



بنك القاهرة عمّان
CairoAmmanBank

20
22

Annual Report

التقرير السنوي





His Majesty
King Abdullah II Ben Al-Hussein



His Royal Highness
Prince Hussein Ben Abdullah II, the Crown Prince

بنك القاهرة عمان
CairoAmmanBank **Preamble**

Cairo Amman Bank (CAB) is among the top 5 financial institutions in Jordan, with assets amounting to 3,675 million Jordanian Dinars in 2022. Since its establishment in 1960 as a public shareholding company, the Bank has been keen to promote social and economic development at the local and regional levels through offering service to individuals, small and medium-sized companies, and large corporations across various sectors. The Bank serves its customers through a wide network of branches that offer innovative banking solutions, and provides an integrated set of products, services and solutions designed to meet the needs of customers.

The Bank's prudent credit policy and risk management practices contributed to achieving excellent growth rates over the past years, which maintained the quality of the credit portfolio, non-performing loan rates below the market average, in addition to sustaining a high coverage ratio of allocations.

Cairo Amman Bank operates 100 branches in Jordan, 22 branches in Palestine and one branch in Bahrain. **Cairo Amman Bank's** advanced banking solutions can be accessed through its ATM network of 266 machines through digital platform services that include internet banking, mobile banking, "Labib" chatbot and others.

Cairo Amman Bank aims to provide ease and convenience to customers by constantly keeping pace with their financial needs through a wide range of innovative banking solutions. This is due to **Cairo Amman Bank** retaining a large share of the individual retail sector in Jordan.

The bank currently operates under three separate brands, with the aim of meeting the financial needs of all target segments in the Jordanian market:

Cairo Amman Bank: serving the Jordanian community, with a focus on individuals working in the public and private sectors

LINC Bank: Providing banking products and services to Jordanian youth (between the ages of 18 and 40). LINC Bank operates through 7 digital branches in Jordanian universities and other "frequented" places such as shopping centers.

SIGNATURE Bank: Providing banking solutions focusing on the needs of elite individual customers, as well as medium and large companies. Signature Bank currently has 3 branches, with other plans to expand in the coming years.

Moreover, Awraq Investments, the investment arm of **Cairo Amman Bank**, is considered one of the leading Jordanian companies since its establishment in 1992, effectively providing investment solutions and brokerage services to its diversified client base. Awraq Investments brings together local and regional expertise to create solid investment opportunities for its clients.

Cairo Amman Bank launched the financial leasing arm, Tamalak Company for financial leasing in 2014, which was established as an independent company to provide financial leasing services as an alternative financing option for individuals and companies, covering all economic sectors.



SIGNATURE **Overview**

SIGNATURE is a brand owned by Cairo Amman Bank, concerned with providing pioneering and customized banking products and solutions, through distinguished customer service, innovative electronic channels, and an advanced branch network that meets the needs of distinguished customers, both individuals and companies. **SIGNATURE**'s strategic framework is to create a quality and distinctive banking experience through the creation of dynamic banking products and solutions in addition to targeted programs and benefits designed according to customer behaviours, and in a manner that suits their lifestyles.

Three branches are already open and there will be 3 branches for Signature to open during 2023 within strategic locations, targeting the places of distinguished clients; whereas such branches will include places dedicated for serving both individual and corporate clients.

Services will also be offered to clients through e-channels such as the bank smart phone application and internet for individuals and companies, in order to raise the level of service quality, facilitate financial procedures and provide digital solutions for the investment products including currency and stock exchange, securities and investment funds.

SIGNATURE trademark aims to be the first banking option of the elite clients, based on Cairo Amman Bank strengths in order to enhance expansion and growth in sustainable definition.



A BANK FOR شباب YOUTH

www.linc.jo

LINC A BANK FOR YOUTH Overview

LINC is the first digital bank in Jordan that is dedicated for serving youth of age category ranging between 18 and 40 years and who like technology; it is a sub-trademark of Cairo Amman Bank that was established in 2019 for serving clients as a unique business unit that aims at providing integrated digital banking solutions for qualifying customers and mainly individuals.

LINC will allow clients of accessing a wide scope of products, services and banking solutions at competitive prices and prominent offers that are appropriate for the youth and technology lovers.

LINC will be serving clients through smart electronic applications and platforms; including bank application and upgraded internet banking services for individuals and companies, in addition to branches of contemporary designs and high-end technologies for serving clients.

LINC will be the pioneer in offering digital banking services in the Jordanian Banking Sector.

LINC will work as partner to the clients and build its own community; as since creation; LINC purpose was sharing with customers. Meaning of LINC is:

L: Learn, as **LINC** will be the first assistant to clients for taking the right options from educational, occupational and training aspects.

I: Inspire, as **LINC** will be the first assistant to clients for unleashing their imagination and build self-confidence.

N: Network, **LINC** will be helping clients expand their own communication network and keep contact with the important persons through the digital pillars and meeting facilities along with the functional communication platforms and meetings.

C: Create, **LINC** will help clients establish their own bank and create their own experience through guaranteeing that they have the full control over all aspects of their lives.

Bank Subsidiaries

Below is an overview of the Bank subsidiaries:

| | |
|---|---|
|  | <p>Al-Safa Bank was established as a public joint stock company in Palestine in 2016 and started its business on 22/9/2016 as a banking institution that operates in accordance with the provisions of Islamic Sharia through its branches, and bank owns 51% of the bank's capital, amounting to \$75 million.</p> <p>Al-Safa Bank seeks to meet the needs of the Palestinian market for Islamic banking services and products, as well as to practice non-finance and investment businesses and develop means of attracting money and savings towards participating in the investment of the product by banking methods and means that do not conflict with the provisions of Islamic law. The bank operates through 9 branches and offices spread in most governorates of Palestine.</p> |
|  | <p>The National Company for Financial Services "Awraq Investments" was established as a limited liability company in the Hashemite Kingdom of Jordan during 1992. Bank owns 100% of the paid-up capital of the company, amounting to 6.5 million dinars. The company provides local, regional and international brokerage services, in addition to asset management services and clients' portfolios for investment, and it also establishes and manages investment funds and provides financial and investment consultations.</p> <p>Despite the hard competition, the company managed to achieve a distinguished position in the market, whether in terms of trading volume or in terms of customer base, where the company maintained a good rank among the operating companies in the Amman Stock Exchange.</p> |
|  | <p>Al-Wataniah Securities Company was established as a private limited liability joint stock company in Ramallah in Palestine in 1995. The company works as an intermediary in the Palestine Stock Exchange (Palestine Stock Exchange). The company started its work with the beginning of the work of the Muhtasib Souq, and it is a member of the Palestine Stock Exchange and is licensed by the Palestinian Capital Market Authority to provide local, regional and international brokerage services. The bank owns the entire paid-up capital of the company, amounting to 1.6 million dinars, and the head office is located in Ramallah.</p> |
|  | <p>Tamalak Leasing Company was established on 12/11/2013 and registered as a limited liability company with a capital of 5 million Jordanian dinars, and wholly owned by Cairo Amman Bank by 100%. To act as an investment arm in the field of providing a service for financial leasing.</p> <p>The company provides a full range of financial leasing services commensurate with the nature of the lessee's activity and cash flows, and for all economic sectors. The company also seeks to raise a level of interest in the services provided to the target markets to meet their financing needs through the deployment of a financial leasing scheme because of its economic and financial advantages for the targeted sectors, and the company works to serve its customers in the management of a company in Amman and a branch in Irbid.</p> |

Annual Report for the Year 2022



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BOD Chairman

Mr. Yazeed Adnan Mustafa Al-Mufti / BOD Chairman – non-independent.

BOD Vice-Chairman

Mr. Hosameddin Abdulwahab Ali Mohammad (Representative of Banquemisr) / Vice BOD Chairman - Non-independent (as of 8/5/2022)

Mr. Mohammad Mahmoud Ahmad Al-Atrabi (Representative of Banque Misr) / Vice BOD Chairman – Non-independent (until 24/04/2022)

Members

Mr. Hisham Zafer Taher Al-Masri / Member - Non independent

Mr. Yaseen Khalil “Mohammad Yaseen” Al-Talhouni / Member - Non independent

Arab Trading and Food Supply Company, represented by Mr. Ghassan Ibrahim Fares Aqeel - Non independent

Social Security Corporation, represented by Mr. Mazen Hamdi Mohammad Al-Sahsah - Non independent

Mr. Hasan Ali Hussein Abu Al-Ragheb / Member – non-Independent

Mrs. Suha Baseel Andrawos Ennab / Member - Independent

Mr. Sami Issa Eid Smairat / Member - Independent

Mr. Esam Mohammad Farooq Rushdi Al-Muhtadi / Member – Independent

Mr. Cleman Mary Farajallah Me'mar Bashi / Member – independent (as of 24/04/2022)

Mr. Shareef Mahdi Husni Al-Saifi / Member – non-Independent (up to 20/02/2022)

CEO

Mr. Kamal Ghareeb Abdul Raheem Al-Bakri

Auditors

Messrs. Ernst and Young

BOD Chairman Word

**Dear Shareholders,**

On behalf of my colleagues in the Board of Directors, it is my pleasure to introduce the Annual Report of Cairo Amman Bank for the year 2022; through which we present the most prominent achievements of the bank during the year.

The tangible improvement in many of the main economic indicators led to the continued recovery of the Jordanian economy from the repercussions of the Corona pandemic that the global economy experienced during the previous years; by achieving levels higher than those recorded in 2019, that is, before the commencement of the pandemic, as the GDP growth reached 2.6% for the third quarter of the year 2022, and it is expected to grow at a rate of 2.7% by the end of 2022 after a growth of 2.6% in the year 2021. The tourism sector also witnessed a notable positive improvement by achieving an income that exceeded 4.1 billion dinars during the year 2022, with an increase of 117% compared to 2021, which indicates a return to normal activity. During the year 2023, it is expected that economic indicators will continue to improve and achieve the desired results, which will reflect positively on the Jordanian economy.

The Central Bank of Jordan succeeded in maintaining the high levels of the Kingdom's reserves of foreign currencies and gold, which amounted to \$17.3 billion, and linking the exchange rate of the Jordanian dinar to the dollar formed a strong support for the Jordanian economy. It also succeeded in proving its effective and pivotal role in preserving the safety and stability of the Jordanian banking system through its prudent policies and decisions.

As for the Bank's performance, the balance of credit facilities increased during 2022 by 9%, accompanied by an increase in net interest and commission income by 3.5%, to reach 140.9 million dinars, compared to 136.2 million dinars for the year 2020. The profit before income tax amounted

to 51.3 million dinars, compared to 30.7 million dinars for the year 2021, while the profit attributable to the Bank's shareholders after tax amounted to 52.7 million dinars, compared to 51.3 million dinars for the previous year and an increase by 2.62% with regards to the bank shareholders' profits after tax 34.6 million Dinars against 32.8 million dinars in the previous year, and the increase in profits mainly refers to the increase in the bank operational revenues.

Total assets increased by 1.7% to reach 3,675 million dinars. The balance of customer deposits amounted to 2,454 million dinars, as customer deposits grew by 0.7%, and the balance of the Bank's investments in stocks and bonds amounted to 877 million dinars, compared to 881 million dinars for the previous year. From its investments in financial assets, the Bank aims to achieve a balance in investing funds in instruments with low risks and higher returns in a manner that maintains good liquidity ratios. The Bank maintains liquidity ratios that are in line with international standards and the requirements of regulatory authorities and represent a source of reassurance for all categories that deal with the Bank, as credit facilities constitute 86.7% of customer deposits. Customers' deposits constitute the main source of funding for the Bank, representing 66.8% of the total sources of funds.

The Bank managed to maintain the quality of the portfolio, whereas the net inactive facilities reached 4.75% of the direct net credit facilities, and this is a low rate in the banking sector.

Total shareholders' equities reached 401.4 million dinars by the end of 2022 compared to 387 million Dinars at the end of the previous year. Capital Adequacy Ratio reached 15.59%, which is above the minimum limit required by the Central Bank of Jordan which is 14.5%. The shareholders' equities ratio to the total assets (Leverage Ratio), reached 9.27%, which makes the Bank within the first category (Good Capital) as per the solvency degree.

Based on the bank financial results, the Board of Directors decided to recommend the Bank General Assembly of distributing cash profits among shareholders by 10% of the share nominal value which amounting 19 million Dinar.

During 2023, the bank will continue implementing its strategic policies and plans of developing business, through focusing on maintaining high liquidity rate, credit portfolio quality, raising performance efficiency, improving level of customer service and increase number of branches in the area that the Bank was not existing, in addition to contributing in the support to the local community as part of the Bank social responsibility.

In conclusion and on behalf of the Board of Directors; I would like to express my gratitude to all Bank shareholders and dearest clients for their continuous trust and support, with the gratitude to all Bank employees. I would also like to express my thanks and appreciation to the Central Bank of Jordan for its sincere efforts, and we ask Allah to guide us for more success to benefit our society and country in a way that satisfies our clients and shareholders.

Peace, mercy and blessings of Allah

Yazeed Adnan Al-Mufti
BOD Chairman

The Jordanian Economy

The Jordanian economy has proven its ability to overcome the deep repercussions of the Covid-19 crisis after achieving a growth by 2.6% for the third quarter of 2022 supported by a strong progress in the structural reforms from the International Monetary Fund, which mitigated the repercussions to the economy and enhanced the stability of the entire economy despite the international economic problems, whereas expectations indicate that the Jordanian economy will be growing by 2.7% till the end of 2022, while the inflation rates notably increased during 2022 as it reached 4.23% in 2022 and unemployment rate decreased to 22.9% during 2022 from 23.3% at the end of 2021.

The balance of payments faced new pressures during the year 2022, most notably the rise in the trade deficit due to the growth in the rate of imports more than the increase in exports, despite the increase in the rates of the internationally exported commodities such as phosphate and potash as result of the Russian-Ukrainian war. On the other hand, the tourism sector faced a huge improvement, as tourism income rose to 4.12 billion dinars at the end of 2022, which confirms recovery of the tourism sector, knowing that tourism income in 2019 reached 4.10 billion dinars.

The levels of the Kingdom's reserves of foreign currencies and gold for the year 2022 reached 17.3 billion US dollars, a decrease of 1.1 billion US dollars from the levels of the end of the year 2021, which amounted to 18.1 billion US dollars, with a coverage rate of 7.5 months of the Kingdom's imports.

As for the fiscal policy, the level of revenue generated from tax collections has improved, as it increased by 7.1% during the first eleven months of the year 2022 and is expected to increase by 8.2% by the end of the year 2022 according to the General Budget Law, which reflects the prudence of financial management taken by the government to maintain economic stability. This led to a decrease in the budget deficit to approximately 4.2% of GDP during the first eleven months of the year 2022 from 5.1% for the same period of the year 2021.

As for the level of the Kingdom's public debt, expectations indicate a rise in public debt levels to 111% of GDP at the end of 2022, which is one of the highest levels witnessed by the Hashemite Kingdom of Jordan since its founding, after the ratio reached the same last year. Noting that when excluding the debt owned by the Social Security Investment Fund, the ratio will reach 88.2% of the GDP.

The pegging of the Jordanian dinar exchange rate to the US dollar remains a strong supporter of the Jordanian economy, and reinforces the stability of the dinar exchange rate, which helps in increasing the levels of the Kingdom's foreign exchange reserves.

Expectations for 2023:

The World Bank expects the growth of the Jordanian economy to accelerate during the year 2023 by 2.4%, with the improvement of the tourism sector.

On the other hand, expectations indicate that public debt levels will rise to 115.2% of the GDP for 2023, coinciding with the continued dependence on external debt, with continued pressures on the current account and balance of payments due to the rise in imports and the oil import bill.

As for monetary policy, it is expected that interest rates will rise in the coming years, as the Central Bank of Jordan will continue to follow the US Federal Reserve's approach to raising interest rates, as it is likely to raise interest rates by 0.5% during the first quarter of the year 2023 to combat the rise in inflation rates in the United States.

The economies of the region:

The economic activity of the region for the year 2022 was distinguished by its solidity in an uneven manner, as the countries of the region made remarkable progress in recovering what was lost from the repercussions of the Corona crisis, and despite the impact of the repercussions of the Russian-Ukrainian war, the expansion of output continued in emerging market economies, oil-exporting countries, and middle-income economies.

As for the year 2023, the worsening global economic conditions have affected the economic outlook in the region. Growth expectations for the Middle East and North Africa region have declined to reach 3.6% during the year 2023. Growth in oil-exporting countries is expected to decline to 3.5% with the start of the decline in oil production increases under the OPEC + agreement, the decline in oil prices and the slowdown in global demand.

Expectations indicate a slowdown in the pace of growth in emerging market and middle-income economies in the Middle East and North Africa region, reaching 3.9%, while low-income countries are expected to gradually recover in 2023.

Global Economy:

The World Bank expected the global economy to grow by 2.7% in the year 2023, and after achieving a growth of 1.7% for the year 2022, in addition to reducing expectations to about 95% of the advanced economies, and about 70% of the economies of emerging markets and developing economies, and that global growth rates will slow down sharply against high inflation, high interest rates, low investment, and the turmoil caused by the war in Ukraine.

In view of the economic conditions, any negative development such as higher-than-expected inflation, a rise in interest rates to contain inflation, the return of the Corona virus outbreak, or the escalation of geopolitical tensions could push the global economy into recession. It would be the first time in more than 80 years that a single decade saw two global recessions.

Developed economies are expected to grow from 0.9% in 2022 to 1.3% in 2023. In the United States, the growth rate is expected to drop to 1% in 2023; This marks the weakest performance outside of an official recession since 1970.

The World Bank also indicated that the growth rate in the euro area is expected to reach 1.4%, up from 1% after adjusting expectations, and that the growth rate in the People's Republic of China will reach 4.3% in 2023, lower than the previous forecast by 0.9%, and it is expected that the growth rate in emerging market and developing economies will decline from 3.8% in 2022 to 2.7% in 2023; which reflects a significant weakness in external demand; due to high rates of inflation.

The Most Significant Financial Indicators and Ratios

| Thousand Dinars | 2022 | 2021 | Change |
|--|-----------|-----------|--------|
| Most Significant Clauses of the Financial Position Statement | | | |
| Total Assets | 3,674,974 | 3,613,808 | 1.69% |
| Net credit facilities | 2,127,194 | 1,951,097 | 9.03% |
| Clients' deposits | 2,454,183 | 2,437,900 | 0.67% |
| Total shareholders' equity | 401,434 | 387,038 | 3.72% |
| Transactions' Results | | | |
| Net revenues of interests and commissions | 140,938 | 136,231 | 3.46% |
| Income from operational transactions (except for the profits of selling and evaluating financial assets) | 157,387 | 150,162 | 4.81% |
| Total income | 157,920 | 151,558 | 4.20% |
| Profit before tax | 52,651 | 51,308 | 2.62% |
| Profit attributable to shareholders after taxes | 34,614 | 32,800 | 5.53% |
| Stock share from net profit (Dinar) | 0.182 | 0.173 | 5.53% |
| Most Important Fiscal Ratios | | | |
| Ratio of Return on Assets | 0.95% | 0.94% | |
| Ratio of Return on Stockholder's Equity | 8.78% | 8.70% | |
| Net revenue of profits and commissions to assets' ratio | 3.87% | 3.91% | |
| Capital adequacy | 15.59% | 15.18% | |
| Net facilities to clients' deposits | 86.68% | 80.03% | |
| Net inactive facilities to facilities | 4.75% | 4.74% | |
| Allocation coverage of net inactive facilities | 73.63% | 75.14% | |

Financial Indicators of the Last Five Years

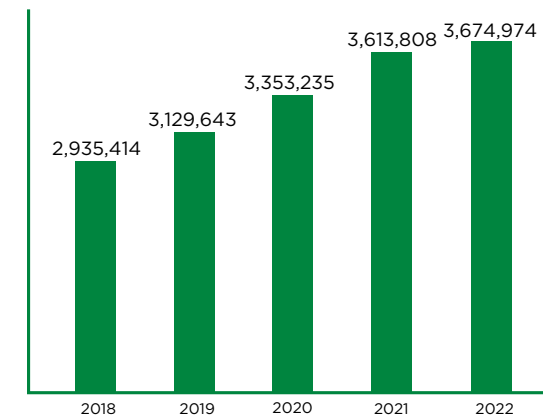
| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---------|---------|---------|---------|----------|
| Net Profit attributable to shareholders | 30,127 | 28,095 | 18,161 | 32,800 | 34,614 |
| Dividends | 16,200 | - | 22,800 | *17,100 | **19,000 |
| Distributed shares | 10,000 | - | - | - | - |
| Shareholders' equity | 336,397 | 349,875 | 366,623 | 387,038 | 401,434 |
| Issued shares | 180,000 | 190,000 | 190,000 | 190,000 | 190,000 |
| Share rate in the stock market (Dinar) | 1.33 | 1.03 | 1.05 | 1.39 | 1.34 |

* 16,078,984 shares of the Al-Safa Bank / owned by Cairo Amman Bank were distributed to its shareholders on the basis of the proportionate share of the shareholders' ownership in the capital of Cairo Amman Bank.

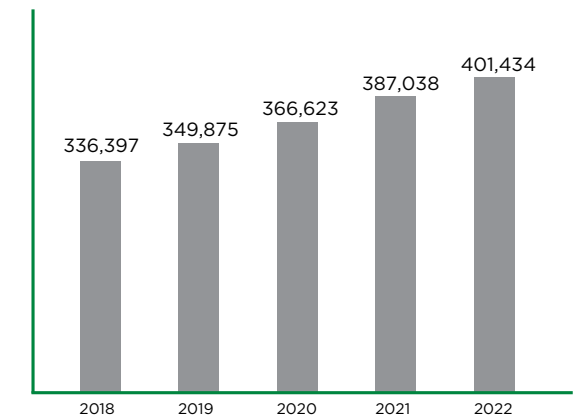
** BOD recommendation to the general assembly for 2022

(Thousand Dinars)

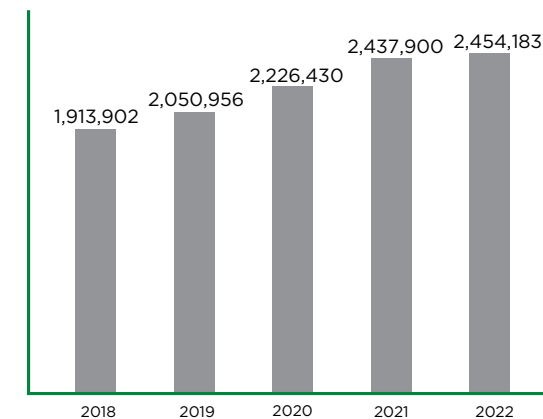
Total Assets



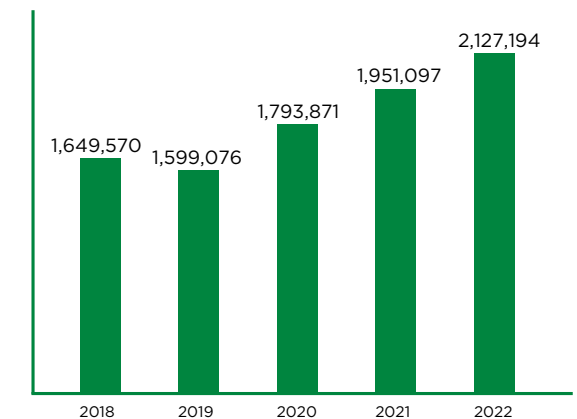
Total Shareholders' Equity



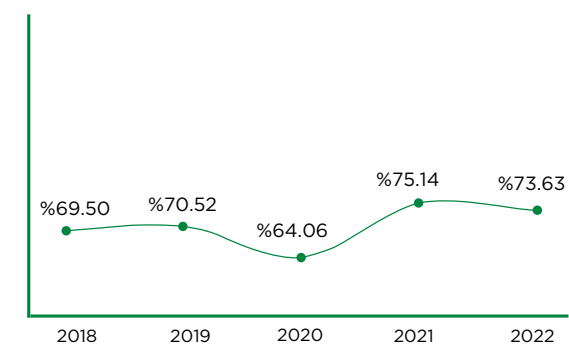
Total Clients' Deposits



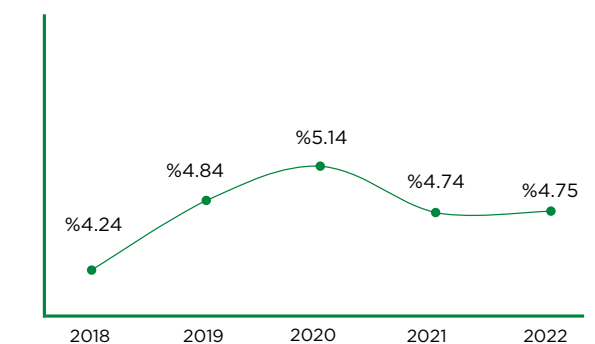
Net Credit Facilities



Percentage of Allocations' Coverage



Percentage of Net Bad Debts



Financial Position and Bank Business Outcomes



Financial Position of the Bank

Total assets amounted to 3675 million dinars, with an increase of 61.2 million dinars over the end of the previous year, by an increase of 1.69%, while the total credit facilities portfolio witnessed an increase of 187 million dinars to reach 2244.2 million dinars, with an increase of 9.1%. The Bank has maintained the quality of the credit facilities portfolio, as the ratio of net non-performing facilities reached 4.75% from the balance of direct credit facilities, compared to 4.74% for the previous year, which is one of the lowest rates in the banking sector. The net credit facilities portfolio amounted to 2127.2 million dinars, compared to 1951.1 million dinars in the previous year, by an increase of 9.03%. The Bank also maintains sufficient provisions against non-performing credit facilities in accordance with the instructions of the Central Bank of Jordan and the financial reporting standard IFRS9, with a balance of JD 78.1 million, bringing the coverage ratio of provisions for net non-performing facilities to 73.63%.

The balance of the Bank's investments in stocks and bonds amounted to 877.2 million dinars, compared to 880.6 million dinars for the previous year.

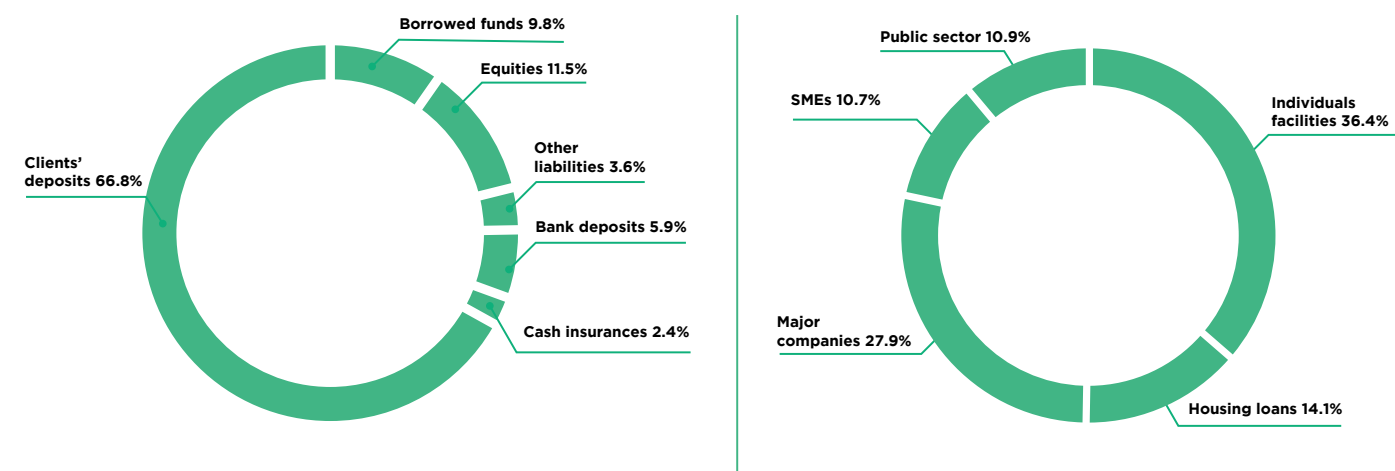
From its investments in financial assets, the Bank aims to achieve a balance in investing funds in instruments with low risks, and higher returns, in a manner that preserves the Bank's liquidity.

On the other hand, balances and deposits with banks decreased by 11.5% to reach 197 million dinars compared to 222.6 million dinars for the previous year, while cash and balances with central banks amounted to 320.7 million dinars compared to 413.5 million dinars for the previous year, by a decrease of 22.4%.

The Bank maintains liquidity ratios that are in line with international standards and the requirements of regulatory authorities and represent a source of reassurance for all categories that deal with the Bank, as credit facilities constitute 86.7% of customer deposits. Customers' deposits constitute the main source of funding for the Bank, which represents 66.8% of the total sources of funds.

The Bank's total shareholders' equity amounted to 401.4 million dinars at the end of 2022, compared to 387 million dinars at the end of the previous year. The capital adequacy ratio reached 15.59% for the year 2022 compared to 15.18% for the previous year, which is higher than the minimum set by the Central Bank of Jordan of 14.5%. The core capital ratio for risk-weighted assets was 14.2%, compared to 13.59 % for the previous year, and the weighted shareholder's equity to total assets ratio (Leverage Ratio) was 9.27%, which puts the bank in the first category (good capital) according to the degree of solvency.

Please note that there are no significant, material events that occurred in the company during the fiscal year 2022.



Bank's Business Results

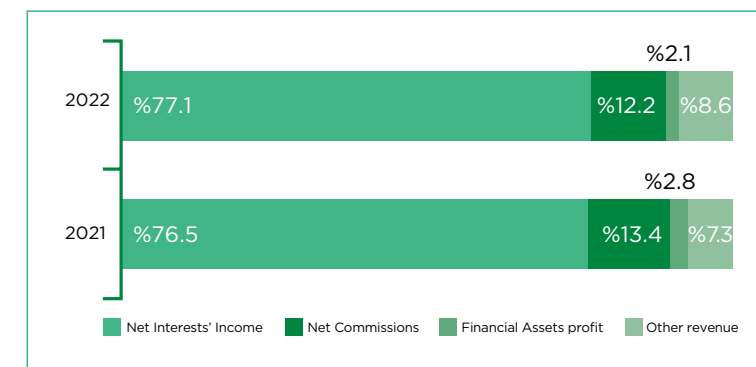
Operationally, the net interest income increased by 5.0% to reach 121.7 million dinars, compared to 115.9 million dinars for the previous year. The net income from commissions amounted to 19.2 million dinars,

compared to 20.3 million dinars for the previous year, by an increase of 5.4%, while the Bank's investment income amounted to 3.3 million dinars, compared to 4.3 million dinars for the previous year, and other revenues increased by 23.5% to reach 13.6 million dinars. As a result, the total income amounted to 157.9 million dinars, compared to 151.6 million dinars for the previous year, by an increase of 4.2%. The bank's operating income from interests and commissions still constitutes the largest part of the total income, at a rate of 89.2% compared to 89.9% for the previous year.

On the other hand, total expenses, including provision for impairment of credit facilities and other provisions, decreased by 5% to reach 105.3 million dinars, as employee expenses increased by 2.2% over the previous year to reach 46 million dinars, while other operating expenses increased by 3.2 million dinars, with a percentage of 9.8%. Moreover, the Bank has reinforced the provisions, as the expected credit loss allowance for credit exposures, which was taken out during the year, amounted to 15.5 million dinars, compared to 17.6 million dinars for the previous year.

The profit before tax amounted to 52.7 million dinars, compared to 51.3 million dinars for the previous year, with an increase of 2.6%, while the net profit after income tax attributable to the Bank's shareholders was 34.6 million dinars, compared with 32.8 million dinars for the previous year, at a rate of 5.5 % and the portion of one share of the net profit amounted to 0.182 dinars, compared to 0.173 dinars for the previous year.

The comprehensive income for the year attributable to the Bank's shareholders amounted to 40 million dinars, compared to 42.7 million dinars for the previous year, with a decrease of 6.4%.



Dividends

The Board of Directors decided to recommend to the General Assembly of Shareholders the distribution of cash dividends to shareholders at a rate of 10%.

Individual Services

Cairo Amman Bank continued during the year 2022 in providing products and services that keep pace with banking development and are based on the behaviors and needs of its customers under three brands.

The bank seeks to enhance its corporate identity and maintain its competitive advantage within the local and regional market by expanding the scope of grants and offering competitive benefits to various sectors in order to attract new customers and maintain existing customers. In the field of personal loans and in light of the continuous rise in the interbank rate during the year, the bank reduced the interest rate for some sectors to encourage grants and in line with the needs of customers. The bank has presented many offers to encourage the purchase process in the local market, whether through bank or credit cards, or through the easy installment product. The bank focused on the discounts program through campaigns in partnership with local merchants from various sectors to provide commodities at the best prices.

The new Signature trademark started its work at the beginning of the year, as banking services are provided to the category of privileged customers and companies through branches and electronic channels dedicated to the segment. Many of the brand's products and services have been developed in accordance with the requirements of the financial category, most notably the real estate financing programs with easy and flexible policies and in partnership with many real estate developers. A special product has also been made available to doctors to finance clinics and health centers. The brand launched its own mobile application and internet banking, in order to meet the needs and requirements of the category.

With regards to LINC trademark concerned of the youth; e-services were added in compatible with the bank digital identity, with the most prominent purchasing commodities for customers via Marketplace platform, in partnership with various merchants in the Kingdom through the banking application. Many offers and campaigns dedicated to the youth category have also been launched with our partners from various sectors such as education, tourism, fashion, e-commerce and others. With regard to the car product, special loans for environmentally friendly cars with unique benefits have been developed, in line with the bank's objectives to contribute to supporting the environment and to provide special offers for the Kingdom's youth.

As for the university cards project, which includes 16 public and private universities, students were provided with prepaid cards under the LINC brand, and the card control service was made available through the phone application, and a contract was made to issue the salaries of the High Royal Honorable deed on the cards instead of the traditional procedure, to facilitate the withdrawal process for students.

As for electronic channels, the mobile application and website have been radically updated to include many solutions that improve the customer journey on the one hand, and contribute to raising the level of business efficiency on the other hand. The call center system was also fully updated and new services were added to facilitate banking transactions and raise the level of customer satisfaction.

Cairo Amman Bank will continue to meet the financial needs of its customers and improve their banking journey by providing pioneering services and solutions, in a way that ensures the achievement of sustainability goals and support for all segments of society.



Private/Corporate Banking Department

In continuation of the bank's approach to paying attention to banking services and products provided to the corporate sector and institutions, as it is one of the main sources of the bank's realized revenues, plans and goals are constantly reviewed and worked to achieve them. The Private Banking Services Department has worked on studying various economic sectors and increasing the customer base of different companies and institutions. The year 2022 was marked by attracting a large number of large and medium companies and individual institutions from various sectors have been studied and worked to meet all their needs in a thoughtful and justified manner to develop their business and expand their business so that the strategy of the department's work is to build a solid base of distinguished customers through the optimal use of effective marketing tools and mechanisms and to create a high quality banking experience by providing dynamic, pioneering products and solutions that meet customer needs and are complementary to the bank's customer base as a whole.

The bank did not neglect to meet the needs of existing customers through continuous communication with them, identifying their needs and the challenges they face, and working on proactive solutions to enable them to continue their business and develop it, as the bank is a major partner for these companies and their success and continuity of the quality of the credit portfolio, which reflects positively on the bank's ability to achieve Revenues.

In order to keep pace with the development of companies' business regionally and internationally, our branch in Bahrain provides services to these companies and develops their business in line with the instructions of the Central Bank.

The year 2022 witnessed a continuous rise in interest rates and to help the sectors covered by the Central Bank's advances. The bank did not hesitate to participate with the Central Bank by granting them these loans at low and fixed interest rates throughout the loan period to develop their businesses and increase their competitiveness, in addition to partnership with the Jordanian Loan Guarantee Company by granting customers the required facilities.

In order for the bank to continue its approach to developing its business and working to receive new customers and maintain existing customers, it was necessary to look at developing the digital services system for the private banking services department to expand its scope of work to meet the needs of companies, businessmen and individuals more broadly with the highest standards of confidentiality, security and reliability.

In view of the importance of the environment to be clean and free of pollution, a Green Lending agreement was signed with the European Bank / GEF through which loans are obtained and re-lent to large, small and medium companies, even individuals and the household sector, the aim of which is to expand using buildings, equipment and machines that are environmentally friendly in addition to generating electric power through solar energy to serve all sectors, whether industrial or agricultural and other sectors in addition to the domestic sector.

Treasury and Funds Development Resources

The year 2022 brought many challenges, perhaps the most prominent of which was the repercussions of the catastrophic Covid-19 pandemic on the global economy, along with the Russian -Ukrainian War and despite this, the Bank was able to manage its assets and liabilities efficiently and effectively, balancing between maintaining the quality and excellence of assets, improving the return on them and diversifying the sources of funds. As well as maintaining appropriate liquidity ratios, which contributes to enhancing the Bank's profitability and maintaining acceptable risk ratios.

During the year 2022, the Bank worked to enhance its network of relationships with correspondent banks efficiently and effectively, and worked to establish new relationships despite the new surrounding

circumstances witnessed in the region and in light of the renewed changes imposed by the regulatory authorities. In addition to consolidating and maintaining banking relations with banks and financial institutions in the Hashemite Kingdom of Jordan and abroad in several areas in terms of trade finance and bank transfers, which contributed to improving the quality of services provided to the Bank's clients.

Cairo Amman Bank continued to provide its clients with innovative investment options, through the electronic trading platform launched by the Bank, which provides clients with options for trading stocks, bonds and investment funds available for trading in various global markets.

Financial Leasing

The Bank, through Tamallak Financial Leasing Company, offers a full range of financial leasing services commensurate with the nature of the lessee's activity and cash flows, and for all economic sectors. The company also seeks to raise the level of interest in the services provided to the target markets to meet their financing needs by spreading the concept of financial leasing because of its economic and financial advantages for the target sectors.

Investment Services

The Bank, through its investment arms, Awraq Investment Company in Jordan and the National Securities Company in Palestine, provides brokerage services in the local, regional and international markets. In addition to asset management services such as managing investment portfolios for clients, establishing and managing investment funds with different purposes, providing financial and investment advice, and preparing studies and research.

Network of Branch and Distribution Outlets

In order to achieve the objectives of the corporate identity and the plans of the geographical spread of the Bank, during the year 2022, a new branch of Cairo Amman Bank was opened under the institutional identity of Signature, while two existing branches were transformed into the institutional identity of Signature. Also, two branches were updated and transferred to the comprehensive employee system; in addition to updating 3 existing branches into the comprehensive employee system and transferring two existing branches to more vivid location to be transferred into the comprehensive employee system, and a second new branch was established and equipped in Aqaba (without commencement of work).

Below are the details:

1. Opening a new Signature branch in Al-Khaldi street
2. Transfer two existing branches into Signature, namely Zara and Mecca Street (currently Um Al-Sumaq)
3. Upgrade and transform Wadi Mousa office into an independent branch that works through the comprehensive employee system
4. Complete upgrading and transforming Salt office into an independent branch under the name (Al-Salt Branch - downtown) and will commence its work at the beginning of 1/2023
5. Update Fuhais branch and transform it into the comprehensive employee system
6. Complete updating both branches of Sweileh and Al-Yasmeen Suburb to be transformed into the comprehensive employee system and both will commence work at the beginning of 1/2023
7. Transfer Al-Madina Al-Munawara branch into another location at Al-Waha circle taking into consideration having car parking for clients
8. Transfer Marriot branch outside the hotel to become visible and more vital to be reached by customers
9. Complete equipping a second new branch in Aqaba / Al-Nfoura Mall and it will commence its work officially during the first quarter of 2023

All the new and updated sites mentioned are characterized by modern designs that keep pace with modernity, as well as a quiet atmosphere and electronic networks equipped with the latest computers that ensure the provision of banking services to customers easily and achieve confidentiality and privacy, as it aims to accommodate the steady increase in the number of branch customers, in addition to strengthening the presence in vital areas in Jordan, whereas the total number of branches and offices in Jordan (LINC, Signature and CAB) until the end of 2022 reached (98) branches and offices (without Aqaba / Al-Nfoura Mall branch). The bank serves its customers through a wide network of ATMs, where 11 new ATMs were installed in different locations during the current year, thus making total number of ATMs is 201 spread across all regions of the Kingdom, of which 33 provide cash deposit service.

Cairo Amman Bank branches that were opened in 2022



Al-Yasmeen Suburb branch



Sweileh Branch

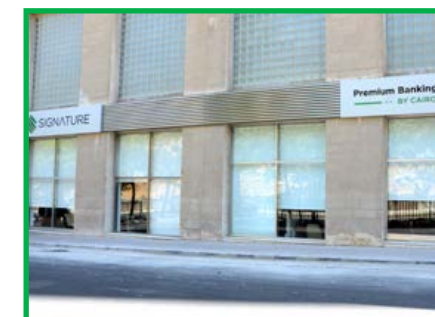


Al-Madina Al-Munawara Branch



Marriott Branch

SIGNATURE branches opened in 2022



Zara Center Branch



Um Al-Sumaq - Mecca Street Branch



Al-Khaldi Street Branch

Accomplishments of the Information Technology and Projects Department

The Information Technology and Project Department implemented several programs, initiatives and updates during the year 2022 aimed at improving the technical environment and keeping abreast of the latest developments in several axes and programs, the most important of which is the upgrade and development of systems for improving customer experience, developing the efficiency of the operational environment, raising the level of information security and compliance.

Program for developing systems of improving customer experience: Cairo Amman Bank successfully implemented the following technical projects during the year 2022, the most important of which is the application and development of mobile and Internet services and channels specialized in user categories Cairo Amman bank, Signature, LINC, in addition to upgrading the systems of self-service booths at LINC branches and the implementation of a number of initiatives and services, including:

- A new platform for corporate banking services via the Internet (Online Banking Corporate)
- Upgrading the queue systems and applying improved features aimed at providing the best levels of service, including booking an appointment in advance.
- Automatic linking with the Social Security Corporation to apply the electronic payment service between the Social Security Corporation and the bank directly, Daman Pay For customers, individuals and companies, both bank customers and non-bank customers, according to the requirements of the Social Security Corporation. The service has also been provided in branches and on electronic channels to include bank branches, LINC and Signature
- Activating the feature of self-loan request services through electronic channels.
- Linking with the "Bani" platform for inter-Arab payments.
- Applying automation of external transfers through electronic channels IMT
- The first bank to link up with GOPAC to verify the International Bank Account Number (IBAN).
- Launching the first phase of renewing the Cisco call center system and the intercom system.
- Applying the service of issuing a secret number through text messages for cards upon immediate issuance.
- Updating and developing the global transfer system SWIFT in accordance with the requirements of the parent company, and enabling servers and infrastructure by providing backup lines to ensure efficiency and continuity of work

Operational Environment Efficiency Development Program: Cairo Amman Bank has successfully implemented the following technical projects, which improve the operational environment and its efficiency and ensure its continuity, as a number of initiatives and services have been applied, including:

- Applying additional services to the central remittance system, which aims to automatically link between the banking system and the SWIFT system, which helps to automate the bank's internal operating procedures and efficiently complete all necessary operations.
- Upgrading and developing the lending system and providing a parallel workflow to improve the efficiency and speed of executing credit transactions.
- Implementation of project management system, tasks and requests for work procedures (Carrotcut)
- Purchasing and applying HSM encryption devices to improve the performance of card operations and to comply with the requirements of ATM systems and international EMV standards.
- Implementation of the first phase of the Bank's Technical Assets Project (ITAM).
- Updating and developing the operating systems of the employees of the Funds Secretariat in all branches of the Kingdom.
- Update Net Scaler and transfer all services to be through it in order to raise the efficiency of systems and close all security gaps.

- Installing alternative communication lines to ensure the highest levels of availability and continuity of systems work.
- Applying the RIPE service to ensure the availability of electronic channels without relying on a specific Internet service provider.
- Upgrading the (365 Office) email for all employees to be able to use updated features and specifications.
- Updating the Instant Issuing system to deal with R12 technology
- Upgrading the system of checks of local banks (ECC)
- Upgrading the Bank customer checks system (ONUS)
- Upgrading the check collection system (PDC)
- Upgrading the ACH / RTGS local transfer system to an updated version to meet the requirements of the Arab Banks Platform Remittances Project (Buna)
- Upgrading the automatic matching system
- Upgrading the legal department system to a new version according to the requirements of the legal department
- Upgrade the credits system

Program for raising the level of information security and compliance: Cairo Amman Bank has successfully implemented the following technical projects, which aim to keep pace with the development of information security protection and compliance with requirements, where a number of initiatives and services have been implemented, including:

- Data Loss Prevention (DLP) is a system that preserves important data from unauthorized persons and prevents its circulation outside the scope of the bank, depending on the status and location of this data, whether it is stored on storage units (In-rest) or users' devices and servers (In-Use) or mobile through the network (In-motion) or outside the scope (Onedrive, teams, skype, O365) and as part of the plan to address information technology and cyber security risks
- Obtaining the Payment Card Industry -PCI certificate related to the bank's compliance with card security standards
- Denial of Service Attacks System (DDOS Attacks).
- Applying a fraud protection system, especially in debit and prepaid cards - Online Fraud Monitoring - Debit & Prepaid -
- The Bank obtained ISO/IEC 27001:2013 certification for three years
- Purchasing replacement storage devices for the devices currently operating in the main information center and the alternate information center

The administration plans to implement the following strategic projects during the year 2023, the most important of which are:

- Upgrading the banking system.
- Implementation of the alternative center (DR site) to ensure business continuity.
- Application of a dynamic digital banking platform

Human Resources and Training

Talent Management and Performance Appraisal Department

Bank's Recruitment Policy

Bank continued in its policy of giving priority to filling vacancies internally through a fair competition mechanism that gives employees the right to compete for vacant positions, especially administrative and leadership positions, in order to ensure the employees' progress in their career path and to maintain qualified staff. On the other hand, this ensures Bank continuing to provide opportunities for cognitive development and promotion of practical experience for employees through programs of temporary replacement, training and education. Bank also considers the need to provide its staff with external expertise that promotes innovative and renewable intellect with internal competition among employees by attracting the best personnel who are suitable for the values and environment of the institution and for job requirements.

Total employment turnaround rate reached 7.697% of the year 2022, and the employment turnaround rate is considered within the normal rate as per the best practices of employment turnaround rate.

Remunerations policy

In line with the corporate governance instructions issued by the Central Bank of Jordan, a policy has been developed for distributing financial rewards to Bank employees based on the main principles of institutional governance in applying the principles of fairness and transparency in granting financial rewards to Bank employees.

The remuneration policy aims to set objective, fair and transparent principles and criteria for granting financial rewards to the senior executive management and all Bank employees, whereas the Bank was able to attract, develop and maintain its qualified, skilled and experienced employees and motivate them and improve their performance, while encouraging and motivating employees to achieve Bank goals.

The policy includes the adoption of a reward system that links the profitability and Bank performance in general with the extent of achieving its strategic goals. It also includes principles and standards for the performance of administrations, different departments, and employee performance.

Number of employees at the bank and subsidiaries is 2,217 as per the following qualifications:

| | Bank | Awraq Investment | Al-Safa Bank | Tamallak Lease Finance | National Securities | Total |
|----------------------------|------|------------------|--------------|------------------------|---------------------|-------|
| Secondary and lower | 237 | 2 | 14 | 4 | 2 | 259 |
| Diploma | 209 | 1 | 7 | 1 | 0 | 218 |
| Bachelor | 1454 | 13 | 116 | 10 | 8 | 1601 |
| Master | 106 | 4 | 17 | 2 | 1 | 130 |
| PhD | 5 | 0 | 0 | 0 | 0 | 5 |
| Total | 2011 | 20 | 154 | 17 | 11 | 2213 |

Most important achievements of the HR Department

Stemming from the Bank vision and mission and its strategic goals to develop and support investment in the human resources and institutional culture, and its belief in the importance of the human resources, which it considers the key element of its success; the Bank conducted training and development programs during the year 2022 according to the best practices and available and possible options, in an effort to enhance a professional work environment and raise the level of functional satisfaction through continuous training and development, with the aim of raising work efficiency and productivity, to serve internal and external clients with high professionalism in a manner consistent with the Bank's mission, vision and strategic objectives. The percentage of employees holding professional certificates in various fields and sectors of the Bank has also been raised, which has an impact on raising the level of service provided and work for employees, which is positively reflected in the productivity and profits of the Bank.

And in order for the bank to motivate its employees and encourage them to be creative, innovative, develop performance, and make more efforts aimed at creating and enhancing a professional work environment, the bank has applied the employee of the month award system, the distinguished achievement award, and the worthy initiative. This is for the purposes of creating an empowered human capital capable of performing the tasks entrusted to it efficiently and effectively in pursuit of excellence, creativity and giving. The Human Resources Department has also continued to implement the Future Bankers Program, which aims in various fields of knowledge and banking that qualify them to enhance the level of knowledge of the participants and train them scientifically and practically to take over their jobs and work to the fullest.

Human Resources Training and Development Plans

The Human Resources Department also had a role in contributing to social responsibility by continuing to train students and university graduates in practical training on the Bank's business aimed at qualifying them and enabling them to engage in the labor market. The Human Resources Department was also keen to continue participating in job events at various Jordanian universities with the aim of attracting qualified young fresh graduates.

In view of its great impact in supporting the local community, and what this includes in increasing general awareness among the bank's employees, the Human Resources Department participated in holding an awareness event about breast cancer, on the occasion of Breast Cancer Awareness Month.

During the year 2022, the Bank also strengthened the culture of learning through technology, E-Learning. In 2022, training programs and the provision of knowledge heavily relied on technology; whereas specialized training courses were accredited and prepared through electronic platforms, as it provided the opportunity to train the largest possible number of employees and the creation of qualified leaders for the next stages. In the same year, more reliance was made on the use of information technology means in implementing training and development programs. Various training courses were prepared and implemented through electronic platforms, which raised training and development opportunities for employees and provided the opportunity to train the largest possible number of employees in their various fields of work in a way that serves the objectives of training and development of the human cadre to achieve the institutional goals.

In the field of manpower planning and employment, and based on the bank's vision and strategic objectives to develop and support investment in human resources and promote the concept of inclusiveness and diversity; 162 male and female employees were appointed, with a focus on the youth category, as the percentage of females among new employees in 2022 reached 30% of the total appointments, and the percentage of women constituted 37% of our total work team in the bank, while the percentage of women in senior management positions constituted 27% in the year 2022.

We believe in our team and they are the basis of our success. Therefore, we select our work team who share values and culture with us to be an integral part of our journey towards growth and success. Our positive energy, harmony in work, and team spirit between us, in addition to our distinctive work environment, is the source of our success and the strength of our attraction to distinguished employees.

