930485 Fax: 5930517 P.O.Box 2140 Amman 11181 Jordan

North Hashmi Branch
Tel.: 5051591 Fax: 5051648 P.O.Box 2140 Amman 11181 Jordan

Durret Khalda Branch
Tel.: 5510948 Fax: 5511416 P.O.Box 2140 Amman 11181 Jordan

Al Madina Al Monawara - Tla'a Al Ali Branch
Tel.: 5513129 Fax: 5513029 P.O.Box 2140 Amman 11181 Jordan

Sahab Branch
Tel.: 4025704 Fax: 4025693 P.O.Box 2140 Amman 11181 Jordan

Al Abdali Mall Branch
Tel.:07968856/508001 Fax:5696291 P.O.Box 2140 Amman 11181 Jordan

Um Uthaina Branch
Tel.: 5543950 Fax: 5560258 P.O.Box 2140 Amman 11181 Jordan

Al hurrieh Mall Branch
Tel.: 5609220 Fax: 4202104 P.O.Box 2140 Amman 11181 Jordan

Dahyet El Nakheel Branch
Tel.: 4791112 Fax: 5737128 P.O.Box 2140 Amman 11181 Jordan

Radio and Television St. Branch
Tel.: 5600904 Fax: 4380683 P.O.Box 2140 Amman 11181 Jordan

Medical City St. Branch
Tel.: 5600910 Fax: 5412471 P.O.Box 2140 Amman 11181 Jordan

Hay Al-Zaytouna Branch
Tel.: 5600907 Fax: 5349825 P.O.Box 2140 Amman 11181 Jordan

Central Jordan

Salt Branch
Tel.: 05-3554925 Fax: 05-3554902 P.O.Box 2140 Amman 11181 Jordan

Zarqa Branch
Tel.: 05-3935740 Fax: 05-3984741 P.O.Box 2140 Amman 11181 Jordan

Faisal St. Branch – Zarqa
Tel.: 05-3932481 Fax: 05-3936728 P.O.Box 2140 Amman 11181 Jordan

New Zarqa Branch
Tel.: 05-3862582 Fax: 05-3862583 P.O.Box 2140 Amman 11181 Jordan

Zarqa Free Zone Branch
Tel.: 05-3826192 Fax: 05-3826194 P.O.Box 2140 Amman 11181 Jordan

Al Ruseifa Branch
Tel.: 05-3746912 Fax: 05-3746913 P.O.Box 2140 Amman 11181 Jordan

Airport Branch
Tel.: 4451155 Fax: 4451156 P.O.Box 2140 Amman 11181 Jordan

Al Jeezah Branch
Tel.: 4460180 Fax: 4460133 P.O.Box 2140 Amman 11181 Jordan

Madaba Branch
Tel.: 05-3245080 Fax: 05-3244723 P.O.Box 2140 Amman 11181 Jordan

Al Jabal Al Shamali Branch
Tel.: 05-3744043Fax: 05-3744029 P.O.Box 2140 Amman 11181 Jordan

North Jordan

Irbid Branch
Tel.: 02-7279704 Fax: 02-7276760 P.O.Box 2140 Amman 11181 Jordan

Al Hussun St. Branch
Tel.: 02-7270495 Fax: 02-7270496 P.O.Box 2140 Amman 11181 Jordan

Eidoun St. Branch
Tel.: 02-7258707 Fax: 02-7276504 P.O.Box 2140 Amman 11181 Jordan

Thirty St. Branch
Tel.: 02-7260120 Fax: 02-7248772 P.O.Box 2140 Amman 11181 Jordan

Hakama St. Branch
Tel.: 02-7408039 Fax: 02-7406375 P.O.Box 2140 Amman 11181 Jordan

Deir Abi Saeed Branch
Tel.: 02-5621619 Fax: 02-6521350 P.O.Box 2140 Amman 11181 Jordan

Al Hassan Industrial City Branch
Tel.: 06-7395396 Fax: 02-7395445 P.O.Box 2140 Amman 11181 Jordan

Rumtha Branch
Tel.: 02-7382535 Fax: 02-7381388 P.O.Box 2140 Amman 11181 Jordan

Al Turrah Branch
Tel.: 02-7360011 Fax: 02-7360200 P.O.Box 2140 Amman 11181 Jordan

Ajloun Branch
Tel.: 02-6420842 Fax: 02-6420841 P.O.Box 2140 Amman 11181 Jordan

Kufranjah Branch
Tel.: 02-6454350 Fax: 02-6454053 P.O.Box 2140 Amman 11181 Jordan

Jerash Branch
Tel.: 02-6352034 Fax: 02-6351433 P.O.Box 2140 Amman 11181 Jordan

Al Mafraq Branch
Tel.: 02-6230390 Fax: 02-6233316 P.O.Box 2140 Amman 11181 Jordan

North Shuneh Branch
Tel.: 02-6587588 Fax: 02-6587377 P.O.Box 2140 Amman 11181 Jordan

North Azraq Branch
Tel.: 05-3834310 Fax: 05-3834307 P.O.Box 2140 Amman 11181 Jordan

South Jordan

Karak Branch
Tel.: 03-2354107 Fax: 03-2353451 P.O.Box 2140 Amman 11181 Jordan

Ma'an Branch
Tel.: 03-2131590 Fax: 03-2131855 P.O.Box 2140 Amman 11181 Jordan

Aqaba Branch
Tel.: 03-2016542 Fax: 03-2014733 P.O.Box 2140 Amman 11181 Jordan

Exchange Offices

King Hussein Bridge - Arrivals Office
Tel.: 05-3581146 Fax: 05-3581147

King Hussein Bridge - Departures Office
Tel.: 05-3581099 Fax: 05-3581147

King Hussein Bridge - Arab Departures Office
Tel.: 05-5609200/59900 Fax: 05-3581147

Palestine Branch Network

Regional Management
Tel.: +970 - 2411466 Fax: +970 2 - 2952705 P.O.Box 1328

Ramallah Branch
Tel.: +970 22411475 Fax: +970 22958684 P.O.Box 1829

Nablus Branch
Tel.: +970 9 - 2381120 Fax: +970 9 - 2381129 P.O.Box 107

Jenin Branch
Tel.: +970 4 - 2505234 Fax: +970 4 - 2505402 P.O.Box 183

Jenin Municipality Office
Tel.: +970 4 - 2505233 Fax: +970 4 - 2505231 P.O.Box 183

Qabatiya Branch
Tel.: +970 - 42512482 Fax: +970 4 - 2512483 P.O.Box 183

Gaza Branch
Tel.: +970 8 - 2865281 Fax: +970 8 - 2824341 P.O.Box 528

Al Naser Branch
Tel.: +970 8 - 2857230 Fax: +970 - 82859258 P.O.Box 528

Hebron Branch
Tel.: +970 22224351 Fax: +970 22224350 P.O.Box 494

Al Ram Branch
Tel.: +970 22343840 Fax: +970 22343842 P.O.Box 1328

Al Eizaryeh Branch
Tel.: +970 22790243 Fax: +970 22790245 P.O.Box 148

Industrial Area Branch/ Ramallah
Tel.: +970 22963785 Fax: +970 22963788 P.O.Box 1484

Tulkarm Branch
Tel.: +970 92687882 Fax: +970 92687884 P.O.Box 18

Bethlehem Branch
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