Table of training course (internal and local)

| Field of training | Number of training programs | Number of participants | Number of training hours |
|------------------------------------|-----------------------------|------------------------|--------------------------|
| Awareness workshops | 1 | 23 | 46 |
| Banking systems | 11 | 386 | 1429.5 |
| Compliance & anti-money laundering | 20 | 476 | 1631 |
| Credit facilities | 8 | 175 | 1190.5 |
| Customer service | 7 | 76 | 728 |
| Accounting and finance | 7 | 79 | 1873.5 |
| Information technology | 13 | 288 | 1120 |
| Administration | 4 | 41 | 972 |
| Legal aspects of work | 2 | 16 | 210 |
| Risk | 27 | 666 | 1188 |
| Behavioural skills | 17 | 389 | 4404 |
| Trade Finance | 1 | 12 | 122 |
| Treasury and investment | 2 | 23 | 102 |
| Basic banking skills and knowledge | 6 | 191 | 1580.5 |
| English language | 1 | 20 | 1400 |

Bank Competitive Situation

The Bank managed to enhance its position among the other Jordanian banks through the achievements during the current and last years; whereas bank share of the total deposits and facilities in Jordan reached 3.89% and 4.66% respectively, while 5.24% and 5.37% in Palestine and an influential share in Bahrain.

The Bank maintained its credit classification by the international classification agencies as follows:

| | Financial position rigidity | Foreign currencies | Future insight |
|-----------------------------|-----------------------------|--------------------|-----------------|
| Moody's | B1 | B1/NP | Positive |
| Capital Intelligence | BB | B+/B | Positive |

Bank's Contribution to Serving Local Community and Environment

The emergency economic conditions that affected the countries and economies of the world during the year 2022 did not prevent Cairo Amman Bank from continuing its approach of giving local community service a top priority within its plans, programs and policies. The bank continued to emphasize that serving the local community is one of its primary goals, and embodied this by providing unique services and supporting activities, initiatives and events that reflected positively on the community.

Cairo Amman Bank was and is still one of the main financiers of the Ruwwad Foundation in Jordan, since 2006, as Ruwwad is a non-profit organization that seeks to empower communities by overcoming marginalization through youth participation in community service and education, which puts at the forefront the provision of more opportunities for young people and the creation of Equal opportunities for them, strengthening civil societies and encouraging comprehensive comprehensive solutions.

And because the right to life is the highest human right, Cairo Amman Bank focused its efforts during the year 2022 on supporting people with cancer, by sponsoring many activities and events. For the sixteenth year in a row, the bank renewed its agreement with the King Hussein Cancer Foundation to provide the necessary support for the annual summer camp for pediatric patients. The bank also sponsored the activities of the medical and recreational day held by the Department of Hematology and Cancer / Pediatrics at King Abdullah University Hospital, which included distributing gifts to children in order to encourage them and raise their spirits. Cairo Amman Bank also sponsored sports' events at the University of Science and Technology that were held for the benefit of the King Hussein Cancer Center, and the proceeds of the event were allocated to the King Hussein Cancer Center.

In the field of fighting cancer as well, Cairo Amman Bank participated in the activities of the Breast Cancer Awareness Month, as it held awareness activities about the disease and awareness lectures, in addition to granting free clinical examinations to those wishing to undergo the examination.

SIGNATURE Bank of Cairo Amman Bank also sponsored an event that was held in Ayla Aqaba Oasis, with the aim of promoting women's health and educating them on sound practices in the fields of health, nutrition and fitness, as the bank provided a diamond sponsorship for the event, which included lectures centered on financial education.

Based on its societal and national responsibility in addressing the problem of unemployment, and as an embodiment of its firm belief in the necessity of enabling young men and women to obtain decent job opportunities, Cairo Amman Bank participated in the activities of the



Career Day, which was held under the auspices of the Minister of Labor at the Arab Open University / Jordan. The bank also participated in the activities of the Career Day that was held at Yarmouk University, and the events witnessed a remarkable turnout of job seekers in the banking and financial fields.

In the field of environmental protection and addressing the phenomenon of climate change, Cairo Amman Bank succeeded in obtaining a loan in the amount of (10) million US dollars with the aim of promoting climate investments in Jordan, and providing loans to small and medium-sized companies that invest in technologies that contribute to reducing the impact of climate change.

In order to ensure the safety of its employees, Cairo Amman Bank conducted an announced fake evacuation experiment for the public administration buildings, Wadi Saqra building and all public administration buildings, as the operation aimed to ensure the extent of compliance with the special instructions during the evacuation operations.

In Palestine, Cairo Amman Bank sponsored various events and activities throughout the year and in various governorates, and the bank increased its efforts to support the younger generation by sponsoring the basketball sports teams of the De La Salle Club in Jerusalem, sponsoring the participation of the Palestinian Taekwondo Federation in the Arab Cup, and sponsoring participation in the championship World Kickboxing - Turkey.

Cairo Amman Bank also held a campaign to distribute Eid Al-Adha gifts in the Palestinian governorates, specifically orphanages, centers for autistic children, and hospitals. The bank also sponsored a ceremony honoring high school students in the governorates of Tulkarm and Qalqilya, in addition to sponsoring a ceremony honoring retired teachers in the south of Hebron governorate.

Cairo Amman Bank sponsored a training course for the Palestinian Association of Certified Public Accountants in Jericho Governorate, and the International Women's Day Awards, which were held by the Political Guidance Authority.

Cairo Amman Bank Gallery

In the context of talking about social responsibility, culture and arts had a share in the bank's activities, through a gallery of five Jordanian artists, during which they presented their new experiences.

The Cairo Amman Bank Gallery also accommodated the activities of a touring art exhibition of three artists was held, in an event that was considered the first of its kind, as the journey of art shows started from the Cairo Amman Bank Gallery to other exhibitions in the continents of "Asia, Europe and Africa."

Cairo Amman Bank Gallery continued to hold the annual children's drawing competition dedicated to all school students, as the event aims to enhance the national identity in the hearts of children, and maximize the value of Jerusalem in their hearts, in addition to developing their talents.



Donations and Sponsorship

The total number of donations and sponsorships made by the Bank during the year amounted to various events within the following areas:

| Description | Amount |
|-----------------------------|------------------|
| Health field | 69,926 |
| Educational field | 404,765 |
| Social services | 57,210 |
| Cultural and artistic field | 147,118 |
| National foundations | 495,672 |
| Total | 1,174,691 |

Future Plans

The Bank's vision seeks to perpetuate comprehensive and sustainable development based on economic and social strengths and capabilities, in addition to preserving the achievements made by the Bank during the previous years, preserving the funds of depositors and shareholders in particular, and promoting the concept of financial inclusion. This comes in light of the improvement and development of the institutional culture, the customer experience and the banking ecology for the perpetuation of expansion and sustainable growth in parallel with the developments in the Kingdom's economic performance and the institutional work environment.

The following are the most important items of the Bank's work plan for 2023:

- Investing in talent and enabling creativity.
- Updating and upgrading the branches to the comprehensive employee concept based on the requirements of the corporate identity.
- Digital transformation and the development of information systems and associated technology.
- Shifting from focusing on the product to focusing on the customer by raising the quality of the services provided and introducing pioneering and diversified products and solutions that meet the needs of the various segments and categories of existing and targeted customers.
- Developing preventive protection tools, mechanisms and systems related to cyber and information security, combating financial crimes and compliance, and enhancing their capabilities.
- Strengthening the Bank's position among the leading banks in providing banking services and solutions to individuals and companies through development of banking services, products and solutions that meet the desires and needs of different types and segments of customers.
- Strengthening and developing the network of sales outlets, both traditional and electronic, through the establishment of new branches, the optimal distribution of ATMs, and the enhancement of their geographical spread, in addition to the innovation and development of electronic banking services through the banking phone application and digital payment systems.
- Attracting young customers through traditional and digital outlets of LINC brand, which is concerned with serving young people between the age group 18-40 years. Interactive kiosks will be deployed in the places where young people from the university students are located in particular to receive various types of banking services according to their needs.
- Targeting the category of distinguished customers and companies through the Signature brand and providing banking services and products with complementary solutions to build a unique and customized banking experience
- Launching a new brand whose business focuses on providing banking services dedicated to the category of clients working in the Jordanian Armed Forces and security services and their retirees in order to meet their financial needs and raise the level of quality of services provided to them
- Enhancing the expansion and sustainable growth of the credit facilities portfolio and reaching a credit structure that balances the individual and corporate sector in parallel with continuing efforts to settle the non-performing ones in a way that enhances the quality levels of the Bank's assets and raises the rate of reversal of provisions.
- Enhancing the processes of attracting low-cost sources of financing available from the Central Bank and various international institutions.
- Maintaining a profitable capital adequacy ratio and a "good capital" rating in accordance with the requirements of the Central Bank of Jordan, which enables the Bank to continue expanding its business.
- Maintaining appropriate liquidity ratios to support the Bank's business by working to increase customer deposits of all kinds, focusing on the least expensive deposits and creating incentive programs to promote them.

Banking risk management:

The Bank manages its various banking risks through comprehensive risk management policies through which the roles of all parties concerned with the application of these policies are determined, namely the Board of Directors and its committees such as the Risk Management Committee, Compliance Committee, Audit Committee, Corporate Governance Committee, Information Technology Governance Committee, Nomination and Remuneration Committee, Strategies Committee and Facilities Committee. In addition to the executive management and the committees emanating from it, such as the Assets and Liabilities Committee, the Procurement and Tenders Committee, the Internal Control and Monitoring Systems Development Committee, the Strategy and Branching Committee, the Information Technology Steering Committee and the Facilities Committees. In addition to other specialized departments such as Risk Management, Compliance Department, Internal Audit Department, Financial Crimes and Cyber Security Department.

All departments and branches of the Bank are responsible for identifying the risks related to banking operations, adhering to the appropriate monitoring controls, and monitoring the continuity of their effectiveness in line with the internal control system.

The Bank's risk management process includes the activities of identifying, measuring, evaluating and managing risks, whether financial or non-financial, that may adversely affect the Bank's performance and reputation or its objectives in a manner that ensures achieving the optimum return against acceptable risks.

The Bank may be exposed to a number of the following main risks:

Credit Risk

These are the risks that arise from the failure or inability of the other party to fulfill its obligations towards the Bank on time, which leads to losses.

The Bank works to manage credit risks by applying and updating various policies that define and address all aspects of credit granting and maintenance, in addition to setting limits on the amounts of credit facilities granted to customers and the total credit facilities for each sector and each geographical region.

The Bank follows several methods to mitigate risks, including identifying acceptable guarantees and their conditions, and taking into account the absence of correlation between the value of the guarantee and the customer's activity. The Bank also follows the insurance policy on some portfolios and builds additional provisions as one of the methods of risk mitigation.

The Bank has designated several supervisory departments to monitor and follow up on credit and submit reports for any early warning indicators with the aim of follow-up and correction.

Market Risk

These are the risks that the bank may be exposed to as a result of maintaining any financial positions inside or outside the balance sheet as a result of any changes that occur in market prices, such as movements in interest rates, currency exchange rates and stock price fluctuations.

These risks are monitored in accordance with specific policies and procedures and through specialized committees and departments.

Market risk is measured and controlled by several methods, including maturity/re-pricing schedule, Stress Testing, in addition to Stop Loss Limits.

Liquidity Risk

Liquidity risk is represented in the bank's inability to provide the necessary funding to perform its obligations on their due dates or finance its activities without incurring high costs or incurring losses.

To prevent these risks, the Bank's management and the Assets and Liabilities Committee manage liquidity risks by diversifying funding sources and not focusing on funding sources. Administrative procedures are also put in place to provide liquidity in emergency cases, including in the Recovery Plan.

Operational Risk

It is the risk of loss resulting from the inadequacy or failure of internal procedures, personnel, internal systems, or those that may arise as a result of external events.

Since internal control is one of the most important tools used in managing this type of risk, the Bank's management has paid great attention to the continuous development of the control environment over all of the Bank's activities and operations, as an operational risk policy has been adopted to cover all the Bank's departments, internal and external branches, and its subsidiaries.

General framework of risk management

The general framework of risk management at the Bank is proceeding according to a methodology and basic foundations consistent with the size and concentration of its activities, the nature of its operations and the instructions of the regulatory authorities, in addition to observing the best international practices in this regard. The set of principles are:

- BOD Responsibility:

- Adopting the policies, strategies and general framework for risk management, including the limits of the acceptable degree of risk.
- Ensuring the existence of an effective framework for Stress Tests, in addition to adopting their own hypotheses.
- Adopting the Bank policies.
- Adopting the internal assessment methodology for the Bank's capital adequacy, so that this methodology is comprehensive, effective, and able to identify all the risks that the Bank may face and take into account the Bank's strategic plan and capital plan, and review this methodology periodically and verify its application and ensure that the Bank maintains sufficient capital to meet all the risks it faces.

- Responsibility of the Risk Management Committee Emanating from BOD:

- Periodic review of the Bank's risk management policies, strategies and procedures, including the acceptable risk limits.
- Keeping abreast of developments affecting the Bank's risk management.
- Developing the internal assessment process for capital adequacy, analyzing current and future capital requirements, in line with the Bank's risk structure and strategic objectives, and taking related actions.
- Ensuring the existence of good systems to assess the types of risks faced by the Bank and developing systems to link these risks to the level of capital required to cover them.
- Reviewing the policies of Stress Tests and placement for the Board of Directors for approval, including:
 - Hypotheses and scenarios used for Stress Tests.
 - Actions to be taken based on these findings.
 - View the reports and results issued by the Central Bank of Jordan.
 - Ensure that stress tests are prepared periodically, and the results are reviewed and evaluated

- Risk Management Responsibility:

- Submitting reports and the risk system to the Risk Management Committee.
- Monitoring compliance of the various departments of the Bank with the limits of acceptable risks to ensure that these risks are within the acceptable limits, Risk Appetite and Risk Tolerance.
- Analyzing all types of risks in addition to developing measurement and control methodologies for each type of risk.
- Applying systems related to evaluating the types of risks faced by the Bank and developing related work procedures.
- Manage and apply the Bank's ICAAP methodology in an adequate and comprehensive manner that is commensurate with the risk profile of the Bank.
- Executing stress tests within the policies and methodologies approved by the Board of Directors.
- Participation in calculating expected credit losses within the International Financial Reporting Standard (IFRS9), using specialized systems by an international company.
- Coordination with the concerned authorities to carry out inspections of business continuity plans and update them periodically.
- Orienting, training and guiding the Bank's employees regarding the culture of risk management in the Bank.
- Implementation and execution of the Central Bank of Jordan's instructions related to risk management.
- Preparing, implementing and reviewing the recovery plan.

Risk Management Tools and Methodologies

Acceptable Risk Limits

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

Stress Testing

Stress tests are an essential part of the bank's risk management process at various levels and an important tool used to measure the bank's ability to withstand shocks and the high risks that it may face, and to assess the bank's financial position under severe but possible scenarios.

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

The stress tests constitute an essential part of the corporate governance system and the culture of risk management by assisting the Board of Directors and the senior executive management in understanding the conditions of the Bank in times of crisis and contributing to making administrative and strategic decisions and using the results of these tests in setting and determining the degree of risk tolerance of the Bank and in capital and liquidity planning process.

Internal Capital Adequacy Assessment Process (ICAAP)

This process represents a set of procedures through which the bank's capital planning is carried out in order to maintain target and acceptable capital adequacy ratios based on expansion and growth plans, in addition to the various risks expected to face it. Thus, this process brings together the bank's risks and capital in a way that supports the bank's management decisions.

The internal capital adequacy assessment process aims to:

- Identifying the risks that the Bank may be exposed to in order to ensure sufficient capital in proportion to the Bank's risk structure.
- Assessing the Bank's ability within its strategic plans and future expansions to adequately hedge these risks so that the organizational capital sufficiency ratio does not fall below the percentages specified in the instructions of the Central Bank of Jordan.
- It takes into account the requirements of the Central Bank of Jordan to assess the adequacy of capital to the risks facing the Bank within the criteria of the Basel Committee, especially the first and second pillars.

Recovery Plan

The recovery plan includes the most important early warning indicators for the main risks and the most important procedures to be followed in the event that any of these indicators are occurred, which may require activating the recovery plan to ensure that the Bank continues to achieve its strategic goals.

The recovery plan aims to:

- Determining the risks, internal and external threats that the Bank may face, and the measures to be taken if they are occurred.
- Determining the main risk indicators that require activating the recovery plan and defining and clarifying the roles and responsibilities of the various relevant organizational units if these indicators are occurred.
- Ensure that the main frameworks for the implementation of the recovery and salvage plan are available and that it achieves the greatest degree of communication between internal and external parties in the event of crises.
- Preserving the rights of stakeholders including depositors, creditors, shareholders and others.

Business Continuity Management

The Bank is committed to continuously update, develop and check business continuity plans to ensure that the Bank's business continues to serve the interests of customers in emergency situations.

Compliance Management

Compliance Management Department

It is represented by the risks of legal or regulatory penalties, material losses or reputational risks that the Bank may be exposed to as a result of non-compliance with the laws, regulations, instructions, orders, codes of conduct, standards and sound banking practices issued by the local and international supervisory authorities.

The Bank realizes the importance of monitoring compliance, as the Bank applies policies and work procedures approved by the Board of Directors that comply with the Compliance Control Instructions No. 33/2006 issued by the Central Bank of Jordan, and international best practices in this field to manage the compliance risk with which the Bank is exposed. The department also has a monitoring program to monitor compliance with the laws and instructions issued by the regulatory and official authorities that govern

the nature of the Bank's work and activity in accordance with the compliance control policy approved by the Bank's BOD, as well as an automated compliance management system so that all the department's operations are implemented through it.

The department, based on the instructions of the internal procedures for dealing with complaints from customers of financial and banking service providers issued by the Central Bank of Jordan and the customer complaints policy approved by the Board of Directors, receives and handles all customer complaints in an effective manner, including communicating with customers and informing them of the efforts and results of follow-up, treatment and documentation of those complaints on the automated system for customer complaints, in a way that is easy to refer to when needed. Noting that the department received 430 complaints during the reporting period, all of which were dealt with in accordance with policies and procedures based on relevant laws and instructions.

The department also monitors and follows up the implementation of the US Tax Compliance Law for Foreign Accounts, or what is known as FATCA, through approved internal policies and procedures to identify the American customer, perform due diligence, and identify and classify American customers and report them in accordance with the requirements of the law and in accordance with the approved FATCA policy and procedures in this regard.

In addition, the department has been provided with trained and qualified compliance staff, and a comprehensive and continuous training program has been implemented on compliance control issues to raise and improve the Bank's employees' competencies in protecting the Bank from the risks of non-compliance.

The department also continued to contribute to the development and review of the corporate governance framework in the Bank, which is based on the instructions issued by the regulatory authorities and the best banking practices in this field.

On the other hand, in order to protect the Bank from the risks of non-compliance, the Bank, during the year 2022, in general, did the following:

- Implementation of compliance control policy and plan.
- Implementing the supervisory program followed by the department at the bank level and supervising the counterpart units in the foreign branches and subsidiaries.
- Follow up on the latest regulatory and official developments
- Assisting the executive management of the Bank in managing the non-compliance risks it faces.
- Compliance Risk Documentation.

Anti-Money Laundering Department

With regard to the Bank's work in combating money laundering and terrorist financing operations, the Bank follows policies and work procedures approved by the Board of Directors that comply with the Anti-Money Laundering and Terrorist Financing Law No. 20 of 2021 and the Anti-Money Laundering and Terrorist Financing Instructions No. 14 of 2018 issued by the Central Bank of Jordan and the best International practices issued in this regard, in order to reduce the risks associated with these operations, with the aim of determining the procedures for dealing with financial operations, taking due diligence or special measures to know the customers dealing or intending to deal with them, and to ensure their personal and legal identity, their legal status and the real beneficiary, and to continue to be aware of the operations banking customers throughout their dealings with the Bank.

During the year 2022, the Bank has done the following:

- In compliance with the instructions of the Central Bank of Jordan to combat money laundering and terrorist financing No. 14/2018 and in accordance with what is contained in the risk assessment methodology and the policy of combating money laundering and terrorist financing approved

for Cairo Amman Bank, the Anti-Money Laundering Department has conducted a comprehensive assessment of the risk of money laundering and terrorist financing at the level of the financial group of Cairo Amman Bank for the purposes of identifying, evaluating and understanding the risks associated with customers, countries, geographic regions, services, products and service delivery channels, so as the evaluation included all branches of the Bank operating in the Kingdom, foreign branches and subsidiaries.

- The Anti-Money Laundering Department has continued to update and develop all work policies and procedures in line with all instructions and circulars issued by the Central Bank of Jordan related to combating money laundering and terrorist financing, and making the necessary amendments to banking systems and forms related to these amendments.
- Developing the automated system to combat money laundering and terrorist financing (FCM) in accordance with the instructions of the Central Bank of Jordan to combat money laundering and terrorist financing 14/2018 and the approved risk assessment methodology (Risk Based Approach). In addition to creating the system, updating and developing alerts rules that study the behavior and patterns of financial operations executed on customer accounts.
- Continuing to hold training programs through workshops on combating money laundering and terrorist financing operations to include all new employees, employees of branches and work centers, training all notification officers for sub-agents to serve Western Union transfers, and paying attention to specialized training, according to the job title, tasks and responsibilities assigned to each employee and the extent to which they relate to the task of combating Money laundering and terrorist financing at the bank level as a whole, and the updated and issued instructions in this regard.
- Continuing to submit reports on the go AML electronic notification and financial analysis system in accordance with the requirements of the Anti-Money Laundering and Terrorist Financing Unit related to operations suspected of being linked to money laundering or terrorist financing operations that are sent through the go AML system.

Financial Crimes and Cyber Security Department

- **Enhancing the spread and participation of information security data between financial sector institutions**
The methodology for information sharing and exchange mechanisms has been developed and approved in accordance with the operational framework issued by the Central Bank and working according to the instructions contained therein, depending on the platform (MISP) with the aim of automating a participatory mechanism and analyzing data on electronic attacks targeting financial sectors.
- **Awareness role**
In line with the bank's information security and cybersecurity policy and program, emphasis is placed on periodically raising the level of awareness and security sense for each of the bank's employees and customers to educate them about the risks resulting from wrong practices related to information security and cybersecurity through official communication channels or through social networking sites in addition to many from other ways.
- **Inspecting and studying the technical projects**
The Information Security and Financial Crimes Control Department at Cairo Amman Bank has studied the new projects related to information security and cybersecurity and the application of security checks on all new systems during the year 2022 in order to ensure that the projects are implemented safely in accordance with the best international security practices.
- **Implementing simulation for electronic fishing attacks over bank's electronic range**
In order to assess the extent of the Bank's employees' understanding of cybersecurity risks and to measure the effectiveness of training courses, simulations of fake phishing attacks were implemented for all Bank employees, with an emphasis on the inclusion of various levels of administrative staff.
- **Evaluating the security gaps and intrusion checks**
An assessment of security vulnerabilities and implementation of penetration checks are carried out to determine the risks related to the bank's environment and to work on developing implementation plans to address them as soon as possible, on a regular basis.
- **Implementing information security programs**
Several programs related to information security and cyber security have been implemented and to enhance control and oversight of the bank's environment.
- **Monitoring security incidents**
A specialized team works to follow up all electronic security records around the clock (24/7) to work on analyzing them and identifying related cyber risks, if any, so that appropriate steps are taken by the Information Security and Financial Crimes Control Department to reduce the effects of electronic attacks or unwanted activities.

Corporate Governance and Disclosure Statements

The Bank is concerned with working on the promotion and development of corporate governance based on the principles of justice, transparency, accountability and responsibility in order to strengthen the confidence of depositors, shareholders and other parties related to the Bank in a manner that ensures continuous monitoring of the Bank's adherence to the approved policies and limits and their compatibility with its drawn objectives in general. The Bank is also committed to applying the highest professional performance standards to all its activities, which are in line with the instructions of the Central Bank of Jordan and the regulatory authorities in the countries in which the Bank is present and international best practices. Accordingly, the Board of Directors decided to adopt the Corporate Governance Manual.

The existence of an effective, professional and independent board of directors is one of the most important requirements for effective corporate governance, as the board of directors is responsible for supervising and monitoring all the work and activities of the Bank and its executive management, and to ensure that activities are aligned with the requirements of the Central Bank of Jordan and all other regulatory authorities, in the interest of shareholders, depositors and all related parties.

The Board of Directors consists of a member elected by the General Assembly of the Bank, and the members of the Board have different and varied experiences and skills that increase the effectiveness and efficiency of the Board. Also, all members of the Board of Directors are non-executive members.

The Bank is committed to implementing what is stated in the Corporate Governance Guide approved by the Bank and published on the Bank's website.

The Bank has a guide for governance, information management and associated technology approved by the Board of Directors and published on the Bank's website.

Several specialized committees emerge from the Board of Directors, each with its own objectives and powers, which work in an integrated manner with the Board of Directors to achieve the Bank's objectives. These committees are:

Corporate Governance Committee

Mr. Kleman Me'marbashi / Chairman of the Committee - Independent

Mr. Sami Smairat / Vice Chairman - Independent

Mr. Yazid Al-Mufti / Member

This committee consists of at least three members, including the chairman of the board, so that the majority of the committee's members are independent members. The chairman of the committee must be one of the independent members.

The committee is responsible for several matters, the most important of which are:

- The committee is responsible for directing and supervising the preparation and updating of the corporate governance manual, monitoring its implementation, and submitting its recommendations for any proposals or amendments to the Board of Directors.
- Studying the observations of the relevant regulatory authorities regarding the implementation of corporate governance in the company and following up on what has been done about it.

Risk Management Committee

Mr. Issam Al-Muhtadi / Chairman of the Committee - Independent

Mr. Husameddin Mohamd / Vice Chairman

Mrs. Suha Ennab / Member - Independent

Mr. Sami Smeirat / Independent Member

This committee consists of at least three members of the board, provided that one of them is an independent member, at least. The chairman of the committee must be one of the independent members, and members of the senior executive management may participate in its membership.

The committee is responsible for several matters, the most important of which are:

- Review of the Bank's risk management framework.
- Review the risk management strategy.
- Verify the compatibility of the actual risks of the Bank and the level of acceptable risks (acceptance of risks) approved by the Board of Directors.
- Keeping abreast of developments affecting risk management in the Bank and submitting periodic reports thereon to the Board.
- Creating appropriate conditions that ensure the identification of risks that have a material impact and any activities undertaken by the Bank that may expose it to risks greater than the level of acceptable risks, and submit reports thereon to the Board and follow up on their treatment.

Audit Committee

Mr. Sami Smeirat / Chairman of the Committee - Independent

Mrs. Suha Ennab / Vice Chairman - Independent

Mr. Ghassan Aqeel - Member

Taking into account what is stated in the instructions and the laws in force, the majority of the members of the committee, including the chairman of the committee must be independent members. Also, all members of the committee must have scientific qualifications and have appropriate practical experience in the fields of accounting, finance, or any of the specializations or similar fields related to the bank's business.

The committee must have the power to obtain any information from the executive management and it has the right to summon any of the staff to attend its meetings, provided that it is in its charter.

The committee meets with the external and internal auditor and compliance officer at least once a year without the presence of any of the senior executive management members.

The work of any other committee may not be combined with the work of this committee.

Subject to the provisions of the Banking Law and its amendments, the Committee shall be responsible for reviewing the following matters:

- The Audit Committee must verify the rotation of the internal audit staff to audit the Bank's activities every 3 years as a maximum.
- The Audit Committee shall verify that the internal audit staff are not assigned any executive tasks.
- The Audit Committee must verify that all the Bank's activities are subject to audit, including those assigned to external parties.
- The Board must verify that the Internal Audit Department is under the direct supervision of the

Audit Committee and that it reports directly to the Chairman of the Audit Committee.

- The Audit Committee shall evaluate the performance of the internal audit director and staff and determine their remuneration.
- The scope, results, and adequacy of the Bank's internal and external audit.
- Accounting issues that have a material impact on the Bank's financial statements.
- Monitoring and internal control systems in the Bank.
- The committee recommends to the Board regarding the appointment of the external auditor, termination of their work, their fees and any conditions related to contracting with them, in addition to evaluating their independence annually.
- It shall also be responsible for reviewing and monitoring the confidential reporting procedures for any errors in the financial reports and any other matters, ensuring that the necessary arrangements are in place for the independent investigation and ensuring that the investigation results are followed up and addressed objectively.
- Develop appropriate mechanisms to ensure that the company provides a sufficient number of qualified human cadres to perform internal control tasks so that they are trained and rewarded appropriately.
- Studying and evaluating any additional work outside the scope of audit carried out by the external auditor, such as providing administrative and technical advice, ensuring that it does not affect their independence, and recommending the Board of Directors to take a decision on them.

Nominations and Remunerations Committee

Mrs. Suha Ennab / Chairman of the Committee - Independent

Mr. Hasan Abu Al-Ragheb / Vice President - Independent

Mr. Hisham Al-Masry / Member

Esam Al-Muhtadi / Independent Member

Kleman Me'marbashi / Independent Member

This committee consists of at least three members, so that the majority of the members of the committee, including the chairman of the committee, are independent members. The committee is responsible for several matters, the most important of which are:

- Determining the persons qualified to join the membership of the Board based on the capabilities and qualifications of the persons nominated. In case of re-nomination of the member, the number of times he/she attends and the effectiveness of his/her participation in the Board meetings shall also be taken into consideration.
- Nomination of qualified persons to join the senior executive management and key management personnel.
- Ensuring that the members of the Board of Directors attend workshops and seminars on banking topics, especially risk management, corporate governance, and the latest developments in banking.
- Ensure the independence of the independent members and review it annually.
- Evaluate the performance of the Board of Directors, its members, committees, and the CEO through the adopted evaluation system, and inform the Central Bank of Jordan and the Securities Commission of the result of this evaluation.

- Ensuring the existence of a policy for granting the Bank's administrative remuneration, reviewing it periodically, and applying this policy. It is also recommended to determine the salaries of the CEO and the rest of the senior executive management and key management employees, their remuneration and other privileges.
- Providing information and summaries on the background of some important issues to the Bank's Board members upon request and ensuring that they are kept informed about the latest issues related to banking work.

Strategies Committee

Mr. Ghassan Aqeel / Committee Chairman

Mrs. Suha Ennab / Vice President - Independent

Mr. Yazid Al-Mufti / Member

Mr. Esam Al-Muhtadi / Independent Member

The committee is formed by a decision of the Board of Directors, so that the committee assists the Board in setting strategic goals and assists the executive management in designing the strategy and issuing recommendations to the Board for approval. This committee will assume the following duties and responsibilities:

- Defining strategic objectives in coordination with the executive management and assigning the Board of Directors to approve them.
- Ensure the preparation of strategic and operational plans and ensure that strategic objectives are included within them.
- Follow up on achieving strategic goals through key performance indicators.
- Submit a semi-annual report to the Board of Directors on the work and activities of the Committee.
- Reviewing the committee's charter every 3 years and/or whenever the need arises, and submitting any amendments thereto to the Board of Directors for approval.
- Studying any topic presented to the committee by the Board of Directors or the committee deems necessary to discuss it and express an opinion and recommendation on it to the Board of Directors.

IT Governance Committee

Kleman Me'marbashi / Chairman of the Committee - Independent

Mr. Hisham Al-Masry / Vice President

Mr. Sami Smeirat / Independent Member

Mr. Essam Al-Muhtadi / Independent Member

This committee consists of at least three members, and it is preferable that its membership includes persons with experience or strategic knowledge in information technology, so that this committee assumes the following tasks and responsibilities:

- Adopting the strategic goals of information technology and the appropriate organizational structures, including the steering committees at the level of the senior executive management, and in particular (the information technology steering committee), in a way that ensures the achievement and meeting of the strategic goals of the Bank and achieving the best added value from projects and investments of information technology resources, and the use of tools and standards necessary to monitor and ensure the extent to which this is achieved, such as using the IT Balanced Scorecards system, calculating the rate of return on investment (ROI), and measuring the impact of contributing to increasing financial and operational efficiency.
- Adoption of the general framework for managing, controlling and monitoring information technology resources and projects that simulates the best accepted international practices in this regard, and specifically (COBIT), which complies with and meets the objectives and requirements of governance instructions and the associated information and technology management by sustainably achieving the institutional objectives set forth in the mentioned instructions, achieving the accompanied matrix of information and technology objectives, and covering information technology governance processes.
- Adoption of the matrix of institutional objectives contained in Annex No. 1 of the accompanied IT management and governance instructions and the update contained therein in the Central Bank Circular 10-6-984, and the objectives of information and associated technology contained in Annex No. 2 and the update contained therein in the Central Bank Circular 10-6-984, considering its data as a minimum, and describing the sub-goals necessary to achieve them.
- Adopting a matrix of responsibilities (RACI Chart) towards the main processes of IT governance in Annex No. (3) and the update to them in the Central Bank Circular 10-6-984 and the sub-processes emanating from it in terms of: the entity, entities, person or parties primarily (Responsible), (Accountable), (Consult), and (Informed) towards all operations in the aforementioned facility, guided by the COBIT 2019 standard in this regard.
- Adopting the importance and prioritization of the (Enterprise Goals) and their relationship to the (Alignment Goals) and the (Governance and Management Objectives), in addition to their relation to the rest of the enabling components (Enablers/Components).

This is based on a qualitative and/or quantitative study prepared for this purpose on an annual basis, at least, that takes into consideration the factors affecting formation of the Information Technology Governance Framework (Design Factors – COBIT 2019) in a way that is commensurate with the privacy and strategies of the Bank, provided that topics of cyber security, risk management, privacy and data protection, compliance, monitoring, audit and strategic alignment are included as the Focus Area and of high priority, so that the level of maturity of activities related to the objectives of governance and management and the rest of the seven enabling elements is directly proportional to the degree of importance and priority according to the results of the above-mentioned study, provided that the level of maturity of the goals of high importance and priority is not less than the level 3 Fully Achieved according to the maturity scale contained in the framework COBIT 2019, and it is allowed to consider no more than 26% of the goals mentioned in the sixth above within the goals of the management (with no more than 9 goals as maximum out of 35 goals) as being of lower importance and priority, depending on the results of the aforementioned study.

- Ensuring the existence of a general framework for information technology risk management that is compatible and integrated with the overall general framework for risk management in the Bank and that takes into account and meets all the information technology governance processes mentioned in Annex No. (3).
- Approving the budget of IT resources and projects in line with the strategic objectives of the Bank.
- General supervision and review of the progress of IT operations, resources and projects to ensure their adequacy and their effective contribution to achieving the requirements and business of the Bank.
- Reviewing IT audit reports and taking the necessary actions to address deviations.
- Recommending to the Board to take the necessary measures to correct any deviations.
- Adoption of a Cyber Security Policy.
- Adoption of the Cyber Security Program.
- Compliance check with cyber security policy and program.
- Submit a semi-annual report to the Board of Directors on the work and activities of the Committee.
- Reviewing the committee's charter every 3 years and/or whenever the need arises, and submitting any amendments thereto to the Board of Directors for approval.
- Studying any topic presented to the committee by the Board of Directors or the committee deems necessary to discuss it and express an opinion and recommendation on it to the Board of Directors.

Facilities Committee

Mr. Yazid Al-Mufti / Chairman of the Committee

Mr. Issam Al-Muhtadi / Vice President - Independent

Mr. Yaseen Al-Talhouni / Member

Mr. Mazen Al-Sahsah / Member

Mr. Hasan Abu Al-Ragheb / Member

This committee consists of at least five members, and one of the members of the committee may be independent, provided that he is not a member of the audit committee. The members of the committee, including the chairman and vice-chairman, are appointed by a decision of the Board of Directors. Also, members of the senior executive management may participate in the committee's meetings to present their recommendations. The quorum for the committee's meetings is the presence of at least four members, and its decisions are taken by a majority of its members, regardless of the number of those present.

Higher limits are defined for the powers entrusted to this committee in relation to granting, amending, renewing or structuring credit facilities, so that there are clear powers of the Board in particular. It is also allowed by a decision of the Board of Directors to delegate some or all of the powers of this committee to amend the conditions or structure of facilities to the Executive Management Committee, with the necessity of informing the Facilities Committee of the decisions taken within these powers.

This committee undertakes the following tasks:

- Review the facilities that exceed authority of the highest committee in the executive management.
- Its powers are limited to taking the appropriate decision regarding the facilities that have been recommended for approval by the Executive Management Committee.
- The Committee shall periodically submit to the Board the details of facilities that have been approved by it.

- Reviewing the committee’s charter every 3 years and/or whenever the need arises, and submitting any amendments thereto to the Board of Directors for approval.
- Studying any topic presented to the committee by the Board of Directors or the committee deems necessary to discuss it and express an opinion and recommendation on it to the Board of Directors.
- In the event that any of the recommendations of the committee and the decisions of the Board of Directors conflict, the Board of Directors must include in the governance report a statement clearly detailing these recommendations and the reasons for the Board of Directors’ disagreement with them.

Compliance Committee

Mr. Hassan Abu Ragheb / Chairman of the Committee

Mr. Sami Smeirat / Member - Independent

Mrs. Suha Ennab / Member - Independent

This committee consists of at least three members, whereas the majority of its members are independent. This committee assumes the following tasks:

- Ensure the availability of policies, a framework for compliance management, and the necessary programs and tools, while reviewing them periodically to ensure their effectiveness and amending them if necessary.
- Discussing compliance and anti-money laundering reports.
- Receiving and following up on compliance reports and internal control reports related to compliance management.
- And other tasks under the approved charter of the committee

The table below shows number of meetings of the BOD and its committees, in addition to number of meetings attended by each member during the year 2022

| Total number of meetings held during 2022 | | BOD | Facilities' committee | Audit committee | Corporate governance committee | Nominations & remuneration committee | Risk management committees | Strategies committee | IT governance committee | Compliance committee |
|---|--|------|-----------------------|-----------------|--------------------------------|--------------------------------------|----------------------------|----------------------|-------------------------|----------------------|
| | | 8 | 27 | 9 | 2 | 6 | 8 | 3 | 4 | 5 |
| 1 | Mr. Yazeed Adnan Mustafa Al-Mufti | 8(8) | 27(27) | | 2(2) | | | 3(3) | | |
| 2 | Mr. Husameddin Abdulwahab Ali Mohammad (Banque Misr Representative) as of 08/05/2022 | 4(5) | | | | | 3(5) | | | |
| 3 | Mr. Hisham Zafer Taher Al-Masri | 7(8) | | | | 6(6) | | | 4(4) | |
| 4 | Mr. Yaseen Khalil Mohammad Al-Talhouni | 4(8) | 19(27) | | | | | | | |
| 5 | Mr. Ghassan Ibrahim Fares Aqeel (Representative of the Arab Trade and Foodstuff Company) | 8(8) | | 9(9) | | | | 3(3) | | |
| 6 | Mr. Mazin Hamdi Mohammad Al-Sahsah (Representative of Social Security Corporation) from 1/9/2021 | 8(8) | 25(27) | | | | 6(7) | | | |
| 7 | Mr. Hasan Ali Hussein Abu Al-Ragheb | 8(8) | 17(18) | | | 6(6) | | | | 5(5) |
| 8 | Mrs. Suha Baseel Andrawos Ennab | 8(8) | | 9(9) | | 6(6) | 8(8) | 3(3) | | 5(5) |
| 9 | Mr. Sami Issa Eid Smairat | 8(8) | | 9(9) | 2(2) | | 8(8) | | 4(4) | 5(5) |
| 10 | Mr. Esam Mohammad Farouq Rushdi Al-Mutadi | 7(8) | 27(27) | | | 2(2) | 8(8) | 3(3) | 4(4) | |
| 11 | Mr. Klemam Mari Farajallah Me'marbashi (as of 24/04/2022) | 6(6) | | | 2(2) | 2(2) | | | 4(4) | |
| 12 | Mr. Mohammad Mahmoud Ahmad Al-Atrabi (Banque Misr Representative) as of 24/04/2022 | 2(2) | | | | | 3(3) | | | |
| 13 | Mr. Shareef Mahdi Husni Al-Saifi (until 20/02/2022) | 1(1) | 3(3) | | | | | | | |

The numbers in parentheses represent the number of board/committee meetings held during the member’s membership term.

BOD Members of Cairo Amman Bank during the Year 2022

Mr. Yazid Adnan Al-Mufti

BOD Chairman

Nature of membership: Non-independent

| | |
|-------------------------|--|
| Nationality | Jordanian |
| Membership date | 1990 |
| Date of birth | 27/03/1953 |
| Academic qualifications | Bachelor Degree in BA / American University - Beirut |
| Practical experience | <p>Mr. Yazid Al-Mufti has a great banking and financial experience, as he started his work in Citi Bank, and in 1989 he joined the family of Cairo Amman Bank, where he held the position of General Manager until October 2004.</p> <p>In 10/2012 Mr. Yazid Al-Mufti was elected as BOD chairman for Cairo Amman Bank and he is currently the chairman of the facilities committee emanating from the BOD and member in each of the governance committee and strategies committee.</p> <p>In addition to his chairmanship of the Board of Directors of Cairo Amman Bank, Mr. Yazid Al-Mufti holds the presidency of the Board of Directors of Al-Safa Bank in Palestine, and is a member of the boards of directors of Zara Investment Holding Company, the Middle East Insurance Company, and the Palestinian Telecommunications Company (Paltel).</p> |

Mr. Husameddin Abdulwahab Ali Mohammad

BOD Vice-Chairman

((Representative of Banque Misr)

Nature of membership: Non-independent

| | |
|--|--|
| Nationality | Egyptian |
| Membership date | 08/05/2022 |
| Date of birth | 23/07/1969 |
| Academic qualifications | Bachelor of Commerce from the College of Commerce, Economics and Political Science, Kuwait University. |
| Practical experience | <p>Mr. Hossam El Din Abdel Wahab started his banking career in 1989 with the Gulf Bank in the State of Kuwait, then moved to Procter & Gamble in 1991 to move in positions throughout his tenure in the company over the course of 9 years, where he held the position of Head of the Investment Department in the company in 2000, then he worked as the Investment Manager in the company Investia Venture Capital from 2000 till 2001.</p> <p>In 2001, he moved to Citibank - Egypt to assume leadership positions in the period from 2001 to 2006, in the areas of risks, branches and operations, and then moved to the regional headquarters of Citibank in London as Vice President of Credit Operations in Europe, the Middle East and Africa during the period from 2006 Until 2008, he worked as General Manager of Retail Banking at Bank Audi - Egypt from 2008 until 2012, after which he moved to the Arab Banking Corporation to hold the position of Executive Board Member, Head of Retail Banking and Branches during the period from 2012 to 2016 and during the period from 2016 Until September 2018, he held the position of Deputy Chief Executive Officer of Al Ahli Bank of Kuwait, responsible for retail banking, branches, and small and medium enterprises.</p> |
| Membership in committees emanating from the Board of Directors of the Bank | Vice Chairman of the Risk Management Committee |
| Membership in the BODs of other companies | Misr Capital Investments, Board of Directors of the International Company for Tourism Investments, Banque Misr Foundation for Community Development, Charitable Investment Fund for Education Support, Misr for Digital Innovation, Misr Lebanon Bank, Cleopatra Hospitals Group, Al Ahly Misr for Real Estate Asset Management |
| Jobs currently occupied outside the bank | Vice Chairman of the Board of Directors of Banque Misr Mr. Hossam Abdel Wahhab joined as of October 2018 as Vice Chairman of the Board of Directors of Banque Misr responsible for all support sectors in the bank (banking operations - information technology - administrative and engineering affairs - information security risks - internal control - office processing) |

Mr. Hisham Zafer Al-Masri

Member

Nature of Membership: Non-independent

| | |
|---|--|
| Nationality | Jordanian |
| Membership date | 3/2021 |
| Date of birth | 19/2/1981 |
| Academic qualifications | Bachelor in Economy from Boston University 2003 Rothman Programs for executive management 2014/2015 |
| Practical experience | Administrative partner in Al-Zafer Co. for Investment - Amman / Jordan (2015 - Present) CEO of Technical Co. for Automotive and Spare Parts - Amman / Jordan (9/2006 - Present) |
| Membership in the Bank BOD emanating committees | Head of the IT Governance Committee Member in the Nominations and Remuneration Committee |
| Membership in the other companies' BODs | Jordan Vegetable Oil Industries Ltd., Palestine. The National Beverage Company (Coca-Cola - Cappy) - Palestine. Jordan Tourist Transportation Company (Jet), Amman - Jordan. Al-Hajj Taher Al-Masry Company Limited Shareholding. Palestine Co. for Development & Investment Ltd (PADICO Holding) Palestine Gold Wheat Grinders Company - Ramallah Palestine Youth Pioneers Organization (YPO) TEMOT International GMBH |
| Jobs currently occupied outside the Bank | CEO of Technical Co. for Automotive and Spare Parts Administrative partner in Al-Zafer Co. for Investment Co-Founder of Choice Software Development Company Co-Founder of Douz IT Company |

Mr. Yaseen Khalil Al-Talhouni

Member

Nature of membership: Non-independent

| | |
|---|---|
| Nationality | Jordanian |
| Membership date | 1998 |
| Date of birth | 8/5/1973 |
| Academic qualifications | Bachelor degree of economic sciences / George Town University - USA |
| Practical experience | Businessman |
| Membership in the Bank BOD emanating committees | Member in the facilities committee |
| Membership in the other companies' BODs | ZARA Investment Holding Company Jordan Tourism and Hotels' Company Jordan Electricity Company Jordanian Al-Himah Minerals Company |
| Jobs currently occupied outside the bank | General Director of ZARA Investment Holding Company BOD vice-chairman / delegate member of Jordan Tourism and Hotels' Co. BOD Chairman of Jordanian Al-Himah Minerals Company |

Mr. Ghassan Ibrahim Fares Aqeel

((Representative of Arab Trading and Food Supply Company)

Nature of membership: Non-independent

| | |
|---|---|
| Nationality | Jordanian |
| Membership date | 2002 |
| Date of birth | 2/5/1968 |
| Academic qualifications | Master's degree in administration / Thunderbird University Bachelor degree in accounting / Jordan University Certified Public Auditor / Illinois University |
| Practical experience | CEO of Astra Group Experience in auditing through working as an audit manager at Arthur Anderson Company |
| Membership in the Bank BOD emanating committees | Head of the Strategies' Committee Member in the audit committee |
| Membership in the other companies' BODs | Astra Industrial Group Company Arab Cooperative Insurance Company Audacia Capital |
| Jobs currently occupied outside the bank | CEO of the Saudi Astra Company |

Mr. Mazen Hamdi Al-Sahsah

(Social Security Corporation Representative)

Nature of membership: Non-independent

| | |
|---|---|
| Nationality | Jordanian |
| Membership date (Representation date) | 1/9/2021 |
| Date of birth | 31/12/1975 |
| Academic qualifications | Bachelor degree in Financial and Banking Science from Al-Yarmouk University / 1997 FMVA Financial Modelling & Valuation Analyst Certificate Certified Valuation Analyst (CVA) Certificate Certified in Financial Management (CFM) Certificate Certified Management Accounting (CMA) Certificate |
| Practical experience | Head of the Financial Studies & Analysis Division / Special Projects & Contributions Financing Department in the Social Security Investment Fund (2008 - present) |
| Membership in the Bank BOD emanating committees | Member of the facilities committee |
| Membership in the other companies' BODs | Social security corporation representative in the BOD of the National Co. for Investment in Infrastructure Projects (11/3/2020 - 1/9/2021) Social security corporation representative in the BOD of the Kingdom Electricity Company (12/5/2019 - 11/3/2020) Social security corporation representative in BOD of Jordan National Bank (1/4/2018 - 30/4/2019) Social security corporation representative in BOD of Aqaba Saraya Company (1/5/2013 - 1/4/2017) |
| Jobs currently occupied outside the Bank | Head of the Financial Studies & Analysis Division / Special Projects & Contributions Financing Department in the Social Security Investment Fund |

Mr. Hasan Ali Hussein Abu Al-Ragheb

Member

Nature of membership: non-Independent

| | |
|---|--|
| Nationality | Jordanian |
| Membership date | 2016 |
| Date of birth | 24/5/1973 |
| Academic qualifications | Bachelor degree in Economics and Business Administration / Tennessee University / USA |
| Practical experience | General Director of Al-Yarmouk Insurance Company Vice-chairman of Jordan Insurance Federation |
| Membership in the Bank BOD emanating committees | Head of the compliance committee Vice-chairman of the nominations and remuneration committee Vice-chairman of the facilities committee |
| Membership in the other companies' BODs | Al-Atyaf International Trade Investments Company Al-Eshraq Trade Investments Company First Insurance Company - Solidarity Member in the BOD of Tamallak Financial Lease company |
| Jobs currently occupied outside the Bank | Businessman |

Mrs. Suha Baseel Andrawos Ennab

Member

Nature of membership: Independent

| | |
|---|---|
| Nationality | Jordanian |
| Membership date | 2015 |
| Date of birth | 4/2/1960 |
| Academic qualifications | Bachelor degree in BA / American University - Beirut |
| Practical experience | Financial and administrative consultant since 2007 Experience in banking business for more than 26 years whereas she occupied several positions, such as: Vice general manager of Societe General Bank - Jordan from 2003 until 2007 General manager assistant of Cairo Amman Bank from 1992 until 2003 Vice-chairman of Citibank Jordan from 1981 until 1992 |
| Membership in the Bank BOD emanating committees | Chairman of the nominations and remuneration committee Vice Chairman of the audit committee Vice- Chairman of the strategies' committee Member in the risk management committee Member in the compliance committee |
| Membership in the other companies' BODs | Arab European Insurance Group Company Partners microfinance Company Al-Wataniah Financial Services Company (Awraq for Investments) |
| Jobs currently occupied outside the bank | Financial and administrative advisor |

Mr. Sami Issa Eid Smairat

Member

Nature of membership: Independent

| | |
|---|--|
| Nationality | Jordanian |
| Membership date | 2018 |
| Date of birth | 13/4/1971 |
| Academic qualifications | Master's degree in Business Administration (NYIT) (MBA) Master's degree of telecommunications engineering – University of Jordan Bachelor degree in electrical engineering – University of Jordan |
| Practical experience | CEO of Wannado Company Jordan Co-Founder of Siberia Company Jordan Vice CEO and Commercial Manager of Global One Co. Research and Teaching Assistant in University of Jprdan |
| Membership in the Bank BOD emanating committees | Chairman of the audit committee Vice-chairman of the institutional Governance committee Member in the IT Governance committee Member in the risk management committee Member in the compliance committee |
| Membership in the other companies' BODs | Chairman of the Board of Directors of Petra Company for Payment Services via Mobile Phones. Vice Chairman of the Jordan Phosphate Mines Company Member of the International Data Center Commission Member of the National Cyber Security Council. Member of the Board of Trustees of Princess Sumaya University for Technology Member in BOD of (Sodetel) Company |
| Jobs currently occupied outside the bank | CEO of the Jordanian Company for Data Transfer Services. CEO of the Corporate and Institutional Sector (Orange) |

Mr. Esam “Mohammad Farooq” Al-Muhtadi

Member

Nature of membership: Independent

| | |
|---|---|
| Nationality | Jordanian |
| Membership date | 2018 |
| Date of birth | 18/11/1968 |
| Academic qualifications | Master's degree in Business Administration – USA Bachelor degree in Business Administration – Finance /USA |
| Practical experience | Co-Founder in Al-Bayan for Administrative Consultations and Commercial Agencies Company Amman Office manager of Huron Consulting Middle East Amman Office manager of Next Move Company Manager of the Foreign Department at Cairo Amman Bank |
| Membership in the Bank BOD emanating committees | Chairman of the risk management committee Chairman of the facilities' committee Vice-chairman of the remuneration and nominations committee Vice-chairman of the IT Governance Committee Member in the strategies' committee |
| Membership in the other companies' BODs | Al-Safa Bank – Palestine |
| Jobs currently occupied outside the bank | Co-Founder of Al-Bayan for Administrative Consultations and Commercial Agencies' Company |

Mr. Kleman Mari Farajallah Me'marbashi

Member

Nature of membership: independent

| | |
|---|---|
| Nationality | Lebanese |
| Membership date | 24/04/2022 |
| Date of birth | 02/01/1955 |
| Academic qualifications | OPM 26 –Owner President Management (OPM) from Harvard Business school (HBS) Boston USA – 1998 – Bachelor's degree in electrical and mechanical engineering from E.S.T.P – Paris – France - 1979 |
| Practical experience | MiDis Group – Board Member and Shareholder 1983-2020 MDS Arabia Ltd – President and Shareholder 1992-2020 MDS – Saudi Arabia Co. / MMR – CEO, Chairman and shareholder – 1991-2016 Jordan Investments and finance bank – board Member 200-2005 |
| Membership in the Bank BOD emanating committees | Chairman of the IT Governance Committee Chairman of the institutional Governance Committee Member in the remuneration and nominations committee |
| Membership in the other companies' BODs | _____ |
| Jobs currently occupied outside the Bank | _____ |

Mr. Mohammad Mahmoud Ahmad Al-Atrab (until 24/04/2022)

BOD Vice-Chairman (Representative of Banque Misr)

Nature of membership: Non-independent

| | |
|---|--|
| Nationality | Egyptian |
| Membership date | 2015 till 24/04/2022 |
| Date of birth | 1/1/1955 |
| Academic qualifications | Bachelor Degree in Commerce – Accounting Specialization / Ain Shams University |
| Practical experience | Banque Misr BOD Chairman Delegate member and CEO of the Egyptian Gulf Bank Vice-chairman of the Arab Egyptian Estate Bank CEO of the Arab Investment Bank BOD Chairman of the Egyptian Estate Bank BOD Chairman of Egypt Lebanon Estate Bank Occupied several leading positions at Egypt International Bank during the period from 1983 until 2005 Worked at the International African Arab Bank along with the Solidarity Bank and International Credit Bank |
| Membership in the Bank BOD emanating committees | Risk Management Committee Vice-chairman |
| Membership in the other companies' BODs | Vice-chairman of the Arab Banks Union Vice-chairman of Egypt Banks' Union BOD member of EGOTH Company BOD member of the General Investment Commission BOD member of Ain Shams University BOD member of the Arab Contractors Company |
| Jobs currently occupied outside the Bank | BOD chairman of Banque Misr |

Mr. Shareef Mahdi Al-Saifi (until 20/02/2022)

Member

Nature of membership: Non-independent

| | |
|---|--|
| Nationality | Jordanian |
| Membership date | 2010 until 20/02/222 |
| Date of birth | 6/6/1972 |
| Academic qualifications | Master's degree in Financial Development Science – Frankfort University - Germany Master's degree in Maritime Environment protection – Wales University – UK Bachelor degree in political sciences – Georgetown University – USA Credit officer course – Chemical Bank New York Compliance officer course – Frankfurt School of Management and Finance |
| Practical experience | Partner and vice general manager of Al-Masar Al-Mutaheda Contracting CEO of the Unified Company for Manufacturing Ready-Made Clothes Former Project Manager of Aqaba Aqua Park Operations Director at Al-Masar Al-Mutaheda Contracting |
| Membership in the Bank BOD emanating committees | Chairman of the compliance committee Member in the facilities committee |
| Membership in the other companies' BODs | Al-Masar Al-Mutaheda Contracting Vitel Holding Company |
| Jobs currently occupied outside the Bank | Vice general director of Al-Masar Al-Mutaheda Contracting |

Senior Executive Management as at 2022

Mr. Kamal Ghareeb Abdulraheem Al-Bakri - CEO

| | |
|-------------------------|--|
| Appointment date | 4/1/2003 |
| Date of birth | 7/6/1969 |
| Academic qualifications | Master's degree in International Banks and Finance Management from Salford Manchester / UK Bachelor Degree in Law Holds the title of Professor of Law |
| Practical experience | Extensive experience in banking field, where he occupied the position of CEO of Cairo Amman Bank since 2008 Former vice general director of CAB Legal department manager and legal advisor of CAB BOD chairman of the Jordan Express Tourist Transport Company (JET) L.L.C, Vice Chairman of BOD of the Loan Guarantee Company L.L.C, BOD chairman of Tamallak Lease Finance Company W.L.L, BOD member of the Jordanian Insurance Company L.L.C, BOD chairman of the Real Estate Portfolio Company L.L.C, BOD member of Al-Safa Bank – Palestine L.L.C, Vice Chairman of BOD of Network International for Payment Services - Jordan. Member of the Supreme Council of the Economic and Social Foundation for Military Retirees and Veterans, and a member of the Board of Trustees of the University of Jordan Former board member in many public and private joint stock companies working in different sectors such as tourism, education, industry and real estate development. Former member of the Board of Trustees of the University of Science and Technology, the Association of Banks operating in Jordan, the Institute of Banking Studies, the Jordan Economic Dialogue Committee, BOD of the Scientific Research and Innovation Fund. |

Rana Sami Jadallah Al-Sunna' – Chief of Credit Services Group

| | |
|-------------------------|---|
| Appointment date | 15/8/1995 |
| Date of birth | 12/08/1966 |
| Academic qualifications | Master's Degree in Administrative Science and Financing, Bachelor Degree in Accounting |
| Practical experience | Vice general director for Banking Business as of 12/2009 Banking experience in the risks' field through working as Risk Department Manager at CAB since 1998. Head of the local facilities' division at CBJ Member of Jordan Real Estate Refinance Company BOD member of Tamallak Lease Finance Company |

Khaled Mahmoud Abdullah Qasem – Chief of the Joint Services Group

| | |
|-------------------------|--|
| Appointment date | 1/10/2008 |
| Date of birth | 22/02/1963 |
| Academic qualifications | PhD. Degree in Business Administration Master's Degree in Business Administration – International Trade Bachelor Degree in Financing |
| Practical experience | Experience in banking business through working at Al-Jazeera Bank, Arab Bank, Cairo Amman Bank, Jordan National Bank, Bank of Jordan, Kuwait National Bank BOD member of MadfootCom Company BOD member of Al-Safa Bank |

Jan Shawkat Mahmoud Yadj Zakariya - CEO of Central Operations

| | |
|-------------------------|---|
| Appointment date | 20/10/1990 |
| Date of birth | 20/02/1968 |
| Academic qualifications | Bachelor degree in English Literature |
| Practical experience | Banking experience since 1990 in the field of operations, branches and supporting work procedures |

Reem Younis Mohammad Al-Eses - CEO of Treasury and Investment

| | |
|-------------------------|---|
| Appointment date | 01/03/1990 |
| Date of birth | 18/05/1964 |
| Academic qualifications | Master's Degree in Economics, Bachelor Degree in Economics |
| Practical experience | Banking experience in the field of treasury through working in and as the Treasury Department Manager at CAB since 1990 Economics' researcher in the Royal Scientific Society since 1997 |

Fouad Younis Abdellatif Saleh – CEO of Finance Administration and Shareholders Affairs

| | |
|-------------------------|--|
| Appointment date | 11/04/1992 |
| Date of birth | 08/01/1960 |
| Academic qualifications | Bachelor degree in accounting |
| Practical experience | Practical experience in accounting through working at CAB and Income Tax Dept. |

Maha Abdullah Abdulhameed Ababneh – CEO of Special Banking Services

| | |
|-------------------------|--|
| Appointment date | 01/10/1996 |
| Date of birth | 16/11/1973 |
| Academic qualifications | Bachelor degree in finance and banking sciences |
| Practical experience | She progressed in her position with the Bank, where she held the position of branch manager and currently occupies the position of CEO of private banking services |

Azmi Mohammad Hasan Awaidah - CEO of Personal Credit Services

| | |
|-------------------------|---|
| Appointment date | 10/09/1996 |
| Date of birth | 17/10/1964 |
| Academic qualifications | Bachelor degree in accounting |
| Practical experience | Banking experience in the field of credit through working at CAB and Jordan Kuwait Bank |

Mohammad Ali Mahmoud Al-Qaisi - Executive Manager and Legal Advisor / Legal Affairs and Contract Documentation

| | |
|-------------------------|--|
| Appointment date | 16/02/2003 |
| Date of birth | 29/04/1974 |
| Academic qualifications | PhD in law |
| Practical experience | He progressed in his positions at the Bank, where he occupied the position of CEO for Legal Department since appointment |

Margaret Muheeb Issa Makhamreh – CEO of Internal Audit

| | |
|-------------------------|---|
| Appointment date | 27/07/2004 |
| Date of birth | 09/04/1977 |
| Academic qualifications | Bachelor degree in Business Administration |
| Practical experience | Banking experience through working at Bank ABC from 2002 until 2004 |

Yousef Abdulfattah Suleiman Abu Al-Haija' - CEO / Risk Management

| | |
|-------------------------|---|
| Appointment date | 01/08/2005 |
| Date of birth | 01/01/1976 |
| Academic qualifications | Bachelor degree in Public Administration / Banking and financial sciences |
| Practical experience | Experience in a number of the Jordanian Banks in the field of operational risk management, central operations, treasury operations and commercial funding Experience as a financial manager in one of the investment companies in Jordan |

Anton Victor Anton Sabilla - CEO/ Compliance

| | |
|-------------------------|--|
| Appointment date | 16/10/2005 |
| Date of birth | 02/12/1977 |
| Academic qualifications | Bachelor degree in accounting |
| Practical experience | Experience in the field of audit and finance through working at Ernst and Young from 2000 until 2005 |

Yazeed Seetan Yousef Ammari - CEO/Commercial Credit Services

| | |
|-------------------------|---|
| Appointment date | 01/06/2006 |
| Date of birth | 09/12/1965 |
| Academic qualifications | Master's degree in finance and banking sciences Bachelor degree in finance |
| Practical experience | Experience in the credit field at banks through working at Jordan National Bank, Amman Investment Bank and Arab Land Bank |

Hani Mohammad Rashrash Ahmad Rasheed Khader - CEO / Banking Services & Marketing

| | |
|-------------------------|---|
| Appointment date | 02/07/2006 |
| Date of birth | 12/12/1976 |
| Academic qualifications | Master's degree in Business Administration |
| Practical experience | Experience in banking operations and marketing through working at the Bank ABC from 1999 until 2004 |

Rami Anton Isa Ma'ayah

| | |
|-------------------------|--|
| Appointment date | 10/01/2021 |
| Date of birth | 05/03/1977 |
| Academic qualifications | Bachelor Degree in Computer |
| Practical experience | Experience in a number of Jordanian and international banks in the field of information technology and currently holds the position of Executive Director / Information Technology Department and Project Management |

Isam Mamdouh Abed Al-Najdawi

| | |
|-------------------------|---|
| Appointment date | 27/03/2012 |
| Date of birth | 09/01/1973 |
| Academic qualifications | Diploma in banking and financial management/ programming |
| Practical experience | Experience in a number of local banks, government agencies, prestigious international companies and foreign banks. He was included in his job at Cairo Amman Bank and currently holds the position of Senior Manager / Human Resources Department |

There are no contracts, projects or commitments concluded by the issuing company with the subsidiaries, affiliates, associates, BOD members, CEO or any employee in the company or their relatives, within the usual scope of the Bank's knowledge.

Below is a summary of transactions with related parties during the year:

| | Related Parties | | | | Total | |
|---|---------------------------------|------------------|-----------------------------|------------|--------------------|-------------|
| | BOD members and related persons | Main shareholder | Senior executive management | Other* | 2022 | 2021 |
| | Dinar | Dinar | Dinar | Dinar | Dinar | Dinar |
| Items within the Statement of Financial Position | | | | | | |
| Direct facilities | 28,110,060 | 15,715,044 | 3,432,812 | 22,148,381 | 69,406,297 | 42,612,401 |
| Deposits with banks | 33,778,096 | 5,807,256 | 3,032,305 | 19,404,467 | 62,022,124 | 118,203,631 |
| Cash deposits | 138,348 | - | 76 | 192,103 | 330,527 | 949,346 |
| Items out of the financial position statement | | | | | | |
| Indirect facilities | 3,201,017 | 329,300 | 7,390 | 637,703 | 4,175,410 | 2,197,851 |
| | | | | | For the year ended | |
| | | | | | 2022 | 2021 |
| | | | | | Dinar | Dinar |
| Items of the Statement of Income | | | | | | |
| Credit interests and commissions | 573,402 | 257,989 | 141,624 | 2,384,624 | 3,357,639 | 715,025 |
| Debit interests and commissions | 1,215,339 | 91,745 | 54,226 | 294,383 | 1,655,693 | 1,269,565 |

Details of Facilities granted to BOD members and related parties as follows:

| | Granted to member | | | Granted to related parties | | | Total | | |
|---|-------------------|---------------------|-----------|----------------------------|---------------------|------------|-------------------|---------------------|------------|
| | Direct facilities | Indirect facilities | Total | Direct facilities | Indirect facilities | Total | Direct facilities | Indirect facilities | Total |
| Mr. Yazeed Adnan Mustafa Al-Mufti | 1,133,578 | - | 1,133,578 | 3,863 | - | 3,863 | 1,137,441 | - | 1,137,441 |
| Mr. Yaseen Khalil Mohammad Yaseen Al-Talhouni | 641,389 | - | 641,389 | 12,906,440 | 1,174,646 | 14,081,086 | 13,547,829 | 1,174,646 | 14,722,475 |
| Mr. Hesham Zafer Taher Al-Masri | - | - | - | 13,420,388 | 2,026,371 | 15,446,759 | 13,420,388 | 2,026,371 | 15,446,759 |
| Mr. Sami Issa Eid Smairat | 2,172 | - | 2,172 | - | - | - | 2,172 | - | 2,172 |
| Mr. Ghassan Ibrahim Fares Aqeel | 528 | - | 528 | - | - | - | 528 | - | 528 |
| Essam Mohammad Farouq Rushdi Al-Muhtadi | 1,702 | - | 1,702 | - | - | - | 1,702 | - | 1,702 |
| Total | 1,779,369 | - | 1,779,369 | 26,330,691 | 3,201,017 | 29,531,708 | 28,110,060 | 3,201,017 | 31,311,077 |

Shareholdings of BOD Members and Their Relatives

| BOD Member's Name | Position | Nationality | 2022 | 2021 | Companies controlled by them |
|---|---------------|-------------|------------|------------|---|
| Mr. Yazeed Adnan Mustafa Al-Mufti | Chairman | Jordanian | 23,272 | 23,272 | |
| Relatives' shareholding | | | - | - | |
| Banque Misr | Vice-chairman | Egyptian | 18,999,000 | 18,999,000 | Cairo Bank Egypt Capital Co. Egypt Investment Co. |
| Shareholding of Mr. Husamedding Abdulwahab Mohammad | | Egyptian | - | - | - |
| Shareholding of Mr. Husamedding Abdulwahab Mohammad | | Egyptian | - | - | - |
| Shareholding of Mr. Mohammad Al-Atrabi | | Egyptian | - | - | - |
| Shareholding of relatives | | | - | - | - |
| Shareholding of Mr. Hesham Zafer Taher Al-Masri | Member | Jordanian | 1000 | 1000 | Zafer Investment Company |
| Shareholding of relatives | | | - | - | - |
| Arab Foodstuff and Trading Company | Member | Saudi | 14,866,985 | 14,866,985 | |
| Shareholding of Mr. Ghassan Ibrahim Aqeel | | Jordanian | 97,850 | 97,850 | - |
| Shareholding of relatives | | | | | |
| Dima Jamal Zuhdi Hamid (wife) | | Jordanian | 18, 287 | 18,287 | - |
| Ibrahim Ghasan Ibrahim Aqeel (son) | | Jordanian | 15,946 | 15,946 | - |
| Omar Ghassan Ibrahim Aqeel (son) | | Jordanian | 15,946 | 15,946 | - |
| Maya Ghasan Ibrahim Aqeel (daughter) | | Jordanian | 10,555 | 10,555 | - |
| Social Security Corporation | Member | Jordanian | 15,517,910 | 15,339,760 | - |
| Shareholding of Mazen Hamdi Mohammad Al-Sahsah | | Jordanian | - | - | - |
| Shareholding of relatives | | | | | |
| Mr. Yaseen Khalil Al-Talhouni | Member | Jordanian | 2,715,128 | 3,294,675 | - |
| Shareholding of relatives | | | | | |
| Shareholding of Mr. Hasan Ali Abu Al-Ragheb | Member | Jordanian | 100,000 | 100,000 | - |
| Shareholding of relatives | | | - | - | |
| Mrs. Suha Baseel Andrawos Ennab | Member | Jordanian | 1,520 | 1,520 | - |
| Shareholding of relatives | | | - | - | |
| Mr. Sami Issa Eid Smairat | Member | Jordanian | 1,055 | 1,055 | - |
| Shareholding of relatives | | | | | |
| Mr. Essam Mohammad Farouq Rushdi Al-Muhtadi | Member | Jordanian | 5,327 | 5,327 | - |
| Shareholding of relatives | | | | | |
| Kleman Mari Farajallah Me'mar Bashi | Member | Lebanese | 391,611 | 491,504 | - |
| Shareholding of relatives | - | - | - | | |

Shareholdings of Resigned BOD Members and Their Relatives

| BOD Member's Name | Position | Nationality | 2022 | 2021 | Companies controlled by them |
|--------------------------------------|----------|-------------|---------|---------|------------------------------|
| Mr. Shareef Mahdi Husni Al-Saifi | | Jordanian | 423,787 | 423,787 | - |
| Shareholding of relatives | | - | - | | |
| Taimour Shareef Mahdi Al-Saifi (son) | | Jordanian | 111,342 | 111,342 | |
| Kayan Shareef Mahdi Al-Saifi (son) | | Jordanian | 114,383 | 114,383 | |

Noting that the BOD membership period is 4 years ending in April 2026

The number of securities issued by the Bank and owned by companies controlled by members of the Board of Directors are as follows:

| BOD member name | Controlled company | Nationality | Number of securities | |
|---|-----------------------------|-------------|----------------------|------------------|
| | | | 2022 | 2021 |
| Banque Misr | Cairo Bank | Egyptian | 2,527 | 2,527 |
| | Misr Capital Company | Egyptian | 1,478,402 | 1,478,402 |
| | Mist Investment Company | Egyptian | 2,527 | 2,527 |
| Shareholding of Mr. Hesham Zafer Taher Al-Masri | Al-Zafer Investment Company | Jordanian | 8,135,224 | 8,135,224 |
| Total | | | 9,618,680 | 9,618,680 |

There are no contributions to companies controlled by relatives of board members

Shareholding of Senior Management Members, Insiders and Their Relatives

| Shareholder name | Nationality | 2022 | | 2021 | | Companies controlled by any of them |
|--|-------------|----------|-----------|----------|-----------|-------------------------------------|
| | | Personal | Relatives | Personal | Relatives | |
| Mr. Kamal Ghareeb Abdulraheem Al-Bakri | Jordanian | 105 | - | 105 | - | - |
| Mr. Khaled Mahmoud Abdullah Qasem | Jordanian | 31,666 | - | 31,666 | - | - |
| Mrs. Rana Sami Jadallah Al-Sunna’ | Jordanian | 7,600 | - | 7,600 | - | - |
| Mrs. Reem Younis Mohammad Al-Eses | | - | | | | - |
| Ms. Jan Shawkat Mahmoud Yadj | Jordanian | - | - | - | - | - |
| Maha Abdullah Abdel Hamid Ababneh | Jordanian | | | | | - |
| Mr. Fouad Younis Abdullatif Saleh | Jordanian | - | - | - | - | - |
| Mr. Hani Mohammad Rashrash Ahmed Rashid Khader | Jordanian | - | | | | - |
| Mrs. Margret Muheeb Issa Makhamreh | Jordanian | - | - | - | - | - |
| Mr. Anton Victor Anton Sabila | Jordanian | - | - | - | - | - |
| Mr. Yousef Abdel Fattah Suleiman Abu Al-Haija’ | Jordanian | - | - | - | - | - |
| Mr. Yazeed Seetan Yousef Ammari | Jordanian | - | - | - | - | - |
| Mr. Azmi Mohammad Hasan Awaidah | Jordanian | - | - | - | - | - |
| Mr. Mohammad Ali Mahmoud Al-Qaisi | Jordanian | - | - | - | - | - |
| Mr. Omar Sarhan Ahmed Aqel | Jordanian | - | - | - | - | - |
| Total | | 39,371 | - | 39,371 | - | - |

There are no contributions to companies controlled by relatives of board members

Names of the Bank’s Major Shareholders 5% or more

| Customer’s Name | Nationality | Number of Shares as at 31/12/2022 | Percentage | Number of Shares as at 31/12/2021 | Percentage |
|------------------------------------|-------------|-----------------------------------|------------|-----------------------------------|------------|
| Al-Maseerah Investment Co. | Jordanian | 21,636,823 | 11.388% | 21,636,823 | 11.388% |
| Bnque Misr | Egyptian | 18,999,000 | 9.999% | 18,999,000 | 9.999% |
| Al-Maseerah International Co. | Bahraini | 18,950,000 | 9.974% | 18,950,000 | 9.974% |
| Social Security Corporation | Jordanian | 15,517,910 | 8.167% | 15,339,760 | 8.074% |
| Arab Foodstuff and Trade Company | Saudi | 14,866,985 | 7.825% | 14,866,985 | 7.825% |
| Arkadia Company | Bahraini | 11,167,017 | 5.877% | - | 0,000% |
| Palestinian Communications Company | Palestinian | - | 0,000% | 11,167,017 | 5.877% |
| Total | | 101,137,735 | 53,230% | 100,959,585 | 53.101% |

Shareholdings of major shareholders whose shareholding is equal to or greater than 1% on 31/12/2022

| Cairo Amman Bank | | | | | | | | | | |
|---------------------------------------|---------------|------------------------|------------------------------|--|----------------------------|---|--------------------|--|--|--|
| Shareholder's Name | Nationality | Number of Owned Shares | % of Shareholding in Capital | Ultimate Beneficiary / % of ownership | Number of Mortgaged Shares | % of Mortgaged Shares from Total Shareholding | Mortgagee | | | |
| Al-Maseerah Investment Co. | Jordanian | 21,636,823 | 11.388% | Sabeeh Taher Darwish Al-Masri 31.25% | - | 0.00% | - | | | |
| | | | | Khalid Sabeeh Taher Al-Masri 37.50% | | | | | | |
| | | | | Sireen Sabbeh Taher Al-Masri 31.25% | | | | | | |
| Banque Misr | Egyptian | 18,999,000 | 9.999% | Itself owned by the Egyptian Government | - | 0.00% | - | | | |
| Al-Maseerah International Co. | Bahraini | 18,950,000 | 9.974% | Sabeeh Taher Darwish Al-Masri 40% | - | 0.00% | - | | | |
| | | | | Khalid Sabeeh Taher Al-Masri 60% | - | 0.00% | - | | | |
| Social Security Corporation | Jordanian | 15,339,760 | 8.074% | Itself / public sector | - | 0.00% | - | | | |
| Arab Foodstuff and Trade Company | Saudi | 14,866,985 | 7.825% | Sabeeh Taher Darwish Al-Masri 9% | - | 0.00% | - | | | |
| | | | 7.825% | Khalid Sabeeh Taher Al-Masri 90% | | | | | | |
| | | | 7.825% | Qimmat Al-Sahraa Co. for Trade Services 1% | | | | | | |
| Arkadia Company | Bahraini | 11,167,017 | 5.877% | 100% owned by Arkan Real Estate Company | | | | | | |
| | | | | Shareholders of Arkan Real Estate Company | | | | | | |
| | | | | Palestine Development and Investment Company | | | | | | |
| | | | | Ltd PADICO (major shareholder) 32% | | | | | | |
| | | | | Palestinian Telecommunications (16.91%) | | | | | | |
| Sobeih Taher Darwish Al-Masry (13.5%) | | | | | | | | | | |
| | | | | Siraj Investment Funds Group (6.5%) | | | | | | |
| Al-Zafer Investment Co. | Jordanian | 8,135,224 | 4.282% | Hesham Zafer Taher Al-Masri 30% | - | 0.00% | - | | | |
| | | | 4.282% | Hana Zafer Taher Al-Masri 30% | | 0.00% | | | | |
| | | | 4.282% | Maha Zafer Taher Al-Masri 30% | | 0.00% | | | | |
| | | | 4.282% | Raghda Zafer Taher Al-Masri 10% | | 0.00% | | | | |
| The Congress Foundation | Liechtenstein | 7,604,080 | 4.002% | Mufidah Abdel Rahman Madi Madi | - | 0.00% | - | | | |
| Fatena Ahmad Jamil Malas | Jordanian | 3,114,222 | 1.639% | Herself | - | 0.00% | - | | | |
| Yassen Khalil Mohammad Al-Talhouni | Jordanian | 2,715,128 | 1.429% | Himself | 947,426 | 34.89 | Jordan Kuwait Bank | | | |
| Abdulkareem Allawi Saleh Al-Kabariti | Jordanian | 2,848,380 | 1.499% | Himself | 1,583,332 | 58.32% | Arab Bank | | | |
| Lanjin Muneeb Abdel Rahman Madi | Jordanian | 2,522,955 | 1.328% | Herself | - | | | | | |
| Rula Bent Nafith Ben Saleh Mustafa | Saudi | 2,111,105 | 1.111% | Herself | 2,510,171 | 99.49% | Jordan Kuwait Bank | | | |
| Zaina Bent Nafith Ben Salen Mustafa | Saudi | 2,111,105 | 1.111% | Herself | - | 0.00% | - | | | |
| Abeer Bent Nafith Ben Salen Mustafa | Saudi | 2,111,105 | 1.111% | Herself | - | 0.00% | - | | | |
| Najwa Bent Nafith Ben Salen Mustafa | Saudi | 2,111,105 | 1.111% | Herself | - | 0.00% | - | | | |
| Middle East Insurance Co. | Jordanian | 2,089,033 | 1.099% | no ultimate beneficiary | - | 0.00% | - | | | |
| Mary Issa Elias Al-Lousi | Jordanian | 2,005,549 | 1.056% | Herself | - | 0.00% | - | | | |

Shareholding of Mr. Sabeeh Taher Al-Masri Group is 29.657% of the Bank's capital
Shareholding of Mr. Yaseen Khalil Al-Talhouni Group is 3.414% of the Bank's capital

Benefits and Remunerations of the BOD Members during 2022

| Name of BOD member | Transportation | Committees Attendance allowance | Remunerations * | Total |
|---|----------------|---------------------------------|-----------------|-----------|
| Mr. Yazeed Adnan AL-Mufti | - | - | 525,000 | 525,000 |
| Mr. Husameddin Abdulwahab Mohammad | 11,613 | 3,356 | - | 14,969 |
| Mr. Hesham Zafer Taher Al-Masri | 18,000 | 11,500 | 14,521 | 44,021 |
| Mr. Ghassan Ibrahim Fares Aqeel | 18,000 | 22,616 | 17,726 | 58,342 |
| Social Security Corporation / represented by Mr. Mazen Hamdi Mohammad Al-Sahsah | 18,000 | 16,000 | 17,726 | 51,726 |
| Mr. Yaseen Khalil Al-Talhouni | 18,000 | 7,600 | 17,726 | 43,326 |
| Mr. Hasan Ali Abu Al-Ragheb | 18,000 | 23,800 | 17,726 | 59,526 |
| Mrs. Suha Baseel Ennab | 18,000 | 40,000 | 17,726 | 75,726 |
| Mr. Sami Issa Eid Smairat | 18,000 | 42,500 | 17,726 | 78,226 |
| Mr. Essam Mohammad Farouq Rushdi Al-Muhtadi | 18,000 | 40,800 | 17,726 | 76,526 |
| Mr. Kleman Mari Farajallah Memarbashi | 12,300 | 14,500 | - | 26,800 |
| Mr. Khaled Sbaih Taher Al-Masri | - | - | 1,797 | 1,797 |
| Mr. Mohammad Mahmoud Ahmad Al-Atrabi | 5,700 | 3,300 | 17,729 | 26,729 |
| Mr. Shareef Mahdi Al-Saifi | 2,518 | 1,200 | 17,726 | 21,444 |
| Total | 176,131 | 227,172 | 700,855 | 1,104,158 |

* The remunerations item includes performance remunerations of 2021 paid in 2022

A car and driver is provided to the BOD Chairman

Salaries for Senior Executive Management for 2022

| Executive Management | Occupation | Salaries and Allowances | Remunerations | Total |
|---|--|-------------------------|----------------|------------------|
| Kamal Ghareeb Abdelraheem Al-Bakri | CEO | 662,912 | 331,647 | 994,559 |
| Dr. Khaled Mahmoud Abdullah Qasem | Chief of joint services group | 272,868 | 76,000 | 348,868 |
| Rana Sami Jadallah Al-Sunna' | Chief of credit services group | 220,048 | 48,000 | 268,048 |
| Reem Younis Mohammad Al-Eses | CEO / treasury & investment | 150,976 | 38,000 | 188,976 |
| Maha Abdullah Abdulhameed Ababneh | CEO/special banking services | 122,832 | 41,500 | 164,332 |
| Jan Shawkat Mahmoud Yadj Zakaria | CEO / Central operations | 151,752 | 24,500 | 176,252 |
| Fouad Younis Abdullateef Saleh | CEO/finance & shareholders affairs | 77,664 | 50,200 | 127,864 |
| Margret Muheeb Issa Makhamreh | CEO / Internal Audit | 106,640 | 27,000 | 133,640 |
| Yazid Abdel Fattah Yousef Ammari | CEO/Commercial Credit Services | 145,744 | 26,000 | 171,744 |
| Azmi Mohammad Hasan Awaidah | CEO /personal credit services | 122,896 | 20,000 | 142,896 |
| Yousef Abdelfattah Suleiman Abu Al-Haija' | CEO / Risk Management | 87,159 | 15,000 | 102,159 |
| Anton Victor Anton Sabella | CEO / Compliance | 100,176 | 6,000 | 106,176 |
| Hani Mohammad Rashrash Ahmad Rasheed Khader | CEO / Banking & marketing services | 107,664 | 25,800 | 133,464 |
| Dr. Mohammad Ali Mahmoud Al-Qaisi | CEO & Legal advisor / legal & contract documentation | 117,649 | 15,000 | 132,987 |
| Rami Anton Issa Ma'ayah | CEO and legal advisor / legal and contract documentation | 113,412 | 10,000 | 123,412 |
| Esam Mamdouh Abed Al-Najdawi | Senior manager / HR | 68,704 | 10,000 | 78,704 |
| Total | | 2,629,096 | 764,647 | 3,394,081 |

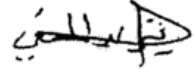
- During 2022 bank did not have major local or foreign suppliers or customers who make up 10% or more of the total purchases and/or revenues.
- There is no governmental protection or privileges that the Bank has, nor products under laws and regulations or others.
- There are no patents or franchise obtained by the Bank.
- There are no decisions issued by the government, international organizations or others having tangible impact on Bank work, products or competitive potential.
- The Bank applies quality standards and best international practices for all banking activities.
- There is no financial impact for operations of a non-recurring nature that occurred during the financial year and do not fall within the main activity of the Bank.
- Capital investment of the Bank during 2022 reached the amount of 7,526,079 Dinars.
- The fees for the auditors of the Bank and its subsidiaries for the year 2022 amounted to 216,254 in addition to sales tax, distributed as follows:

| Details | Fees without VAT |
|---------------------------------------|------------------|
| Cairo Amman Bank | 175,754 |
| Tamallak Financial Leasing Company | 6.250 |
| Awraq Company | 6.250 |
| National Securities Company Palestine | 3.000 |
| Al-Safab Bank | 25,000 |
| Total | 216,254 |

- Other consultations' fees were paid to the auditors amounting 92,301 Jordanian dinars.
- There are no contracts concluded with subsidiaries, BOD chairman or members of the Board or the general director, except for the regular banking transactions disclosed in note 40 on the financial statements, which are subject to the related CBJ instructions.

The Board of Directors Chairman, CEO, Executive Manager/Finance and Shareholder Affairs acknowledge correctness, accuracy and completeness of the information and data contained in this report.

BOD Chairman
Yazeed Adnan Mustafa Al-Mufti



CEO
Kamal Ghareeb Abdelraheem Al-Bakri



Executive Manager/Finance and
Shareholder Affairs
Fouad Younis Abdellateef Saleh



Board of Directors Acknowledgment

The Board acknowledges its responsibility for the preparation, accuracy and adequacy of the financial statements and the information contained in the report, and for the provision and adequacy of the Bank's internal control and control systems.

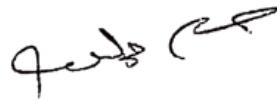
The Board of Directors acknowledges, to the best of its knowledge and belief, that there are no material matters that may affect the continuity of the Bank during the year 2023.

Each of the members of the Board of Directors acknowledges that he/she did not receive any benefits during the year 2022 through his/her work in the Bank and did not disclose them, whether these benefits were material or in kind, and whether they were for him/her personally or for any of those related to him/her.

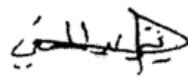
Hesham Taher Al-Masri
Member



BOD Vice Chairman
Husameddin Abdulwahab Mohammad



BOD Chairman
Yazeed Adnan Mustafa Al-Mufti



Mazen Hamdi Al-Sahsah
Social Security Corporation
Representative
Member



Yaseen Khalil Mohammad Al-Talhouni
Member



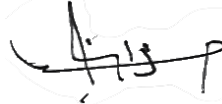
Ghassan Ibrahim Fares Aqeel
Member



Sami Issa Smairat
Member



Hasan Ali Abu Al-Ragheb
Member



Suha Baseel Ennab
Member



"Esam Mohammad Farouq Rushdi Al-Muhtadi
Member



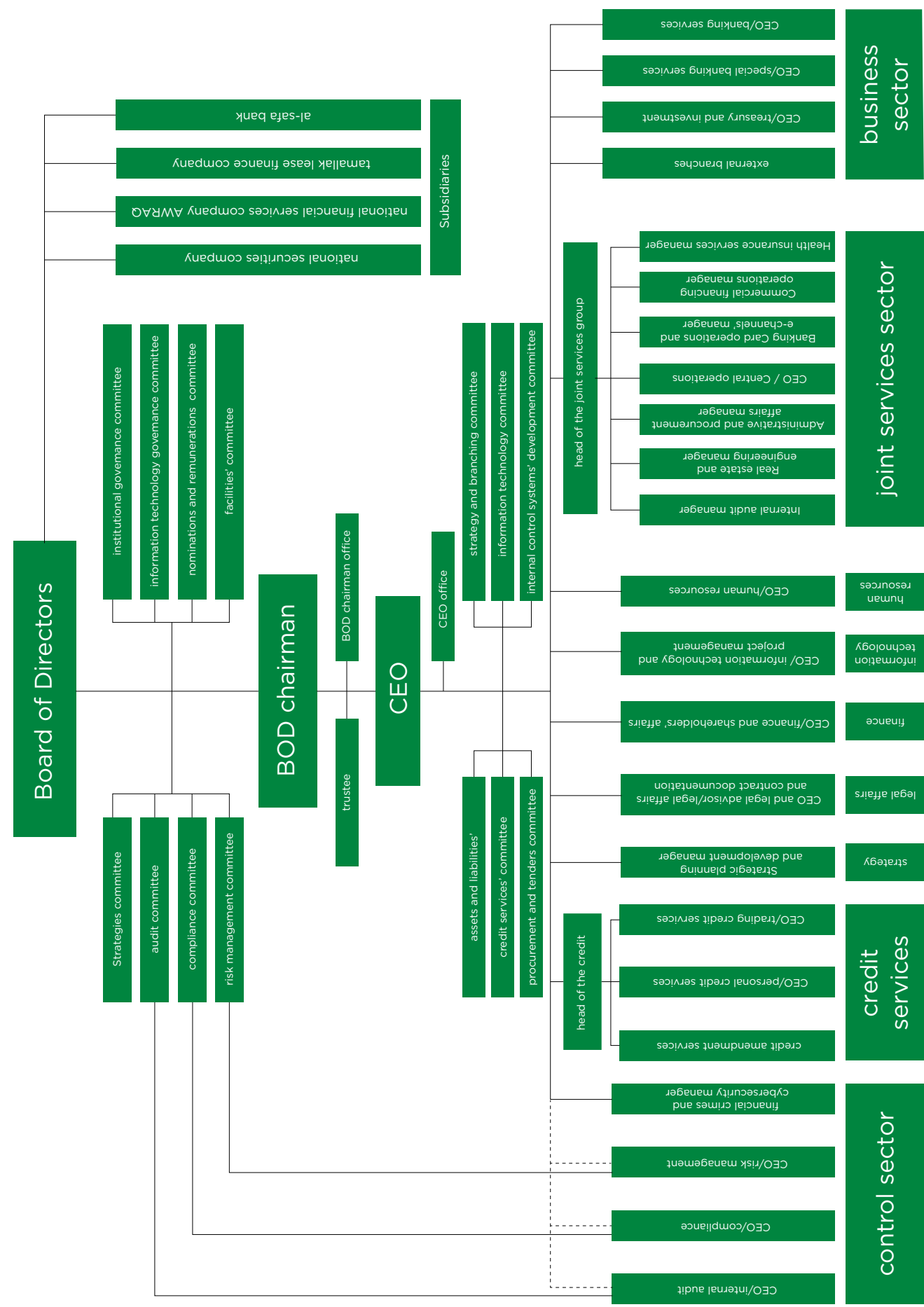
Kleman Mari Farajallah Membabashi
Member



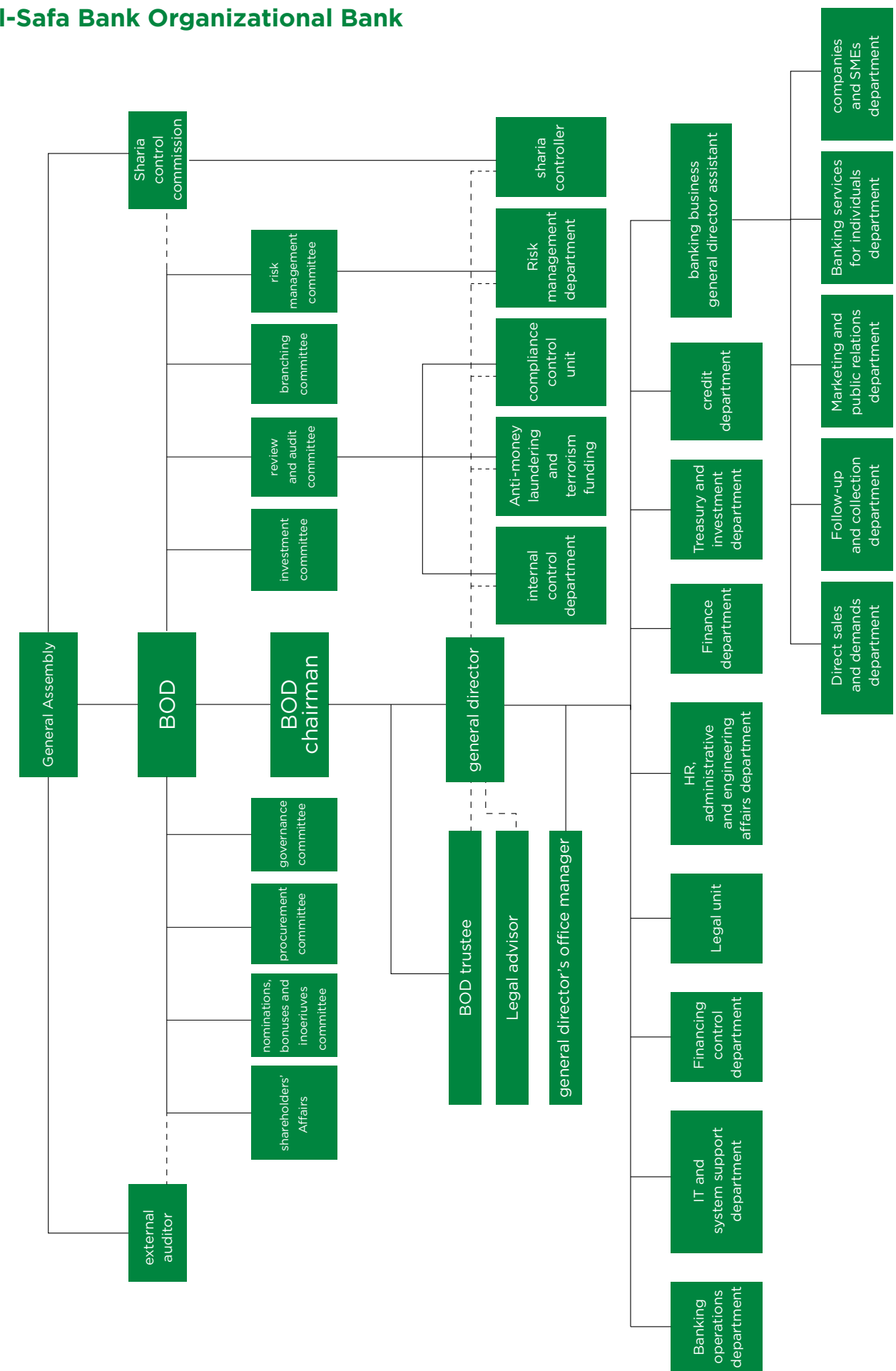
Organizational Structures



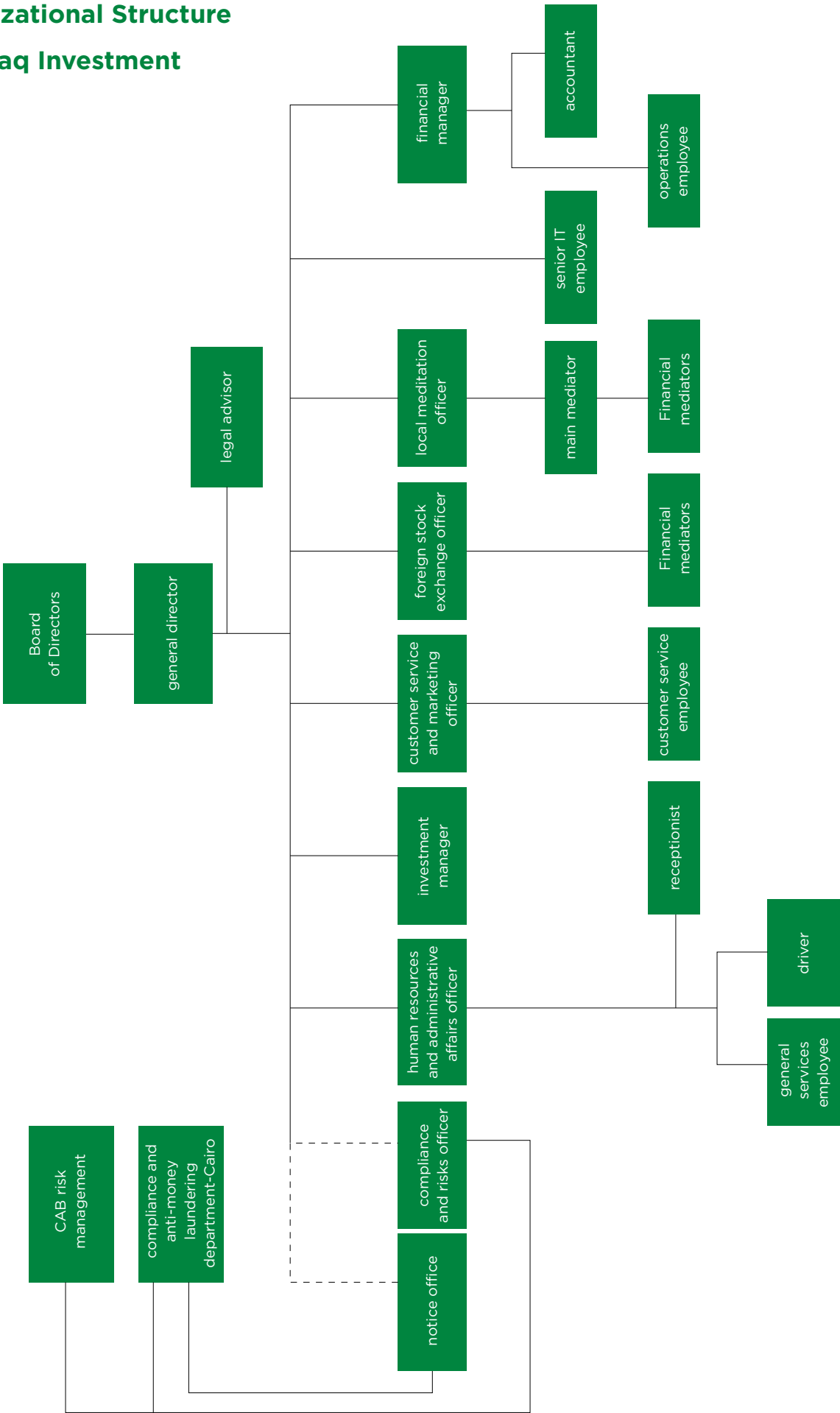
Organizational Structure of Cairo Amman Bank



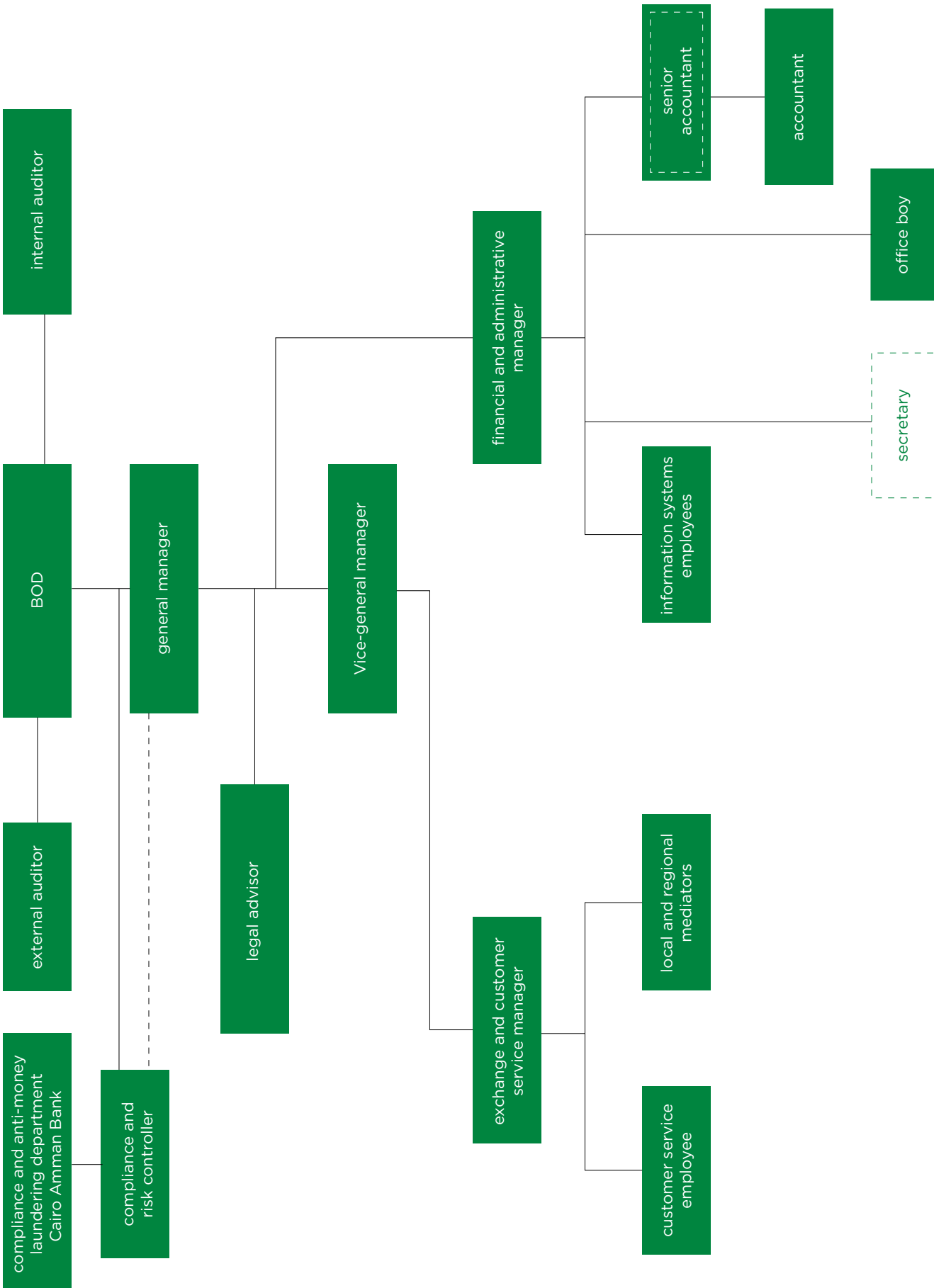
Al-Safa Bank Organizational Bank



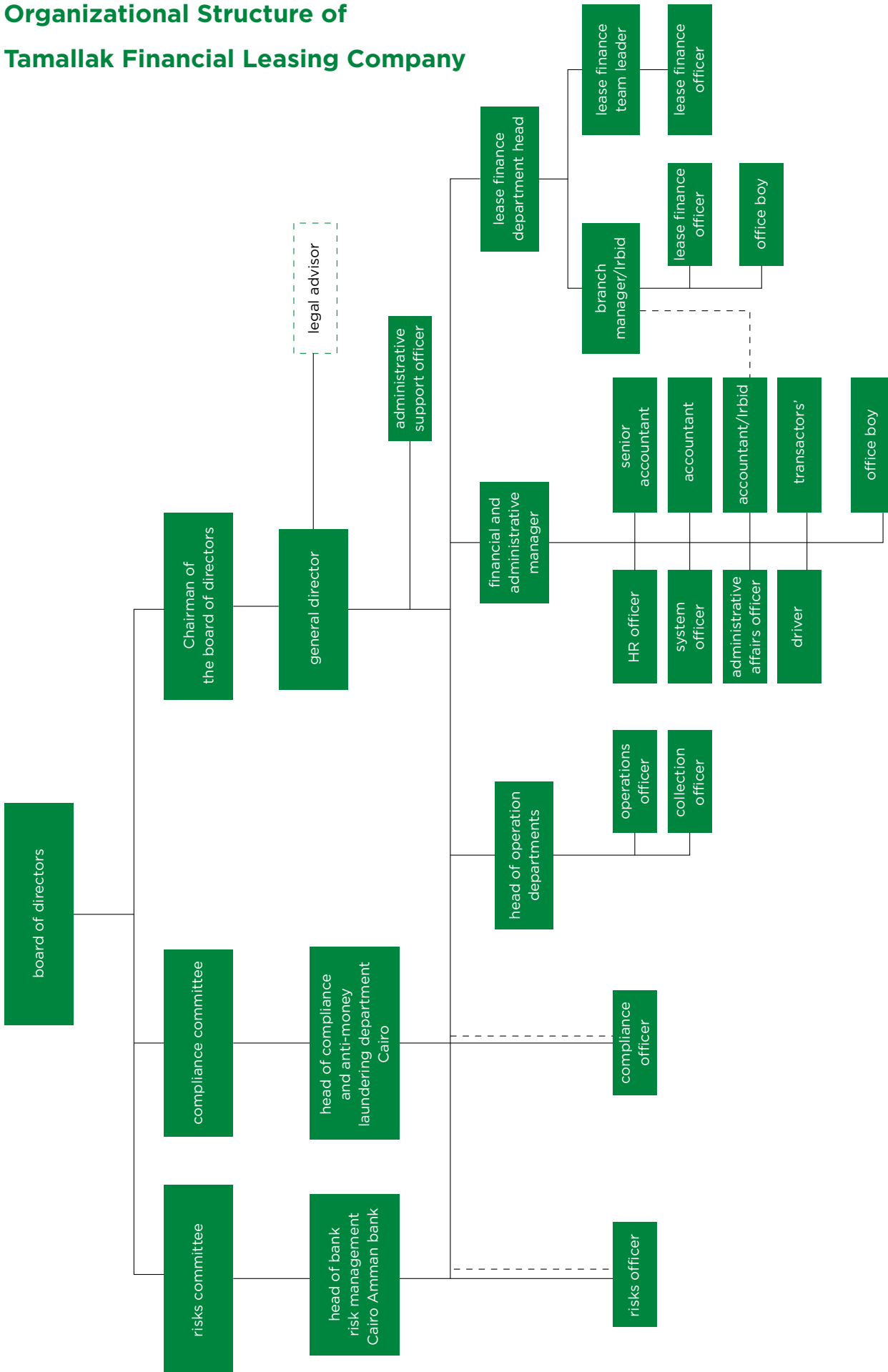
Organizational Structure
of Awraq Investment



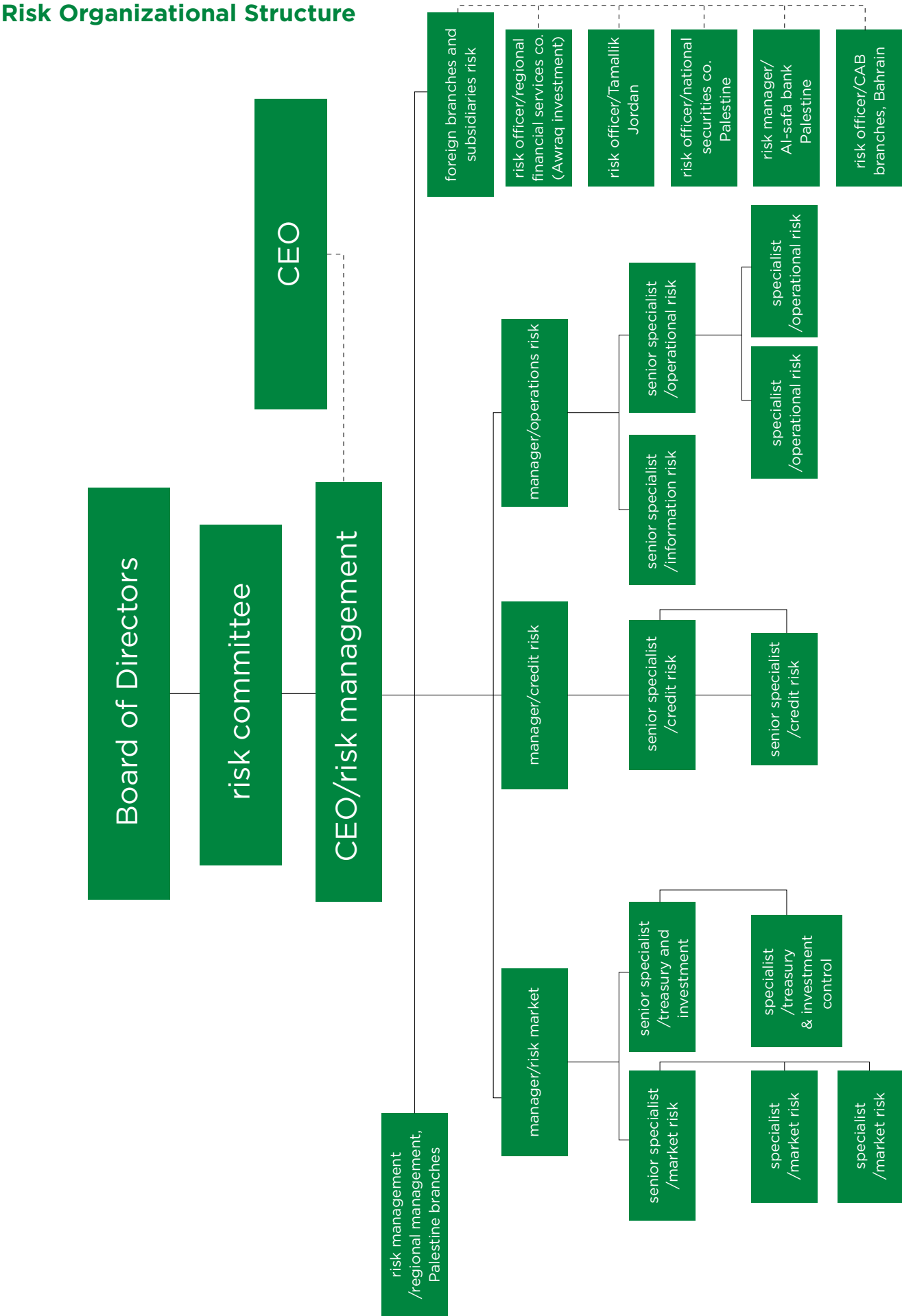
Organizational Structure of National Securities Company



Organizational Structure of Tamallak Financial Leasing Company



Risk Organizational Structure



Consolidated Financial Statements

31 December 2022





| كفاية مخصص الخسائر الائتمانية المتوقعة للتسهيلات الائتمانية (إيضاح ١١) في القوائم المالية الموحدة | نطاق التدقيق لمواجهة امر التدقيق الهام |
|---|--|
| أمر التدقيق الهام تم اعتبار هذا الأمر من الأمور الهامة في عملية التدقيق حيث يتطلب احتسابه وضع افتراضات واستخدام الادارة لتقديرات لاحتساب مدى وقت تسجيل مخصص الخسائر الائتمانية المتوقعة. | تتضمن اجراءات التدقيق ما يلي: <ul style="list-style-type: none">فهم لطبيعة محافظ التسهيلات الائتمانية للمجموعة بالإضافة الى فحص لنظام الرقابة الداخلي المتبع في عملية المنح والتسجيل وتقييم فعالية الاجراءات الرئيسية المتبعة في عملية المنح والتسجيل.قمنا بدراسة وفهم لسياسة المجموعة المتبعة في احتساب المخصصات بالمقارنة مع متطلبات معيار التقارير المالي الدولي رقم (٩) والارشادات والتوجيهات التنظيمية ذات الصلة.قمنا بتقييم نموذج الخسائر الائتمانية المتوقعة للبنك، مع التركيز بشكل خاص على الملاءمة مع نموذج الخسائر الائتمانية المتوقعة والمنهجية الأساسية مع متطلبات معيار التقارير المالي الدولي رقم (٩).لقد قمنا بدراسة عينة من التسهيلات بشكل فردي، وقمنا بالإجراءات التالية لتقييم ما يلي:<ul style="list-style-type: none">مدى ملائمة مراحل التصنيف.مدى ملائمة عملية تحديد التعرض الائتماني عند التعثر، بما في ذلك النظر في التدفقات النقدية الناتجة عن التسديد والعمليات الحسابية الناتجة عنها.مدى ملائمة احتمالية التعثر، التعرض الائتماني عند التعثر ونسبة الخسارة بافتراض التعثر للمراحل المختلفة.مدى ملائمة وموضوعية التقييم الداخلي، بالإضافة الى كفاءة واستقلالية الخبراء المستخدمين في عملية الاحتساب.صحة ودقة النموذج المستخدم في عملية احتساب الخسائر الائتمانية المتوقعة.تقييم مدى ملائمة عملية تقدير المجموعة لحدوث ارتفاع في مستوى المخاطر الائتمانية وأسس انتقال التعرض الائتماني بين المستويات، للتعرضات التي انتقلت بين المستويات، بالإضافة الى تقييم العملية من ناحية التوقيت المناسب لتحديد الزيادة الجوهرية في مخاطر الائتمان للتعرضات الائتمانية. |

تقرير تدقيق بنك القاهرة عمان للعام المنتهي في ٣١ كانون الأول ٢٠٢٢

إرنست ويونغ الأردن
محاسبون قانونيون
صندوق بريد ١١٤٠
عمان ١١١١٨ - المملكة الأردنية الهاشمية
صانف ٠٧٧٧ / ٠٠٩٦٢ ٦٥٨٠ / ٠٠٩٦٢ ٦٥٥٢ ٦١١١
فاكس ٠٠٩٦٢ ٦٥٥٢ ٨٣٠٠
www.ey.com/me



تقرير مدققي الحسابات المستقلين
إلى مساهمي بنك القاهرة عمان
عمان - المملكة الاردنية الهاشمية

تقرير حول تدقيق القوائم المالية الموحدة

الرأي

لقد قمنا بتدقيق القوائم المالية الموحدة لبنك القاهرة عمان "البنك" وشركاته التابعة "المجموعة" والتي تتكون من قائمة المركز المالي الموحدة كما في ٣١ كانون الأول ٢٠٢٢ وقائمة الدخل الموحدة وقائمة الدخل الشامل الموحدة وقائمة التغيرات في حقوق الملكية الموحدة وقائمة التدفقات النقدية الموحدة للسنة المنتهية في ذلك التاريخ والإيضاحات حول القوائم المالية الموحدة وملخص لأهم السياسات المحاسبية.

في رأينا، إن القوائم المالية الموحدة المرفقة تُظهر بعدالة، من كافة النواحي الجوهرية، المركز المالي للمجموعة كما في ٣١ كانون الأول ٢٠٢٢ وأداءها المالي وتدفقاتها النقدية للسنة المنتهية في ذلك التاريخ وفقاً لمعايير التقارير المالية الدولية.

أساس الرأي

لقد قمنا بتدقيقنا وفقاً للمعايير الدولية للتدقيق، إن مسؤولياتنا وفقاً لهذه المعايير مفصلة أكثر ضمن بند مسؤولية مدقق الحسابات عن تدقيق القوائم المالية الموحدة الواردة في تقريرنا هذا. نحن مستقلون عن المجموعة وفقاً لقواعد السلوك المهني للمحاسبين القانونيين الصادر عن المجلس الدولي لمعايير السلوك المهني للمحاسبين بالإضافة إلى متطلبات السلوك المهني الاخرى الملائمة لتدقيق القوائم المالية الموحدة في الأردن، وقد التزمنا بمتطلبات السلوك المهني ومتطلبات المجلس الدولي لمعايير السلوك المهني للمحاسبين. لقد قمنا بالحصول على أدلة تدقيق كافية وملائمة و توفر أساساً لإبداء الرأي.

أمر آخر

تم تدقيق القوائم المالية الموحدة للسنة المنتهية في ٣١ كانون الأول ٢٠٢١ من قبل مدقق حسابات آخر، وتم اصدار رأي غير متحفظ حول القوائم المالية الموحدة للسنة المنتهية في ٣١ كانون الأول ٢٠٢١ بتاريخ ٢٢ شباط ٢٠٢٢.

أمور التدقيق الهامة

إن أمور التدقيق الهامة هي تلك الأمور التي وفقاً لاجتهادنا المهني كانت الأكثر جوهرية خلال تدقيق القوائم المالية الموحدة للسنة الحالية. لقد تمت دراسة هذه الأمور ضمن الإطار الكلي لتدقيق القوائم المالية الموحدة لإبداء رأينا حول هذه القوائم ولا نبدي رأياً منفصلاً حول هذه الأمور. تم وصف إجراءات التدقيق المتعلقة بكل أمر من الأمور المشار إليها أدناه.

لقد قمنا بالمهام المذكورة في فقرة مسؤولية مدقق الحسابات والمتعلقة بتدقيق القوائم المالية الموحدة. بالإضافة لكافة الأمور المتعلقة بذلك. بناءً عليه فإن تدقيقنا يشمل تنفيذ الإجراءات التي تم تصميمها للاستجابة لتقييمنا لمخاطر الأخطاء الجوهرية في القوائم المالية الموحدة. إن نتائج إجراءات التدقيق التي قمنا بها، بما في ذلك الإجراءات المتعلقة بمعالجة الأمور المشار إليها أدناه، توفر أساساً لرأينا حول تدقيق القوائم المالية الموحدة المرفقة.



مسؤولية مدقق الحسابات عن تدقيق القوائم المالية الموحدة

إن أهدافنا تتمثل بالحصول على تأكيدات معقول بأن القوائم المالية الموحدة ككل خالية من الأخطاء الجوهرية سواء الناتجة عن إحتيال أو عن غلط وإصدار تقرير التدقيق الذي يتضمن رأينا.

إن التأكيد المعقول هو تأكيد عالي المستوى ولكنه ليس ضماناً إن التدقيق الذي يجري وفقاً لمعايير التدقيق الدولية سيكشف دائماً خطأ جوهرياً عند وجوده. إن الأخطاء قد تحدث نتيجة لإحتيال أو غلط ويتم اعتبارها جوهرياً، إذا كانت منفردة أو مجتمعةً يمكن أن يكون لها تأثير على القرارات الاقتصادية المتخذة من قبل مستخدمي هذه القوائم المالية الموحدة.

إننا نقوم بممارسة الاجتهاد المهني والمحافظة على الشك المهني كجزء من التدقيق وفقاً للمعايير الدولية للتدقيق، و كذلك نقوم بما يلي:

- تحديد وتقييم مخاطر الاخطاء الجوهرية في القوائم المالية الموحدة، سواء الناتجة عن احتيال أو غلط، و تصميم وتنفيذ اجراءات تدقيق تستجيب لهذه المخاطر والحصول على أدلة تدقيق كافية و ملائمة توفر أساساً لإبداء الرأي. إن خطر عدم اكتشاف خطأ جوهري ناتج عن احتيال يعد أكبر من ذلك الناتج عن غلط، لما قد يتضمنه الاحتيال من تواطؤ أو تزوير أو حذف متعمد أو تأكيدات غير صحيحة أو تجاوز لنظام الرقابة الداخلي.

- الحصول على فهم لنظام الرقابة الداخلي المتعلق بالتدقيق و ذلك لتصميم إجراءات تدقيق ملائمة للظروف وليس بهدف ابداء رأي حول مدى فعالية نظام الرقابة الداخلي للمجموعة.

- تقييم ملائمة السياسات المحاسبية المطبقة ومعقولية التقديرات المحاسبية و الايضاحات المتعلقة بها التي قامت بها الادارة.

- التوصل الى نتيجة حول ملائمة استخدام الادارة لمبدأ الاستمرارية في المحاسبة، وبناءً على أدلة التدقيق التي تم الحصول عليها، وفيما إذا كان هناك عدم ثيقن جوهري مرتبط بأحداث أو ظروف قد تلقي بشكوك كبيرة حول قدرة المجموعة على الاستمرار. و اذا ما توصلنا الى نتيجة بأن هناك شك جوهري، فعلينا الإشارة في تقرير التدقيق إلى ايضاحات القوائم المالية الموحدة ذات الصلة أو تعديل رأينا اذا كانت هذه الايضاحات غير كافية. إن استنتاجاتنا مبنية على أدلة التدقيق التي حصلنا عليها حتى تاريخ تقرير التدقيق، ومع ذلك فإن الأحداث او الظروف المستقبلية قد تؤدي إلى عدم استمرار المجموعة في اعمالها كمنشأة مستمرة.

- تقييم العرض العام لهيكل القوائم المالية الموحدة ومحتواها بما في ذلك الايضاحات حولها وفيما إذا كانت القوائم المالية الموحدة تمثل المعاملات والأحداث التي تحقق العرض العادل.

- الحصول على أدلة تدقيق كافية وملائمة فيما يتعلق بالمعلومات المالية عن الشركات أو الأنشطة التجارية ضمن نطاق المجموعة لإبداء الرأي حول القوائم المالية الموحدة. إننا مسؤولون عن التوجيه والإشراف وإنجاز عملية التدقيق للمجموعة. ونحن مسؤولون عن رأينا حول التدقيق.

إننا نتواصل مع المسؤولين المكلفين بالحوكمة فيما يتعلق بنطاق التدقيق وتوقيته وملاحظات التدقيق المهمة التي تتضمن أي نقاط ضعف مهمة في نظام الرقابة الداخلية التي يتم تحديدها من قبلنا خلال عملية التدقيق.



| | |
|---|--|
| <ul style="list-style-type: none"> • إعادة احتساب الخسائر الائتمانية المتوقعة للتسهيلات المتدنية بشكل فردي بالإضافة الى فهم اخر التطورات لهذه التعرضات الائتمانية من ناحية التدفقات النقدية والمركز المالي وإذا كان هناك أي جدولة أو هيكلية. • فيما يتعلق بالافتراضات المستقبلية المستخدمة من قبل البنك لاحتساب الخسائر الائتمانية المتوقعة، لقد قمنا بمناقشة هذه الافتراضات مع الإدارة وقمنا بمقارنة هذه الافتراضات مع المعلومات المتاحة. • قمنا بتقييم الافصاحات في القوائم المالية الموحدة لضمان ملائمتها لمعيار التقارير المالية الدولي رقم (٩). إن السياسات المحاسبية والتقديرات والأحكام المحاسبية الهامة والإفصاح عن التسهيلات الائتمانية وإدارة مخاطر الائتمان مفصلة في ايضاحات ٢ و ١١ و ٤١ حول القوائم المالية الموحدة. | |
|---|--|

المعلومات الأخرى الواردة في التقرير السنوي للمجموعة لعام ٢٠٢٢

تتكون المعلومات الأخرى من المعلومات الواردة في التقرير السنوي غير القوائم المالية الموحدة وتقرير مدقق الحسابات حولها. إن الإدارة هي المسؤولة عن المعلومات الأخرى. إننا نتوقع أن يتم تزويدنا بالتقرير السنوي للمجموعة لعام ٢٠٢٢ بتاريخ لاحق لتقريرنا. إن رأينا لا يشمل المعلومات الأخرى وأننا لا نبدي أي تأكيد حول المعلومات الأخرى.

فيما يتعلق بتدقيق القوائم المالية الموحدة، إن مسؤوليتنا هي قراءة المعلومات الأخرى عندما تصبح متاحة لنا، بحيث نُقيم فيما اذا كانت المعلومات الأخرى تتعارض جوهرياً مع القوائم المالية الموحدة أو من معرفتنا خلال عملية تدقيق القوائم المالية الموحدة.

مسؤولية الإدارة والمسؤولين المكلفين بالحوكمة عن القوائم المالية

إن الإدارة مسؤولة عن إعداد هذه القوائم المالية الموحدة وعرضها بصورة عادلة وفقاً لمعايير التقارير المالية الدولية، بالإضافة الى تحديد نظام الرقابة الداخلي الضروري لإعداد قوائم مالية موحدة خالية من الأخطاء الجوهرية سواء الناتجة عن احتيال أو عن غلط.

كما أن الإدارة مسؤولة عن تقييم قدرة المجموعة على الاستمرار كمنشأة مستمرة والإفصاح عن الأمور المتعلقة بمبدأ الاستمرارية بما في ذلك استخدام مبدأ الاستمرارية في المحاسبة عند إعداد القوائم المالية الموحدة، إلا إذا كان في نية الإدارة تصفية لمجموعة أو إيقاف عملياتها أو عدم وجود أي بديل واقعي آخر سوى القيام بذلك.

إن المكلفين بالحوكمة مسؤولون عن الاشراف على عملية إعداد التقارير المالية للمجموعة.

تقرير تدقيق بنك القاهرة عمان للعام المنتهي في ٣١ كانون الأول ٢٠٢٢

تقرير تدقيق بنك القاهرة عمان للعام المنتهي في ٣١ كانون الأول ٢٠٢٢



نقوم كذلك بتزويد المسؤولين المكلفين بالحوكمة بما يفيد التزامنا بمتطلبات السلوك المهني المتعلقة بالاستقلالية والافصاح للمسؤولين المكلفين بالحوكمة عن كل العلاقات والامور الاخرى التي تظهر على انها تؤثر على استقلاليتنا وما شأنه ان يحافظ على هذه الاستقلالية.

من تلك الأمور التي يتم التواصل بها مع المسؤولين المكلفين بالحوكمة، نقوم بتحديد الأمور الأكثر أهمية على تدقيق القوائم المالية الموحدة للفترة الحالية و التي تمثل أمور التدقيق الهامة. اننا نقدم وصف عن هذه الأمور في تقرير التدقيق الا اذا كان القانون أو التعليمات تمنع الإفصاح عن ذلك الامر، او في حالات نادرة جدا و التي بناءً عليها لا يتم الإفصاح عن ذلك الأمر في تقريرنا لأن العواقب السلبية المتوقعة للإفصاح قد تفوق المنفعة العامة الناتجة عنه.

تقرير حول المتطلبات القانونية

تحتفظ المجموعة بقبود وسجلات محاسبية منظمة بصورة أصولية تتفق مع القوائم المالية الموحدة ونوصي بالصادقة عليها.

إرنست ويونغ / الأردن
وضاح عصام برقوقي
ترخيص رقم ٥٩١
إرنست ويونغ
محاسبون قانونيون
عمان - الأردن

عمان - المملكة الأردنية الهاشمية
٢١ شباط ٢٠٢٣

تقرير تدقيق بنك القاهرة عمان للعام المنتهي في ٣١ كانون الأول ٢٠٢٢

CAIRO AMMAN BANK (A PUBLIC SHAREHOLDING LIMITED COMPANY) CONSOLIDATED STATEMENT OF FINANCIAL POSITION As on 31 December 2022

| | Notes | 2022 Dinar | 2021 Dinar |
|---|-------|----------------------|----------------------|
| Assets | | | |
| Cash and balances at Central Banks-Net | 5 | 320,698,816 | 413,494,719 |
| Balances at banks and financial institutions-Net | 6 | 123,920,745 | 121,528,244 |
| Deposits at banks and financial institutions-Net | 7 | 73,083,268 | 101,054,720 |
| Financial assets at fair value through profit or loss | 8 | 9,980,141 | 8,164,615 |
| Financial assets at fair value through other comprehensive income-Net | 9 | 71,879,372 | 65,792,741 |
| Financial assets at amortized cost-net | 10/A | 740,827,140 | 732,404,799 |
| Financial assets at amortized cost - pledged as collaterals | 10/B | 54,538,000 | 74,203,000 |
| Direct credit facilities-net | 11 | 2,127,194,065 | 1,951,096,855 |
| Property and equipment-net | 12 | 43,924,827 | 43,770,756 |
| Intangible assets - net | 13 | 5,361,339 | 5,159,688 |
| Right of use assets - net | 48 | 23,347,071 | 24,154,362 |
| Deferred tax assets | 21 | 13,574,826 | 12,227,606 |
| Other assets | 14 | 66,644,844 | 60,756,128 |
| Total Assets | | 3,674,974,454 | 3,613,808,233 |
| Liabilities And Shareholders' Equity | | | |
| Liabilities: | | | |
| Banks and financial institutions' deposits | 15 | 218,453,233 | 202,284,537 |
| Customers, deposits | 16 | 2,454,183,350 | 2,437,899,526 |
| Margin Accounts | 17 | 89,697,152 | 59,546,408 |
| Borrowed funds | 18 | 341,726,015 | 363,909,865 |
| Subordinated Loans | 19 | 18,540,350 | 18,540,350 |
| Sundry provisions | 20 | 14,065,732 | 12,313,994 |
| Income tax provision | 21 | 23,867,415 | 19,810,355 |
| Lease Liabilities | 48/B | 23,137,223 | 23,325,341 |
| Deferred tax liabilities | 21 | 1,308,124 | 865,668 |
| Other liabilities | 22 | 68,178,051 | 77,913,234 |
| Total Liabilities | | 3,253,156,645 | 3,216,409,278 |
| Shareholders' Equity | | | |
| BANK'S SHAREHOLDERS' EQUITY | | | |
| Authorized and paid up capital | 23 | 190,000,000 | 190,000,000 |
| Statutory reserve | 24 | 91,364,494 | 86,711,919 |
| General banking risk reserve | 24 | 4,646,255 | 4,341,429 |
| Cyclical fluctuations reserve | 24 | 11,396,874 | 10,894,653 |
| Fair value reserve-net | 26 | 9,304,467 | 3,797,698 |
| Foreign Currencies Translation Reserve | | (3,188,744) | (3,188,744) |
| Retained earnings | 27 | 97,910,555 | 94,481,206 |
| Total Bank's Shareholders' Equity | | 401,433,901 | 387,038,161 |
| Non-controlling interest | | 20,383,908 | 10,360,794 |
| Total Shareholders, Equity | | 421,817,809 | 397,398,955 |
| Total Liabilities and Shareholders, Equity | | 3,674,974,454 | 3,613,808,233 |

The Accompanying Notes Constitute from 1 to 50 An Integral Part Of These Consolidated Financial Statements And Should Be Read With Them

CAIRO AMMAN BANK (A PUBLIC SHAREHOLDING LIMITED COMPANY)
CONSOLIDATED STATEMENT OF INCOME
For the year ending on 31 December 2022

| | Notes | 2022 Dinar | 2021 Dinar |
|---|---------|--------------------|--------------------|
| Interest income | 28 | 188,481,260 | 171,998,285 |
| Less: Interest expense | 29 | (66,781,799) | (56,111,893) |
| Net interest income | | 121,699,461 | 115,886,392 |
| Net commission income | 30 | 19,238,439 | 20,344,244 |
| Net interest and commission income | | 140,937,900 | 136,230,636 |
| Gain from foreign currencies | 31 | 4,878,641 | 4,416,809 |
| (Loss) Gain from financial assets at fair value through profit or loss | 32 | 991,154 | 1,682,897 |
| Dividends from financial assets at fair value through other comprehensive income | 33 & 9 | 2,351,321 | 2,603,330 |
| Other income | 34 | 8,761,222 | 6,624,306 |
| Gross profit | | 157,920,238 | 151,557,978 |
| Employees' costs | 35 | 45,959,936 | 44,066,237 |
| Depreciation and amortization | 12 & 13 | 7,082,593 | 7,858,388 |
| Other expenses | 36 | 36,479,087 | 33,230,790 |
| Expected credit loss | 37 | 15,529,472 | 17,628,435 |
| Impairment of seized assets | 14 | 164,741 | 514,759 |
| (Released from) Provision for impairment of financial assets at fair value through other comprehensive income | | - | (4,158,000) |
| Sundry provisions | | 53,063 | 207,330 |
| Total expenses | | 105,268,892 | 100,249,804 |
| Profit for the year before tax | | 52,651,346 | 51,308,174 |
| Income tax expense | 21 | (17,671,850) | (18,619,877) |
| Profit for the year-List (C) and (D) | | 34,979,496 | 32,688,297 |
| Allocated to: | | | |
| Bank's shareholders | | 34,613,824 | 32,799,711 |
| Non-controlling interests | | 365,672 | (111,414) |
| Profit for the year-List | | 34,979,496 | 32,688,297 |
| | | JD/ Fils | JD/ Fils |
| Basic and diluted earnings per share (Bank's shareholders) | 38 | 0/182 | 0/173 |

- The Accompanying Notes Constitute from 1 to 50 An Integral Part Of These Consolidated Financial Statements And Should Be Read With Them

CAIRO AMMAN BANK (A PUBLIC SHAREHOLDING LIMITED COMPANY)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ending on 31 December 2022

| | 2022 Dinar | 2021 Dinar |
|--|-------------------|-------------------|
| Profit for the year | 34,979,496 | 32,688,297 |
| Add: Other comprehensive income items after tax which will not be reclassified subsequently to the consolidated statement of income: | | |
| Net change in fair value reserve | 5,369,225 | 9,896,189 |
| Translation of foreign currency reserve | | - |
| Total Comprehensive income for the year | 40,348,721 | 42,584,486 |
| Total Comprehensive income for the year attributable to: | | |
| Bank's shareholders | 39,983,049 | 42,695,900 |
| Non-controlling interests | 365,672 | (111,414) |
| Total Comprehensive income for the year | 40,348,721 | 42,584,486 |

- The Accompanying Notes Constitute from 1 to 50 An Integral Part Of These Consolidated Financial Statements And Should Be Read With Them

CAIRO AMMAN BANK (A PUBLIC SHAREHOLDING LIMITED COMPANY)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ending on 31 December 2022

| | Paid and subscribed capital | Legal reserve | Public banks risk reserve | Periodical fluctuations reserve | Fair value reserve - net | Foreign currency reserve | Rounded profits | Total equity of bank shareholders | Non-controllers" equity | Total equity |
|---|-----------------------------|-------------------|---------------------------|---------------------------------|--------------------------|--------------------------|-------------------|-----------------------------------|-------------------------|--------------------|
| | JD | JD | JD | JD | JD | JD | JD | JD | JD | JD |
| For the year ending on 31 December 2022 | | | | | | | | | | |
| Balance at the beginning of the year | 190,000,000 | 86,711,919 | 4,341,429 | 10,894,653 | 3,797,698 | 3,188,744 | 94,481,206 | 387,038,161 | 10,360,794 | 397,398,955 |
| Total comprehensive income for the year | - | - | - | - | 5,369,225 | - | 34,613,824 | 39,983,049 | 365,672 | 40,348,721 |
| transferred to reserves | - | 4,652,575 | 304,826 | 502,221 | - | - | (5,459,622) | - | - | - |
| Distributed profits note27 | - | - | - | - | - | - | (28,500,000) | (28,500,000) | - | (28,500,000) |
| Net change in non-controlling interests note 2 | - | - | - | - | - | - | 2,912,691 | 2,912,691 | 9,657,442 | 12,570,133 |
| profit from selling financial assets at fair value through other comprehensive income | - | - | - | - | 137,544 | - | (137,544) | - | - | - |
| Balance at the end of the year | 190,000,000 | 91,364,494 | 4,646,255 | 11,396,874 | 9,304,467 | (3,188,744) | 97,910,555 | 401,433,901 | 20,383,908 | 421,817,809 |
| For the year ending on 31 December 2021 | | | | | | | | | | |
| Balance at the beginning of the year | 190,000,000 | 82,047,879 | 3,897,183 | 10,894,653 | (5,988,630) | (3,188,744) | 88,960,274 | 366,622,615 | 8,666,334 | 375,288,949 |
| Total comprehen-sive income for the year | - | - | - | - | 9,896,189 | - | 32,799,711 | 42,695,900 | (111,414) | 42,584,486 |
| transferred to reserves | - | 4,664,040 | 444,246 | - | - | - | (5,108,286) | - | - | - |
| Distributed profits note27 | - | - | - | - | - | - | (22,800,000) | (22,800,000) | - | (22,800,000) |
| Net change in non-controlling interests note 2 | - | - | - | - | - | - | 519,646 | 519,646 | 1,805,874 | 2,325,520 |
| profit from selling financial assets at fair value through other comprehensive income | - | - | - | - | (109,861) | - | 109,861 | - | - | - |
| Balance at the end of the year | 190,000,000 | 86,711,919 | 4,341,429 | 10,894,653 | 3,797,698 | (3,188,744) | 94,481,206 | 387,038,161 | 10,360,794 | 397,398,955 |

* The general banking risk reserve and the negative balance of the fair value reserve are restricted from use without a prior approval from the Central Bank of Jordan.
** In accordance with the Ordinary General Assembly meeting held on 29 April 2021, the bank has decided to distribute Cash dividends amounting to JOD 22,800,000 equivalent to 12% (the bank has decided to not to distribute dividends to the Bank's shareholders as decide through the Ordinary general Assembly meeting in June 10, 2020.
*** The retained earnings balance resulting from the early implementation of IFRS 9 amounted to JD13,051,148.
**** The retained earnings balance includes deferred tax assets amounting to JD 12,227,606, and is restricted from use in accordance with the instructions of the Central Bank of Jordan.
***** The Bank cannot use the negative balance of the fair value reserve in accordance with the instructions of the Central Bank of Jordan and the Jordanian Securities Commission.
***** The Bank cannot use a restricted amount of JD 1,155,916 which represents the remaining balance of the general banking risk reserve included in retained earnings in accordance with THE INDEPENDENT AUDITOR'S REPORT Distributable profits amounted to JD 64,857,792 as of December 31, 2021.THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT

The Accompanying Notes Constitute from 1 to 50 An Integral Part Of These Consolidated Financial Statements And Should Be Read With Them

CAIRO AMMAN BANK (A PUBLIC SHAREHOLDING LIMITED COMPANY)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ending on 31 December 2022

| | Notes | 2022 | 2021 |
|---|-------------|---------------|---------------|
| | | Dinar | Dinar |
| ???????????????????????????????? | | | |
| Profit before tax for the year | | 52,651,346 | 51,308,174 |
| Adjustments for: | | | |
| Depreciation and amortization | 12 & 13 &36 | 11,424,500 | 11,327,569 |
| Lease contracts' financing costs | | 947,331 | 1,049,037 |
| Expected credit loss | 37 | 15,529,472 | 17,628,435 |
| Sundry provisions | 20 | 2,998,508 | 1,109,195 |
| Impairment of seized assets | 14 | 164,741 | 514,759 |
| (Released from) Provision for impairment of financial assets at fair value through other comprehensive income | | - | (4,158,000) |
| Dividends of financial assets at fair value through other comprehensive income | | (2,351,321) | (2,603,330) |
| (Profits) losses on valuing financial assets at fair value through profit or loss | 32 | (223,770) | (1,126,633) |
| (Profit) Losses from sale of property and equipment | 34 | (34,010) | (87,520) |
| (Gain) from sale of repossessed assets | 34 | (2,399,178) | (780,188) |
| Effect of exchange rate changes on cash and cash equivalents | | (4,632,432) | (4,181,722) |
| Cash flow from operating activities before changes in Assets & Liabilities | | 74,075,187 | 69,999,776 |
| (Decrease) in Assets | | | |
| (Increase) Decrease in deposits at banks and financial institutions | | 28,119,304 | (21,064,328) |
| Decrease in financial assets at fair value through profit or loss | | (1,591,756) | 368,982 |
| (Increase) Decrease in direct credit facilities | | (190,570,394) | (174,563,806) |
| (Increase) Decrease in other assets | | (3,626,750) | (7,466,031) |
| Increase in Liabilities | | | |
| (Decrease) in banks and financial institution deposits (maturing after more than three months) | | (59,419,642) | (3,877,300) |
| Increase in customer deposits | | 16,283,824 | 211,469,089 |
| Increase (Decrease) in Margin Accounts | | 30,150,744 | 2,588,167 |
| Increase (Decrease) in other liabilities | | (11,068,639) | 6,331,886 |
| Net cash flows from operating activities before income tax and sundry provision | | (117,648,122) | 83,786,435 |
| Income tax paid | 21 | (16,428,764) | (15,571,667) |
| sundry provision paid | 20 | (1,246,770) | (1,689,772) |
| Net cash flows from operating activities | | (135,323,656) | 66,524,996 |
| Investing Activities | | | |
| (Purchase) of financial assets at fair value through other comprehensive income | | (1,235,269) | (1,376,827) |
| Sale of financial assets at fair value through other comprehensive income | | 2,426,979 | 1,187,529 |
| Dividends of financial assets at fair value through other comprehensive income | 9 | 2,351,321 | 2,603,330 |
| (Purchase) of other financial assets at amortized cost | | (212,485,390) | (202,069,895) |
| Maturity and sale of other financial assets at amortized cost | | 223,832,728 | 208,583,755 |
| Proceeds from the sale of an investment in a subsidiary | | 1,170,133 | 2,325,520 |
| (Purchase) of property and equipment | 12 | (5,841,711) | (7,180,307) |
| Sale of property and equipment - net | | 121,774 | 116,368 |
| (Purchase) of intangible assets | 13 | (1,684,368) | (1,841,230) |
| Net (used in) investing activities | | 8,656,197 | 2,348,243 |
| Financing Activities | | | |
| Increase in borrowed funds | | 94,702,538 | 172,415,099 |
| Borrowed funds settled | | (116,886,388) | (122,889,352) |
| Lease contracts' payments | | (4,697,594) | (4,538,767) |
| Dividends distributed to shareholders | | (17,100,000) | (22,800,000) |
| Net cash flows from financing activities | | (43,981,444) | 22,186,980 |
| Effect of exchange rate changes on cash and cash equivalents | 31 | 4,632,432 | 4,181,722 |
| Net Increase in cash and cash equivalents | | (166,016,471) | 95,241,941 |
| Cash and cash equivalents, beginning of the year | | 419,435,514 | 324,193,573 |
| Cash and cash equivalents, end of the year | 39 | 253,419,043 | 419,435,514 |

The Accompanying Notes Constitute from 1 to 50 An Integral Part Of These Consolidated Financial Statements And Should Be Read With Them

CAIRO AMMAN BANK (A PUBLIC SHAREHOLDING LIMITED COMPANY)

Notes on the CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

(1) General

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

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

The subscribed and paid capital is 190,000,000 Dinar / share as on 31 December 2022.

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

The consolidated financial statements were authorized for issue by the bank's Board of Directors in their meeting held on 8 February 2023 and are subject to the approval of the General Assembly of the shareholders.

(2) Significant Accounting Policies

(2-1) Basis of Preparation of Consolidated Financial Statement

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

Bank commits to the applicable local laws and CBJ instructions.

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

The reporting currency of the consolidated financial statements is the Jordanian Dinar, which represents the bank's main currency.

(2-2) Basis of Consolidation of Financial Statements

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

The consolidated financial statements include the financial statements of the bank and its subsidiaries that are under their control. There is no difference in the fiscal year of the bank and its subsidiaries. The Bank owns the following subsidiaries as of 31 December 2022:

| Company's Name | Paid-up Capital | Ownership Percentage | Nature of Operation | Country of Operation | Ownership Date |
|--|-----------------|----------------------|-------------------------------------|----------------------|----------------|
| | JD | % | | | |
| Al-Watanieh for Financial Services Company | 6,500,000 | 100 | Brokerage and investment management | Jordan | 1992 |
| Al-Watanieh Securities Company | 1,600,000 | 100 | Brokerage | Palestine | 1995 |
| Tamallak for Financial Leasing | 5,000,000 | 100 | Finance Leasing | Jordan | 2013 |
| Safa Bank* | 53,175,000 | 51 | Islamic Banking | Palestine | 2016 |

* During the year ending on December 31, 2022, the bank distributed 16,078,984 bonus shares of the bank's shares in Safa Bank to the shareholders of Cairo Amman Bank in proportion to the number of shares owned by each shareholder in Cairo Amman Bank. In addition, the bank sold 1,650,399 shares at cost, thus The bank's share decreased from 74.64% to 51% without losing control

Control is achieved when the Bank has rights to variable returns arising from its association with the investee company and has the ability to affect these returns through its ability to control the investee company.

Control is achieved when the Bank:

- has the power over the investee (Existing rights that give the Group the ability to direct the relevant activities of the investee)
- is exposed, or has rights, to variable returns from its involvement with the investee.
- Has the ability to use its power to affect the investee's returns.
- When the Bank owns less than a majority of voting or similar rights in an investee, the Bank considers all relevant facts and circumstances to determine whether it has control over an investee, including:
 - Contractual arrangements with holders of voting rights of others in the investee company.
 - Rights arising from other contractual arrangements.
 - The current voting rights and potential voting rights of the Group.

The bank reassesses whether it controls the investee company and if there are circumstances or facts that indicate a change in one or more of the three elements of control.

The company financial statements are consolidated from the date on which control is exercised until such control ceases. The revenues and expenses of the subsidiaries are consolidated in the consolidated statement of comprehensive income from the date the Bank took control of the subsidiaries until stopping that control.

Profits and losses and each item of other comprehensive income are charged to the equity holders of the parent company and the interests of the non-controlling ones even if this leads to a deficit in the balance of the non-controlling interests. If necessary, the financial statements of the subsidiaries are amended to bring their accounting policies in line with the accounting policies of the Bank. Assets, liabilities, equity, revenues, expenses, profits and losses relating to transactions between the Bank and its subsidiaries are eliminated.

The effect of a change in the ownership percentage of the subsidiary that does not result in a loss of control is recorded in equity. Upon loss of control over a subsidiary, the Group derecognizes the subsidiary's assets (including goodwill), liabilities, non-controlling interests and other items of equity, while the resulting gain or loss is recognized in profit and loss. The investment retained is recognized at fair value.

(2-3) Significant Accounting Policies

Sectors Data

Business sectors represent a group of assets and operations that jointly provide products or services subject to risks and returns different from those of other business sectors which are measured by the reports used by the general manager and the main decision-maker in the Bank.

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

Direct Credit Facilities

The direct credit facilities represent financial assets that have fixed or specified payments provided basically by the bank or were acquired without any market prices in the active markets, the credit facilities will be measured by the amortized cost.

A provision for impairment of direct credit facilities is made by calculating expected credit losses upon the international financial reports standards No. (9)

The interests and commissions of the non-performing credit facilities are given to the clients in accordance with the instructions of the Central Bank of Jordan upon the instructions of the supervisory authorities in the host countries.

The credit facilities for which provisions are prepared are written off if the measures taken to collect them are not feasible by deducting them from the provision, and any surplus in the total provision -if any- is transferred to the consolidated income statement, and the proceeds from the previously written off loan are added to the revenues.

The Fair Value

The closing prices (purchasing assets / selling liabilities) at the dates of the financial statements in the active markets, the fair value of the derivative financial instruments that have market prices. In case of the absent of the announced prices or the lack of active trading of the derivative financial instruments, or market inactivity then, its fair value will be evaluated using different techniques, such as:

- Comparison with similar financial instruments at observable market prices.
- Analyze the future cash flow and deduct the expected cash flow in a percentage used in a similar financial instrument.
- Option pricing models
- The long-term assets and liabilities are evaluated which are not entitled to interests upon deducting the cash flow and upon the active interest price, the deduction/ allowance is to be amortized within received/paid interest income in the consolidated income statement.

The evaluation techniques aimed to obtain a fair value reflect the market expectations and take into consideration the market factors in addition to any other expected risks or interest when evaluating the financial instruments, in the event that there are financial instruments whose fair value cannot be measured reliably, they are shown at cost after deducting any impairment in their value.

Financial assets at amortized cost

are the financial assets that the bank's management aims, according to its business model, to keep in order to collect the contractual cash flows, which are represented by tears from the principal and interest on the outstanding debt balance.

The financial assets are recognized upon purchase at cost plus acquisition expenses. The allowance/ deduction is amortized by using the effective interest method, as a debt or for the interest account, any provisions caused by the decrease upon calculating the expected credit loss, the expected credit loss then registered in the consolidated income statement.

The decreased amount in the value of the assets represents upon the amortized cost of the expected credit losses for the financial assets in the amortized cost.

It is not permissible to reclassify any financial assets from / to this item except in the cases specified in the International Financial Reporting Standards (and in the event that any of these assets is sold before its due date. Then, the result of the sale is recorded in the consolidated income statement in a separate item and disclosed it in accordance with the requirements of international financial reporting standards in particular).

Financial assets at fair value through the income statement

are the financial assets purchased by the Bank for the purpose of selling them in the near future and making profits from short-term market price fluctuations or from trading profit margins.

These assets are recognized at fair value upon purchase (acquisition expenses are recorded on the consolidated income statement upon purchase) and are subsequently re-evaluated at fair value. The change in fair value is shown in the consolidated income statement, including the change in fair value resulting from translation differences of non-monetary asset items in foreign currencies. In the event of the sale of these assets or part thereof, the resulting income statement is included in the consolidated income statement.

Dividends or interest earned are included in the consolidated income statement.

It is not permissible to reclassify any financial assets from / to this item except in the cases specified in the International Financial Reporting Standards.

Financial assets at fair value through the statement of other comprehensive income

Financial assets represent investments in equity instruments for the purpose of long-term retention.

These assets are recognized by fair value plus the expenses of conviction upon purchase, and they are subsequently re-evaluated at fair value. These assets or portions thereof are taken as a result of that in the consolidated statement of comprehensive income and labeled in the consolidated property rights. The balance of the evaluation reserve of sold financial assets is transferred directly to retained profits and losses and not through the consolidated income statement. These assets are not subject to the selection of impairment losses unless the debt instruments are classified as financial assets at fair value through the statement of other comprehensive income, where the impairment is calculated according to the expected credit loss.

Dividends are recorded in the consolidated statement of income.

Impairment of Financial Assets Value

Overview of the expected credit losses

The application of the international standard of financial statements No. (9) caused an essential change in the method of calculating the decreased loss of the group from replacing the impairment loss recognition methodology upon the international accounting standard No.(39) to the expected credit loss recognition methodology of a future vision.

The group registered the expected credit losses plans for all the loans and the other financial assets not held at fair value through profit or loss, in addition to the unused direct facilities ceilings and financial insurance contracts (like the documentary credit and guarantees) They are all referred to as "financial instruments" the equity instruments (shares) are not subject to the declining test upon to the international standard of the financial statement No. (9).

The expected credit losses provision depends on expected credit losses on expected credit loss for 12 months unless there was a tangible change in the credit risks from the date of recognizing the asset, in this event The provision is based on the duration of the asset.

The expected credit loss weighted by the probability of default credit exposure within 12 months is part of the expected credit losses over the life of the asset resulting from default events of financial instruments that can occur within 12 months from the date of the financial statements.

The expected credit losses are calculated, whether for the entire life of the credit exposure or for the exposure within 12 months, either on an individual basis or on an aggregate basis based on the nature of the financial instruments in the portfolio.

The group has applied a policy to show how to apply the procedures of the individually base evaluation of the financial instrument or in the base of the portfolio.

Accordingly, the group rates loans to phase (1), phase (2) and phase (3) as described hereunder:

- Phase (1): When loans are recognized for the first time, the group records a provision based on expected credit losses for the probability that the credit exposure will default within 12 months. The first phase also includes the facilities that were previously in the first stage and there was no change in the level of their risks, and the loans that were reclassified from the second stage.
- Phase (2): when a significant increase in credit risk occurs from the date of international recognition, the group records a provision for expected credit losses for the entire life of the credit exposure. The second phase also includes the facilities and loans that witnessed an improvement in credit risk and which were reclassified from the third phase.
- Phase (3): loans to which the concept of impairment (default) applies. The group calculates the expected credit loss for the entire life of the credit exposure.

Calculation of expected credit losses

The Group calculates expected credit losses in accordance with the methodology for applying International Financial Reporting Standard No. (9) approved by the Bank and described in Note No. (4).

Lease contracts

The Bank evaluates the contracts entered into at inception to determine if the contract is a lease or contains a lease. That is, if the contract conveys the right to control the use of the specified asset for a period of time in return for the amounts paid.

The Bank applies a standardized approach to recognition and measurement in respect of all lease contracts, except for the short-term leases and leases of low-value assets. The Bank recognizes lease liabilities for lease payments and right-of-use assets representing the right to use the leased assets.

The Right of Use Assets

The bank recognizes the right to use the assets when the lease contract entered into inception (i.e., the date on which the asset is usable). The right-of-use assets are recognized at cost, after deducting the accumulative consumption and Impairment losses. The value is modified when re-evaluating the lease obligations.

The cost of the right-to-use asset contains the value of the recognized lease obligations, in addition to the Initial direct costs incurred, any lease payments made on or before the start date minus any lease incentives received. In the event that the bank was not assured of owning the leased asset at the end of the contract, the value of the right to use the recognized asset is amortized on a straight-line basis over the useful life of the asset or the lease term, whichever is less. Right-of-use assets are subject to impairment testing.

Lease obligations

On the start day of the lease, the bank should recognize the lease obligation in the current value of the lease payments that should be paid during the contract period. The lease payments includes the fixed leasing payments (essentially included on fixed payments), minus lease incentives receivable and the variable rental payments based on an indicator or rate, initially measured using the index or rate at the start date of the contract, The amount expected to be paid by the lessor under the remaining value guarantees. Lease payment also include the price of buying options, if the lessor is reasonably sure of practicing the options; and paying termination fines, if the leasing contract was reflected the terminating the lease.

Variable lease payments that do not depend on indicators or rates agreed upon in accordance with the terms of the contract are recognized as expenses in the period in which the event or condition that leads to the payment of those amounts occurs.

Property and Equipment

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

The depreciation rates used are as follows:

| | % |
|-----------------------|-------|
| Buildings | 2 |
| Equipment & furniture | 9-10 |
| Vehicles | 20 |
| Computers | 12-25 |
| other | 2-12 |

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

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

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

Impairment of intangible assets

The Group assesses at the reporting date whether there is evidence that the asset may be impaired. If any evidence of this exists, or when annual impairment testing is required, the group assesses the recoverable amount for an asset, the asset's collectible amount is the higher of the asset's fair value or cash-generating unit fewer costs to sell and its utilization costs and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group assets, when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the fair value in use, the future cash flows are discounted to their current fair value using a pre-Western discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, while determining fair value less costs to sell. Recent transactions in the market are taken into account if they are available, and if it is not possible to identify such transactions, the appropriate valuation model is used. These calculations are fixed by multiples of the valuation prices of the shares of traded subsidiaries or other available fair value indicators.

Intangible assets

a- Goodwill

Goodwill is recorded at cost, which represents the increase in the cost of owning or buying the investment in the subsidiary company over the bank's share in the fair value of the net assets of that company on the date of acquisition. Goodwill resulting from investment in subsidiaries is recorded in a separate item as intangible assets. The cost of goodwill is subsequently reduced by any decrease in the value of the investment.

the goodwill is distributed to the cash-generating unit / units for impairment testing purposes.

A goodwill value test is conducted on the date of the consolidated financial statements, and the value of goodwill is reduced if there is an indication that the value of goodwill has decreased, in the event that the estimated recoverable value of the cash-generating unit / units to which the goodwill belongs is less than the value recorded in the books of the cash-generating unit / units, the impairment value is recorded in the consolidated income statement.

b- Other intangible assets

Intangible assets obtained through a merger are recorded at fair value on the date of acquisition, while intangible assets acquired through a method other than a merger are recorded at cost.

Intangible assets are classified based on an estimate of their useful life for a specified or indefinite period. Intangible assets that have a fixed life are amortized during this life and the amortization is recorded in the consolidated income statement. As for intangible assets that have an indefinite life, the decline in their value is reviewed on the date of the consolidated financial statements, and any decline in their value is recorded in the consolidated income statement.

Intangible assets resulting from the bank's business are not capitalized and are recorded in the consolidated income statement in the same year.

Any indications of the intangible assets value impairment shall be reviewed at the date of the consolidated financial statements, also the useful life of these assets and any modification for subsequent periods shall be reviewed.

Intangible assets that have a fixed life appear at cost after adding the annual amortizes, these assets shall be amortized by using the fixed payment method over its useful life using 20% annually.

Provisions

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

End-of-Service Indemnity

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

Income Tax

Tax expense comprises accrued tax and deferred taxes.

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

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

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

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

The cost of issuing or purchasing the bank's shares

Any expenses resulting from issuing or purchasing the bank's shares shall be added to retained earnings (Net after the tax effect of these costs, if any). If the issuing or purchasing operation was not completed then these costs were added as expenses to the consolidated income statement.

Managed Accounts for the Benefit of Clients

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

Offsetting

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

Revenue verification and expense recognition

Interest income is recognized using the effective interest method, with the exception of interest and commissions on non-performing credit facilities, which are not recognized as revenue and are recorded in the interest and commissions in suspense account.

Expenses are recognized on an accrual basis.

Commissions are recorded as revenues when related services are provided, and corporate shares profits are recognized when realized (approved by the General Assembly of Shareholders).

Recognizing the interest revenues

Effective interest rate method in accordance with IFRS 9, interest income is recognized using the effective interest method for all financial instruments at amortized cost and for financial instruments at fair value through income statement or through other comprehensive income. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of a financial instrument, or, for a shorter period, to the net carrying amount of the financial asset.

The effective interest rate (and therefore the amortized cost of the asset) is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the effective interest rate. The Group recognizes interest income using a rate of return that is the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognizes the impact of potentially different interest rates being charged at different stages, and other characteristics of the product life cycle (including prepayments, penalty interest and fees).

If the projections of cash flows on the financial asset have been modified for reasons other than credit risk. The adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the consolidated statement of financial position with an increase or decrease in interest income. The adjustment is subsequently amortized through interest and similar income in the income statement.

Interest, similar income and expenses

For all financial instruments measured at amortized cost, financial instruments classified in fair value through the other comprehensive income and fair value in profit and loss, along with the interest income or expense using the effective interest rate. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options). It includes any fees or additional costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

When the carrying amount of a financial asset or a group of similar financial assets has been reduced by an impairment loss, interest income continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The bank also holds investments in assets of countries with negative interest rates. The bank discloses the interest paid on these assets as interest expense

Income from fees and commissions

Fee income can be divided into the following two categories:

A- Income from the fees earned from services that are provided over a certain period of time

Fees earned for the provision of services over a period of time are accrued during that period. These fees include commission income, private wealth, asset management fees, custody and other management fees.

B- Fee income forms an integral part of the corresponding financial instrument

Fees that the bank considers to be an integral part of the corresponding financial instruments include: loan origination fees, loan commitment fees for loans that are likely to be drawn down and other credit-related fees.

The date the financial assets are recognized

Purchase and sale of financial assets are recognized on the trading date (the date of the bank's commitment to buy or sell financial assets).

Financial derivatives and hedge accounting

Hedging financial derivatives: For the purposes of hedge accounting, financial derivatives are shown at fair value.

Fair value hedge

It is a hedge for the risk of change in the fair value of the bank's assets and liabilities.

If the conditions of an effective fair value hedge are met, the gains and losses resulting from evaluating the hedging instrument at fair value and from the change in the fair value of the hedged assets or liabilities are recorded in the consolidated statement of income.

In the event that the conditions of effective portfolio hedge apply, any profits or losses resulting from the re-evaluation of the hedging instrument at fair value, as well as the change in the fair value of the portfolio of assets or liabilities, are recorded in the consolidated statement of income in the same year.

Cash flow hedge

It is a hedge for the risks of changes in cash flows of the Bank's current and expected assets and liabilities.

If the conditions for an effective cash flow hedge are met, the gain or loss of the hedging instrument is recorded in the statement of comprehensive income and equity and transferred to the income statement in the period in which the hedge procedure affects the income statement.

For hedges that do not meet the conditions of an effective hedge, the gains or losses resulting from the change in the fair value of the hedging instrument are recorded in the income statement in the same year.

Financial derivatives for trading

The fair value of derivative financial instruments held for trading purposes (such as forward foreign currency contracts, future interest contracts, swap contracts, foreign exchange rate options rights) is recorded in the statement of financial position and the value is determined according to the prevailing market prices. In the event that it is not available, the evaluation method is mentioned, and the amount of changes in the fair value is recorded in the consolidated income statement.

Assets whose ownership has devolved to the Bank in settlement of outstanding debts

Assets whose ownership has been transferred to the Bank appear in the consolidated statement of financial position under the item "other assets" at the value at which they were transferred to the Bank or the fair value, whichever is lower, and they are re-evaluated on the date of the consolidated financial statements at fair value individually, and any decline in their value is recorded as a loss in the statement of financial position. Consolidated income and the increase is not recorded as income. The subsequent increase is taken to the consolidated statement of income to the extent that it does not exceed the previously recorded decrease.

Repurchase and Resale Agreements

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

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

Foreign Currencies

Transactions in foreign currencies during the year are recorded at the exchange rates prevailing at the date of the transactions. Balances of financial assets and financial liabilities are translated into the average foreign currency rates prevailing on the date of the consolidated financial statements announced by the Central Bank of Jordan.

Non-financial assets and non-financial liabilities denominated in foreign currencies that are stated at fair value are translated on the date the fair value is determined.

Profits and losses resulting from foreign currency translation are recorded in the consolidated statement of income.

Transformation differences on non-monetary items of assets and liabilities denominated in foreign currencies (such as equities) are recorded as part of the change in fair value.

When consolidating the consolidated financial statements, the assets and liabilities of the branches and subsidiaries abroad are translated from the main (base) currency into the reporting currency according

to the average rates of currencies on the date of the consolidated financial statements announced by the Central Bank of Jordan. As for items of revenue and expenses, they are translated on the basis of the average price during the year. The resulting currency differences appear in a separate item in the consolidated statement of other comprehensive income, and in the event that one of these companies or branches is sold, the amount of foreign currency translation differences related to it is recorded within the revenues/expenses in the consolidated income statement.

Profits and losses resulting from foreign currency exchange differences for debt instruments (interest-bearing) are recorded within financial assets at fair value through the statement of comprehensive income in the consolidated income statement. Whereas, foreign currency exchange differences for equity instruments are recorded in the financial assets evaluation reserve item within equity. Shareholders in the statement of financial position.

Cash and Cash Equivalents

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

(3) Changes in the accounting policies

The accounting policies used in preparing the consolidated financial statements are consistent with those used in preparing the consolidated financial statements for the year ending on December 31, 2021, except that the Bank applied the following amendments as of January 1, 2022:

Reference to the Conceptual Framework - Amendments to International Financial Reporting Standard No. (3)

During May 2020, the International Accounting Standards Board issued amendments to the International Financial Reporting Standard No. (3) Business Combinations - a reference to the conceptual framework. These amendments replace the reference to the conceptual framework for the preparation and presentation of financial statements, which was issued in 1989, and with reference to the conceptual framework for financial reports issued in March 2018 without fundamental change to the requirements of the conceptual framework.

The Board also added an exception to the principle of recognizing International Financial Reporting Standard No. (3) to avoid the possibility of the emergence of "2-day" profits or losses for liabilities and contingent liabilities included within the scope of International Accounting Standard No. (37) or the Interpretation of the International Financial Reporting Standards Interpretation Committee. No. (21) if incurred separately.

At the same time, the Board decided to clarify the current guidance on IFRS No. (3) for potential assets that will not be affected by the replacement of the conceptual framework for the preparation and presentation of financial statements.

These amendments did not have a material impact on the Bank's consolidated financial statements.

Property, plant and equipment: proceeds from sale prior to intended use - Amendments to International Accounting Standard No. (16)

During May 2020, the International Accounting Standards Board issued amendments to International Accounting Standard No. (16) Property, Plant and Equipment: Proceeds from Sale Before Concerned Use, which prevents establishments from reducing the cost of property, machinery and equipment by the value of amounts received from selling a product that was produced in the period during the acquisition of the asset To the site and prepare it for the condition necessary to work in the intended manner determined

by the management Accordingly, the facility must recognize the amounts received from the sale of these products and the cost of their production in the profits or losses.

These amendments did not have a material impact on the Bank's consolidated financial statements.

Loss Contracts - Cost of Contract Obligations - Amendments to International Accounting Standard No. (37)

During May 2020, the International Accounting Standards Board issued amendments to International Accounting Standard No. (37), which specify the costs that the entity must take into account when evaluating whether the contract is or will result in a loss.

The amendments apply the "direct cost" method. Direct costs related to contracts for the sale of goods or services include both incremental costs and allocated costs directly related to contract activities General and administrative expenses are not directly related to contracts and are therefore excluded unless they are charged to the other party under the terms of the contract.

These amendments did not have a material impact on the Bank's consolidated financial statements.

International Financial Reporting Standard No. (1) - Adoption of International Financial Reporting Standards for the first time - Company Affiliated as a first-time adopter of IFRSs

As part of the improvements to the treatment of IFRSs for the years 2018-2020, the Accounting Standards Board has issued amendment to the IFRS 1 - Adopting International Financial Reporting Standards for the first time. The amendment allows for a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure the cumulative foreign currency exchange differences using the amounts declared by the parent company, based on the date the parent company applies IFRS for the first time. This amendment also applies to the associate or joint investment that chooses to apply paragraph D16(a) of IFRS 1.

These amendments did not have a material impact on the Bank's consolidated financial statements.

IFRS 9 Financial Instruments - '10%' Test for Derecognition of Financial Liabilities

As part of the improvements to the treatment of IFRSs for the years 2018-2020, the Accounting Standards Board issued an update on IFRS 9. The amendment clarifies the fees that a bank considers when assessing whether the terms of a new or modified financial liability differ materially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by the borrower or lender on behalf of the other. The Bank applies the modification to financial liabilities that are modified or exchanged in or after the beginning of the financial year in which the Bank applies the amendment.

These amendments did not have a material impact on the Bank's consolidated financial statements.

Amendments to International Accounting Standard No. (41) Agriculture: Taxes in the Measurement of Fair Value

As part of the improvements to the treatment of IFRSs for financial reporting for the years 2018-2020, the International Accounting Standards Board issued an amendment to IAS No. (41) Agriculture. The amendment canceled the requirement of the standard in paragraph 22 of IAS No. (41) that requires that entities exclude tax cash flows when measuring the fair value of assets within the scope of International Accounting Standard (41).

These amendments did not have a material impact on the Bank's consolidated financial statements.

(4) Most significant estimations used

Accounting estimations

The preparation of the financial statements and the application of accounting policies requires the bank's management to make estimates and assumptions that affect the amounts of financial assets and liabilities and the fair value reserve, as well as the disclosure of potential liabilities. Also, these estimates and assumptions affect revenues, expenses and provisions, as well as changes in the fair value that appear in the income statement, and in particular the bank management is required to issue important judgments and judgments to estimate the amounts and times of future cash flows. The aforementioned estimates are necessarily based on assumptions and multiple factors that have varying degrees of estimation and uncertainty, and that the actual results may differ from the estimates, as a result of the changes resulting from the conditions and conditions of those estimates in the future. In the opinion of the management, the estimates used in the financial statements are reasonable.

Management believes that the estimates adopted in preparing the consolidated financial statements are reasonable and consistent with the estimates adopted in preparing the financial statements for the year 2021.

A) Expected credit losses for financial instruments at amortized cost:

Determining the provision for impairment of direct credit facilities requires the bank's management to issue important judgments and judgments to estimate the amounts and times of future cash flows, in addition to estimating any significant increase in the credit risks of financial assets after their initial recognition, in addition to taking into account future measurement information for expected credit losses. The most significant estimates and judgments used are set out below:

Defining the bank's default application and default handling mechanism.

- Definition of default:

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

- The debtor party is facing significant financial difficulties (extreme weakness in the financial statements).
- Non-compliance with contractual terms, such as the existence of dues equal to or more than (90) days.
- The bank extinguishing part of the debtor's obligations. The presence of clear external indicators indicating the imminent bankruptcy of the debtor.
- The absence of an active external market for a financial instrument due to financial difficulties faced by the debtor party (the source of credit exposure / debt instrument) and the expected inability to fulfill its obligations.
- The acquisition (purchase or creation) of a debt instrument at a high discount represents a credit loss.

- Default processing mechanism:

The bank follows up the accounts before they reach the stage of default through specialized departments, and when classifying non-performing accounts, they are followed up through the credit adjustment department before starting legal procedures in the event that no settlements are reached with the customer. The bank also builds provisions against these accounts according to the instructions of the Central Bank of Jordan and the host supervisory authorities.

1- The bank's internal credit rating system and its mechanism of action:

- Corporate portfolio:

It is an internal rating system for evaluating and measuring the risks of each of the banks, financial institutions, sovereign investments, and clients of large and medium companies in a comprehensive manner.

The Bank uses the internal evaluation system (CreditLens) from (Moody's) to measure the degree of risk of corporate customers within (7) levels for operating accounts, while non-performing accounts are classified within (3) levels according to the instructions of the Central Bank of Jordan in this regard, and the probability of default increases (PD). With the increase in the degree of risk, three segments are adopted at each level of classification for performing debts - except for grade (1), where grade 1 is the best and grade 10 is the worst, where the degree of customer risk associated with the probability of default of the customer (PD) is extracted based on financial and objective data, and extracting the probability of default for the customer facilities through (Facility Rating).

- Individuals portfolio:

The portfolio of individuals is classified by adopting programs with common characteristics for the clients granted through each program according to the nature of the purpose of the product (personal, housing, cars, etc.), according to the work entity (public sector, private sector) and according to the nature of appointment, job and other different characteristics.

Program conditions are also determined based on the historical performance of each program in terms of grants, defaults and collections. These programs are reviewed periodically and their terms are updated based on their performance.

2- The approved mechanism for calculating expected credit losses (ECL).

The bank has adopted a system from (Moody's) company to calculate the expected credit losses, so that the calculation is within special systems for the corporate portfolio and the individual portfolio, after taking into account the degree of customer risks, the possibility of default, and the evaluation of guarantees, at the level of Jordan branches, foreign branches, and subsidiaries.

The calculation mechanism for each stage is divided as follows:

- **Stage 1:** The expected credit losses are calculated within the next 12 months from the date of preparing the financial statements for debt instruments within this stage, which have not had a significant or significant increase in their credit risk since the initial recognition of the exposure / instrument, or that have low credit risk at the date of preparing the financial statements.
- **Stage 2:** the expected credit losses are calculated for the entire life of the debt instrument during the remaining period of the life of the debt instrument for the debt instruments that fall within this stage and in which there has been a significant or significant increase in its credit risk since its initial recognition, but it did not reach the stage of default.

Several determinants have been adopted such as the credit risk increase indicator for the transition of the financial instrument from the first stage to the second stage, taking into account many indicators, including:

- The customer's rating has declined by specific degrees from his initial rating, or he has obtained a high-risk rating.
- The emergence of any negative indicators on the account (its presence on the black list of returned checks - Black List within the portfolio of individuals for Jordan branches, or its classification as 3 in the list of money laundering - Risk Level according to the classification of the Palestinian Monetary Authority for the portfolio of individuals in Al-Safa Bank and Palestine branches)
- The existence of a number of due days exceeding 30 days and less than 90 days.
- Classification of the client within the debt under control
- **Stage 3: Expected credit losses are calculated for the entire life of the debt instrument for debt instruments that fall within this stage and for which there is evidence/evidence that they have become in default (irregularly) and according to what is mentioned in the definition of default item.**

The following debt instruments were included in the calculation:

- Direct and indirect loans and credit facilities.
- Debt instruments recorded at amortized cost.
- The financial guarantees stipulated in accordance with the requirements of International Financial Reporting Standard (9).
- Receivables related to lease contracts within the requirements of International Financial Reporting Standard (16).
- Credit exposures to banks and financial institutions.

3- Governance of applying the requirements of the International Financial Reporting Standard (9).

Roles and responsibilities:

Board of Directors:

- Adopting the expected credit loss calculation policy according to the International Financial Reporting Standard.
- Providing an appropriate governance structure and procedures that ensure the proper application of the standard by defining the roles of committees, departments and work units in the bank and ensuring work integration.
- Provide the appropriate infrastructure for the application.
- Ensuring that the Bank's control units, represented by Risk Management and Audit Department, carry out all the necessary work to verify the validity and safety of the Bank methodologies and systems used in implementing Standard 9 and providing the necessary support for them.

Risk Management Committee:

- Reviewing the policies related to the application of International Financial Reporting Standard 9
- View the results of calculating expected credit losses in the financial statements.

Facilities Committee:

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

The Audit Committee:

- Checking the adequacy of the expected credit losses allocated by the bank and ensuring their adequacy on each financial statement.

Steering Committee for the Implementation of Standard (9):

The committee consists of the head of the Credit Services Group, the Executive Director of the Treasury and Investments Department, the Executive Director of the Financial Department and Shareholders' Affairs, the Executive Director of Risk Management, the Executive Director of Commercial Credit Services, the Executive Director of Personal Credit Services and the Director of the Credit Risk Department. Among its most important tasks:

- Coordinating and giving directions to application officials in external branches, subsidiaries and bank departments.
- Coordinating with central banks and external and internal regulators.
- Making decisions regarding the application of the standard and giving directions for its implementation
- View the calculation results to evaluate the exposures within the various stages and ensure that they are in line with the risks of customers and direct them to the concerned authorities.
- Recommending to the Facilities Committee emanating from the Board of Directors the exceptional amendments to the calculation results
- Submitting recommendations to the concerned authorities, where necessary, regarding amending policies or exceptions
- Supervising the periodic review of calculation methodologies.

Risk Management:

- Preparing policies for applying the International Financial Reporting Standard 9
- Contribute to the process of calculating expected credit losses within Standard 9 at the level of Cairo Amman Bank Group in accordance with the requirements of International Financial Reporting Standard 9 and the instructions of the Central Bank of Jordan and the supervisory authorities in the host countries.
- Review and update calculation methodologies periodically and where necessary.
- Coordinate with the executive management to take appropriate measures to verify the integrity of the methodologies and systems used in calculating expected credit losses.
- Sending the calculation results to all concerned parties.

Financial management and shareholder affairs:

- Contribute to the calculation process with the relevant departments and review the calculation results.
- Making the necessary accounting adjustments and entries after approving the results and verifying that all financial assets have been subject to the calculation process.
- Calculation of provisions in accordance with International Financial Reporting Standard No. (9).
- Preparing the necessary disclosures in cooperation with the concerned departments of the bank and the group in accordance with the requirements of the standard and the instructions of the Central Bank.
- Preparing the required statements from the Central Bank in cooperation with the relevant departments.
- Presenting the financial statements, including the results of calculating provisions, to the audit committee to ensure the adequacy of the expected credit loss

Credit management:

- **Classifying customers within the internal rating system periodically at each calculation to measure the size of customers' risks based on the quantitative and qualitative variables on customers' risks.**
- Periodically updating and reviewing the facilities and guarantees data within the approved accounting systems
- Updating and evaluating the quantitative and qualitative negative indicators resulting from the high risks of customers and recommending their inclusion within the appropriate credit rating stages.
- Contribute to reviewing the methodologies used and the results of calculating credit provisions for the corporate portfolio.
- Submit the necessary recommendations to the Steering Committee for the implementation of Standard 9 in the event of any exception

Internal Audit Department:

- Verify the correctness and integrity of the methodologies and systems used in calculating expected credit losses.
- Ensure the existence of work procedures that include the distribution of roles and responsibilities at the general administration, external branches and subsidiaries

4- Define the mechanism for calculating and monitoring the Probability of Default (PD), Credit Exposure at Default (EAD), and the Loss Given Default ratio (LGD)**1- Probability of Default:****- Individual portfolio:**

The probability of default is calculated by referring to the bank's historical default data for each of the personal loan portfolio, credit cards and housing loan portfolio. This percentage is calculated according to the independent variables that affect the probability of default (loan balance to salary - sector - age - gender - interest rate - loan type - transaction date).

- Corporate portfolio:

The probability of default (Probability of Default - PD) data used by Moody's was adopted as input to the calculation system, and the expected credit losses calculation system converts the probability of default from (Through The Cycle Probability of Default - TTC PD) to (Point In Time Probability of Default - PIT PD) on the basis of each instrument and after taking into account the risks of the country and the economic sector of the client.

2- Credit Exposure at Default (EAD):

- **One-time debt instruments (direct and indirect):** The balance as of the date of preparation of the financial statements is approved as a balance upon default, after deducting the suspended interest at the account level, and the actual maturity date of the debt instrument is approved.

- **Renewable debt instruments (direct and indirect):** The balance is approved as of the date of preparing the financial statements or the ceiling, whichever is higher, as a balance upon default, after deducting the suspended interest at the account level, and the weighted average is calculated for the life of the granted ceilings, for which a maturity date of 3 years is approved from the date of preparing Data for revolving credit ceilings as a minimum.

3- Loss Given Default (LGD).

- Individual portfolio:

The value of the loss upon default was calculated by referring to the historical data of the bank for each of the personal loan portfolio, the housing loan portfolio, credit cards and overdraft demand. These percentages were adopted at the level of each account of the individual portfolio.

- Corporate portfolio:

The loss percentage is calculated assuming default at the account level and after taking into account several factors and data, the most important of which are (guarantees, the economic sector, the possibility of default). Deduction rates have been adopted on guarantees according to the percentages approved by the Central Bank of Jordan, in addition to adopting a minimum percentage that is not less than about 10%.

5- The Bank's policy in determining the common elements (specifications) on which credit risk and expected credit loss were measured on a collective basis.

Credit risk and expected credit loss for individuals were calculated on an individual basis for each account separately and not on an aggregate basis.

6- The main economic indicators that were used by the bank in calculating the expected credit loss (PD).

A number of economic indicators were studied, the most important of which are (gross domestic product, stock prices, interest rates, unemployment, and inflation). The following indicators were adopted, which showed a strong correlation coefficient between the value of the indicator and the default rate in each portfolio based on historical data, as follows:

- Corporate portfolio:

The gross domestic product (GDP) and stock prices (Stock Price) were approved

- Individual portfolio:

The real gross domestic product (Real Gross Domestic Product - Real GDP), Gross Domestic Product Deflator - GDP Deflator, Gross Domestic Product and stock prices have been adopted. Price Weights have been adopted for the following scenarios for the years 2021 and 2022 as a response to the spread of the Corona pandemic (Covid 19), as follows:

| Moderate scenario | Low scenario | High scenario |
|-------------------|--------------|---------------|
| 30% | 10% | 10% |

The Bank manages its various banking risks through comprehensive risk management policies through which the roles of all concerned parties concerned with the implementation of these policies are defined, which are the Board of Directors and its committees such as the Risk Management Committee, the Compliance Committee, the Audit Committee, the Corporate Governance Committee, and the Information Technology Governance Committee, the Nominations and Remuneration Committee, the Strategies Committee and the Facilities Committee in addition to the Executive Management and its subcommittees such as the

Assets and Liabilities Committee, the Purchasing and Bidding Committee, the Internal Control and Control Systems Development Committee, the Strategy and Branching Committee, the Information Technology Steering Committee and the Facilities Committees in addition to other specialized departments Such as Risk Management, Compliance Department, Internal Audit Department, Financial Crimes Department and Cyber Security.

All departments and branches of the bank are responsible for identifying the risks related to banking operations, adhering to the appropriate regulatory controls, and monitoring the continuity of their effectiveness in accordance with the internal control system.

The Bank's risk management process includes the activities of identifying, measuring, evaluating and managing risks, whether they are financial or non-financial risks that could negatively affect the Bank's performance and reputation or its objectives, in a way that ensures achieving the optimal return in exchange for acceptable risks.

The general framework of risk management at the Bank is proceeding according to a methodology and main foundations consistent with the size and concentration of its activities, the nature of its operations, and the instructions of the regulatory authorities, in addition to observing the best international practices in this regard. The set of principles is as follows:

BOD responsibility:

- Adopting policies, strategies and the general framework for risk management, including the limits of the degree of acceptable risk
- Ensure the existence of an effective framework for stress testing, in addition to adopting its hypotheses.
- Approving the bank's policies.
- Adopting the internal assessment methodology for the bank's capital adequacy, so that this methodology is comprehensive, effective, and capable of identifying all the risks that the bank may face, and takes into account the bank's strategic plan and capital plan, reviewing this methodology periodically, verifying its application, and ensuring that the bank retains capital that is adequate to meet all the risks it faces.

Responsibility of the Risk Management Committee emanating from the Board of Directors:

- Periodic review of the Bank's risk management policies, strategies and procedures, including acceptable risk limits.
- Keeping abreast of developments affecting the bank's risk management.
- Developing the internal capital adequacy assessment process and analyzing current and future capital requirements in line with the bank's risk structure and strategic objectives, and taking relevant measures.
- Ensure the existence of good systems for evaluating the types of risks faced by the bank and developing systems to link these risks to the level of capital required to cover them.
- Reviewing stress testing policies and recommending them to the Board of Directors for approval, including:
 - **Hypotheses and scenarios used for stress tests.**
 - **Actions to be taken based on these results.**
 - **View the reports and results issued by the Central Bank of Jordan.**
 - **Ensure that stress tests are prepared periodically and review and evaluate the results.**

Risk Management Responsibility:

- Submitting reports and the risk system to the Risk Management Committee.
- Monitoring the commitment of the various departments of the bank to the limits of acceptable risks to ensure that these risks are within the acceptable limits, Risk Appetite, Risk Tolerance
- Analyzing all types of risks in addition to developing measurement and control methodologies for each type of these risks.
- Applying systems related to evaluating the types of risks that the bank faces and developing related work procedures.
- Managing and applying the Bank's internal capital adequacy assessment process (ICAAP) methodology in an adequate and comprehensive manner commensurate with the risk structure faced by the Bank.
- Implementation of stress tests within the policies and methodologies approved by the Board of Directors.
- Participating in the calculation of expected credit losses within the International Financial Reporting Standard 9 (IFRS9), using specialized systems by an international company.
- Coordinating with the concerned authorities to implement business continuity plans checks and update them periodically.
- Directing, training and advising the bank's employees regarding the culture of risk management in the bank.
- Implementation of the instructions of the Central Bank of Jordan related to risk management.
- Preparing, implementing and reviewing the recovery plan

Acceptable risk limits

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

Stress tests

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

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

Stress tests are an essential part of the corporate governance system and the culture of risk management by helping the Board of Directors and senior executive management to understand the bank's circumstances in times of crisis and contribute to making administrative and strategic decisions and using the results of these tests in setting and determining the degree of risk tolerance for the bank and in the capital planning process Money and liquidity.

B) Income tax

Tax expense represents the amount of tax owed and deferred tax. Due tax expenses are calculated on the basis of taxable profits, and taxable profits differ from profits declared in the consolidated financial statements because declared profits include non-taxable revenues or expenses that are not deductible in the fiscal year but in subsequent years or taxable accumulated losses or items that are not subject to taxation or acceptable to be deducted for tax purposes.

Taxes are calculated according to the tax rates determined by the laws, regulations and instructions in the countries in which the Bank operates.

Deferred taxes are taxes that are expected to be paid or recovered as a result of temporary time differences between the value of assets or liabilities in the consolidated financial statements and the value on which the tax profit is calculated. Deferred taxes are calculated using the budget commitment method, and deferred taxes are calculated according to the tax rates that are expected to be applied when settling the tax liability or realizing the deferred tax assets.

The balance of deferred tax assets and liabilities is reviewed on the date of the consolidated financial statements and is reduced in the event that it is expected that it will not be possible to benefit from these tax assets or to pay or eliminate the need for deferred tax liabilities partially or completely.

C) Fair Value

The closing prices (purchase of assets / sale of liabilities) on the date of the financial statements in active markets represent the fair value of the financial instruments and derivatives that have market prices. justice in several ways, including:

- **Comparing it with the current market value of a financial instrument that is largely similar to it.**
- **Analyzing future cash flows and discounting the expected cash flows at a rate used in a similar financial instrument. Options pricing models.**
- **Long-term financial assets and liabilities that do not accrue interest are evaluated according to the discount of cash flows and according to the effective interest rate, and the discount / premium is amortized within the interest income received / paid in the consolidated income statement.**

Valuation methods aim to obtain a fair value that reflects market expectations and takes into consideration market factors and any expected risks or benefits when estimating the value of financial instruments.

5- Cash and balances at Central Banks-Net

| | 2022 | 2021 |
|--|--------------------|--------------------|
| | Dinar | Dinar |
| Cash on hand | 140,359,414 | 165,436,466 |
| Net Balances at Central Banks | 180,339,402 | 248,058,253 |
| Balances at Central Banks: | | |
| Current and demand accounts | 10,750,494 | 50,227,537 |
| Term and subject to notice deposits | 40,735,000 | 79,135,000 |
| Statutory cash reserve | 128,869,443 | 118,710,023 |
| Total Balances at Central Bank | 180,354,937 | 248,072,560 |
| Provision for expected credit losses (Central Banks) | (15,535) | (14,307) |
| Total | 320,698,816 | 413,494,719 |

- Restricted balances amounted to JD 10,635,000 as of December 31, 2022 (JD 10,635,000 as of December 31, 2021). In addition to the statutory cash reserve as stated above.
- There are no balances that mature in a period more than three months as of December 31, 2022 and 2021.
- All balances at the Central Bank of Jordan are classified within stage 1 in accordance with the requirements of IFRS (9) and there are no transfers between stages 1, 2, and 3 or any written of balances as of December 31, 2022 and 2021.

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

| For the year ending December 31, 2022 | Stage 1 Individual | Stage 2 Individual | Stage 3 | Total |
|--|--------------------|--------------------|----------|--------------------|
| | JD | JD | JD | JD |
| Credit rating categories based on the bank's internal system | | | | |
| From Ba1 to Caa3 | 180,354,937 | - | - | 180,354,937 |
| Total | 180,354,937 | - | - | 180,354,937 |

| For the year ending December 31, 2021 | Stage 1 Individual | Stage 2 Individual | Stage 3 | Total |
|--|--------------------|--------------------|----------|--------------------|
| | JD | JD | JD | JD |
| Credit rating categories based on the bank's internal system | | | | |
| From Ba1 to Caa3 | 248,072,560 | - | - | 248,072,560 |
| Total | 248,072,560 | - | - | 248,072,560 |

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

| For the year ending December 31, 2022 | Stage 1 Individual | Stage 2 Individual | Stage 3 | Total |
|---|--------------------|--------------------|----------|--------------------|
| | JD | JD | JD | JD |
| Balance at the beginning of the year | 248,072,560 | - | - | 248,072,560 |
| New balances during the year | 27,121,002 | - | - | 27,121,002 |
| Settled balances | 94,838,625 | - | - | 94,838,625 |
| Total Balance at the End of the Year | 180,354,937 | - | - | 180,354,937 |

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

Movement on the provision for expected credit losses:

| For the year ending December 31, 2022 | Stage 1 Individual | Stage 2 Individual | Stage 3 | Total |
|---|--------------------|--------------------|----------|---------------|
| | JD | JD | JD | JD |
| Balance at the beginning of the year | 14,307 | - | - | 14,307 |
| New balances during the year | 11,632 | - | - | 11,632 |
| Settled balances | (10,404) | - | - | (10,404) |
| Total Balance at the End of the Year | 15,535 | - | - | 15,535 |

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

6- Balances at banks and financial institutions-Net

The details of this balance are as follow:

| | 31 December 2022 | 31 December 2021 |
|--|---------------------------|---------------------------|
| | Dinar | Dinar |
| Local Banks and Financial Institutions: | | |
| Current and demand accounts | 1,201,739 | 2,870,179 |
| Deposits maturing within 3 months or less | <u>39,561,570</u> | <u>48,539,000</u> |
| Total | <u>40,763,309</u> | <u>51,409,179</u> |
| Foreign Banks and Financial Institutions: | | |
| Current and demand accounts | 48,766,712 | 59,180,520 |
| Deposits maturing within 3 months or less | <u>34,410,996</u> | <u>10,984,776</u> |
| External total | <u>83,177,708</u> | <u>70,165,296</u> |
| Total | 123,941,017 | 121,574,475 |
| Less: provision for expected credit losses (balances at banks) | <u>(20,272)</u> | <u>(46,231)</u> |
| Total | <u>123,920,745</u> | <u>121,528,244</u> |

* Non-interest bearing balances at banks and financial institutions amounted to JD 38,666,236 as of December 31, 2022 (JD 77,385,789 as of December 31, 2021).

* There are no restricted balances as of December 31, 2022 and 2021.

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

| As on December 31, 2022 | Stage 1 Individual | Stage 2 Individual | Stage 3 | Total |
|---|---------------------------|--------------------|-----------------|---------------------------|
| | JD | JD | JD | JD |
| Credit rating categories based on the bank's internal system: | | | | |
| From Aaa to Baa3 | 95,292,433 | - | - | 95,292,433 |
| From Ba1 to Caa3 | 27,645,614 | - | - | 27,645,614 |
| From 1 to 6 | <u>1,002,970</u> | <u>-</u> | <u>-</u> | <u>1,002,970</u> |
| Total | <u>123,941,017</u> | <u>-</u> | <u>-</u> | <u>123,941,017</u> |

| As on December 31, 2021 | Stage 1 Individual | Stage 2 Individual | Stage 3 | Total |
|---|---------------------------|--------------------|-----------------|---------------------------|
| | JD | JD | JD | JD |
| Credit rating categories based on the bank's internal system: | | | | |
| From Aaa to Baa3 | 81,134,491 | - | - | 81,134,491 |
| From Ba1 to Caa3 | 39,086,552 | - | - | 39,086,552 |
| From 1 to 6 | <u>1,353,432</u> | <u>-</u> | <u>-</u> | <u>1,353,432</u> |
| Total | <u>121,574,475</u> | <u>-</u> | <u>-</u> | <u>121,574,475</u> |

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

| As on December 31, 2022 | Stage 1 Individual | Stage 2 Individual | Stage 3 | Total |
|--------------------------------------|---------------------|--------------------|----------|---------------------|
| | JD | JD | JD | JD |
| Balance at the beginning of the year | 121,574,475 | - | - | 121,574,475 |
| New balances during the year | 14,971,566 | - | - | 14,971,566 |
| Settled balances | <u>(12,605,024)</u> | <u>-</u> | <u>-</u> | <u>(12,605,024)</u> |
| Total Balance at the End of the Year | <u>123,941,017</u> | <u>-</u> | <u>-</u> | <u>123,941,017</u> |

| As on December 31, 2021 | Stage 1 Individual | Stage 2 Individual | Stage 3 | Total |
|--------------------------------------|--------------------|--------------------|----------|---------------------|
| | JD | JD | JD | JD |
| Balance at the beginning of the year | 54,882,165 | - | - | 154,882,165 |
| New balances during the year | 13,927,391 | - | - | 13,927,391 |
| Settled balances | <u>47,235,081</u> | <u>-</u> | <u>-</u> | <u>(47,235,081)</u> |
| Total Balance at the End of the Year | <u>121,574,475</u> | <u>-</u> | <u>-</u> | <u>121,574,475</u> |

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

| As on December 31, 2022 | Stage 1 Individual | Stage 2 Individual | Stage 3 | Total |
|---|--------------------|--------------------|----------|---------------|
| | JD | JD | JD | JD |
| Balance at the beginning of the year | 46,231 | - | - | 46,231 |
| loss on new balances and deposits during the year | 18,797 | - | - | 18,797 |
| Refund of decrease loss on repaid balances | (44,756) | - | - | (44,756) |
| Total Balance at the End of the Year | <u>20,272</u> | <u>-</u> | <u>-</u> | <u>20,272</u> |

| As on December 31, 2021 | Stage 1 Individual | Stage 2 Individual | Stage 3 | Total |
|---|--------------------|--------------------|----------|---------------|
| | JD | JD | JD | JD |
| Balance at the beginning of the year | 85,535 | - | - | 85,535 |
| loss on new balances and deposits during the year | 43,840 | - | - | 43,840 |
| Refund of decrease loss on repaid balances | (83,144) | - | - | (83,144) |
| Total Balance at the End of the Year | <u>46,231</u> | <u>-</u> | <u>-</u> | <u>46,231</u> |

7- Deposits at banks and financial institutions-Net

The details of this item are as follows:

| | 31 December 2022 | 31 December 2021 |
|--|--------------------------|---------------------------|
| | Dinar | Dinar |
| Deposit maturing within: | | |
| More than 3 to 6 months | 56,000,000 | 33,069,913 |
| More than 6 to 9 months | 17,151,451 | 7,832,565 |
| More than 9 to 12 months | - | <u>17,368,277</u> |
| More than 12 months | - | <u>43,000,000</u> |
| Total | <u>73,151,451</u> | <u>101,270,755</u> |
| Less: provision for expected credit losses | (68,183) | (216,035) |
| Total | <u>73,083,268</u> | <u>101,054,720</u> |

- There are no restricted deposits as of December 31, 2022 and 2021.

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

| As on December 31, 2022 | Stage 1 Individual | Stage 2 Individual | Stage 3 | Total |
|---|--------------------------|--------------------|-----------------|--------------------------|
| | JD | JD | JD | JD |
| Credit rating categories based on the bank's internal system: | | | | |
| From Aaa to Baa3 | 63,151,451 | - | - | 63,151,451 |
| From Ba1 to Caa3 | <u>10,000,000</u> | - | - | <u>10,000,000</u> |
| Total | <u>73,151,451</u> | <u>-</u> | <u>-</u> | <u>73,151,451</u> |

| As on December 31, 2021 | Stage 1 Individual | Stage 2 Individual | Stage 3 | Total |
|---|---------------------------|--------------------|-----------------|---------------------------|
| | JD | JD | JD | JD |
| Credit rating categories based on the bank's internal system: | | | | |
| From Aaa to Baa3 | 72,368,276 | - | - | 72,368,276 |
| From Ba1 to Caa3 | <u>28,902,479</u> | - | - | <u>28,902,479</u> |
| Total | <u>101,270,755</u> | <u>-</u> | <u>-</u> | <u>101,270,755</u> |

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

| For the year ending December 31, 2022 | Stage 1 Individual | Stage 2 Individual | Stage 3 | Total |
|---------------------------------------|--------------------|--------------------|----------|-------------------|
| | JD | JD | JD | JD |
| Balance at the beginning of the year | 101,270,755 | - | - | 101,270,755 |
| New deposits during the year | 1,151,451 | - | - | 1,151,451 |
| Matured deposits | (29,270,755) | - | - | (29,270,755) |
| Gross Balance at the End of the Year | <u>73,151,451</u> | <u>-</u> | <u>-</u> | <u>73,151,451</u> |

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

Movement on the provision for expected credit losses:

| As on December 31, 2022 | Stage 1 Individual | Stage 2 Individual | Stage 3 | Total |
|---|-----------------------|-----------------------|----------|----------------|
| | JD | JD | JD | JD |
| Balance at the beginning of the year | 216,035 | - | - | 216,035 |
| loss on new balances and deposits during the year | 1,034 | - | - | 1,034 |
| Refund of loss of decline on deposits repaid | (14,745) | - | - | (14,745) |
| Changes resulting from amendments | (134,141) | - | - | (134,141) |
| Total Balance at the End of the Year | <u>68,183</u> | <u>-</u> | <u>-</u> | <u>68,183</u> |
| As on December 31, 2021 | | | | |
| Balance at the beginning of the year | 342,051 | - | - | 342,051 |
| loss on new balances and deposits during the year | 15,942 | - | - | 15,942 |
| Refund of loss of decline on deposits repaid | (5,789) | - | - | (5,789) |
| Changes resulting from amendments | (136,169) | - | - | (136,169) |
| Total Balance at the End of the Year | <u>216,035</u> | <u>-</u> | <u>-</u> | <u>216,035</u> |

8- Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

| | 2022 | 2021 |
|------------------|-------------------------|-------------------------|
| | Dinar | Dinar |
| Corporate shares | 9,980,141 | 8,164,615 |
| Total | <u>9,980,141</u> | <u>8,164,615</u> |

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

The details of this item are as follows:

| | 2022 | 2021 |
|--|--------------------------|--------------------------|
| | Dinar | Dinar |
| Stocks with market prices available | 63,640,617 | 58,284,132 |
| Shares not available with market prices | 8,062,416 | 7,303,740 |
| Bonds that have market prices are available | <u>180,769</u> | <u>209,205</u> |
| | 71,883,802 | 65,797,077 |
| Less: Provision for expected credit losses (Bonds) | <u>(4,430)</u> | <u>(4,336)</u> |
| Total | <u>71,879,372</u> | <u>65,792,741</u> |

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

* Cash dividends on investments amounted to JD 2,351,321 for the year ended December 31, 2022 (JD 2,351,321 for the year ended December 31, 2021).

(10/A)- Financial Assets at Amortized Cost - Net

The details of this item are as follows:

| | 31 December 2022 | 31 December 2021 |
|--|---------------------------|---------------------------|
| | Dinar | Dinar |
| Financial assets available for market prices: | | |
| Governmental treasury bills | - | 6,069,503 |
| Foreign government treasury bonds | 42,283,648 | 14,007,499 |
| Bonds and corporate loan bonds | <u>21,930,422</u> | <u>22,037,086</u> |
| Total of Financial assets available for market prices | <u>64,214,070</u> | <u>42,114,088</u> |
| Financial assets that are not available with market prices: | | |
| Governmental treasury bills | 41,017,822 | 40,257,102 |
| Governmental / government guaranteed debt securities | 575,429,627 | 585,972,667 |
| Corporate debt securities | <u>61,000,000</u> | <u>65,000,000</u> |
| Total unquoted investments | <u>677,447,449</u> | <u>691,229,769</u> |
| Total | 741,661,519 | 733,343,857 |
| Less: Provision for expected credit losses | <u>(834,379)</u> | <u>(939,058)</u> |
| | <u>740,827,140</u> | <u>732,404,799</u> |
| Analysis of bonds: | | |
| Fixed rate | 741,661,519 | 733,343,857 |
| Total | <u>741,661,519</u> | <u>733,343,857</u> |

(10/B)- Financial assets pledged as collaterals

The details of this item are as follows:

| | 31 December 2022 | 31 December 2021 | | |
|----------------------------------|-------------------------------|----------------------------------|-------------------------------|----------------------------------|
| | Mortgaged financial assets | Related financial liabilities | Mortgaged financial assets | Related financial liabilities |
| | Dinar | Dinar | Dinar | Dinar |
| Governmental treasury bonds | <u>54,538,000</u> | <u>54,910,714</u> | <u>74,203,000</u> | <u>77,018,278</u> |
| Associated financial liabilities | <u>54,538,000</u> | <u>54,910,714</u> | <u>77,018,278</u> | <u>77,018,278</u> |

The assets are pledged as collateral against borrowed funds from the Central Bank of Jordan relating to repurchase agreements.

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

| As on 31 December 2022 | Stage 1 Individual | Stage 2 Individual | Stage 3 | Total |
|---|--------------------|--------------------|----------|--------------------|
| | JD | JD | JD | JD |
| Credit rating categories based on the bank's internal system: | | | | |
| From (Aaa) to (Baa3) | 700,655,532 | - | - | 700,655,532 |
| From (Ba1) to (Caa3) | 13,186,187 | - | - | 13,186,187 |
| From (1) to (6) | 82,357,800 | - | - | 82,357,800 |
| Total | 796,199,519 | - | - | 796,199,519 |

| As on 31 December 2021 | Stage 1 Individual | Stage 2 Individual | Stage 3 | Total |
|---|--------------------|--------------------|----------|--------------------|
| | JD | JD | JD | JD |
| Credit rating categories based on the bank's internal system: | | | | |
| From (Aaa) to (Baa3) | 596,530,386 | - | - | 596,530,386 |
| From (Ba1) to (Caa3) | 124,559,271 | - | - | 124,559,271 |
| From (1) to (6) | 86,457,200 | - | - | 86,457,200 |
| Total | 807,546,857 | - | - | 807,546,857 |

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

| As on 31 December 2022 | Stage 1 Individual | Stage 2 Individual | Stage 3 | Total |
|---|--------------------|--------------------|----------|--------------------|
| | JD | JD | JD | JD |
| Credit rating categories based on the bank's internal system: | | | | |
| From (Aaa) to (Baa3) | 807,546,857 | - | - | 807,546,857 |
| From (Ba1) to (Caa3) | 212,485,390 | - | - | 212,485,390 |
| From (1) to (6) | (223,832,728) | - | - | (223,832,728) |
| Total | 796,199,519 | - | - | 796,199,519 |

| As on 31 December 2021 | Stage 1 Individual | Stage 2 Individual | Stage 3 | Total |
|---|--------------------|--------------------|----------|--------------------|
| | JD | JD | JD | JD |
| Credit rating categories based on the bank's internal system: | | | | |
| From (Aaa) to (Baa3) | 814,060,717 | - | - | 814,060,717 |
| From (Ba1) to (Caa3) | 202,087,060 | - | - | 202,087,060 |
| From (1) to (6) | (208,600,920) | - | - | (208,600,920) |
| Total | 807,546,857 | - | - | 807,546,857 |

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

| As on December 31, 2022 | Stage 1 Individual | Stage 2 Individual | Stage 3 Individual | Total |
|--|--------------------|--------------------|--------------------|-----------|
| | JD | JD | JD | JD |
| Balance at the beginning of the year | 939,058 | - | - | 939,058 |
| Credit losses on new investments during the year | 381,028 | - | - | 381,028 |
| Reversed from credit loss on Accrued Investment | (270,482) | - | - | (270,482) |
| Changes resulting from adjustments | (215,225) | - | - | (215,225) |
| Balance at the End of the Year | 834,379 | - | - | 834,379 |
| As on December 31, 2021 | Stage 1 Individual | Stage 2 Individual | Stage 3 Individual | Total |
| | JD | JD | JD | JD |
| Balance at the beginning of the year | 1,135,611 | - | - | 1,135,611 |
| Credit losses on new investments during the year | 365,650 | - | - | 365,650 |
| Reversed from credit loss on Accrued Investment | (160,407) | - | - | (160,407) |
| Changes resulting from adjustments | (401,796) | - | - | (401,796) |
| Balance at the End of the Year | 939,058 | - | - | 939,058 |

11- Direct Credit Facilities – Net

The details of this item are as follows:

| | 31 December 2022 | 31 December 2021 |
|--|----------------------|----------------------|
| | Dinar | Dinar |
| Consumer lending | | |
| Overdrafts | 10,328,134 | 11,352,113 |
| Loans and bills * | 782,319,683 | 742,776,330 |
| Credit cards | 15,852,286 | 15,918,091 |
| Others | 7,390,467 | 7,334,987 |
| Real-estate mortgages | 316,905,071 | 292,037,120 |
| Corporate lending | | |
| debit current accounts | 76,648,337 | 76,804,352 |
| loans and promissory notes * | 549,654,447 | 519,538,033 |
| Small and medium enterprises lending “SMEs” | | |
| Overdrafts | 20,514,825 | 21,329,174 |
| Loans and bills * | 220,781,322 | 190,553,826 |
| Lending to public and governmental sectors | 243,828,742 | 179,626,656 |
| Total | 2,244,223,314 | 2,057,270,682 |
| Less: Suspended interest | (11,382,722) | (10,625,131) |
| Less: Provision for expected credit loss | (105,646,527) | (95,548,696) |
| Net- Direct Credit Facilities | 2,127,194,065 | 1,951,096,855 |

* Net of interest and commissions received in advance amounting to JD 2,792,878 as of December 31, 2022 (JD 3,654,883 as of December 31, 2021).

- Non-performing credit facilities amounted to JD 117.433.661, i.e. 5.23% of the total direct credit facilities as of December 31, 2022 (JD 107,568,549 i.e. 5.23% of the total direct credit facilities as of December 31, 2021)
- Non-performing credit facilities, net of suspended interest, amounted to JD 106.136.981, representing 4.75% of the direct credit facilities' balance after excluding the suspended interest, as of December 31, 2022 (JD 106.136.981 representing 4.74% as of December 31, 2021).

- Credit facilities granted to the Government of Jordan amounted to JD 16,386,805 representing 0.73% of gross direct credit facilities granted as of December 31, 2022 (JD 25,783,194 representing 1.25% as of December 31, 2021).
- Credit facilities granted to the public sector in Palestine amounted to JD 71,169,122 representing 3.17% of gross direct credit facilities granted as of December 31, 2022 (JD 79,649,701 as of December 31, 2021).

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

| For the Year Ending on December 31, 2022 | Stage 1 | Stage 2 | | | | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|
| | Individual | Collective | Individual | Collective | Individual | Collective |
| | JD | JD | JD | JD | JD | JD |
| Balance at the beginning of the year | 670,432,682 | 920,836,269 | 251,752,904 | 98,965,998 | 115,282,829 | 2,057,270,682 |
| New facilities during the year | 316,316,820 | 191,860,421 | 80,755,814 | 18,481,613 | 6,014,899 | 613,429,567 |
| settled facilities | (179,633,399) | (129,290,609) | (84,997,592) | (11,349,640) | (17,422,383) | (422,693,623) |
| Transferred to stage 1 | 31,986,316 | 41,463,502 | (31,128,917) | (33,615,397) | (8,705,504) | - |
| Transferred to stage 2 | (76,774,089) | (51,279,486) | 81,230,546 | 57,441,298 | (10,618,269) | - |
| Transferred to stage 3 | (6,034,696) | (19,924,215) | (10,888,499) | (14,229,568) | 51,076,978 | - |
| Written off facilities | - | - | - | - | (3,783,312) | (3,783,312) |
| Balance at the End of the Year | <u>756,293,634</u> | <u>953,665,882</u> | <u>286,724,256</u> | <u>115,694,304</u> | <u>131,845,238</u> | <u>2,244,223,314</u> |

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

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

| For the Year Ending on December 31, 2022 | Consumer | Estate Loans | Corporates | SMEs | Government and Public Sector | Total |
|---|--------------------------|--------------------------|--------------------------|--------------------------|------------------------------|---------------------------|
| | JD | JD | JD | JD | JD | JD |
| Balance at the beginning of the year | 47,268,915 | 10,999,407 | 22,404,725 | 12,299,861 | 2,575,788 | 95,548,696 |
| Credit loss on new facilities during the year | 4,697,466 | 843,578 | 5,426,566 | 2,154,453 | 642,543 | 13,764,606 |
| Reversed from credit losses on settled facilities | (2,471,969) | (2,128,731) | (3,837,888) | (2,558,767) | (498,595) | (11,495,950) |
| Transferred to stage 1 | 3,509,451 | 1,285,368 | (9,444) | 507,362 | - | 5,292,737 |
| Transferred to stage 2 | 1,528,665 | (808,715) | 2,431,196 | (143,975) | - | 3,007,171 |
| Transferred to stage 3 | (5,038,116) | (476,653) | (2,421,752) | (363,387) | - | (8,299,908) |
| Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year | 4,665,272 | 718,408 | 3,666,809 | 4,910,558 | - | 13,961,047 |
| Changes resulting from adjustments | 1,000,147 | 306,701 | (1,877,844) | (1,185,523) | - | (1,756,519) |
| Written off facilities | (3,253,321) | (124,963) | (276,656) | (7,534) | - | (3,662,474) |
| Valuation differences | (455,294) | (88,542) | (70,522) | (98,521) | - | (712,879) |
| Balance at the End of the Year | <u>51,451,216</u> | <u>10,525,858</u> | <u>25,435,190</u> | <u>15,514,527</u> | <u>2,719,736</u> | <u>105,646,527</u> |
| For the Year Ending on December 31, 2021 | | | | | | |
| | | | | | | |
| Balance at the beginning of the year | 40,334,148 | 9,136,154 | 18,537,650 | 13,186,398 | 684,183 | 81,878,533 |
| Credit loss on new facilities during the year | 4,399,728 | 2,239,975 | 3,890,962 | 1,459,085 | 453,756 | 12,443,506 |
| Reversed from credit losses on settled facilities | (3,823,275) | (1,116,180) | (3,292,064) | (3,134,627) | (232,160) | (11,598,306) |
| Transferred to stage 1 | 3,117,789 | 482,557 | 2,967,480 | 890,287 | (318,696) | 7,139,417 |
| Transferred to stage 2 | 1,159,348 | 344,727 | (2,359,700) | 678,735 | 318,696 | 141,806 |
| Transferred to stage 3 | (4,277,137) | (827,284) | (607,780) | (1,569,022) | - | (7,281,223) |
| Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year | 3,323,033 | 896,285 | (1,679,000) | (245,063) | 1,670,009 | 3,965,264 |
| Changes resulting from adjustments | 5,389,367 | 167,044 | 5,809,307 | 1,162,253 | - | 12,527,971 |
| Written off facilities | (2,417,091) | (323,871) | (962,382) | (128,185) | - | (3,831,529) |
| Valuation differences | 63,005 | - | 100,252 | - | - | 163,257 |
| Balance at the End of the Year | <u>47,268,915</u> | <u>10,999,407</u> | <u>22,404,725</u> | <u>12,299,861</u> | <u>2,575,788</u> | <u>95,548,696</u> |

- The value of the provisions that were no longer needed as a result of settlements or debt settlement and transferred against other debts amounted to an amount 19,336,085 Dinar as on 31 December 2022 (16,103,467 Dinar as on 31 December 2021)

Suspended Interest

The movement on suspended interest is as follows:

| For the year ending on December 31, 2022 | Consumer | Estate Loans | Corporates | SMEs | Government and Public Sector | Total |
|--|-------------------------|-------------------------|-------------------------|-------------------------|------------------------------|--------------------------|
| | JD | JD | JD | JD | JD | JD |
| Balance at the beginning of the year | 2,545,940 | 781,322 | 4,971,325 | 2,326,544 | - | 10,625,131 |
| Suspended interest on new exposures during the year | 410,900 | 546,943 | 811,819 | 227,333 | - | 1,996,995 |
| Suspended interest on settled exposures transferred to revenue during the year | (297,982) | (107,753) | (461,974) | (250,857) | - | (1,118,566) |
| Transferred to stage 1 | 53,427 | 26,220 | (2) | 3,190 | - | 82,835 |
| Transferred to stage 2 | 64,735 | 7,034 | 355,675 | 2,098 | - | 429,542 |
| Transferred to stage 3 | (118,162) | (33,254) | (355,673) | (5,288) | - | (512,377) |
| Suspended interest on written off exposures | (63,772) | (13,241) | (42,532) | (1,293) | - | (120,838) |
| Balance at the End of the Year | <u>2,595,086</u> | <u>1,207,271</u> | <u>5,278,638</u> | <u>2,301,727</u> | <u>-</u> | <u>11,382,722</u> |
| For the year ending on December 31, 2021 | | | | | | |
| Balance at the beginning of the year | 2,331,972 | 621,534 | 7,949,234 | 2,179,538 | - | 13,082,278 |
| Suspended interest on new exposures during the year | 530,510 | 279,978 | 843,555 | 261,138 | - | 1,915,181 |
| Suspended interest on settled exposures transferred to revenue during the year | (279,455) | (102,619) | (145,478) | (110,468) | - | (638,020) |
| Transferred to stage 1 | 44,039 | 12,992 | 4,763 | 27,681 | - | 89,475 |
| Transferred to stage 2 | 32,111 | 2,180 | 33,757 | (2,859) | - | 65,189 |
| Transferred to stage 3 | (76,150) | (15,172) | (38,520) | (24,822) | - | (154,664) |
| Suspended interest on written off exposures | (37,087) | (17,571) | (3,675,986) | (3,664) | - | (3,734,308) |
| Balance at the End of the Year | <u>2,545,940</u> | <u>781,322</u> | <u>4,971,325</u> | <u>2,326,544</u> | <u>-</u> | <u>10,625,131</u> |

Suspended Interest

The movement on suspended interest according to stage is as follows:

| For the year ending on December 31, 2022 | First stage | Second stage | | | | |
|---|-----------------|---------------------|------------------|------------------|--------------------------|--------------------------|
| | Individual | Collective | Individual | Collective | Third stage | Total |
| | JD | JD | JD | JD | JD | JD |
| Balance at the beginning of the year | - | 16,244 | - | 24,910 | 10,583,977 | 10,625,131 |
| Suspended interest on new exposures during the year | - | 8,326 | 123 | 152 | 1,988,394 | 1,996,995 |
| Suspended interest on settled exposures transferred to revenue during the year | (2,176) | (99,890) | (355,960) | (98,640) | (561,900) | (1,118,566) |
| Transferred to stage 1 | 2,197 | 81,033 | - | (780) | (82,450) | - |
| Transferred to stage 2 | (4) | (212) | 355,901 | 75,047 | (430,732) | - |
| Transferred to stage 3 | (17) | (163) | - | (626) | 806 | - |
| Effect on suspended revenue at the end of the year - resulting from the reclassification between the three stages during the year | 2,176 | 80,658 | 355,901 | 73,641 | (512,376) | - |
| Suspended interest on written off exposures | - | - | - | - | (120,838) | (120,838) |
| Balance at the End of the Year | <u>-</u> | <u>5,338</u> | <u>64</u> | <u>63</u> | <u>11,377,257</u> | <u>11,382,722</u> |

| For the year ended December 31, 2022 | First stage | Second stage | | | | |
|---|-----------------|----------------------|-----------------|----------------------|--------------------------|--------------------------|
| | Individual | Collective | Individual | Collective | Third stage | Total |
| | JD | JD | JD | JD | JD | JD |
| Balance at the beginning of the year | - | 59,899 | 27,700 | 51,269 | 12,943,410 | 13,082,278 |
| Suspended interest on new exposures during the year | - | 910 | - | 903 | 1,913,368 | 1,915,181 |
| Suspended interest on settled exposures transferred to revenue during the year | (31,240) | (102,799) | (56,130) | (64,021) | (383,830) | (638,020) |
| Transferred to stage 1 | 31,026 | 53,115 | 77 | (194) | (84,024) | - |
| Transferred to stage 2 | 214 | (85) | 56,053 | 80,591 | (136,773) | - |
| Transferred to stage 3 | - | 5,204 | (27,700) | (43,638) | 66,134 | - |
| Effect on suspended revenue at the end of the year - resulting from the reclassification between the three stages during the year | 31,240 | 58,234 | 28,430 | 36,759 | (154,663) | - |
| Suspended interest on written off exposures | - | - | - | - | (3,734,308) | (3,734,308) |
| Balance at the End of the Year | <u>-</u> | <u>16,244</u> | <u>-</u> | <u>24,910</u> | <u>10,583,977</u> | <u>10,625,131</u> |

| According to the International Financial Reporting Standard No. (9), as approved by the Central Bank of Jordan | | | | | | | | | | | |
|--|---------------|------------------------|---------------------|--------------|------------------------|---------------------|-------------|------------------------|---------------------|---------------|------------------------|
| As on 31 December 2022 | First stage | | | Second stage | | | Third stage | | | Total | |
| | Total | Expected credit losses | Suspended interests | Total | Expected credit losses | Suspended interests | Total | Expected credit losses | Suspended interests | Total | Expected credit losses |
| | | | | | | | | | | | |
| | Dinar | Dinar | Dinar | Dinar | Dinar | Dinar | Dinar | Dinar | Dinar | Dinar | Dinar |
| For individuals | 697,133,236 | 7,310,513 | 5,338 | 65,844,323 | 2,131,744 | 127 | 52,913,011 | 42,008,959 | 2,589,621 | 815,890,570 | 51,451,216 |
| Real estate loans | 248,926,216 | 2,348,679 | - | 48,714,964 | 1,198,490 | - | 19,263,891 | 6,978,689 | 1,207,271 | 316,905,071 | 10,525,858 |
| Large companies | 436,596,204 | 893,541 | - | 160,870,352 | 8,458,959 | - | 28,836,228 | 16,082,690 | 5,278,638 | 626,302,784 | 25,435,190 |
| SMEs | 159,942,697 | 485,271 | - | 50,521,342 | 1,954,105 | - | 30,832,108 | 13,075,151 | 2,301,727 | 241,296,147 | 15,514,527 |
| For government and public sector | 167,361,163 | 271,081 | - | 76,467,579 | 2,448,655 | - | - | - | - | 243,828,742 | 2,719,736 |
| | 1,709,959,516 | 11,309,085 | 5,338 | 402,418,560 | 16,191,953 | 127 | 131,845,238 | 78,145,489 | 11,377,257 | 2,244,223,314 | 105,646,527 |
| | | | | | | | | | | | 11,382,722 |

| According to the International Financial Reporting Standard No. (9), as approved by the Central Bank of Jordan | | | | | | | | | | | |
|--|---------------|------------------------|---------------------|--------------|------------------------|---------------------|-------------|------------------------|---------------------|---------------|------------------------|
| As on 31 December 2021 | First stage | | | Second stage | | | Third stage | | | Total | |
| | Total | Expected credit losses | Suspended interests | Total | Expected credit losses | Suspended interests | Total | Expected credit losses | Suspended interests | Total | Expected credit losses |
| | | | | | | | | | | | |
| | Dinar | Dinar | Dinar | Dinar | Dinar | Dinar | Dinar | Dinar | Dinar | Dinar | Dinar |
| For individuals | 677,656,398 | 5,762,898 | 16,202 | 54,041,125 | 2,290,321 | 2,282 | 45,683,998 | 39,215,696 | 2,527,456 | 777,381,521 | 47,268,915 |
| Real estate loans | 231,933,829 | 3,147,152 | 42 | 44,313,910 | 2,111,231 | 22,628 | 15,789,381 | 5,741,024 | 758,652 | 292,037,120 | 10,999,407 |
| Large companies | 436,855,572 | 1,655,572 | - | 128,898,145 | 3,348,290 | - | 30,588,668 | 17,400,863 | 4,971,325 | 596,342,385 | 22,404,725 |
| SMEs | 142,141,546 | 736,539 | - | 46,520,672 | 1,019,068 | - | 23,220,782 | 10,544,254 | 2,326,544 | 211,883,000 | 12,299,861 |
| For government and public sector | 102,681,606 | 443,763 | - | 76,945,050 | 2,132,025 | - | - | - | - | 179,626,656 | 2,575,788 |
| | 1,591,268,951 | 11,745,924 | 16,244 | 350,718,902 | 10,900,935 | 24,910 | 115,282,829 | 72,901,837 | 10,583,977 | 2,057,270,682 | 95,548,696 |
| | | | | | | | | | | | 10,625,131 |

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

| As on 31 December 2022 | First stage individual | Second stage individual | Third stage | Total |
|---|------------------------|-------------------------|-------------|-------------|
| | Dinar | Dinar | Dinar | Dinar |
| Credit rating categories based on the bank's internal system: | | | | |
| From 1 to 6 | 436,596,204 | 150,749,741 | 1,363,990 | 588,709,935 |
| 7 | - | 10,120,611 | - | 10,120,611 |
| From 8 to 10 | - | - | 27,472,238 | 27,472,238 |
| Total | 436,596,204 | 160,870,352 | 28,836,228 | 626,302,784 |

| As on 31 December 2021 | First stage individual | Second stage individual | Third stage | Total |
|---|------------------------|-------------------------|-------------|-------------|
| | Dinar | Dinar | Dinar | Dinar |
| Credit rating categories based on the bank's internal system: | | | | |
| From 1 to 6 | 436,855,572 | 104,728,181 | 1,245,278 | 542,829,031 |
| 7 | - | 24,169,964 | 2,331,740 | 26,501,704 |
| From 8 to 10 | - | - | 27,011,650 | 27,011,650 |
| Total | 436,855,572 | 128,898,145 | 30,588,668 | 596,342,385 |

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

| As on 31 December 2022 | First stage individual | Second stage individual | Third stage | Total |
|--|------------------------|-------------------------|-------------|---------------|
| | Dinar | Dinar | Dinar | Dinar |
| Total balance at the beginning of the year | 436,855,572 | 128,898,145 | 30,588,668 | 596,342,385 |
| New facilities during the year | 157,324,055 | 51,993,816 | 1,402,424 | 210,720,295 |
| Settled facilities | (119,430,382) | (55,121,217) | (5,889,109) | (180,440,708) |
| Transferred to stage 1 | 23,674,988 | (23,674,988) | - | - |
| Transferred to stage 2 | (59,811,034) | 64,105,992 | (4,294,958) | - |
| Transferred to stage 3 | (2,016,995) | (5,331,396) | 7,348,391 | - |
| Non-recoverable facilities | - | - | (319,188) | (319,188) |
| Total | 436,596,204 | 160,870,352 | 28,836,228 | 626,302,784 |

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

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

| As on 31 December 2022 | First stage | Second stage | Third stage | Total |
|---|----------------|------------------|-------------------|-------------------|
| | individual | individual | | |
| | Dinar | Dinar | Dinar | Dinar |
| Total balance at the beginning of the year | 1,655,572 | 3,348,290 | 17,400,863 | 22,404,725 |
| Loss of reduction in new facilities during the year | 446,792 | 4,488,901 | 490,873 | 5,426,566 |
| Recovered from the reduction loss on due facilities | (813,641) | (1,645,027) | (1,379,220) | (3,837,888) |
| Transferred to stage 1 | 457,579 | (457,579) | - | - |
| Transferred to stage 2 | (453,869) | 3,074,717 | (2,620,848) | - |
| Transferred to stage 3 | (13,154) | (185,942) | 199,096 | - |
| The effect on the provision - as at the end of the year - as a result of changing the classification between the three stages during the year | (385,738) | (164,401) | 4,216,948 | 3,666,809 |
| Changes resulting from amendments | - | - | (1,877,844) | (1,877,844) |
| Non-recoverable facilities | - | - | (276,656) | (276,656) |
| Amendments resulting from exchange rate change | - | - | (70,522) | (70,522) |
| Total balance at the end of the year | 893,541 | 8,458,959 | 16,082,690 | 25,435,190 |

| As on 31 December 2021 | First stage | Second stage | Third stage | Total |
|---|------------------|------------------|-------------------|-------------------|
| | individual | individual | | |
| | Dinar | Dinar | Dinar | Dinar |
| Total balance at the beginning of the year | 458,049 | 4,372,730 | 13,706,871 | 18,537,650 |
| Loss of reduction in new facilities during the year | 1,009,259 | 1,724,842 | 1,156,861 | 3,890,962 |
| Recovered from the reduction loss on due facilities | (211,688) | (523,326) | (2,557,050) | (3,292,064) |
| Transferred to stage 1 | 3,018,688 | (2,896,383) | (122,305) | - |
| Transferred to stage 2 | (50,462) | 537,118 | (486,656) | - |
| Transferred to stage 3 | (746) | (435) | 1,181 | - |
| The effect on the provision - as at the end of the year - as a result of changing the classification between the three stages during the year | (2,568,294) | 133,744 | 755,550 | (1,679,000) |
| Changes resulting from amendments | 766 | - | 5,808,541 | 5,809,307 |
| Non-recoverable facilities | - | - | (962,382) | (962,382) |
| Amendments resulting from exchange rate change | - | - | 100,252 | 100,252 |
| Amendments resulting from exchange rate change | 1,655,572 | 3,348,290 | 17,400,863 | 22,404,725 |
| Total balance at the end of the year | 1,655,572 | 3,348,290 | 17,400,863 | 22,404,725 |

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

| For the year ended December 31, 2022 | First stage | | Second stage | | | |
|---|--------------------|------------------|-------------------|------------------|-------------------|--------------------|
| | Individual | Collective | Individual | Collective | Third stage | Total |
| | JD | JD | JD | JD | JD | JD |
| Credit rating categories based on the bank's internal system: | | | | | | |
| From 1 to 6 | 152,336,267 | - | 39,157,140 | - | 114,035 | 191,607,442 |
| 7 | - | - | 10,229,185 | - | - | 10,229,185 |
| From 8 to 10 | - | - | - | - | 27,191,471 | 27,191,471 |
| Not classified | - | 7,606,430 | - | 1,135,017 | 3,526,602 | 12,268,049 |
| Total | 152,336,267 | 7,606,430 | 49,386,325 | 1,135,017 | 30,832,108 | 241,296,147 |

| For the year ended December 31, 2021 | First stage | | Second stage | | | |
|---|--------------------|-------------------|-------------------|----------------|-------------------|--------------------|
| | Individual | Collective | Individual | Collective | Third stage | Total |
| | JD | JD | JD | JD | JD | JD |
| Credit rating categories based on the bank's internal system: | | | | | | |
| From 1 to 6 | 130,895,504 | - | 35,452,983 | - | 311,423 | 166,659,910 |
| 7 | - | - | 10,456,726 | - | 297,395 | 10,754,121 |
| From 8 to 10 | - | - | - | - | 20,822,907 | 20,822,907 |
| Not classified | - | 11,246,042 | - | 610,963 | 1,789,057 | 13,646,062 |
| Total | 130,895,504 | 11,246,042 | 45,909,709 | 610,963 | 23,220,782 | 211,883,000 |

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

| As on 31 December 2022 | First stage | | Second stage | | Third stage | Total |
|--|--------------------|------------------|-------------------|------------------|-------------------|--------------------|
| | Individual | Collective | Individual | Collective | | |
| | Dinar | Dinar | Dinar | Dinar | | |
| Total balance at the beginning of the year | 130,895,504 | 11,246,042 | 45,909,709 | 610,963 | 23,220,782 | 211,883,000 |
| New facilities during the year | 74,366,446 | 1,717,544 | 22,824,678 | 111,059 | 1442,672 | 100,462,399 |
| Settled facilities | (40,256,255) | (2,574,924) | (23,461,584) | (445,644) | (4,302,019) | (71,040,426) |
| Transferred to stage 1 | 8,311,328 | 165,641 | (7,453,929) | (140,572) | (882,468) | - |
| Transferred to stage 2 | (16,963,055) | (1,192,052) | 17,124,554 | 1,254,431 | (223,878) | - |
| Transferred to stage 3 | (4,017,701) | (1,755,821) | (5,557,103) | (255,220) | 11,585,845 | - |
| Non-recoverable facilities | - | - | - | - | (8,826) | (8,826) |
| Total | 152,336,267 | 7,606,430 | 49,386,325 | 1,135,017 | 30,832,108 | 241,296,147 |

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

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

| As on 31 December 2022 | First stage | | Second stage | | Third stage | Total |
|---|-----------------------|---------------------|-------------------------|----------------------|--------------------------|--------------------------|
| | Individual | Collective | Individual | Collective | | |
| | Dinar | Dinar | Dinar | Dinar | | |
| Total balance at the beginning of the year | 687,707 | 48,832 | 985,428 | 33,640 | 10,544,254 | 12,299,861 |
| Loss of reduction in new facilities during the year | 244,422 | 1,704 | 892,779 | 11,896 | 1,003,652 | 2,154,453 |
| Recovered from the reduction loss on due facilities | (364,861) | (29,385) | (85,006) | (2,605) | (2,076,910) | (2,558,767) |
| Transferred to stage 1 | 611,032 | 16,809 | (90,270) | (4,109) | (533,462) | - |
| Transferred to stage 2 | (79,530) | (5,176) | 163,190 | 41,836 | (120,320) | - |
| Transferred to stage 3 | (28,142) | (7,631) | (238,402) | (16,220) | 290,395 | - |
| The effect on the provision - as at the end of the year - as a result of changing the classification between the three stages during the year | (593,855) | (16,655) | 258,531 | 3,417 | 5,259,120 | 4,910,558 |
| Changes resulting from amendments | - | - | - | - | (1,185,523) | (1,185,523) |
| Non-recoverable facilities | - | - | - | - | (7,534) | (7,534) |
| Amendments resulting from exchange rate change | - | - | - | - | (98,521) | (98,521) |
| Total balance at the end of the year | <u>476,773</u> | <u>8,498</u> | <u>1,886,250</u> | <u>67,855</u> | <u>13,075,151</u> | <u>15,514,527</u> |

| As on 31 December 2021 | First stage | | Second stage | | Third stage | Total |
|---|-----------------------|----------------------|-----------------------|----------------------|--------------------------|--------------------------|
| | Individual | Collective | Individual | Collective | | |
| | Dinar | Dinar | Dinar | Dinar | | |
| Total balance at the beginning of the year | 333,905 | 12,789 | 1,958,773 | 6,606 | 10,874,325 | 13,186,398 |
| Loss of reduction in new facilities during the year | 495,418 | 34,746 | 293,689 | 7,666 | 627,566 | 1,459,085 |
| Recovered from the reduction loss on due facilities | (138,599) | (1,105) | (882,326) | (317) | (2,112,280) | (3,134,627) |
| Transferred to stage 1 | 917,337 | 23,809 | (632,529) | (2,253) | (306,364) | - |
| Transferred to stage 2 | (45,559) | (229) | 1,243,749 | 135,112 | (1,333,073) | - |
| Transferred to stage 3 | (4,306) | (765) | (61,583) | (3,761) | 70,415 | - |
| The effect on the provision - as at the end of the year - as a result of changing the classification between the three stages during the year | (864,385) | (23,129) | (934,345) | (109,413) | 1,686,209 | (245,063) |
| Changes resulting from amendments | (6,104) | 2,716 | - | - | 1,165,641 | 1,162,253 |
| Non-recoverable facilities | - | - | - | - | (128,185) | (128,185) |
| Total balance at the end of the year | <u>687,707</u> | <u>48,832</u> | <u>985,428</u> | <u>33,640</u> | <u>10,544,254</u> | <u>12,299,861</u> |

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

| As on 31 December 2022 | First stage Collective | Second stage Collective | Third stage | Total |
|--|---------------------------|--------------------------|--------------------------|---------------------------|
| | Dinar | Dinar | Dinar | Dinar |
| Credit rating categories based on the bank's internal system: | | | | |
| Not classified | <u>697,133,236</u> | <u>65,844,323</u> | <u>52,913,011</u> | <u>815,890,570</u> |
| Total | <u>697,133,236</u> | <u>65,844,323</u> | <u>52,913,011</u> | <u>815,890,570</u> |

| As on 31 December 2021 | First stage Collective | Second stage Collective | Third stage | Total |
|--|---------------------------|--------------------------|--------------------------|---------------------------|
| | Dinar | Dinar | Dinar | Dinar |
| Credit rating categories based on the bank's internal system: | | | | |
| Not classified | <u>677,656,398</u> | <u>54,041,125</u> | <u>45,683,998</u> | <u>777,381,521</u> |
| Total | <u>677,656,398</u> | <u>54,041,125</u> | <u>45,683,998</u> | <u>777,381,521</u> |

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

| | 2022 | | | |
|--|------------------------|-------------------------|-------------------|--------------------|
| | First stage Collective | Second stage Collective | Third stage | Total |
| | Dinar | Dinar | Dinar | Dinar |
| Total balance at the beginning of the year | 677,656,398 | 54,041,125 | 45,683,998 | 777,381,521 |
| New facilities during the year | 138,814,528 | 9,804,195 | 2,030,753 | 150,649,476 |
| Settled facilities | (96,670,413) | (7,765,108) | (4,387,811) | (108,823,332) |
| Transferred to stage 1 | 23,321,933 | (17,136,040) | (6,185,893) | - |
| Transferred to stage 2 | (30,533,457) | 35,246,842 | (4,713,385) | - |
| Transferred to stage 3 | (15,455,753) | (8,346,691) | 23,802,444 | - |
| Non-recoverable facilities | - | - | (3,317,095) | (3,317,095) |
| Total balance at the end of the year | <u>697,133,236</u> | <u>65,844,323</u> | <u>52,913,011</u> | <u>815,890,570</u> |

| | 2021 | | | |
|--|------------------------|-------------------------|-------------------|--------------------|
| | First stage Collective | Second stage Collective | Third stage | Total |
| | Dinar | Dinar | Dinar | Dinar |
| Total balance at the beginning of the year | 636,160,092 | 48,957,926 | 40,015,268 | 725,133,286 |
| New facilities during the year | 162,354,749 | 10,298,194 | 2,550,377 | 175,203,320 |
| Settled facilities | (108,483,171) | (7,720,519) | (4,297,219) | (120,500,909) |
| Transferred to stage 1 | 21,182,559 | (15,684,586) | (5,497,973) | - |
| Transferred to stage 2 | (21,809,374) | 24,963,915 | (3,154,541) | - |
| Transferred to stage 3 | (11,748,457) | (6,773,805) | 18,522,262 | - |
| Non-recoverable facilities | - | - | (2,454,176) | (2,454,176) |
| Total balance at the end of the year | <u>677,656,398</u> | <u>54,041,125</u> | <u>45,683,998</u> | <u>777,381,521</u> |

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

| For the year ending on 31 December 2022 | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total |
|---|-----------------------|-----------------------|-------------------|-------------------|
| | JD | JD | JD | JD |
| Balance at the beginning of the year | 5,762,898 | 2,290,321 | 39,215,696 | 47,268,915 |
| Credit loss on new facilities during the year | 1,628,329 | 365,631 | 2,703,506 | 4,697,466 |
| Reversed from credit loss on accrued facilities | (1,736,938) | (502,758) | (232,273) | (2,471,969) |
| Transferred to stage 1 | 4,086,558 | (752,627) | (3,333,931) | - |
| Transferred to stage 2 | (383,513) | 2,755,507 | (2,371,994) | - |
| Transferred to stage 3 | (193,594) | (474,215) | 667,809 | - |
| Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year | (3,850,792) | (1,550,115) | 10,066,179 | 4,665,272 |
| Changes resulting from adjustments | 1,997,565 | - | (997,418) | 1,000,147 |
| Written off facilities | - | - | (3,253,321) | (3,253,321) |
| Adjustments resulting from changes in exchange rates | - | - | (455,294) | (455,294) |
| Gross Balance at the End of the Year | <u>7,310,513</u> | <u>2,131,744</u> | <u>42,008,959</u> | <u>51,451,216</u> |

| For the year ending on 31 December 2021 | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total |
|---|-----------------------|-----------------------|-------------------|-------------------|
| | JD | JD | JD | JD |
| Balance at the beginning of the year | 6,689,840 | 1,626,590 | 32,017,718 | 40,334,148 |
| Credit loss on new facilities during the year | 1,643,467 | 590,378 | 2,165,883 | 4,399,728 |
| Reversed from credit loss on accrued facilities | (2,249,906) | (185,457) | (1,387,912) | (3,823,275) |
| Transferred to stage 1 | 3,707,506 | (496,407) | (3,211,099) | - |
| Transferred to stage 2 | (396,443) | 2,024,970 | (1,628,527) | - |
| Transferred to stage 3 | (193,274) | (369,215) | 562,489 | - |
| Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year | (3,438,298) | (900,538) | 7,661,869 | 3,323,033 |
| Changes resulting from adjustments | 6 | - | 5,389,361 | 5,389,367 |
| Written off facilities | - | - | (2,417,091) | (2,417,091) |
| Adjustments resulting from changes in exchange rates | - | - | 63,005 | 63,005 |
| Gross Balance at the End of the Year | <u>5,762,898</u> | <u>2,290,321</u> | <u>39,215,696</u> | <u>47,268,915</u> |

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

| As on 31 December 2022 | Stage 1 - Collective | Stage 2 - Collective | Stage 3 | Total |
|---|---------------------------|--------------------------|--------------------------|---------------------------|
| | Dinar | Dinar | Dinar | Dinar |
| Credit rating categories based on the bank's internal system: | | | | |
| Uncategorized | 248,926,216 | 48,714,964 | 19,263,891 | 316,905,071 |
| Total | <u>248,926,216</u> | <u>48,714,964</u> | <u>19,263,891</u> | <u>316,905,071</u> |

| As on 31 December 2021 | Stage 1 - Collective | Stage 2 - Collective | Stage 3 | Total |
|---|---------------------------|--------------------------|--------------------------|---------------------------|
| | Dinar | Dinar | Dinar | Dinar |
| Credit rating categories based on the bank's internal system: | | | | |
| Uncategorized | 231,933,829 | 44,313,910 | 15,789,381 | 292,037,120 |
| Total | <u>231,933,829</u> | <u>44,313,910</u> | <u>15,789,381</u> | <u>292,037,120</u> |

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

| For the year ending on 31 December 2022 | Stage 1 - Collective | Stage 2 - Collective | Stage 3 | Total |
|---|---------------------------|--------------------------|--------------------------|---------------------------|
| | Dinar | Dinar | Dinar | Dinar |
| Total balance at the beginning of the year | 231,933,829 | 44,313,910 | 15,789,381 | 292,037,120 |
| New facilities during the year | 51,328,349 | 8,566,359 | 1,139,050 | 61,033,758 |
| Settled facilities | (30,045,272) | (3,138,888) | (2,843,444) | (36,027,604) |
| Transferred to stage 1 | 17,975,928 | (16,338,785) | (1,637,143) | - |
| Transferred to stage 2 | (19,553,977) | 20,940,025 | (1,386,048) | - |
| Transferred to stage 3 | (2,712,641) | (5,627,657) | 8,340,298 | - |
| Written Off Facilities | - | - | (138,203) | (138,203) |
| Gross Balance at the End of the Year | <u>248,926,216</u> | <u>48,714,964</u> | <u>19,263,891</u> | <u>316,905,071</u> |

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

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

| For the year ending December 31, 2022 | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total |
|---|-------------------------|-------------------------|-------------------------|--------------------------|
| | JD | JD | JD | JD |
| balance at the beginning of the year | 3,147,152 | 2,111,231 | 5,741,024 | 10,999,407 |
| Credit loss on new facilities during the year | 434,045 | 160,757 | 248,776 | 843,578 |
| Reversed from credit loss on accrued facilities | (1,194,999) | (199,076) | (734,656) | (2,128,731) |
| Transferred to stage 1 | 1,577,564 | (1,114,466) | (463,098) | - |
| Transferred to stage 2 | (242,707) | 661,064 | (418,357) | - |
| Transferred to stage 3 | (49,489) | (355,313) | 404,802 | - |
| Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year | (1,324,596) | (65,707) | 2,108,711 | 718,408 |
| Changes resulting from adjustments | 1,709 | - | 304,992 | 306,701 |
| Written Off Facilities | - | - | (124,963) | (124,963) |
| Adjustments resulting from changes in exchange rates | - | - | (88,542) | (88,542) |
| Gross Balance at the End of the Year | <u>2,348,679</u> | <u>1,198,490</u> | <u>6,978,689</u> | <u>10,525,858</u> |

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

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

| As on December 31, 2022 | Stage 1 Individual | Stage 2 Individual | Stage 3 | Total |
|--|---------------------------|--------------------------|-----------------|---------------------------|
| | JD | JD | JD | JD |
| Credit rating categories based on the bank's internal system: | | | | |
| From (1) to (6) | 167,361,163 | 69,977,087 | - | 237,338,250 |
| (7) | - | 6,490,492 | - | 6,490,492 |
| Total | <u>167,361,163</u> | <u>76,467,579</u> | <u>-</u> | <u>243,828,742</u> |

| As on December 31, 2021 | Stage 1 Individual | Stage 2 Individual | Stage 3 | Total |
|--|---------------------------|--------------------------|-----------------|---------------------------|
| | JD | JD | JD | JD |
| Credit rating categories based on the bank's internal system: | | | | |
| From (1) to (6) | 102,681,606 | 69,875,549 | - | 172,557,155 |
| (7) | - | 7,069,501 | - | 7,069,501 |
| Total | <u>102,681,606</u> | <u>76,945,050</u> | <u>-</u> | <u>179,626,656</u> |

| For the year ending December 31, 2022 | Stage 1 Individual | Stage 2 Individual | Stage 3 | Total |
|---|---------------------------|--------------------------|-----------------|---------------------------|
| | JD | JD | JD | JD |
| Gross balance at the beginning of the year | 102,681,606 | 76,945,050 | - | 179,626,656 |
| New facilities during the year | 84,626,319 | 5,937,320 | - | 90,563,639 |
| Settled facilities | (19,946,762) | (6,414,791) | - | (26,361,553) |
| Transferred to stage 1 | - | - | - | - |
| Transferred to stage 2 | - | - | - | - |
| Transferred to stage 3 | - | - | - | - |
| Gross Balance at the End of the Year | <u>167,361,163</u> | <u>76,467,579</u> | <u>-</u> | <u>243,828,742</u> |

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

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

| For the year ending December 31, 2022 | Stage 1 Individual | Stage 2 Individual | Stage 3 | Total |
|---|-----------------------|-------------------------|-----------------|-------------------------|
| | JD | JD | JD | JD |
| Balance at the beginning of the year | 443,763 | 2,132,025 | - | 2,575,788 |
| Credit loss on new facilities during the year | 149,680 | 492,863 | - | 642,543 |
| Reversed from credit loss on accrued facilities | (322,362) | (176,233) | - | (498,595) |
| Transferred to stage 1 | - | - | - | - |
| Transferred to stage 2 | - | - | - | - |
| Transferred to stage 3 | - | - | - | - |
| Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year | - | - | - | - |
| Changes resulting from adjustments | - | - | - | - |
| Gross Balance at the End of the Year | <u>271,081</u> | <u>2,448,655</u> | <u>-</u> | <u>2,719,736</u> |

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

12- Property and Equipment - Net

The details of this item are as follows:

| For the year ended December 31, 2022 | Land | Buildings | Tools, Furniture & Fixtures | Vehicles | Computers | Projects in Progress | Total |
|--|-------------------------|--------------------------|-----------------------------|-------------------------|--------------------------|-------------------------|---------------------------|
| | JD | JD | JD | JD | JD | JD | JD |
| Cost: | | | | | | | |
| Balance at the beginning of the year | 4,879,584 | 25,504,025 | 47,494,305 | 1,496,371 | 34,796,931 | 3,207,099 | 117,378,315 |
| Additions | 130,000 | 40,592 | 2,613,723 | 262,643 | 1,396,921 | 1,397,832 | 5,841,711 |
| Transfers | - | - | 2,627,760 | - | 478,163 | (3,105,923) | - |
| Disposals | - | - | (2,696,696) | (340,786) | (2,327,674) | - | (5,365,156) |
| Balance at the End of the Year | <u>5,009,584</u> | <u>25,544,617</u> | <u>50,039,092</u> | <u>1,418,228</u> | <u>34,344,341</u> | <u>1,499,008</u> | <u>117,854,870</u> |
| Accumulated Depreciation: | | | | | | | |
| Balance at the beginning of the year | - | 6,622,696 | 38,921,994 | 1,333,781 | 26,729,088 | - | 73,607,559 |
| Depreciation for the year | - | 580,370 | 2,088,016 | 81,765 | 2,849,725 | - | 5,599,876 |
| Disposals | - | - | (2,635,141) | (334,482) | (2,307,769) | - | (5,277,392) |
| Balance at the End of the Year | <u>-</u> | <u>7,203,066</u> | <u>38,374,869</u> | <u>1,081,064</u> | <u>27,271,044</u> | <u>-</u> | <u>73,930,043</u> |
| Net Book Value at the End of the Year | <u>5,009,584</u> | <u>18,341,551</u> | <u>11,664,223</u> | <u>337,164</u> | <u>7,073,297</u> | <u>1,499,008</u> | <u>43,924,827</u> |
| For the year ended December 31, 2021 | | | | | | | |
| Cost: | | | | | | | |
| Balance at the beginning of the year | 4,879,584 | 25,496,094 | 47,011,280 | 1,585,957 | 31,225,132 | 1,417,294 | 111,615,341 |
| Additions | - | 7,931 | 983,288 | 130,500 | 3,696,592 | 2,361,996 | 7,180,307 |
| Transfers | - | - | 289,217 | - | 282,974 | (572,191) | - |
| Disposals | - | - | (789,480) | (220,086) | (407,767) | - | (1,417,333) |
| Balance at the End of the Year | <u>4,879,584</u> | <u>25,504,025</u> | <u>47,494,305</u> | <u>1,496,371</u> | <u>34,796,931</u> | <u>3,207,099</u> | <u>117,378,315</u> |
| Accumulated Depreciation: | | | | | | | |
| Balance at the beginning of the year | - | 6,040,892 | 37,331,910 | 1,466,144 | 24,173,436 | - | 69,012,382 |
| Depreciation for the year | - | 581,804 | 2,351,943 | 87,713 | 2,962,202 | - | 5,983,662 |
| Disposals | - | - | (761,859) | (220,076) | (406,550) | - | (1,388,485) |
| Balance at the End of the Year | <u>-</u> | <u>6,622,696</u> | <u>38,921,994</u> | <u>1,333,781</u> | <u>26,729,088</u> | <u>-</u> | <u>73,607,559</u> |
| Net Book Value at the End of the Year | <u>4,879,584</u> | <u>18,881,329</u> | <u>8,572,311</u> | <u>162,590</u> | <u>8,067,843</u> | <u>3,207,099</u> | <u>43,770,756</u> |

- Property and equipment as of December 31, 2022 and 2021 include fully depreciated property and equipment amounting to 56,974,108 Dinar and 55,071,457 Dinar, respectively, and are still being used by the Bank.
- The remaining cost of completing projects under implementation is estimated at 1,539,125 dinars as of December 2020 ,31.

13- Intangible Assets - Net

The details of this item are as follows:

| | Computer Software | |
|--------------------------------------|-------------------------|-------------------------|
| | 2022 | 2021 |
| | JD | JD |
| Balance at the beginning of the year | 5,159,688 | 5,193,184 |
| Additions | 1,684,368 | 1,841,230 |
| Amortization for the year | (1,482,717) | (1,874,726) |
| Annual Amortization Rate | <u>5,361,339</u> | <u>5,159,688</u> |

14- Other Assets

The details of this item are as follows:

| | December 31 | |
|--------------------------------|--------------------------|--------------------------|
| | 2022 | 2021 |
| | JD | JD |
| Accrued income | 24,407,275 | 17,148,232 |
| Prepaid expenses | 8,722,241 | 8,411,098 |
| Reposessed Assets - net * | 18,454,850 | 14,401,475 |
| Accounts receivable - net | 4,484,719 | 4,443,816 |
| Clearing checks | 3,459,376 | 10,920,101 |
| Settlement guarantee fund | 39,000 | 39,000 |
| Refundable deposits | 913,990 | 609,971 |
| Deposits at Visa International | 1,595,271 | 3,062,901 |
| Others | 4,568,122 | 1,719,534 |
| Total | <u>66,644,844</u> | <u>60,756,128</u> |

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

- Movement on reposessed assets as a settlement against defaulted facilities details during the year is as follows:

| | 2022 | 2021 |
|----------------------------------|--------------------------|--------------------------|
| | JD | JD |
| Balance - beginning of the year | 16,628,415 | 12,556,317 |
| Additions | 7,656,935 | 5,349,503 |
| Disposals | (3,484,615) | (1,277,405) |
| Total | 20,800,735 | 16,628,415 |
| Impairment of reposessed assets | (2,345,885) | (2,226,940) |
| Balance - End of the Year | <u>18,454,850</u> | <u>14,401,475</u> |

A summary of the movement on reposessed assets previous:

| | 2022 | 2021 |
|----------------------------------|-------------------------|-------------------------|
| | JD | JD |
| Balance-beginning of the year | 2,226,940 | 1,712,181 |
| Additions | 164,741 | 514,759 |
| Disposals | (45,796) | - |
| Balance - End of the Year | <u>2,345,885</u> | <u>2,226,940</u> |

15- Banks and financial institutions' deposits

The details of this item are as follows:

| | As on 31 December 2022 | | | As on 31 December 2021 | | |
|--|---------------------------|--------------------------|---------------------------|---------------------------|--------------------------|---------------------------|
| | Inside the Kingdom | Outside the Kingdom | Total | Inside the Kingdom | Outside the Kingdom | Total |
| | Dinar | Dinar | Dinar | Dinar | Dinar | Dinar |
| Current and demand accounts | 4,449,289 | 5,273,763 | 9,723,052 | 1,118,210 | 4,632,490 | 5,750,700 |
| Term deposits maturing within a period of less than 3 months | 109,506,515 | 61,371,758 | 170,878,273 | 62,899,158 | 36,363,129 | 99,262,287 |
| Term deposits maturing within a period of 3-6 months | 30,000,000 | 56,720 | 30,056,720 | 30,000,000 | 30,000,000 | 60,000,000 |
| Term deposits maturing within a period of 6-12 months | 6,000,000 | 460,850 | 6,460,850 | 21,000,000 | 15,598,000 | 36,598,000 |
| Term deposits maturing within more than 1 year | - | 1,334,338 | 1,334,338 | - | 673,550 | 673,550 |
| Total | <u>149,955,804</u> | <u>68,497,429</u> | <u>218,453,233</u> | <u>115,017,368</u> | <u>87,267,169</u> | <u>202,284,537</u> |

16- Customers' Deposits

The details of this item are as follows:

| As on December 31, 2022 | Consumer | Corporates | SMEs | Government And Public Sector | Total |
|-----------------------------|-----------------------------|---------------------------|---------------------------|------------------------------|-----------------------------|
| | JD | JD | JD | JD | JD |
| Current and demand accounts | 358,673,308 | 98,070,076 | 68,756,139 | 82,200,584 | 607,700,107 |
| Saving deposits | 590,037,525 | 9,363,911 | 9,414,144 | 63,051 | 608,878,631 |
| Time and notice deposits | 521,199,696 | 429,488,232 | 44,191,135 | 242,725,549 | 1,237,604,612 |
| Total | <u>1,469,910,529</u> | <u>536,922,219</u> | <u>122,361,418</u> | <u>324,989,184</u> | <u>2,454,183,350</u> |
| As on December 31, 2021 | | | | | |
| Current and demand accounts | 371,868,503 | 139,086,704 | 70,417,626 | 135,953,491 | 717,326,324 |
| Saving deposits | 603,705,970 | 10,293,976 | 10,555,649 | 200,117 | 624,755,712 |
| Time and notice deposits | 513,703,740 | 322,091,429 | 42,362,723 | 217,659,598 | 1,095,817,490 |
| Total | <u>1,489,278,213</u> | <u>471,472,109</u> | <u>123,335,998</u> | <u>353,813,206</u> | <u>2,437,899,526</u> |

- Deposits of the Jordanian government and the Jordanian public sector inside the Kingdom amounted to 307,303,950 dinars, or 12.50% of the total deposits, as of December 31, 2022 (341,267,864 dinars, or 14%, as of December 31, 2021).
- There are no held deposits as of December 31, 2022 and 20
- The value of non-interest-bearing deposits amounted to 534,120,314 dinars, or 21.76% of the total deposits, as of December 31, 2022 (599,643,817 dinars, or 24.6%, as of December 31, 2021).
- The value of fixed deposits amounted to 47,445,416 dinars as of December 31, 2022 (58,323,012 dinars as of December 31, 2021)

17- Cash insurance

The details of this item are as follows:

| | December 31 | |
|--|--------------------------|--------------------------|
| | 2022 | 2021 |
| | JD | JD |
| Margins on direct credit facilities | 41,194,481 | 23,864,583 |
| Margins on indirect credit facilities | 37,894,883 | 25,096,399 |
| Deposits against brokerage margin accounts | 3,412,260 | 3,074,854 |
| Other margin amount | <u>7,195,528</u> | <u>7,510,572</u> |
| Total | <u>89,697,152</u> | <u>59,546,408</u> |

18- Borrowed Funds

The details of this item are as follows:

| December 31, 2022 | Amount | No. of Installments | | Payment frequency | Maturity Date | Collaterals | Interest Rate |
|---|---------------------------|---------------------|-------------|------------------------|---------------|----------------|---------------|
| | JD | Total | Outstanding | | | | |
| Amounts borrowed from overseas investment company (OPIC) | 15,598,000 | 1 | 1 | At maturity | 2034 | None | 4.845%-4.8 |
| Amounts borrowed from French Development Agency | 886,250 | 20 | 5 | Semi-annually | 2025 | None | 3.36% |
| Amounts borrowed from Central Bank of Jordan* | 4,750,000 | 20 | 10 | Semi-annually | 2027 | None | 2.93% |
| Amounts borrowed from Central Bank of Jordan** | 89,629,417 | 605 | 605 | At maturity / per Loan | 2023-2035 | Treasury Bills | 0.5%-1.75% |
| Amounts borrowed from Central Bank of Jordan** | 36,961,787 | 423 | 423 | At maturity / per Loan | 2023-2028 | None | - |
| Amounts borrowed from Central Bank of Jordan* | 551,888 | 14 | 4 | Semi-annually | 2024 | None | 2.48% |
| Amounts borrowed from European Bank for Reconstruction and Development (EBRD) | 2,025,714 | 7 | 1 | Semi-annually | 2023 | None | 5.50% |
| Amounts borrowed from European Bank for Reconstruction and Development (EBRD) | 3,075,000 | 20 | 14 | Semi-annually | 2030 | None | 2.80% |
| Amounts borrowed from Central Bank of Jordan* | 4,809,757 | 34 | 34 | Semi-annually | 2039 | None | 3% |
| Jordan Mortgage Refinance Company *** | 10,000,000 | 1 | 1 | At maturity | 2024 | None | 7.30% |
| Jordan Mortgage Refinance Company *** | 30,000,000 | 1 | 1 | At maturity | 2024 | None | 5.75% |
| Amounts borrowed from Central Bank of Jordan | 10,000,000 | 1 | 1 | At maturity | 2025 | None | 4.90% |
| Jordan Mortgage Refinance Company *** | 10,000,000 | 1 | 1 | At maturity | 2028 | None | 4.75% |
| Jordan Mortgage Refinance Company *** | 4,000,000 | 1 | 1 | At maturity | 2026 | None | 4.65% |
| Jordan Mortgage Refinance Company *** | 16,666,667 | 1 | 1 | At maturity | 2023 | Treasury Bills | 6% |
| Amounts borrowed from Central Bank of Jordan | 8,333,333 | 1 | 1 | At maturity | 2023 | Treasury Bills | 6.50% |
| Amounts borrowed from Central Bank of Jordan | 14,285,714 | 1 | 1 | At maturity | 2023 | Treasury Bills | 4.50% |
| Amounts borrowed from Central Bank of Jordan | 15,625,000 | 1 | 1 | At maturity | 2023 | Treasury Bills | 6% |
| Amounts borrowed from Central Bank of Jordan | 506,429 | 7 | 1 | Semi-annually | 2023 | None | 5.80% |
| Amounts borrowed from Central Bank of Jordan | 5,672,000 | 7 | 7 | Semi-annually | 2027 | None | 5.62% |
| Amounts borrowed from European Bank for Reconstruction and Development (EBRD) | 8,302,743 | 20 | 17 | Semi-annually | 2031 | None | 4.222% |
| Amounts borrowed from French Development Agency | 3,938,936 | - | - | Monthly | - | None | 3.00% |
| Palestine Monetary Authority | 7,000,000 | 8 | 8 | Quarterly | 2024 | None | 5.00% |
| Etihad Bank | 6,000,000 | 8 | 8 | Quarterly | 2024 | None | 6.50% |
| Housing Bank for Trade and Finance | 30,990,360 | Overdraft | - | - | 2023 | None | 5.75% |
| Arab Jordan Investment Bank | 1,042,796 | Overdraft | - | - | 2023 | None | 5.75% |
| Amounts borrowed from International Financial Markets (FMI) | 1,074,224 | - | 1 | 1 | - | None | None |
| Total | <u>341,726,015</u> | | | | | | |

| December 31, 2021 | Amount | No. of Installments | | Payment frequency | Maturity Date | Collaterals | Interest Rate |
|---|--------------------|---------------------|-------------|------------------------|---------------|----------------|---------------|
| | JD | Total | Outstanding | | | | |
| Amounts borrowed from overseas investment company (OPIC) | 15,598,000 | 1 | 1 | At maturity | 2034 | None | 4.845%-4.895% |
| Amounts borrowed from French Development Agency | 1,240,750 | 20 | 7 | Semi-annually | 2025 | None | 3.36% |
| Amounts borrowed from Central Bank of Jordan* | 5,700,000 | 20 | 12 | Semi-annually | 2028 | None | 2.70% |
| Amounts borrowed from Central Bank of Jordan** | 85,560,776 | 437 | 437 | At maturity / per Loan | 2022-2035 | Treasury Bills | 0.5% - 1.75% |
| Amounts borrowed from Central Bank of Jordan** | 32,539,540 | 391 | 391 | At maturity / per Loan | 2024 - 2022 | None | 0.00% |
| Amounts borrowed from Central Bank of Jordan* | 888,000 | 14 | 6 | Semi-annually | 2024 | None | 2.50% |
| Amounts borrowed from European Bank for Reconstruction and Development (EBRD) | 14,180,000 | 3 | 2 | Semi-annually | 2022 | None | 2.02% |
| Amounts borrowed from European Bank for Reconstruction and Development (EBRD) | 6,077,143 | 7 | 3 | Semi-annually | 2023 | None | 5.50% |
| Amounts borrowed from Central Bank of Jordan* | 3,485,000 | 20 | 16 | Semi-annually | 2030 | None | 2.80% |
| Jordan Mortgage Refinance Company *** | 10,000,000 | 1 | 1 | At maturity | 2024 | None | 5.00% |
| Jordan Mortgage Refinance Company *** | 30,000,000 | 1 | 1 | At maturity | 2024 | None | 5.75% |
| Amounts borrowed from Central Bank of Jordan | 3,941,315 | 34 | 34 | Semi-annually | 2039 | None | 3.00% |
| Jordan Mortgage Refinance Company *** | 10,000,000 | 1 | 1 | At maturity | 2022 | None | 5.35% |
| Jordan Mortgage Refinance Company *** | 10,000,000 | 1 | 1 | At maturity | 2026 | None | 4.75% |
| Jordan Mortgage Refinance Company *** | 4,000,000 | 1 | 1 | At maturity | 2028 | None | 4.65% |
| Amounts borrowed from Central Bank of Jordan | 12,658,228 | 1 | 1 | At maturity | 2022 | Treasury Bills | 2.00% |
| Amounts borrowed from Central Bank of Jordan | 6,250,000 | 1 | 1 | At maturity | 2022 | Treasury Bills | 2.00% |
| Amounts borrowed from Central Bank of Jordan | 34,188,034 | 1 | 1 | At maturity | 2022 | Treasury Bills | 2.00% |
| Amounts borrowed from Central Bank of Jordan | 14,662,757 | 1 | 1 | At maturity | 2022 | Treasury Bills | 2.00% |
| Amounts borrowed from Central Bank of Jordan | 9,259,259 | 1 | 1 | At maturity | 2022 | Treasury Bills | 2.00% |
| Amounts borrowed from European Bank for Reconstruction and Development (EBRD) | 1,519,286 | 7 | 3 | Semi-annually | 2023 | None | 2.20% |
| Amounts borrowed from French Development Agency | 9,948,638 | 20 | 19 | Semi-annually | 2031 | None | 1.27% |
| Palestine Monetary Authority | 4,263,488 | 1 | 1 | - | None | None | 0.50% |
| Etihad Bank | 6,000,000 | 8 | 8 | Semi-annually | 2024 | None | 3.75% |
| Housing Bank for Trade and Finance | 30,815,178 | Overdraft | - | - | 2022 | None | 3.50% |
| Arab Jordan Investment Bank | 60,249 | Overdraft | - | - | 2022 | None | 5.75% |
| Amounts borrowed from International Financial Markets (FMI) | 1,074,224 | 1 | 1 | - | None | None | - |
| Total | 363,909,865 | | | | | | |

* The amounts borrowed from the Central Bank of Jordan for the small and medium-sized companies sector were lent back at an interest rate of 8% for the year ending on December 31, 2022 (8.5% for the year ending on December 31, 2021).

** The amounts borrowed from the Central Bank of Jordan for the purposes of industrial finance, energy, agriculture and tourism have been lent at an interest rate of 2% to 4% for the year ending on December 31, 2022 (3.5% to 4% for the year ending on December 31, 2021).

*** The refinanced housing loans from funds borrowed from the Jordan Mortgage Refinancing Company amounted to 56,727,072 dinars as of December 31, 2022, at an interest rate of 7%. (47,777,150 dinars, at an interest rate of 5.84%, for the year ending on December 31, 2021).

19- Subordinated loans

The details of this item are as follows:

| December 31, 2022 | Amount | No. of Installments | | Payment frequency | Maturity Date | Collaterals | Interest Rate |
|-----------------------|-------------------|---------------------|-------------|-------------------|---------------|-------------|---------------|
| | JD | Total | Outstanding | | | | |
| Green for Growth Fund | 7,905,350 | 1 | 1 | At maturity | 2026 | None | 7.03% |
| Sanad fund for MSME | 10,635,000 | 1 | 1 | At maturity | 2027 | None | 4.75% |
| Total | 18,540,350 | | | | | | |

| December 31, 2021 | Amount | No. of Installments | | Payment frequency | Maturity Date | Collaterals | Interest Rate |
|-----------------------|-------------------|---------------------|-------------|-------------------|---------------|-------------|---------------|
| | JD | Total | Outstanding | | | | |
| Green for Growth Fund | 7,905,350 | 1 | 1 | At maturity | 2026 | None | 4.32% |
| Sanad fund for MSME | 10,635,000 | 1 | 1 | At maturity | 2027 | None | 4.66% |
| Total | 18,540,350 | | | | | | |

20- Sundry Provisions

| For the year ending December 31, 2022 | Balance-Beginning of the Year | Additions during the Year | Utilized during the Year | Balance - End of the Year |
|---|-------------------------------|---------------------------|--------------------------|---------------------------|
| | JD | JD | JD | JD |
| Provision for lawsuits against the Bank | 1,876,281 | 50,000 | (64,542) | 1,861,739 |
| Provision for end of service indemnity | 10,414,779 | 2,945,445 | (1,182,228) | 12,177,996 |
| Provision for other obligations | 22,934 | 3,063 | - | 25,997 |
| Total | 12,313,994 | 2,998,508 | (1,246,770) | 14,065,732 |

| For the year ending December 31, 2021 | Balance-Beginning of the Year | Additions during the Year | Utilized during the Year | Balance - End of the Year |
|---|-------------------------------|---------------------------|--------------------------|---------------------------|
| | JD | JD | JD | JD |
| Provision for lawsuits against the Bank | 2,746,501 | 200,000 | (1,070,220) | 1,876,281 |
| Provision for end of service indemnity | 10,131,832 | 901,865 | (618,918) | 10,414,779 |
| Provision for other obligations | 16,238 | 7,330 | (634) | 22,934 |
| Total | 12,894,571 | 1,109,195 | (1,689,772) | 12,313,994 |

21- Income Tax

A- Income Tax Provision

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

| | For the year ending December 31 | |
|----------------------------------|---------------------------------|--------------------------|
| | 2022 | 2021 |
| | JD | JD |
| Balance - beginning of the year | 19,810,355 | 16,002,794 |
| Income tax paid | (16,428,764) | (15,571,667) |
| Income tax payable | <u>20,485,824</u> | <u>19,379,228</u> |
| Balance - End of the Year | <u>23,867,415</u> | <u>19,810,355</u> |

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

| | 2022 | 2021 |
|--|--------------------------|--------------------------|
| | JD | JD |
| Income tax for the year | 20,485,824 | 19,379,228 |
| Deferred Tax liabilities | (20,852) | (32,377) |
| Deferred Tax Assets | <u>(2,793,122)</u> | <u>(726,974)</u> |
| Income Tax for the Year's Profits | <u>17,671,850</u> | <u>18,619,877</u> |

- The income tax rate for banks in Jordan is 38%. The income tax rate in countries in which the bank has companies and branches ranges between zero and 31%. Banks in Palestine are subject to an income tax of 15% and an added tax of 16%.
- A final settlement was made with the Income and Sales Tax Department until the end of the year 2018 for the bank's branches in Jordan, and the years 2019, 2020 and 2021 were not reviewed.
- A final settlement was made for the bank's branches in Palestine until the end of the year 2017, and the years 2018, 2019, 2020, and 2021 were not reviewed.
- A final settlement was reached with the Income and Sales Tax Department of the National Financial Services Company (Jordan) papers until the end of 2014. The Income and Sales Tax Department reviewed the company's records for the years 2015, 2016 and 2017, where the tax due for these years was estimated at an amount of 1,361,990 dinars. As for the amounts paid, the company objected to the decision before the courts, and the tax court of first instance issued a decision in favor of the company, but the decision was appealed by the Income and Sales Tax Department and is still pending before the Court of Appeal. The Income and Sales Tax Department also accepted the company's self-assessment statement for the years 2018 and 2019, and the Income and Sales Tax Department did not review the company's records for the years 2020 and 2021.
- A final settlement was made for the National Securities Company (Palestine) until the end of the year 2020.
- A final settlement was made for a financial leasing company with the Income and Sales Tax Department until the end of 2018, and the years 2019, 2020 and 2021 were not reviewed.
- In the opinion of the bank's management, the tax provisions as of December 31, 2022 are sufficient to meet any future tax liabilities.

C- Deferred Tax Assets and Liabilities

The details of this item are as follows:

| | As on 31 December | | | | As on 31 December | |
|--|-------------------|--------------------|-------------------------|-------------------|-------------------|-------------------------------|
| | 2022 | | | | 2022 | 2021 |
| | Deferred tax | Deferred tax | Balance end of the year | Added amounts | Released amounts | Balance beginning of the year |
| Deferred tax assets | JD | JD | JD | JD | JD | JD |
| Provision for impairment of credit facilities | 24,198,368 | - | 6,688,495 | 30,886,863 | 11,247,671 | 8,780,591 |
| Suspended interests | 867,098 | - | 517,184 | 1,384,282 | 387,599 | 242,787 |
| Various allocations | 1,533,723 | (64,542) | 400,000 | 1,869,181 | 710,289 | 582,815 |
| Provision for impairment of expropriated assets | 2,185,900 | (4,756) | 164,741 | 2,345,885 | 874,962 | 830,642 |
| Unrealized losses on financial assets at fair value through other comprehensive income | 951,194 | (951,194) | - | - | - | 1,436,466 |
| Currency difference | <u>3,543,049</u> | <u>-</u> | <u>-</u> | <u>3,543,049</u> | <u>354,305</u> | <u>354,305</u> |
| | <u>33,279,332</u> | <u>(1,020,492)</u> | <u>7,770,420</u> | <u>40,029,260</u> | <u>13,574,826</u> | <u>12,227,606</u> |

| Deferred tax liabilities | | | | | | |
|--|------------------|------------------|------------------|-------------------|------------------|----------------|
| Unrealized profits on financial assets at fair value through other comprehensive income | 3,625,979 | (257,772) | 6,713,120 | 10,081,327 | 776,860 | 313,552 |
| Unrealized profits on financial assets at fair value through profit or loss with (IFRS9) applied | <u>5,146,625</u> | <u>(161,363)</u> | <u>-</u> | <u>4,985,262</u> | <u>531,264</u> | <u>552,116</u> |
| | <u>8,772,604</u> | <u>(419,135)</u> | <u>6,713,120</u> | <u>15,066,589</u> | <u>1,308,124</u> | <u>865,668</u> |

The movement on income Liabilities/Assets tax is as follows:

| | For the year ending on 31 December 2022 | | For the year ending on 31 December 2021 | |
|-----------------------------------|---|-------------------------|---|-----------------------|
| | Assets | Liabilities | Assets | Liabilities |
| | Dinar | Dinar | Dinar | Dinar |
| Balance at begin-ning of the year | 12,227,606 | 865,668 | 13,316,167 | 808,967 |
| Addition | 2,810,020 | 466,445 | 835,415 | 104,804 |
| Excluded | <u>(1,462,800)</u> | <u>(23,989)</u> | <u>(1,923,976)</u> | <u>(48,103)</u> |
| Balance at end of the year | <u>13,574,826</u> | <u>1,308,124</u> | <u>12,227,606</u> | <u>865,668</u> |

- Deferred taxes were calculated according to the tax rates that are expected to be applied when settling the obligation of tax benefits or realizing deferred tax assets / liabilities.

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

| | 2022 | 2021 |
|------------------------------|-------------------|-------------------|
| | JD | JD |
| Accounting profit | 52,651,346 | 51,308,174 |
| Non-taxable profit | (5,652,967) | (9,408,334) |
| Non-deductible expenses | <u>1,320,592</u> | <u>9,801,123</u> |
| Taxable profit | <u>48,318,971</u> | <u>51,700,963</u> |
| Effective rate of income tax | <u>33.56%</u> | <u>36.29%</u> |

22- Other Liabilities

| | December 31 | |
|--------------------------------------|--------------------------|--------------------------|
| | 2022 | 2021 |
| | JD | JD |
| Accrued interest | 11,807,002 | 10,688,461 |
| Accrued income | 460,739 | 406,018 |
| Accounts payable | 5,153,434 | 9,039,589 |
| Accrued expenses | 10,325,963 | 9,968,439 |
| Temporary deposits | 24,465,104 | 30,022,864 |
| Checks and withdrawals | 7,712,928 | 9,862,144 |
| Others | <u>3,445,840</u> | <u>4,452,134</u> |
| Total | <u>63,371,010</u> | <u>74,439,649</u> |
| Provision for expected credit losses | <u>4,807,041</u> | <u>3,473,585</u> |
| Total balance end of the year | <u>68,178,051</u> | <u>77,913,234</u> |

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

| For the year ending December 31, 2022 | Stage 1 | | Stage 2 | | Stage 3 | Total |
|---|--------------------------|---------------------------|-----------------------|--------------------------|-------------------------|---------------------------|
| | Collective | Individual | Collective | Individual | | |
| | JD | JD | JD | JD | | |
| Balance at the beginning of the year | 20,102,040 | 378,588,060 | 1,800,173 | 52,788,934 | 951,616 | 454,230,823 |
| new exposures during the year | 2,987,277 | 142,312,844 | 228,085 | 36,721,523 | 286,286 | 182,536,015 |
| accrued exposures | (10,855,324) | (201,092,042) | (955,703) | (28,722,555) | (593,980) | (242,219,604) |
| Transferred to stage 1 | 537,864 | 16,229,626 | (472,311) | (16,227,626) | (67,553) | - |
| Transferred to stage 2 | (348,880) | (28,548,568) | 373,907 | 28,648,568 | (125,027) | - |
| Transferred to stage 3 | (119,999) | (133,611) | (63,241) | (409,000) | 725,851 | - |
| Gross Balance at the End of the Year | <u>12,302,978</u> | <u>307,356,309</u> | <u>910,910</u> | <u>72,799,844</u> | <u>1,177,193</u> | <u>394,547,234</u> |

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

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

| For the year ending December 31, 2022 | Stage 1 | | Stage 2 | | Stage 3 | Total |
|--|-----------------------|-----------------------|-----------------------|-------------------------|-----------------------|-------------------------|
| | Collective | Individual | Collective | Individual | | |
| | JD | JD | JD | JD | | |
| Balance at the beginning of the year | 796,805 | 901,014 | 169,157 | 1,221,199 | 385,410 | 3,473,585 |
| Credit loss on new exposures during the year | 151,362 | 398,900 | 36,204 | 1,355,289 | 167,066 | 2,108,821 |
| Credit loss on accrued exposures | (437,604) | (447,505) | (59,739) | (218,273) | (185,029) | (1,348,150) |
| Transferred to stage 1 | 89,164 | 451,496 | (59,933) | (450,306) | (30,421) | - |
| Transferred to stage 2 | (19,226) | (65,453) | 33,084 | 115,242 | (63,647) | - |
| Transferred to stage 3 | (6,520) | (37) | (8,394) | (25,901) | 40,852 | - |
| Effect on the provision at the end of the year - resulting from the reclassification between the three stages at the end of the year | (57,313) | (397,266) | 1,697 | 621,889 | 307,300 | 476,307 |
| Changes resulting from adjustments | <u>48</u> | <u>48,014</u> | <u>17</u> | <u>45,249</u> | <u>3,150</u> | <u>96,478</u> |
| Gross Balance at the End of the Year | <u>516,716</u> | <u>889,163</u> | <u>112,093</u> | <u>2,664,388</u> | <u>624,681</u> | <u>4,807,041</u> |

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

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

| For the year ending December 31, 2022 | Stage 1 | | Stage 2 | | Stage 3 | Total |
|--|------------|-------------------|------------|------------------|----------|-------------------|
| | Collective | Individual | Collective | Individual | | |
| | JD | JD | JD | JD | | |
| Credit rating categories based on the bank's internal system | | | | | | |
| From Ba1 to Caa3 | - | 28,422,992 | - | - | - | 28,422,992 |
| From 1 to 6 | - | 34,394,014 | - | 5,706,342 | - | 40,100,356 |
| 7 | - | - | - | 2,247,296 | - | 2,247,296 |
| Total | - | 62,817,006 | - | 7,953,638 | - | 70,770,644 |

| For the year ending December 31, 2021 | Stage 1 | | Stage 2 | | Stage 3 | Total |
|--|------------|-------------------|------------|------------------|----------|-------------------|
| | Collective | Individual | Collective | Individual | | |
| | JD | JD | JD | JD | | |
| Credit rating categories based on the bank's internal system | | | | | | |
| From Ba1 to Caa3 | - | 22,569,289 | - | - | - | 22,569,289 |
| From 1 to 6 | - | 70,221,278 | - | 1,586,761 | - | 71,808,039 |
| 7 | - | - | - | 401,508 | - | 401,508 |
| Total | - | 92,790,567 | - | 1,988,269 | - | 94,778,836 |

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

| For the year ending December 31, 2022 | Stage 1 | | Stage 2 | | Stage 3 | Total |
|---|------------|-------------------|------------|------------------|----------|-------------------|
| | Collective | Individual | Collective | Individual | | |
| | JD | JD | JD | JD | | |
| Balance at the beginning of the year | - | 92,790,567 | - | 1,988,269 | - | 94,778,836 |
| new exposures during the year | - | 47,885,214 | - | 5,785,374 | - | 53,670,588 |
| accrued exposures | - | (74,954,760) | - | (2,724,020) | - | (77,678,780) |
| Transferred to stage 1 | - | - | - | - | - | - |
| Transferred to stage 2 | - | (2,904,015) | - | 2,904,015 | - | - |
| Gross Balance at the End of the Year | - | 62,817,006 | - | 7,953,638 | - | 70,770,644 |

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

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

| For the year ending December 31, 2022 | Stage 1 | | Stage 2 | | Stage 3 | Total |
|--|------------|----------------|------------|----------------|----------|----------------|
| | Collective | Individual | Collective | Individual | | |
| | JD | JD | JD | JD | | |
| Balance at the beginning of the year | - | 533,713 | - | 18,448 | - | 552,161 |
| Credit loss on new exposures during the year | - | 87,332 | - | 332,971 | - | 420,303 |
| Credit loss on accrued exposures | - | (317,954) | - | (9,306) | - | (327,260) |
| Transferred to stage 1 | - | - | - | - | - | - |
| Transferred to stage 2 | - | (11,898) | - | 11,898 | - | - |
| Transferred to stage 3 | - | - | - | - | - | - |
| Effect on the provision at the end of the year - resulting from the reclassification between the three stages at the end of the year | - | - | - | 33,415 | - | 33,415 |
| Changes resulting from adjustments | - | 73,793 | - | - | - | 73,793 |
| Gross Balance at the End of the Year | - | 364,986 | - | 387,426 | - | 752,412 |

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

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

| For the year ending December 31, 2022 | Stage 1 | | Stage 2 | | Stage 3 | Total |
|--|------------|-------------------|------------|-------------------|----------------|-------------------|
| | Collective | Individual | Collective | Individual | | |
| | JD | JD | JD | JD | | |
| Credit rating categories based on the bank's internal system | | | | | | |
| From Aaa to Baa3 | - | 7,527,385 | - | - | - | 7,527,385 |
| From Ba1 to Caa3 | - | 3,124,684 | - | - | - | 3,124,684 |
| From 1 to 6 | - | 42,350,944 | - | 13,042,210 | - | 55,393,154 |
| 7 | - | - | - | 2,469,981 | - | 2,469,981 |
| From 8 to 10 | - | - | - | - | 591,392 | 591,392 |
| Total | - | 53,003,013 | - | 15,512,191 | 591,392 | 69,106,596 |

| For the year ending December 31, 2021 | Stage 1 | | Stage 2 | | Stage 3 | Total |
|--|------------|-------------------|------------|-------------------|----------------|-------------------|
| | Collective | Individual | Collective | Individual | | |
| | JD | JD | JD | JD | | |
| Credit rating categories based on the bank's internal system | | | | | | |
| From Aaa to Baa3 | - | 7,830,361 | - | - | - | 7,830,361 |
| From Ba1 to Caa3 | - | 855,884 | - | - | - | 855,884 |
| From 1 to 6 | - | 42,523,839 | - | 9,052,177 | - | 51,576,016 |
| 7 | - | - | - | 2,250,349 | - | 2,250,349 |
| From 8 to 10 | - | - | - | - | 411,961 | 411,961 |
| Total | <u>-</u> | <u>51,210,084</u> | <u>-</u> | <u>11,302,526</u> | <u>411,961</u> | <u>62,924,571</u> |

Disclosure on the movement of indirect facilities:

| For the year ending December 31, 2022 | Stage 1 | | Stage 2 | | Stage 3 | Total |
|---|------------|-------------------|------------|-------------------|----------------|-------------------|
| | Collective | Individual | Collective | Individual | | |
| | JD | JD | JD | JD | | |
| Balance at the beginning of the year | - | 51,210,084 | - | 11,302,526 | 411,961 | 62,924,571 |
| new exposures during the year | - | 16,698,876 | - | 5,190,805 | 5,000 | 21,894,681 |
| accrued exposures | - | (10,881,718) | - | (4,677,621) | (153,317) | (15,712,656) |
| Transferred to stage 1 | - | 4,212,025 | - | (4,210,025) | (2000) | - |
| Transferred to stage 2 | - | (8,102,643) | - | 8,202,643 | (100,000) | - |
| Transferred to stage 3 | - | (133,611) | - | (296,137) | 429,748 | - |
| Gross Balance at the End of the Year | <u>-</u> | <u>53,003,013</u> | <u>-</u> | <u>15,512,191</u> | <u>591,392</u> | <u>69,106,596</u> |

| For the year ending December 31, 2021 | Stage 1 | | Stage 2 | | Stage 3 | Total |
|---|------------|-------------------|------------|-------------------|----------------|-------------------|
| | Collective | Individual | Collective | Individual | | |
| | JD | JD | JD | JD | | |
| Balance at the beginning of the year | - | 50,725,248 | - | 7,528,080 | 258,213 | 58,511,541 |
| new exposures during the year | - | 10,485,823 | - | 2,884,123 | 24,895 | 13,394,841 |
| accrued exposures | - | (7,598,633) | - | (1,345,346) | (37,832) | (8,981,811) |
| Transferred to stage 1 | - | 458,297 | - | (325,797) | (132,500) | - |
| Transferred to stage 2 | - | (2,826,151) | - | 2,826,151 | - | - |
| Transferred to stage 3 | - | (34,500) | - | (264,685) | 299,185 | - |
| Gross Balance at the End of the Year | <u>-</u> | <u>51,210,084</u> | <u>-</u> | <u>11,302,526</u> | <u>411,961</u> | <u>62,924,571</u> |

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

| For the year ending December 31, 2022 | Stage 1 | | Stage 2 | | Stage 3 | Total |
|--|------------|----------------|------------|----------------|----------------|------------------|
| | Collective | Individual | Collective | Individual | | |
| | JD | JD | JD | JD | | |
| Balance at the beginning of the year | - | 214,799 | - | 246,212 | 178,044 | 639,055 |
| Credit loss on new exposures during the year | - | 43,945 | - | 382,703 | 9,605 | 436,253 |
| Credit loss on accrued exposures | - | (65,562) | - | (50,131) | (41,878) | (157,571) |
| Transferred to stage 1 | - | 68,042 | - | (66,852) | (1,190) | - |
| Transferred to stage 2 | - | (40,651) | - | 90,441 | (49,790) | - |
| Transferred to stage 3 | - | (37) | - | (20,056) | 20,093 | - |
| Effect on the provision at the end of the year - resulting from the reclassification between the three stages at the end of the year | - | (58,858) | - | 96,168 | 205,012 | 242,322 |
| Changes resulting from adjustments | - | (50,621) | - | 35,524 | 3,150 | (11,947) |
| Gross Balance at the End of the Year | <u>-</u> | <u>111,057</u> | <u>-</u> | <u>714,009</u> | <u>323,046</u> | <u>1,148,112</u> |

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

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

| For the year ending December 31, 2022 | Stage 1 | | Stage 2 | | Stage 3 | Total |
|--|-------------------|--------------------|----------------|-------------------|----------------|--------------------|
| | Collective | Individual | Collective | Individual | | |
| | JD | JD | JD | JD | | |
| Credit rating categories based on the bank's internal system | | | | | | |
| From 1 to 6 | - | 191,536,290 | - | 42,257,920 | - | 233,794,210 |
| 7 | - | - | - | 7,076,095 | - | 7,076,095 |
| From 8 to 10 | - | - | - | - | 327,049 | 327,049 |
| Not classified | 12,302,978 | - | 910,910 | - | 258,752 | 13,472,640 |
| Total | 12,302,978 | 191,536,290 | 910,910 | 49,334,015 | 585,801 | 254,669,994 |

| For the year ending December 31, 2021 | Stage 1 | | Stage 2 | | Stage 3 | Total |
|--|-------------------|--------------------|------------------|-------------------|----------------|--------------------|
| | Collective | Individual | Collective | Individual | | |
| | JD | JD | JD | JD | | |
| Credit rating categories based on the bank's internal system | | | | | | |
| From 1 to 6 | - | 234,587,409 | - | 33,026,739 | - | 267,614,148 |
| 7 | - | - | - | 6,471,400 | - | 6,471,400 |
| From 8 to 10 | - | - | - | - | 48,056 | 48,056 |
| Not classified | 20,102,040 | - | 1,800,173 | - | 491,599 | 22,393,812 |
| Total | 20,102,040 | 234,587,409 | 1,800,173 | 39,498,139 | 539,655 | 296,527,416 |

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

| For the year ending December 31, 2022 | Stage 1 | | Stage 2 | | Stage 3 | Total |
|---|-------------------|--------------------|----------------|-------------------|----------------|--------------------|
| | Collective | Individual | Collective | Individual | | |
| | JD | JD | JD | JD | | |
| Balance at the beginning of the year | 20,102,040 | 234,587,409 | 1,800,173 | 39,498,139 | 539,655 | 296,527,416 |
| new exposures during the year | 2,987,277 | 77,728,754 | 228,085 | 25,745,344 | 281,286 | 106,970,746 |
| accrued exposures | (10,855,324) | (115,255,564) | (955,703) | (21,320,914) | (440,663) | (148,828,168) |
| Transferred to stage 1 | 537,864 | 12,017,601 | (472,311) | (12,017,601) | (65,553) | - |
| Transferred to stage 2 | (348,880) | (17,541,910) | 373,907 | 17,541,910 | (25,027) | - |
| Transferred to stage 3 | (119,999) | - | (63,241) | (112,863) | 296,103 | - |
| Gross Balance at the End of the Year | 12,302,978 | 191,536,290 | 910,910 | 49,334,015 | 585,801 | 254,669,994 |

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

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

| For the year ending December 31, 2022 | Stage 1 | | Stage 2 | | Stage 3 | Total |
|--|----------------|----------------|----------------|------------------|----------------|------------------|
| | Collective | Individual | Collective | Individual | | |
| | JD | JD | JD | JD | | |
| Balance at the beginning of the year | 796,805 | 152,502 | 169,157 | 956,539 | 207,366 | 2,282,369 |
| Credit loss on new exposures during the year | 151,362 | 267,623 | 36,204 | 639,615 | 157,461 | 1,252,265 |
| Credit loss on accrued exposures | (437,604) | (63,989) | (59,739) | (158,836) | (143,151) | (863,319) |
| Transferred to stage 1 | 89,164 | 383,454 | (59,933) | (383,454) | (29,231) | - |
| Transferred to stage 2 | (19,226) | (12,904) | 33,084 | 12,903 | (13,857) | - |
| Transferred to stage 3 | (6,520) | - | (8,394) | (5,845) | 20,759 | - |
| Effect on the provision at the end of the year - resulting from the reclassification between the three stages at the end of the year | (57,313) | (338,408) | 1,697 | 492,306 | 102,288 | 200,570 |
| Changes resulting from adjustments | 48 | 24,842 | 17 | 9,725 | - | 34,632 |
| Gross Balance at the End of the Year | 516,716 | 413,120 | 112,093 | 1,562,953 | 301,635 | 2,906,517 |

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

23- Authorized Paid-up Capital

Authorized and paid-in capital amounted to JD 190 million divided into 190 million shares at a par value of JD 1 per share as of December 31, 2022 and JD 190 million divided into 190 million shares as of December 31, 2021.

24- Reserves

Statutory Reserve

This reserve represents amounts transferred from income before tax at the rates that applies in the areas where the bank operates during the year and the previous year's according to the Bank's Law and company's Law. The statutory reserve may not be distributed to shareholders.

General Banking Risk Reserve

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

Cyclical Fluctuations Reserve

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

Restricted reserves are as follows:

| Nature of Reserve | Amount | Regulation |
|-----------------------|------------|---|
| | JD | |
| Statutory | 91,364,494 | Banking law and corporate law |
| General banking risk | 4,646,255 | Palestinian Monetary Authority instructions |
| Cyclical fluctuations | 11,396,874 | Palestinian Monetary Authority instructions |

25- Suggested Dividends to be distributed

On February 8, 2023, the Board of Directors recommended to the General Assembly of the Bank to approve the distribution of dividends to shareholders for the current year at a rate of 10%, or the equivalent of 19,000,000 dinars (0.1 dinars per share), and this recommendation is subject to the approval of the Central Bank of Jordan and the General Assembly of Shareholders.

26- Fair Value Reserve - Net

The details of this item are as follows:

| | December 31 | |
|--|------------------|------------------|
| | 2022 | 2021 |
| | JD | JD |
| Beginning balance | 3,797,698 | (5,988,630) |
| Unrealized profits | 7,268,999 | 11,744,228 |
| Profit / Loss from sale of financial assets at fair value through other comprehensive income | 137,544 | (109,861) |
| Deferred tax assets | (1,436,466) | (1,758,961) |
| Deferred tax liability | (463,308) | (89,078) |
| Ending balance | 9,304,467 | 3,797,698 |

- The net fair value reserve appears after deducting deferred tax liabilities in the amount of JD 776,860

27- Retained Earnings

The details of this item are as follows:

| | December 31 | |
|---|-------------------|-------------------|
| | 2022 | 2021 |
| | JD | JD |
| Beginning balance | 94,481,206 | 88,960,274 |
| Profit for the year | 34,613,824 | 32,799,711 |
| Transferred to statutory reserve | (4,652,575) | (4,664,040) |
| Transferred from (to) general banking risk reserve | (304,826) | (444,246) |
| Transferred to cyclical reserve | (502,221) | - |
| Cash dividends | (28,500,000) | (22,800,000) |
| Net change in non-controlling interest | 2,912,691 | 519,646 |
| Net gain from sale of financial assets at fair value through other comprehensive income | (137,544) | 109,861 |
| Ending Balance | 97,910,555 | 94,481,206 |

- قررت الهيئة العامة للمساهمين في اجتماعها العادي المنعقد بتاريخ 24 نيسان 2022 الموافقة على توزيع أرباح نقدية على المساهمين بمبلغ 90 فلس للسهم الواحد أي بنسبة 9% من القيمة الاسمية للسهم البالغة دينار واحد، بالإضافة إلى توزيع 16,078,984 سهم من أسهم مصرف الصفا / فلسطين المملوكة لبنك القاهرة عمان على مساهمي بنك القاهرة عمان وذلك بنسبة وتناسب من ملكية المساهمين برأس مال بنك القاهرة عمان كأرباح عن عام 2021
- The balance of retained earnings as of December 31, 2022 includes an amount of 12,672,287 dinars, which represents the balance of the impact of the early application of International Financial Reporting Standard No. (9), and according to the instructions of the Securities Commission, it is prohibited to dispose of it except to the extent of what is actually achieved through sales.
- Retained earnings include deferred tax assets amounting to 13,574,826 dinars as on December 31, 2022, compared to 12,227,606 dinars as on December 31, 2021, and based on the instructions of the Central Bank of Jordan, it is prohibited to dispose of them.
- An amount of 1,155,916 dinars cannot be disposed of and represents the remaining balance of the general banking risk reserve within the retained earnings in accordance with the instructions of the Central Bank of Jordan.

28- Interest Income

The details of this item are as follows:

| | 2022 | 2021 |
|---|---------------------------|---------------------------|
| Direct Credit Facilities: | JD | JD |
| Consumer lending | | |
| Overdrafts | 1,148,994 | 1,751,368 |
| Loans and bills | 61,358,880 | 56,482,391 |
| Credit cards | 2,821,536 | 2,841,390 |
| Margin accounts – financial services | 491,819 | 909,847 |
| Residential mortgages | 16,638,058 | 13,958,062 |
| Corporate lending | | |
| Large Corporate | | |
| Overdrafts | 7,724,923 | 6,771,899 |
| Loans and bills | 30,731,253 | 26,931,154 |
| Small and medium enterprises lending | | |
| Overdrafts | 1,860,118 | 1,547,420 |
| Loans and bills | 10,117,098 | 7,404,659 |
| Public and governmental sectors | 12,313,065 | 12,503,043 |
| Balances at Central Banks | 385,901 | 55,705 |
| Balances and deposits at banks and financial institutions | 4,346,792 | 2,752,876 |
| Financial assets at amortized cost | 38,542,823 | 38,088,471 |
| Total | <u>188,481,260</u> | <u>171,998,285</u> |

29- Interest Expense

The details of this item are as follows:

| | 2022 | 2021 |
|--|--------------------------|--------------------------|
| | JD | JD |
| Banks and financial institution deposits | 8,609,401 | 6,052,314 |
| Customers' deposits: | | |
| Current and demand accounts | 1,709,086 | 2,102,527 |
| Saving accounts | 1,398,269 | 1,272,913 |
| Time and notice placements | 39,992,990 | 34,482,146 |
| Deposit Certificates | 297,559 | 422,968 |
| Borrowed funds | 10,974,200 | 8,952,019 |
| Deposit guarantee fees | 3,800,294 | 2,827,006 |
| Total | <u>66,781,799</u> | <u>56,111,893</u> |

30- Net Commission

The details of this item are as follows:

| | 2022 | 2021 |
|---------------------------------------|--------------------------|--------------------------|
| | JD | JD |
| Direct credit facilities commission | 4,953,995 | 5,060,164 |
| Indirect credit facilities commission | 2,676,572 | 2,459,476 |
| Other commissions | 11,776,452 | 12,980,172 |
| Less: commission expense | 168,580 | (155,568) |
| Total Net Commission | <u>19,238,439</u> | <u>20,344,244</u> |

31- Profits from Foreign Currencies

The details of this item are as follows:

| | 2022 | 2021 |
|---|-------------------------|-------------------------|
| | JD | JD |
| Trading/ operations in foreign currencies | 246,209 | 235,087 |
| Revaluation of foreign currencies | 4,632,432 | 4,181,722 |
| Total | <u>4,878,641</u> | <u>4,416,809</u> |

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

The details of this item are as follows:

| For the year ended December 31, 2022 | Realized Gains | Unrealized Gains | Stock Dividends | Total |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | JD | JD | JD | JD |
| corporate stocks | 309,041 | 223,770 | 458,343 | 991,154 |
| Total | <u>309,041</u> | <u>223,770</u> | <u>458,343</u> | <u>991,154</u> |

| For the year ended December 31, 2021 | Realized Gains | Unrealized Gains | Stock Dividends | Total |
|--------------------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
| | JD | JD | JD | JD |
| corporate stocks | 268,983 | 1,126,633 | 287,281 | 1,682,897 |
| Total | <u>268,983</u> | <u>1,126,633</u> | <u>287,281</u> | <u>1,682,897</u> |

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

The details of this item are as follows:

| | 2022 | 2021 |
|---------------------------------------|-------------------------|-------------------------|
| | JD | JD |
| Dividend income from companies shares | <u>2,351,321</u> | <u>2,603,330</u> |
| Total | <u>2,351,321</u> | <u>2,603,330</u> |

34- Other Income - Net

The details of this item are as follows:

| | 2022 | 2021 |
|---|-------------------------|-------------------------|
| | JD | JD |
| Suspended interest transferred to revenue | 923,109 | 447,445 |
| Box rental income | 126,320 | 126,137 |
| Revenues from selling check books | 40,688 | 42,255 |
| Collections of debts previously written off | 1,306,387 | 1,513,163 |
| Income from ATM and credit cards | 2,963,284 | 2,284,738 |
| (Losses) from sale of property and equipment | 34,010 | 87,520 |
| Gains from sale of assets repossessed by the Bank | 2,399,178 | 780,188 |
| Buildings rent revenue | 22,000 | 26,257 |
| Brokerage commission | 850,596 | 1,148,557 |
| Others | <u>95,650</u> | <u>168,046</u> |
| Total | <u>8,761,222</u> | <u>6,624,306</u> |

35- Employees' Costs

The details of this item are as follows:

| | 2022 | 2021 |
|--|--------------------------|--------------------------|
| | JD | JD |
| Employees' salaries, benefits and remuneration | 36,389,802 | 36,689,877 |
| Bank's contribution to social security | 2,742,054 | 2,758,392 |
| Bank's contribution to savings fund | 540,758 | 487,392 |
| End of service indemnity (No. 20) | 2,945,445 | 901,865 |
| End of service indemnity | 7,522 | 744,658 |
| Medical expenses | 2,814,948 | 2,881,456 |
| Employees' training | 230,167 | 164,473 |
| Employees' uniforms | 199,875 | 283,193 |
| Others employees expenses | <u>89,365</u> | <u>56,796</u> |
| Total | <u>45,959,936</u> | <u>44,968,102</u> |

36- Other Expenses

The details of this item are as follows:

| | 2022 | 2021 |
|---|--------------------------|--------------------------|
| | JD | JD |
| Rent | 109,416 | 755,213 |
| Lease contracts consumptions | 4,341,907 | 3,469,181 |
| Lease contracts interests | 947,331 | 1,049,037 |
| Cleaning and maintenance | 2,287,154 | 2,053,310 |
| Water, heat and electricity | 2,528,220 | 2,624,961 |
| License and governmental fees | 1,354,604 | 1,269,485 |
| Printings and stationery | 669,982 | 621,717 |
| Donations and subvention | 1,174,691 | 751,189 |
| Insurance expenses | 1,438,799 | 1,501,833 |
| Subscriptions | 810,052 | 825,347 |
| Telephone and telex | 473,691 | 608,897 |
| Legal fees and expenses | 1,831,204 | 858,455 |
| Professional fees | 1,151,846 | 1,165,958 |
| Mail and money transfer | 805,773 | 788,594 |
| Advertising expense | 3,449,418 | 3,072,189 |
| Board of directors expenses and remuneration | 1,288,753 | 1,137,093 |
| Information systems expenses and compensation | 8,812,588 | 7,900,112 |
| Travel and transportation | 543,974 | 495,995 |
| Consultation expenses | 401,439 | 419,348 |
| Safeguarding expenses | 474,230 | 821,507 |
| External expenses | 920,017 | 402,769 |
| Other expenses | <u>663,998</u> | <u>638,600</u> |
| Total | <u>36,479,087</u> | <u>33,230,790</u> |

37- Provision for Expected Credit Losses

The details of this item are as follows:

| | 2022 | 2021 |
|--|--------------------------|--------------------------|
| | JD | JD |
| Balances at central banks | 1,228 | (3,169) |
| Balances at banks and financial institutions | (25,959) | (39,304) |
| Deposits at banks and financial institutions | (147,852) | (126,016) |
| Financial assets at fair value through OCI | 94 | 4,336 |
| Financial assets at amortized cost | (104,679) | (196,553) |
| Direct credit facilities | 14,473,184 | 17,338,435 |
| Indirect credit facilities | <u>1,333,456</u> | <u>650,706</u> |
| Total | <u>15,529,472</u> | <u>17,628,435</u> |

38- Earnings per Share

The details of this item are as follows:

| | 2022 | 2021 |
|--|-------------|-------------|
| | JD | JD |
| Profit for the year attributable to bank's shareholders (JD) | 34,613,824 | 32,799,711 |
| Weighted average number of shares (share) | 190,000,000 | 190,000,000 |
| | | |
| | Fils/JD | Fils/JD |
| Basic and diluted earnings per share (Bank's Shareholders) | 182/0 | 173/ 0 |

The weighted average for earnings per shares was calculated from the basic and diluted profit attributable to the shareholders of the bank based on the number of shares authorized for the years ended December 31, 2022 and 2021, according to the requirements of International Accounting Standard (33).

39- Cash and Cash Equivalents

The details of this item are as follows:

| | As on 31 December | |
|---|--------------------|--------------------|
| | 2022 | 2021 |
| | JD | JD |
| Cash and balances with Central Banks maturing within 3 months | 320,714,351 | 413,509,026 |
| Add: Balances at banks and financial institutions' maturing within 3 months | 123,941,017 | 121,574,475 |
| Less: Banks and financial institutions' deposits maturing within 3 months | 180,601,325 | 105,012,987 |
| Restricted cash balances | 10,635,000 | 10,635,000 |
| Total | 253,419,043 | 419,435,514 |

40- Balances and Transactions with Related Parties

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

| Company Name | Ownership % | Paid in Capital | |
|--|-------------|-----------------|------------|
| | | 2022 | 2021 |
| | | JD | JD |
| Al-Watanieh Financial Services Company Limited Liability | 100 | 6,500,000 | 5,500,000 |
| Al-Watanieh Securities Company private shareholding | 100 | 1,600,000 | 1,600,000 |
| Tamallak for Financial Leasing Company | 100 | 5,000,000 | 5,000,000 |
| Safa Bank | 51 | 53,175,000 | 53,175,000 |

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

The following related party transactions took place during the year:

| | Stakeholders | | | | Total | |
|---|--------------|------------------|----------------------|------------|---------------------------------|-------------|
| | BOD members | Main shareholder | Executive management | Other* | For the Year Ended December 31, | |
| | | | | | 2022 | 2021 |
| | JD | JD | JD | JD | JD | JD |
| Items within the financial position statement | | | | | | |
| Direct facilities | 28,110,060 | 15,715,044 | 3,432,812 | 22,148,381 | 69,406,297 | 42,612,401 |
| Bank deposits | 33,778,096 | 5,807,256 | 3,032,305 | 19,404,467 | 62,022,124 | 118,203,631 |
| Cash insurance | 138,348 | - | 76 | 192,103 | 330,527 | 949,346 |
| Items out of the financial position statement | | | | | | |
| Indirect facilities | 3,201,017 | 329,300 | 7,390 | 637,703 | 4,175,410 | 2,197,851 |
| Profit or loss Statements Items | | | | | 2022 | 2021 |
| | | | | | JD | JD |
| Interest and commission income | 573,402 | 257,989 | 141,624 | 2,384,624 | 3,357,639 | 2,969,714 |
| Interest and commission expense | 1,215,339 | 91,745 | 54,226 | 294,383 | 1,655,693 | 2,604,508 |

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

- Credit interest rates on credit facilities in Jordanian Dinar range between 2% 15.9%
- Credit interest rates on credit facilities in foreign currency range between 4.25% 7.5%
- Debit interest rates on deposits in Jordanian Dinar range between zero% 6%
- Debit interest rates on deposits in foreign currency range between zero% 3.25% Salaries, wages and

** bonuses of executive management amounted to JD 3,394,081 as of December 31, 2022 (JD 3,269,359 as of December 31, 2021).

41- Risk Management

The Bank is exposed to a range of risks, including the following main risks:

- **Credit risk**
- **Market risk**
- **Liquidity risk**
- **Operational risk**
- **Compliance risk**

- Credit risk

Credit risk is the risk that may result from non-compliance or inability of the counterparty to the financial instrument to fulfill its obligations towards the bank, which leads to losses. The Bank works to manage credit risks by applying and updating various policies that define and address all aspects of granting and maintaining credit, in addition to setting ceilings for the amounts of credit facilities granted to customers and the total credit facilities for each sector and each geographical area.

The general framework for credit risk management in the bank is represented by the following axes:

Credit policies:

The Bank manages credit risks through what the Board of Directors determines annually in its various credit policies in terms of ceilings and different conditions, which are renewed annually according to the variables and results of analysis and studies and with the approval of the Board of Directors. These policies generally include the foundations and principles of grants in the Bank, determine powers, guarantees, credit control department, define the general framework for credit risk management, and it also includes clear ratios for the maximum limits of credit granted to any customer and/or group of related customers, in addition to the distribution of credit according to geographical regions and different economic sectors, and the bank considers that the diversification of portfolios is one of the basic elements to mitigate credit risks.

Customer credit rating:

In order to develop credit risk management at the Bank, credit risks are classified internally, which includes the classification of customer risks according to their financial solvency and ability to pay, in addition to evaluating the quality and quality of the facilities granted to customers according to the movement of account activity and the regularity of payment of principal and interest. The guarantees are also classified according to their type and percentages covering the risks of the granted and/or existing facilities. The bank's portfolio and its distributions are periodically monitored according to ratings.

Risk mitigation methods

The bank follows several methods to mitigate risks, including defining acceptable guarantees and their conditions, so that good and liquid guarantees are accepted at the appropriate value and time in case the bank needs that, taking into account the absence of a correlation between the value of the guarantee and the customer's activity. The bank also follows the insurance policy on some portfolios and builds provisions. As one of the methods of mitigating risks, the management monitors the market value of the guarantees periodically, and in the event of its decrease, the bank requests additional guarantees to enhance the shortfall.

Credit Granting Process Management:

The principle of separating the functions related to risk management in the bank is adopted in line with the best practices in this regard, with clarification of the limits, powers and responsibilities of each of these functions, as the credit decision is separated from the implementation in a way that ensures the achievement of control over the credit granting operations.

It is ensured that administrative approvals are obtained for the facilities approved for granting, and compliance with the authority schedules according to the size of the credit and the guarantees placed against it. The approvals are notified and the disbursement is executed after ensuring that the contracts and guarantees fulfill the conditions required to implement the principle of separation of duties.

Work is done on correct legal documentation of contracts and documents related to facilities and bank guarantees, and to verify their completion of the approved credit conditions and legal conditions in a way that preserves the rights of the bank, before executing and disbursing the facilities.

Credit maintenance and follow-up

The development and performance of the various facilities portfolios are monitored periodically in order to ensure that they are within the limits of acceptable risks and the ceilings of the economic sectors specified by the Bank's Board of Directors, and for the purposes of identifying preliminary indicators of high risks in them.

The status of accounts classified as non-performing is reviewed periodically and the need to deduct any additional provisions against them.

There are independent and specialized departments whose tasks are to decide on irregular credit and assume the task of managing and collecting irregular credit facilities. The bank has allocated several control departments that monitor and follow up credit and report any early warning indicators in order to follow up and correct.

1- Reclassified credit exposures

A- Gross reclassified credit exposures

| As on 31 December 2022 | Second stage | | Third stage | | Total exposure with amended classification | Percentage of classified exposures |
|------------------------|----------------------|---------------------------------------|----------------------|---------------------------------------|--|------------------------------------|
| Item | Total exposure value | Exposures with amended classification | Total exposure value | Exposures with amended classification | | |
| | Dinar | Dinar | Dinar | Dinar | | % |
| Credit facilities | 402,418,560 | 138,671,844 | 131,845,238 | 51,076,978 | 263,198,640 | 11,73% |
| Total | 402,418,560 | 138,671,844 | 131,845,238 | 51,076,978 | 263,198,640 | |
| Financial bonds | 15,512,191 | 8,202,643 | 591,392 | 429,748 | 12,844,416 | 18.59% |
| Documentary credits | 7,953,638 | 2,904,015 | - | - | 2,904,015 | 4.10% |
| Other commitments | 50,244,925 | 17,915,817 | 585,801 | 296,103 | 30,767,386 | 12.08% |
| Total | 476,129,314 | 167,694,319 | 133,022,431 | 51,802,829 | 309,714,457 | |

| As on 31 December 2021 | Second stage | | Third stage | | Total exposure with amended classification | Percentage of classified exposures |
|------------------------|----------------------|---------------------------------------|----------------------|---------------------------------------|--|------------------------------------|
| Item | Total exposure value | Exposures with amended classification | Total exposure value | Exposures with amended classification | | |
| | Dinar | Dinar | Dinar | Dinar | | % |
| Credit facilities | 350,718,902 | 120,600,340 | 115,282,829 | 32,115,382 | 186,243,736 | 9.05% |
| Total | 350,718,902 | 120,600,340 | 115,282,829 | 32,115,382 | 186,243,736 | |
| Financial bonds | 11,302,526 | 2,826,151 | 411,961 | 299,185 | 3,583,633 | 5.70% |
| Documentary credits | 1,988,269 | 54,998 | - | - | 54,998 | 0.06% |
| Other commitments | 41,298,313 | 7,527,916 | 539,655 | 397,489 | 10,500,379 | 3.54% |
| Total | 405,308,010 | 131,009,405 | 116,234,445 | 32,812,056 | 200,382,746 | |

B- Expected credit losses of reclassified exposures:

| As on 31 December 2022 | Credit loss of the Exposures with amended classifications | | | | | |
|------------------------|---|--|---|---|-----------------|-----------------|
| | Exposures with amended classifications | | | Credit loss of the Exposures with amended classifications | | |
| | Second stage | | | Third stage | | |
| | Total exposures with amended classification from the second stage | Total exposures with amended classification from the third stage | Total exposures with amended classification | Individual | Collective | Total |
| credit facilities | Dinar 138,671,844 | Dinar 51,076,978 | Dinar 263,198,640 | Dinar 3,237,914 | Dinar 3,458,399 | Dinar 8,258,415 |
| Total | 138,671,844 | 51,076,978 | 263,198,640 | 3,237,914 | 3,458,399 | 8,258,415 |
| Financial guarantees | 8,202,643 | 429,748 | 12,844,416 | 90,441 | - | 110,534 |
| Letters of credit | 2,904,015 | - | 2,904,015 | 11,898 | - | 11,898 |
| Other liabilities | 17,915,817 | 296,103 | 30,767,386 | 12,903 | 33,084 | 66,746 |
| Total | 167,694,319 | 51,802,829 | 309,714,457 | 3,353,156 | 3,491,483 | 8,447,593 |

| As on 31 December 2021 | Credit loss of the Exposures with amended classifications | | | | | |
|------------------------|---|--|---|---|-----------------|-----------------|
| | Exposures with amended classifications | | | Credit loss of the Exposures with amended classifications | | |
| | Second stage | | | Third stage | | |
| | Total exposures with amended classification from the second stage | Total exposures with amended classification from the third stage | Total exposures with amended classification | Individual | Collective | Total |
| credit facilities | Dinar 120,600,340 | Dinar 32,115,382 | Dinar 186,243,736 | Dinar 1,923,092 | Dinar 3,132,660 | Dinar 6,070,536 |
| Total | 120,600,340 | 32,115,382 | 186,243,736 | 1,923,092 | 3,132,660 | 6,070,536 |
| Financial guarantees | 2,826,151 | 299,185 | 3,583,633 | 2,549 | - | 14,883 |
| Letters of credit | 54,998 | - | 54,998 | 81 | - | 81 |
| Other liabilities | 7,527,916 | 397,489 | 10,500,379 | 7,138 | 59,507 | 83,287 |
| Total | 131,009,405 | 32,812,056 | 200,382,746 | 1,932,860 | 3,192,167 | 6,168,787 |

2- Allocation of exposures according to industrial sectors:
A- Allocation of exposures according to financial instruments – net

| As on 31 December 2022 | Financial | Industrial | Commercial | Real Estate* | Agricultural | Stock exchange | Consumer | Public Sector | Total |
|--|-------------|-------------|-------------|--------------|--------------|----------------|-------------|---------------|---------------|
| | JD | JD | JD | JD | JD | JD | JD | JD | JD |
| Balances at central banks | - | - | - | - | - | - | - | 180,339,402 | 180,339,402 |
| Balances at banks and financial institutions | 123,920,745 | - | - | - | - | - | - | - | 123,920,745 |
| Deposits at banks and financial institutions | 73,083,268 | - | - | - | - | - | - | - | 73,083,268 |
| Direct credit facilities | 117,373,960 | 151,241,237 | 348,956,741 | 389,655,237 | 24,424,596 | 21,862,231 | 830,877,448 | 242,802,615 | 2,127,194,065 |
| Financial assets at amortized | 61,443,103 | - | 21,357,800 | - | - | - | - | 712,564,237 | 795,365,140 |
| Other assets | 8,548,806 | 2,736,393 | 6,729,184 | 285,616 | 402,536 | 293,273 | 6,830,337 | 8,420,496 | 34,246,641 |
| Total | 384,369,882 | 153,977,630 | 377,043,725 | 389,940,853 | 24,827,132 | 22,155,504 | 837,707,785 | 1,144,126,750 | 3,334,149,261 |
| Financial guarantees | 14,365,568 | 7,253,825 | 27,047,910 | 16,900,114 | 618,740 | - | - | 1,772,327 | 67,958,484 |
| Letters of credit | 14,961,923 | 12,462,052 | 32,307,379 | - | - | - | - | 10,286,878 | 70,018,232 |
| Other liabilities | 44,990,039 | 14,959,642 | 129,933,004 | 7171,736 | 1,664,502 | 3,509,974 | 11,204,917 | 38,329,663 | 251,763,477 |
| Total | 458,687,412 | 188,653,149 | 566,332,018 | 414,012,703 | 27,110,374 | 25,665,478 | 848,912,702 | 1,194,515,618 | 3,723,889,454 |

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

* The real estate economic sector includes loans granted to large companies and housing loans

B- Allocation of exposures according stage categories of IFRS (9):

| As of December 31 ,2022 | Stage 1 | | Stage 2 | | | |
|--------------------------------|---------------|-------------|-------------|-------------|------------|---------------|
| Item | Individual | Collective | Individual | Collective | Stage 3 | Total |
| | JD | JD | JD | JD | JD | JD |
| Financial | 433,244,246 | 8,804,747 | 16,638,401 | - | 18 | 458,687,412 |
| Industrial and mining | 136,034,023 | 3,799,873 | 44,870,845 | 123,980 | 3,824,428 | 188,653,149 |
| General Commercial | 317,106,265 | 34,127,801 | 183,094,835 | 26,813,139 | 5,189,978 | 566,332,018 |
| Real estate purchase financing | 200547651 | 163,656,908 | 10,845,510 | 23,498,698 | 15,463,936 | 414,012,703 |
| Agricultural | 15,995,749 | 578,728 | 9,634,892 | 3,400 | 897,605 | 27,110,374 |
| Trading | 16,187,212 | 5,610,423 | 3,561,392 | 15,582 | 290,869 | 25,665,478 |
| Consumer | 196,730 | 767,633,689 | 61,085 | 63,838,660 | 17,182,538 | 848,912,702 |
| Government and public sector | 1,112,167,387 | 8,162,267 | 74,160,332 | - | 25,632 | 1,194,515,618 |
| Total | 2,231,479,263 | 992,374,436 | 342,867,292 | 114,293,459 | 42,875,004 | 3,723,889,454 |

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

3- Allocation of exposures according to geographical locations:**A- Allocation of exposures according to geographical regions - net**

| As of December 31 ,2022 | Inside Jordan | Other Middle Eastern Countries | Europe | Asia * | Americas | Other Countries | Total |
|--|----------------------|--------------------------------|-------------------|----------------|-------------------|-----------------|----------------------|
| | JD | JD | JD | JD | JD | JD | JD |
| Balances at central banks | 82,042,939 | 98,296,463 | - | | | | 180,339,402 |
| Balances at banks and financial institutions | 40,763,309 | 29,973,972 | 34,972,096 | 546,104 | 17,639,988 | 25,276 | 123,920,745 |
| Deposits at banks and financial institutions | 71,933,817 | 1,149,451 | - | - | - | - | 73,083,268 |
| Direct credit facilities | 1,528,573,384 | 588,390,399 | 2,304,413 | - | 7,925,869 | - | 2,127,194,065 |
| Financial assets at amortized cost | 753,001,107 | 41,798,232 | 565,801 | - | - | - | 795,365,140 |
| Other assets | 28,364,585 | 4,252,904 | 1,625,056 | - | 4,096 | - | 34,246,641 |
| Gross assets | 2,504,679,141 | 763,861,421 | 39,467,366 | 546,104 | 25,569,953 | 25,276 | 3,334,149,261 |
| Financial guarantees | 47,289,570 | 15,886,761 | 4,270,801 | 298,702 | 212,650 | - | 67,958,484 |
| Letters of credit and acceptances | 43,801,725 | 26,216,507 | - | - | - | - | 70,018,232 |
| Other liabilities | 205,931,697 | 45,831,780 | - | - | - | - | 251,763,477 |
| Total | 2,801,702,133 | 851,796,469 | 43,738,167 | 844,806 | 25,782,603 | 25,276 | 3,723,889,454 |

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

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

| As on 31 December 2022 | Stage 2 | | Stage 1 | | Stage 3 | Total |
|--------------------------------|----------------------|--------------------|--------------------|--------------------|-------------------|----------------------|
| | Individual | Collective | Individual | Individual | | |
| | Dinar | Dinar | Dinar | Dinar | Dinar | Dinar |
| Inside the Kingdom | 1,656,796,625 | 797,186,500 | 246,027,453 | 66,819,119 | 34,872,436 | 2,801,702,133 |
| Other middle eastern countries | 505,887,057 | 193,592,665 | 96,839,839 | 47,474,340 | 8,002,568 | 851,796,469 |
| Europe | 42,142,896 | 1,595,271 | - | - | - | 43,738,167 |
| Asia | 844,806 | - | - | - | - | 844,806 |
| America | 25,782,603 | - | - | - | - | 25,782,603 |
| Other countries | 25,276 | - | - | - | - | 25,276 |
| Total | 2,231,479,263 | 992,374,436 | 342,867,292 | 114,293,459 | 42,875,004 | 3,723,889,454 |

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

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

| | 31 December | |
|--|----------------------|----------------------|
| | 2022 | 2021 |
| | JD | JD |
| On- Consolidated Statement of Financial Position Items | | |
| Balances at Central Banks | 180,339,402 | 248,058,253 |
| Balances at banks and financial institutions | 123,920,745 | 121,528,244 |
| Deposits at banks and financial institutions | 73,083,268 | 101,054,720 |
| Direct credit facilities: | | |
| Consumer lending | 761,844,268 | 727,566,666 |
| Residential mortgages | 305,171,942 | 280,256,391 |
| Large corporations | 595,588,956 | 568,966,335 |
| Small and medium enterprises | 223,479,893 | 197,256,595 |
| Lending to governmental and public sectors | 241,109,006 | 177,050,868 |
| Financial assets held at amortized cost, net | 795,365,140 | 806,607,799 |
| Other assets | 34,246,641 | 35,575,050 |
| Total on-Consolidated Statement of Financial Position Items | 3,334,149,261 | 3,263,920,921 |

Off-Statement of Financial Position Items

| | | |
|--|----------------------|----------------------|
| Letters of credit & Acceptances | 70,018,232 | 94,226,675 |
| Letters of guarantee | 67,958,484 | 62,285,516 |
| Irrevocable commitments to extend credit | 251,763,477 | 294,245,047 |
| Total off- Consolidated Statement of Financial Position Items | 389,740,193 | 450,757,238 |
| Total on & off- Consolidated Statement of Financial Position Items | <u>3,723,889,454</u> | <u>3,714,678,159</u> |

- The above table represents the maximum credit risk for the bank as of December 31, 2022 and 2021 without taking the collaterals or effect of mitigation into consideration.
- The exposure mentioned above for on-statement of financial position items is based on the balance shown in the statement of financial position.

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

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

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

Rescheduled Loans:

These represent loans previously classified as non-performing loans and reclassified as other than non-performing loans according to proper scheduling to watch list. Moreover, it amounted to JD 21.362.142 as of the current year against JD 20.887.637 as of the previous year.

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

Restructured Loans:

Restructuring means rearranging the status of operating credit facilities in terms of adjusting premiums, prolonging the life of credit facilities, postponing some instalments, or extending the grace period, based on customer cash flows and helping them meet their obligations towards the Bank. The value of these loans amounted to about JD 98,695,148 as of December 31, 2022 against JD 18,514,268 as of December 31, 2021.

5- Debt Securities and Treasury Bills

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

| Rating grade | Rating Agency | Financial Assets at Amortized Cost or Financial Assets Pledged as Collateral |
|--------------|---------------|--|
| | | JD |
| BAA3 | Moody's | 213,510 |
| B1 | Moody's | 3,538,317 |
| B2 | Moody's | 2,496,162 |
| Ba3 | Moody's | 10,607,711 |
| Un-rated | Moody's | 82,357,800 |
| Governmental | | 696,986,019 |
| Total | | <u>796,199,519</u> |

Development of Credit Risk Measurement and Management System

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

- Market Risk

Market risk is defined as the risk of fluctuation in fair value or cash flows of financial assets arising from changes in market prices such as interest rate risks, foreign currency risks, and commodities risks. These risks are monitored according to specific policies and procedures and through specialized committees and work centers concerned.

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

Interest Rate Risk

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

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

Interest Rate Risk Management

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

The following table demonstrates the sensitivity analysis of interest rates:

| Currency | Increase in interest rate | Sensitivity of net interest income (profit or loss) | Change (decrease) in interest rate | Sensitivity of net interest income (profit or loss) |
|------------------|---------------------------|---|------------------------------------|---|
| 2022 | Basis points | JD | Basis points | JD |
| USD | 100 | 1,214,399 | 100 | (1,214,399) |
| EURO | 100 | (94,881) | 100 | 94,881 |
| GBP | 100 | (2,541) | 100 | 2,541 |
| JPY | 100 | - | 100 | - |
| Other Currencies | 100 | 1,302,953 | 100 | (1,302,953) |
| | | | | |
| 2021 | | | | |
| USD | 100 | 1,201,099 | 100 | (1,201,099) |
| EURO | 100 | 3,077 | 100 | (3,077) |
| GBP | 100 | 18,273 | 100 | (18,273) |
| JPY | 100 | - | 100 | - |
| Other Currencies | 100 | 113,118 | 100 | (113,118) |

Interest Rate Re-Pricing Gap

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

| As of December 31, 2022 | Less than 1 Month | 1 - 3 Months | 3 - 6 Months | 6 - 12 Months | 1 - 3 Years | More than 3 Years | Non-Interest Bearing | Total |
|---|-------------------|--------------|--------------|---------------|-------------|-------------------|----------------------|---------------|
| | JD | JD | JD | JD | JD | JD | JD | JD |
| Assets | | | | | | | | |
| Cash and balances at Central Bank of Jordan - net | 38,635,000 | - | - | - | - | - | 282,063,816 | 320,698,816 |
| Balances at banks and financial institutions | 84,775,792 | 478,717 | - | - | - | - | 38,666,236 | 123,920,745 |
| Deposits at banks and financial institutions | - | - | 55,938,100 | 171,451,168 | - | - | - | 73,083,268 |
| Financial assets at fair value through profit or loss | - | - | - | - | - | - | 9,980,141 | 9,980,141 |
| Financial assets at fair value through OCI | - | - | - | - | - | 176,339 | 71,703,033 | 71,879,372 |
| Financial assets at amortized cost | 17,998,339 | 44,412,605 | 55,789,226 | 72,627,172 | 324,035,289 | 280,502,509 | - | 795,365,140 |
| Direct credit facilities - Net | 547,340,255 | 942,795,212 | 156,022,384 | 214,935,293 | 116,955,728 | 149,145,193 | - | 2,127,194,065 |
| Property and equipment | - | - | - | - | - | - | 43,924,827 | 43,924,827 |
| Intangible assets | - | - | - | - | - | - | 5,361,339 | 5,361,339 |
| Deferred tax assets | - | - | - | - | - | - | 13,574,826 | 13,574,826 |
| Other assets | - | - | - | - | - | - | 89,991,915 | 89,991,915 |
| Total Assets | 688,749,386 | 987,686,534 | 267,749,710 | 304,707,633 | 440,991,017 | 429,824,041 | 555,266,133 | 3,674,974,454 |
| Liabilities | | | | | | | | |
| Banks and financial institutions' deposits | 161,429,482 | - | 30,000,000 | 6,000,000 | - | - | 21,023,751 | 218,453,233 |
| Customers' deposits | 634,383,478 | 368,739,348 | 271,333,560 | 446,566,680 | 139,961,698 | 59,078,272 | 534,120,314 | 2,454,183,350 |
| Margin accounts | 4,176,208 | 4,499,278 | 6,554,693 | 5,753,115 | 7,720,458 | 9,891,206 | 51,102,194 | 89,697,152 |
| Borrowed funds | 38,380,089 | 36,505,745 | 28,365,797 | 10,003,865 | 124,192,845 | 103,203,450 | 1,074,224 | 341,726,015 |
| Subordinated Loans | - | - | - | - | - | 18,540,350 | - | 18,540,350 |
| Sundry provisions | - | - | - | - | - | - | 14,065,732 | 14,065,732 |
| Income tax provision | - | - | - | - | - | - | 23,867,415 | 23,867,415 |
| Deferred tax liabilities | - | - | - | - | - | - | 1,308,124 | 1,308,124 |
| Other liabilities | - | - | - | - | - | - | 91,315,274 | 91,315,274 |
| Total Liabilities | 838,369,257 | 409,744,371 | 336,254,050 | 468,323,660 | 271,875,001 | 190,713,278 | 737,877,028 | 3,253,156,645 |
| Interest Rate Re-Pricing Gap | (149,619,871) | 577,942,163 | (68,504,340) | (163,616,027) | 169,116,016 | 239,110,763 | (182,610,895) | 421,817,809 |

| | | | | | | | | |
|------------------------------|---------------|-------------|--------------|---------------|-------------|-------------|---------------|---------------|
| As of December 31, 2021 | | | | | | | | |
| Total Assets | 620,799,250 | 879,136,630 | 323,709,561 | 250,794,269 | 479,871,949 | 416,434,375 | 643,062,199 | 3,613,808,233 |
| Total Liabilities | 807,208,706 | 370,069,998 | 359,557,981 | 477,274,627 | 247,926,932 | 174,133,061 | 780,237,973 | 3,216,409,278 |
| Interest Rate Re-Pricing Gap | (186,409,456) | 509,066,632 | (35,848,420) | (226,480,358) | 231,945,017 | 242,301,314 | (137,175,774) | 397,398,955 |

Currency Risk:

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

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

| | 2022 | | | 2021 | | |
|----------------|---------------------------|--------------------------|-----------------------|---------------------------|--------------------------|-----------------------|
| | Increase in Exchange Rate | Effect on Profit or Loss | Sensitivity on Equity | Increase in Exchange Rate | Effect on Profit or Loss | Sensitivity on Equity |
| | % | JD | JD | % | JD | JD |
| EURO | +1 | (532) | - | +1 | 342 | - |
| GBP | +1 | 378 | - | +1 | (3,040) | - |
| YEN | +1 | - | - | +1 | 5 | - |
| Other Currency | +1 | 155,910 | - | +1 | 234,949 | - |

In the event that there is a negative change in the interest rate, the effect will be equal to the change above, with the sign reversed.

Concentration in foreign currency risk

| As of December 31, 2022 | US Dollar | Sterling Pound | Japanese Yen | Euro | Other Currencies | Total |
|--|---------------------|------------------|----------------|--------------------|--------------------|----------------------|
| | JD | JD | JD | JD | JD | JD |
| Assets | | | | | | |
| Cash and balances at Central Banks | 65,334,735 | 575,868 | - | 2,566,702 | 104,746,351 | 173,223,656 |
| Balances at banks and financial institutions | 34,903,599 | 6,104,869 | 509,537 | 55,385,336 | 12,422,892 | 109,326,233 |
| Deposits at banks and financial institutions | - | - | - | - | 1,150,647 | 1,150,647 |
| Direct credit facilities - net | 350,214,385 | 3 | 7,547 | 4,705,056 | 291,489,106 | 646,416,097 |
| Financial assets at fair value through income statement | 55,886 | - | - | - | - | 55,886 |
| Financial assets at fair value through OCI | 5,659,925 | - | - | 60,284 | 14,278,567 | 19,998,776 |
| Financial assets at amortized cost | 152,270,022 | - | - | 1,563,856 | - | 153,833,878 |
| Property and equipment - net | 9,191,021 | - | - | - | 1,803 | 9,192,824 |
| Intangible assets | 594,333 | - | - | - | - | 594,333 |
| Other assets | 8,103,134 | 3,492 | - | 102,042 | 1,556,447 | 9,765,115 |
| Total Assets | 626,327,040 | 6,684,232 | 517,084 | 64,383,276 | 425,645,813 | 1,123,557,445 |
| Liabilities | | | | | | |
| Banks and financial institution deposits | 35,709,129 | - | - | 10,637,810 | 8,736,479 | 55,083,418 |
| Customers' deposits | 504,800,131 | 5,795,788 | 455,967 | 37,171,916 | 323,552,098 | 871,775,900 |
| Cash margins | 39,403,254 | 11 | 54,636 | 11,134,726 | 15,482,529 | 66,075,156 |
| Borrowed funds | 27,169,410 | - | - | 8,809,172 | - | 35,978,582 |
| Subordinated loans | 18,540,350 | - | - | - | - | 18,540,350 |
| Sundry provisions | 926,654 | - | - | - | - | 926,654 |
| Income tax liability | 364,090 | - | - | - | 4,570,713 | 4,934,803 |
| Other liabilities | 25,412,894 | 74,130 | - | 649,651 | 1,292,617 | 27,429,292 |
| Total Liabilities | 652,325,912 | 5,869,929 | 510,603 | 68,403,275 | 353,634,436 | 1,080,744,155 |
| Net concentration on consolidated statement of financial position | (25,998,872) | 814,303 | 6,481 | (4,019,999) | 72,011,377 | 42,813,290 |
| Contingent liabilities off consolidated statement of financial position | 91,897,162 | - | 695,176 | 25,371,093 | 21,677,643 | 139,641,074 |

| As of December 31, 2021 | | | | | | |
|--|---------------------|-------------------|-------------------|-------------------|--------------------|----------------------|
| Total Assets | 593,967,228 | 10,526,030 | 13,668,885 | 59,983,979 | 447,847,960 | 1,125,994,082 |
| Total Liabilities | 627,520,885 | 5,712,885 | 535,468 | 59,545,769 | 348,339,492 | 1,041,654,499 |
| Net concentration on consolidated statement of financial position | (33,553,657) | 4,813,145 | 13,133,417 | 438,210 | 99,508,468 | 84,339,583 |
| Contingent liabilities off the consolidated statement of financial position | 105,535,013 | 99,407 | - | 29,958,907 | 25,891,171 | 161,484,498 |

Change in Equity Price Risk

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

| Indicator | 2022 | | | 2021 | | |
|--------------------------|---------------------|---------------------------|------------------|---------------------|---------------------------|------------------|
| | Change in indicator | Impact to profit and loss | Impact to equity | Change in indicator | Impact to profit and loss | Impact to equity |
| | % | JD | JD | % | JD | JD |
| Amman stock exchange | +5 | 305,689 | 501,972 | +5 | 251,031 | 435,885 |
| Palestine stock exchange | +5 | - | 1,461,815 | +5 | - | 1,300,652 |
| Other markets | +5 | 6,124 | 642,536 | +5 | 4,237 | 665,093 |

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

- Liquidity Risk

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

Diversification of funding sources

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

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

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

Analyzing and monitoring the maturities of assets and liabilities

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

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

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

- Operational risk

It is the risk of loss resulting from inadequate or failed internal procedures, personnel, internal systems or those that may arise as a result of external events.

Operational Risk Management Framework:

Operational risk management is the responsibility of every employee at all levels in the Bank through the proper application of internal procedures that limit those risks that are exposed to during daily operations.

And due to the keenness and interest of the Bank's management in developing control and control systems on an ongoing basis, the general framework for operating risk management is implemented by a specialized staff that aims to facilitate and support all the Bank's departments to carry out their tasks in managing these risks.

The Bank applies several methodologies for measuring operational risks aimed at identifying and evaluating the risks that the Bank may be exposed to in order to take appropriate control measures that will facilitate the decision-making process in limiting those risks, the most important of which are self-assessment of risks and control measures, collecting and reviewing actual and potential losses data Resulting from continuous operations, monitoring and following up the main risk indicators to develop control and avoid future losses.

- Compliance risks

In accordance with the instructions of the Central Bank and in line with global trends and developments and the decisions of the Basel Committee, and with the aim of ensuring the bank's compliance with its internal policies and procedures with all laws and instructions in force, international banking standards, and sound and safe banking practices issued by the competent regulatory and official authorities internationally and locally. The compliance and anti-money laundering policy approved by the Board of Directors is an integral part. Anti-Money Laundering Instruction Manual. In addition, the Compliance and Anti-Money Laundering Department has been restructured to include two departments: the Compliance Monitoring Department and the Anti-Money Laundering and Terrorism Financing Department, in order to monitor the bank's compliance with laws, instructions and good practices issued by the competent regulatory and official authorities through well-prepared control programs and internal procedures based on the risk-based principle.

The main objectives of the Compliance Department include the following:

- Identify, assess and manage compliance risks
- Preparing and making available files of laws and regulations in force that govern the nature and activity of various departments and departments on the bank's internal website, and updating them regularly with all regulatory and legal developments.
- Providing advice and guidance to the executive management to manage compliance risks
- Providing advice and guidance to the Bank's management on applicable laws, regulations and standards, and any amendments thereto.
- Monitor compliance risks through a database of laws and instructions, which includes all laws and instructions issued by the regulatory and official authorities, which are regularly updated in line with the latest regulatory and legal developments that must be adhered to.

- Reviewing and evaluating all new and existing banking services and products, internal banking procedures and policies to ensure their compliance with the laws and instructions in force.
- Reporting directly to the Compliance Committee formed by the Board of Directors regarding the scope and extent of compliance of the Bank, its foreign branches and subsidiaries.

As for combating money laundering, an independent anti-money laundering department was formed and it was located within the Compliance and Anti-Money Laundering Department. The department attracts qualified and trained staff at the highest levels using automated anti-money laundering systems and programs to carry out its tasks in accordance with the policies and procedures approved by the Board of Directors and in accordance with Anti-Money Laundering and Terrorist Financing Law No. 46/2007 and its amendments and anti-money laundering and terrorist financing instructions issued by the Central Bank of Jordan along with the best international banking practices in this regard to mitigate and avoid the risks involved in these operations, which aim to determine the applicable and appropriate procedures for financial operations and the application of due diligence procedures to identify current and potential customers and to understand their legal and personal situations and the real ultimate beneficiary and the continuous monitoring and review of these operations during the period of the banking relationship.

The main objectives of the Anti-Money Laundering Department are as follows:

- Ensure the bank's compliance with the officially approved policies and procedures for combating money laundering and terrorist financing.
- Ensure the bank's compliance with the laws and instructions issued by the official authorities.
- Preventing and protecting the name and reputation of the bank from being involved in money laundering and terrorist financing operations.
- Preventing the use of the bank's services and products in money laundering and terrorist financing operations.
- Contribute to local and international efforts to combat money laundering and terrorist financing.
- Protecting the bank and its employees from exposure to the risks of money laundering and terrorist financing, which may lead to huge financial losses, regulatory and legal penalties, or legal, criminal or administrative liability.

Cash reserves with Central Banks

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

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

| As of December 31, 2022 | Less than 1 Month | 1 - 3 Months | 3 - 6 Months | 6 - 12 Months | 1 - 3 Years | More than 3 Years | No Fixed Maturity | Total |
|---|----------------------|--------------|--------------|------------------|-------------|----------------------|----------------------|---------------|
| | JD | JD | JD | JD | JD | JD | JD | JD |
| Liabilities | | | | | | | | |
| Banks and financial institution deposits | 182,834,073 | - | 30,424,654 | 6,169,862 | - | - | - | 219,428,589 |
| Customers' deposits | 838,429,629 | 461,691,147 | 349,042,252 | 518,256,238 | 249,944,284 | 59,842,427 | - | 2,477,205,977 |
| Cash margins | 17,950,916 | 10,386,103 | 19,091,059 | 13,484,333 | 18,554,854 | 10,496,817 | - | 89,964,082 |
| Borrowed funds | 38,393,779 | 36,595,369 | 28,750,211 | 10,027,297 | 129,950,787 | 121,527,451 | 1,074,224 | 366,319,118 |
| Subordinated loans | - | - | - | - | - | 22,729,743 | - | 22,729,743 |
| Sundry provisions | 35,633 | 425,986 | 502,325 | 1,859,394 | 2,097,323 | 9,145,071 | - | 14,065,732 |
| Income tax liabilities | 5,440,529 | 1,259,654 | 14,266,897 | 2,900,335 | - | - | - | 23,867,415 |
| Deferred tax liabilities | - | - | - | - | - | - | 1,308,124 | 1,308,124 |
| Other liabilities | 30,016,864 | 11,449,289 | 8,117,253 | 19,909,062 | 8,029,716 | 17,845,471 | 77,488 | 95,445,143 |
| Total Liabilities | 1,113,101,423 | 521,807,548 | 450,194,651 | 572,606,521 | 408,576,964 | 241,586,980 | 2,459,836 | 3,310,333,923 |
| Total Assets (as per their expected maturities) | 608,148,376 | 206,126,580 | 283,112,762 | 359,579,464 | 934,229,693 | 1,142,171,682 | 141,605,897 | 3,674,974,454 |

| As of December 31, 2022 | Less than 1 Month | 1 - 3 Months | 3 - 6 Months | 6 - 12 Months | 1 - 3 Years | More than 3 Years | No Fixed Maturity | Total |
|---|----------------------|--------------|--------------|------------------|-------------|----------------------|----------------------|---------------|
| | JD | JD | JD | JD | JD | JD | JD | JD |
| Liabilities | | | | | | | | |
| Banks and financial institution deposits | 80,999,079 | 24,951,197 | 60,658,622 | 37,401,475 | - | - | - | 204,010,373 |
| Customers' deposits | 864,312,949 | 425,533,124 | 353,004,639 | 472,524,180 | 280,284,870 | 62,564,031 | - | 2,458,223,793 |
| Cash margins | 5,205,309 | 7,591,520 | 12,916,532 | 17,300,666 | 11,966,014 | 4,813,697 | - | 59,793,738 |
| Borrowed funds | 100,036,253 | 21,448,041 | 30,260,076 | 39,823,546 | 89,545,898 | 99,771,371 | 1,074,224 | 381,959,409 |
| Subordinated loans | - | - | - | - | - | 22,656,022 | - | 22,656,022 |
| Sundry provisions | 35,968 | 104,258 | 390,256 | 1,479,049 | 2,062,598 | 8,241,865 | - | 12,313,994 |
| Income tax liabilities | 5,665,471 | 1,468,867 | 10,685,551 | 200,000 | 1,790,466 | - | - | 19,810,355 |
| Deferred tax liabilities | - | - | - | - | - | - | 865,668 | 865,668 |
| Other liabilities | 31,267,740 | 13,357,115 | 10,875,990 | 21,076,407 | 8,485,801 | - | 20,013,031 | 105,076,084 |
| Total Liabilities | 1,087,522,769 | 494,454,122 | 478,791,666 | 589,805,323 | 394,135,647 | 198,046,986 | 21,952,923 | 3,264,709,436 |
| Total Assets (as per their expected maturities) | 655,866,724 | 172,316,602 | 319,638,967 | 319,936,163 | 851,012,025 | 1,161,722,600 | 133,315,152 | 3,613,808,233 |

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

| As of December 31, 2022 | Up to 1 Year | 1 - 5 Years | More than 5 Years | Total |
|-----------------------------------|--------------------|------------------|-------------------|--------------------|
| | JD | JD | JD | JD |
| Acceptances and letters of credit | 63,488,328 | - | - | 63,488,328 |
| Letters of guarantee | 65,477,744 | 3,628,852 | - | 69,106,596 |
| Unutilized limits | 222,194,088 | - | - | 222,194,088 |
| Total | 351,160,160 | 3,628,852 | - | 354,789,012 |

| As of December 31, 2022 | Up to 1 Year | 1 - 5 Years | More than 5 Years | Total |
|-----------------------------------|--------------------|------------------|-------------------|--------------------|
| | JD | JD | JD | JD |
| Acceptances and letters of credit | 94,778,836 | - | - | 94,778,836 |
| Letters of guarantee | 58,906,200 | 4,018,371 | - | 62,924,571 |
| Unutilized limits | 246,203,611 | - | - | 246,203,611 |
| Total | 399,888,647 | 4,018,371 | - | 403,907,018 |

42- Segment Information

a. Information on the Bank's Segments:

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

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

Following is the Bank's segment information:

| | Individuals | Corporates | Treasury | Other | Total | |
|---|---------------|---------------|---------------|-------------|------------------------------------|---------------|
| | | | | | For the year ending on 31 December | |
| | | | | | 2022 | 2023 |
| | Dinar | Dinar | Dinar | Dinar | Dinar | Dinar |
| Total revenues | 99,639,719 | 68,229,068 | 51,628,315 | 5,204,935 | 224,702,037 | 207,669,871 |
| Expected credit loss allocation | 7,630,875 | 8,175,766 | (277,169) | - | 15,529,472 | 17,628,435 |
| Provision for impairment of financial assets at fair value through comprehensive income | - | - | - | - | - | (4,158,000) |
| Various allocations | - | - | - | 53,063 | 53,063 | 207,330 |
| Owned assets allocation | - | - | - | 164,741 | 164,741 | 514,759 |
| Sector business revenues | 69,603,135 | 37,374,177 | 30,208,519 | 4,987,131 | 142,172,962 | 137,365,454 |
| Undistributed expenses | | | | | (89,521,616) | (86,057,280) |
| Profit before tax | | | | | 52,651,346 | 51,308,174 |
| Income tax | | | | | (17,671,850) | (18,619,877) |
| Year profit | | | | | 34,979,496 | 32,688,297 |
| Other information | | | | | | |
| Total sector assets | 1,067,016,210 | 1,060,177,855 | 1,408,502,308 | 139,278,081 | 3,674,974,454 | 3,613,808,233 |
| Total sector liabilities | 1,117,764,512 | 1,303,835,987 | 702,307,724 | 129,248,422 | 3,253,156,645 | 3,216,409,278 |
| Capital expenditures | | | | | 7,526,079 | 9,021,537 |
| Consumables and depreciations | | | | | 7,082,593 | 7,858,388 |

Below some information about the Bank's business sectors:

B- Geographical distribution information

This clarification represents the geographical distribution of the Bank's business. The Bank mainly operates in the Kingdom, which represents local business. The Bank also carries out activities in Palestine and Bahrain.

This note represents the geographical distribution of the Bank's business. The Bank mainly operates in the Kingdom, which represents local businesses.

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

| | Inside the Kingdom | | Outside the Kingdom | | Total | |
|----------------------|--------------------|-------------|---------------------|------------|-------------|-------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | Dinar | Dinar | Dinar | Dinar | Dinar | Dinar |
| Total revenues | 172,206,212 | 162,146,378 | 52,495,825 | 45,523,493 | 224,702,037 | 207,669,871 |
| Capital expenditures | 5,731,945 | 6,881,401 | 1,794,134 | 2,140,136 | 7,526,079 | 9,021,537 |

| | Inside the Kingdom | | Outside the Kingdom | | Total | |
|--------------|--------------------|---------------|---------------------|-------------|---------------|---------------|
| | 31 December | | 31 December | | 31 December | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | Dinar | Dinar | Dinar | Dinar | Dinar | Dinar |
| Total assets | 2,723,867,894 | 2,741,752,016 | 951,106,560 | 872,056,217 | 3,674,974,454 | 3,613,808,233 |

43- Capital Management

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

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

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

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

Description of what is considered capital

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

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

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

| | December 31 | |
|--|----------------------|----------------------|
| | 2022 | 2021 |
| | JD | JD |
| Ordinary Share Rights | | |
| Paid up capital | 190,000,000 | 190,000,000 |
| Retained earnings after subtracting the expected accumulated distributions | 78,910,555 | 65,981,207 |
| Accumulated change in fair value reserve in total | 9,304,467 | 3,797,698 |
| Statutory reserve | 91,364,494 | 86,711,919 |
| Other reserves approved by the Central Bank | 11,396,874 | 10,894,653 |
| Foreign Currencies Translation Reserve | (3,188,744) | (3,188,744) |
| Minority rights allowed to be recognized | 10,490,434 | 10,052,233 |
| Total ordinary share capital | 388,278,080 | 364,248,966 |
| Regulatory Adjustments (Capital deductible) | | |
| Intangible assets | (5,361,339) | (5,159,688) |
| Deferred tax assets that should be deducted | (13,574,826) | (12,174,930) |
| Deferred provisions approved by the Central Bank of Jordan | 369,341,915 | 346,914,348 |
| | | |
| Net primary capital (Tier I) | 369,341,915 | 346,914,348 |
| Tier II Capital | | |
| Subordinated loans | 13,251,210 | 16,959,280 |
| General banking risk reserve | 4,646,255 | 4,341,429 |
| Required provisions against debt instruments for stage 1 according to IFRS (9) | 13,653,697 | 14,663,713 |
| Minority rights allowed to be recognized | 4,662,415 | 4,467,659 |
| Tier II Capital | 36,213,577 | 40,432,081 |
| Adjustment (deducted from capital) | | |
| Net Tier II | 36,213,577 | 40,432,081 |
| Regulatory capital | 405,555,492 | 387,346,429 |
| Total risk weighted assets | 2,601,650,465 | 2,552,300,954 |
| Capital adequacy (%) | 15.59% | 15.18% |
| Capital adequacy (primary capital) (%) | 14.20% | 13.59% |
| Subordinated capital (%) | 1.39% | 1.58% |

Following is the Bank's liquidity segment information:

| | As on 31 December | |
|---|-------------------|---------------|
| | 2022 | 2021 |
| | Dinar | Dinar |
| Total HQLA | 994,379,267 | 1,120,360,489 |
| Total HQLA after deductions and subtracting cap adjustments | 994,379,267 | 1,120,360,489 |
| Net cash flows | 456,470,162 | 461,531,452 |
| LCR ratio | 217.8% | 242.7% |

- Coverage of liquidity average has reached 209.37%.

44- Maturity Analysis of Assets and Liabilities

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

| December 31, 2022 | Up to 1 Year | More than 1 Year | Total |
|---|-------------------------------|-----------------------------|-----------------------------|
| | JD | JD | JD |
| Assets | | | |
| Cash and balances at Central Banks- Net | 320,698,816 | - | 320,698,816 |
| Financial assets at banks and financial institutions - Net | 123,920,745 | - | 123,920,745 |
| Deposits at banks and financial institutions - Net | 73,083,268 | - | 73,083,268 |
| Financial assets at fair value through income | 9,980,141 | - | 9,980,141 |
| Financial assets at fair value through other comprehensive income | - | 71,879,372 | 71,879,372 |
| Financial assets at amortized cost- Net | 190,827,342 | 604,537,798 | 795,365,140 |
| Direct credit facilities- Net | 711,123,332 | 1,416,070,733 | 2,127,194,065 |
| Property and equipment- Net | 5,719,000 | 38,205,827 | 43,924,827 |
| Intangible assets- Net | 1,500,000 | 3,861,339 | 5,361,339 |
| Deferred tax assets | 3,784,737 | 9,790,089 | 13,574,826 |
| Other assets | 44,165,499 | 45,826,416 | 89,991,915 |
| Total Assets | <u>1,484,802,880</u> | <u>2,190,171,574</u> | <u>3,674,974,454</u> |
| Liabilities | | | |
| Banks and financial institution deposits | 218,453,233 | - | 218,453,233 |
| Customers' deposits | 2,116,280,245 | 337,903,105 | 2,454,183,350 |
| Cash margins | 60,869,614 | 28,827,538 | 89,697,152 |
| Borrowed funds | 78,649,370 | 263,076,645 | 341,726,015 |
| Subordinated loans | - | 18,540,350 | 18,540,350 |
| Sundry provisions | 2,823,338 | 11,242,394 | 14,065,732 |
| Income tax liabilities | 23,867,415 | - | 23,867,415 |
| Deferred tax liabilities | 1,308,124 | - | 1,308,124 |
| Other liabilities | 68,725,722 | 22,589,552 | 91,315,274 |
| Total Liabilities | <u>2,570,977,061</u> | <u>682,179,584</u> | <u>3,253,156,645</u> |
| Net | <u>(1,086,174,181)</u> | <u>1,507,991,990</u> | <u>421,817,809</u> |

| December 31, 2021 | Up to 1 Year | More than 1 Year | Total |
|---|-------------------------------|-----------------------------|-----------------------------|
| | JD | JD | JD |
| Assets | | | |
| Cash and balances at Central Banks - Net | 413,494,719 | - | 413,494,719 |
| Balances at banks and financial institutions- Net | 121,528,244 | - | 121,528,244 |
| Deposits at banks and financial institutions- Net | 66,254,363 | 34,800,357 | 101,054,720 |
| Financial assets at fair value through profit or loss- Net | 8,164,615 | - | 8,164,615 |
| Financial assets at fair value through other comprehensive income | - | 65,792,741 | 65,792,741 |
| Financial assets at amortized cost- Net | 217,680,016 | 588,927,783 | 806,607,799 |
| Direct credit facilities- Net | 606,814,982 | 1,344,281,873 | 1,951,096,855 |
| Property and equipment- Net | 6,194,000 | 37,576,756 | 43,770,756 |
| Intangible assets- Net | 2,000,000 | 3,159,688 | 5,159,688 |
| Deferred tax assets | 3,385,066 | 8,842,540 | 12,227,606 |
| Other assets | 49,237,623 | 35,672,867 | 84,910,490 |
| Total Assets | <u>1,494,753,628</u> | <u>2,119,054,605</u> | <u>3,613,808,233</u> |
| Liabilities | | | |
| Banks and financial institution deposits | 202,284,537 | - | 202,284,537 |
| Customers' deposits | 2,062,291,624 | 375,607,902 | 2,437,899,526 |
| Cash margins | 42,952,764 | 16,593,644 | 59,546,408 |
| Borrowed funds | 153,741,396 | 210,168,469 | 363,909,865 |
| Subordinated loans | - | 18,540,350 | 18,540,350 |
| Sundry provisions | 2,009,531 | 10,304,463 | 12,313,994 |
| Income tax liabilities | 18,019,889 | 1,790,466 | 19,810,355 |
| Deferred tax liabilities | 865,668 | - | 865,668 |
| Other liabilities | 75,796,958 | 25,441,617 | 101,238,575 |
| Total Liabilities | <u>2,557,962,367</u> | <u>658,446,911</u> | <u>3,216,409,278</u> |
| Net | <u>(1,063,208,739)</u> | <u>1,460.607.694</u> | <u>397,398,955</u> |

45- Fiduciary Accounts

Fiduciary accounts amounted to JD 558,559 as of 31 December 2022 (JD 479,949 as of December 31, 2021). Such assets or liabilities are not included in the Bank's statement of financial position.

46- Contingent Liabilities and Commitments

A- The total outstanding commitments and contingent liabilities are as follows:

| | 2022 | 2021 |
|-------------------------------------|--------------------|--------------------|
| | JD | JD |
| Letters of credit: | | |
| Issued | 56,758,889 | 70,742,768 |
| Acceptances | 6,729,439 | 24,036,068 |
| Letters of guarantee: | | |
| Payments | 30,719,570 | 27,079,626 |
| Performance | 19,714,916 | 19,156,735 |
| Other | 18,672,110 | 16,688,210 |
| Unutilized direct credit facilities | 222,194,088 | 246,203,611 |
| | 354,789,012 | 403,907,018 |

B- The contractual commitments:

| | 2022 | 2021 |
|---|------------------|------------------|
| | JD | JD |
| Contracts to purchase property and equipment | 1,539,125 | 2,471,528 |

47- Lawsuits raised against the Bank

The value of the cases filed against the bank, within the normal activity, amounted to 27,427,909 dinars and 20,060,128 dinars, as on December 31, 2022 and December 31, 2021, respectively. The balance of provisions for cases filed against the bank amounted to 1,861,739 dinars and 1,876,281 dinars on December 31, 2022 and December 31, 2021, respectively.

In the estimation of the bank's management and lawyers, the bank will not have any obligations in consideration of these cases in excess of the provision recorded for facing these cases.

On January 1, 2019, a group of civil lawsuits were registered with US courts against a group of banks and financial institutions to demand financial compensation under the US Anti-Terrorism Act for damages they claim resulted from attacks carried out by groups included in the US sanctions list during the year 2001. The registration of these claims in the courts hours before the end of the deadline allowed for their filing, and that these claims were filed by a law firm that had previously filed many similar complaints against other banking entities on behalf of the same plaintiffs who claimed financial compensation for the same damages and events, even if Cairo Amman Bank is among the defendant banks in one of the aforementioned civil lawsuits, and this call is still in the initial preparatory and discussion stages.

In the opinion of the group's management, there is no need to record any provisions for the cases filed in the US courts against the Bank as of December 31, 2022, as the Bank has discussed with legal advisors specialized in the courts of the United States of America and has concluded that the legal status of the cases is in favor of the Bank and that a rejection will be proposed For the case filed by the competent courts, there will be no need to record any provisions against the case at the present time, as there are

no legal foundations and the position of Cairo Amman Bank Group is strong. The legal advisor believes that the legal position is in favor of the bank due to the possibility of a proposal to reject all claims for the reasons mentioned above. The legal advisor also believes that the value of the claim cannot be determined, as there is no specific amount against the bank.

48- Lease Contracts

The bank leases many assets, including lands and buildings, the average lease term is 5 years, and the following is the movement over the right to use assets during the year:

| | For the year ending on 31 December 2022 | | For the year ending on 31 December 2021 | |
|--------------------------------------|---|-------------------|---|-------------------|
| | Assets | Liabilities | Assets | Liabilities |
| | Dinar | Dinar | Dinar | Dinar |
| Balance at the beginning of the year | 24,154,362 | 23,325,341 | 27,432,242 | 26,266,292 |
| Add: additions during the year | 3,645,366 | 3,677,980 | 514,409 | 999,886 |
| Subtract: depreciation of the year | (4,341,907) | - | (3,469,181) | - |
| Annulled contracts | (110,750) | (115,835) | (323,108) | (451,107) |
| Paid leases | - | (4,697,594) | - | (4,538,767) |
| Interest during the year | - | 947,331 | - | 1,049,037 |
| Balance as on 31December 2022 | <u>23,347,071</u> | <u>23,137,223</u> | <u>24,154,362</u> | <u>23,325,341</u> |

| Maturity of lease liabilities analysis: | For the Year Ending on December 31, | |
|---|-------------------------------------|--------------------------|
| | 2022 | 2021 |
| | JD | JD |
| Up to a year | 3,991,211 | 3,688,931 |
| From one to five years | 12,768,148 | 14,326,277 |
| More than five years | <u>6,377,864</u> | <u>5,310,133</u> |
| Total | <u>23,137,223</u> | <u>23,325,341</u> |

49- Fair Value Hierarchy

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

| Financial Assets / Financial Liabilities | Fair Value | | The Level of Fair Value | Valuation Method and Inputs Used | Important Intangible Inputs |
|---|--------------------------|--------------------------|-------------------------|--|-----------------------------|
| | December 31 | | | | |
| | 2022 | 2021 | | | |
| | JD | JD | | | |
| Financial Assets at Fair Value through Profit or Loss | | | | | |
| Equity Securities | <u>9,980,141</u> | <u>8,164,615</u> | Level I | Prices listed in stock exchanges | Not Applicable |
| Total | <u>9,980,141</u> | <u>8,164,615</u> | | | |
| | | | | | |
| Financial Assets at Fair Value through Other Comprehensive Income | | | | | |
| Quoted shares | 63,640,617 | 58,284,132 | Level I | Prices listed in stock exchanges | Not Applicable |
| Unquoted shares | 8,062,416 | 7,303,740 | Level II | Comparing the market value with a similar financial instrument | Not Applicable |
| Quoted bonds | <u>176,339</u> | <u>204,869</u> | Level I | Prices listed in stock exchanges | Not Applicable |
| Total | <u>71,879,372</u> | <u>65,792,741</u> | | | |
| Gross Financial Assets at Fair Value | <u>81,859,513</u> | <u>73,957,356</u> | | | |

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

The fair value of the financial assets and financial liabilities of the Bank, the fair value of which is not determined on an ongoing basis:

Except for what is stated in the table below, we believe that the book value of the financial assets and financial liabilities shown in the bank's financial statements approximates their fair value, because the bank's management believes that the book value of the items shown below is approximately equal to their fair value, and this is due to either their short-term maturity or the interest rates for them re-priced during the year.

| | 31 December 2022 | | 31 December 2021 | | Level of fair value |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------|
| | Book value | Fair value | Book value | Fair value | |
| | Dinar | Dinar | Dinar | Dinar | |
| financial assets whose fair value is not determined | | | | | |
| Balances with central banks - net | 180,339,402 | 180,827,761 | 248,058,253 | 248,065,416 | Second level |
| Balances with banks and financial institutions - net | 123,920,745 | 124,081,446 | 121,528,244 | 121,627,102 | Second level |
| Deposits with banks and financial institutions - net | 73,083,268 | 75,210,513 | 101,054,720 | 102,697,913 | Second level |
| Financial assets at amortized cost | 795,365,140 | 805,297,635 | 806,607,799 | 815,543,829 | First and Second level |
| Direct credit facilities - net | <u>2,127,194,065</u> | <u>2,138,892,540</u> | <u>1,951,096,855</u> | <u>1,957,559,843</u> | Second level |
| Total financial assets whose fair value is not determined | <u>3,299,902,620</u> | <u>3,324,309,895</u> | <u>3,228,345,871</u> | <u>3,245,494,103</u> | |
| Financial liabilities whose fair value is not determined | | | | | |
| Bank deposits and banking institutions | 218,453,233 | 219,095,392 | 202,284,537 | 204,092,559 | Second level |
| Clients' deposits | 2,454,183,350 | 2,463,995,097 | 2,437,899,526 | 2,445,538,713 | Second level |
| Cash insurance | 89,697,152 | 89,697,152 | 59,546,408 | 59,546,408 | Second level |
| Borrowed funds | 341,726,015 | 342,822,161 | 363,909,865 | 364,901,553 | Second level |
| Supporting loans | <u>18,540,350</u> | <u>18,797,300</u> | <u>18,540,350</u> | <u>18,789,914</u> | Second level |
| Total financial liabilities not specified at fair value | <u>3,122,600,100</u> | <u>3,134,407,102</u> | <u>3,082,180,686</u> | <u>3,092,869,147</u> | |

For the above-mentioned items, the fair value of the financial assets and liabilities of the second level was determined according to "agreed-on pricing models that reflect the credit risks of the parties with whom we deal.

50- International financial standards, new interpretations and amendments issued and not yet effective

The international financial standards, new interpretations and amendments issued and not effective up to the date of the consolidated financial statements are shown below, and the Bank will apply these amendments starting from the date of mandatory application:

International Financial Reporting Standard No. (17) Insurance Contracts

In May 2017, the International Accounting Standards Board issued the International Financial Reporting Standard No. (17) Insurance Contracts a comprehensive model for the Recognition, Measurement, Presentation and Clarifications Related to Insurance Contracts. As soon as IFRS No. (17) replaces IFRS No.

(4) Insurance contracts issued in 2005. IFRS No. (17) applies to all types of insurance contracts (such as life contracts and other direct insurance contracts and reinsurance contracts) without regard to the entity issuing the insurance contract, and it also applies to some guarantees and financial instruments that carries a participation feature. Limited exceptions apply to the scope of application. The general framework of IFRS 17 provides an accounting model for insurance contracts that is more useful and consistent for insurance companies. Unlike the requirements in IFRS 4, which adopt Significantly on previous domestic accounting policies, IFRS 17 provides a comprehensive model for insurance contracts as it covers all relevant accounting aspects. The core of IFRS 17 is the general model, complemented by:

- Specific application of contracts with direct participation features (variable fee approach),
- Simplified approach (premium allocation approach) mainly for short term contracts.

This standard will be applied retrospectively from January 1, with early application permitted provided that the entity applied IFRS 9 and IFRS 15 before or with the application of IFRS 17.

The amendments are not expected to have a material impact on the Bank's consolidated financial statements.

Amendments to International Accounting Standard No. (1): Classification of Current Liabilities vs. Non-Current

During January 2020, the International Accounting Standards Board issued amendments to paragraphs from (69) to (76) of International Accounting Standard No. (1) to specify the requirements for classifying current liabilities versus non-current liabilities. These amendments clarify:

- The Definition of "right to defer settlement",
- The right to postpone settlement must exist at the end of the financial period.
- The classification is not affected by the possibility of the facility exercising its right to postpone.
- In case the derivatives included in the convertible liabilities are in themselves an equity instrument, when the terms of the liabilities do not affect their classification.

The amendments will be applied retroactively as of January 1, 2024. The Bank is currently assessing the impact of the modifications on current practices and whether existing loan agreements may require renegotiation.

The amendments are not expected to have a material impact on the Bank's consolidated financial statements.

Definition of Accounting Estimates - Amendments to International Accounting Standard No. (8)

In February of 2021, the International Accounting Standards Board issued amendments to International Accounting Standard No. (8), providing a definition of "accounting estimates." The amendments clarify the difference between changes in accounting estimates, changes in accounting policies, and correction of errors. They also clarify how to use Installations of measurement techniques and inputs for the development of accounting estimates.

These amendments will be effective as of January 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period. Early application is permitted as long as this is disclosed.

The amendments are not expected to have a material impact on the Bank.

Disclosure of Accounting Policies - Amendments to International Accounting Standard No. (1) and Practice Statement No. (2)

In February of 2021, the International Accounting Standards Board issued amendments to International Accounting Standard No. (1) and IFRS Practice Statement No. (2) Making Materiality Judgments, providing guidance and examples to help organizations apply materiality provisions to policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are of greater benefit by replacing the requirements for entities to disclose their "significant" accounting policies with requirements for disclosing their "material" accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about Disclosure of the accounting policy.

The amendments to IAS 1 will apply for periods beginning on or after January 1, 2023, with early application permitted. Because the amendments to Practice Statement 2 provide non-prescriptive guidance on applying the definition of a material term to accounting policy information, The effective date of these amendments is not necessary.

The Bank is currently assessing the impact of the amendments to determine their impact on the Bank's accounting policy disclosures.

Deferred tax relating to assets and liabilities arising from a single transaction - Amendments to IAS 12

In May 2021, the International Accounting Standards Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that result in equal taxable and deductible temporary differences.

In addition, at the beginning of the nearest comparable period presented, a deferred tax asset (provided there is sufficient taxable profit) and a deferred tax liability must also be recognized for all deductible and taxable temporary differences associated with leases and cancellations of obligations.

These amendments will apply for annual periods beginning on or after January 1, 2023, with early application permitted.

The Bank is currently assessing the impact of the amendments to determine their impact on the Bank's accounting policy disclosures.

Corporate Governance Guide



1 - Introduction

Historical Overview

Cairo Amman Bank adopted the Corporate Governance Guide that was published on Bank's website along with the annual report in order to enable shareholders and stakeholders of reading it and recognizing extent of the Bank commitment to applying its contents, then some amendments were caused to it under the instructions issued by the Central Bank of Jordan (CBJ) and related control bodies along with any amendments due to be in compatible with the best leading practices in the field. It determined duties and responsibilities of Board of Directors (BOD) members and the emanating committees, as well as the executive administration, in consideration of protecting shareholders and stakeholders' rights and relation between them.

Corporate Governance

Corporate Governance, according to the instructions of the CBJ, is defined as the system by which the Bank is directed and managed, which aims to define and achieve the Bank's institutional objectives, securely manage the Bank's operations, protect the interests of depositors, adhere to the responsibility due towards shareholders and other stakeholders, and the Bank's commitment to the Bank's internal legislation and policies.

CBJ issued the instructions of Corporate Governance for Banks, which included the following main aspects:

1. Governance guide and publishing it
2. Formation of the BOD, its meetings, tasks and responsibilities.
3. Responsibility and liability limits
4. Board committees
5. Suitability of BOD member and senior executive administrative
6. Evaluating staff's performance
7. Staff financial rewards
8. Conflict of interest
9. Internal and external audit
10. Risk management
11. Compliance management
12. Stakeholders' rights
13. Disclosure and transparency

Guide objectives

The Corporate Governance guide (the "Guide") aims at documenting the framework of Bank corporate governance in order to achieve the highest corporate governance standards based on the appropriate leading practices and the applicable laws and regulations.

This guide discusses the way in which the corporate governance framework guides and controls abidance and compliance to the instructions issued by the CBJ with regards to corporate governance. Accordingly, the guide discusses the following:

Bank organizational structure.

BOD roles and responsibilities, executive management and employees.

Role of BOD committees required to be formed based on the stipulated in the official and control related bodies, which are the audit committee, risk management committee, nominations and remunerations committee, corporate governance committee, compliance committee, facilities committee, IT governance committee and any other committees formed by the Board.

Delegate BOD powers to the CEO and executive management.

Relationship between BOD and executive management with Bank's shareholders and the means enabling shareholders to practice their rights.

Bank policies and mechanisms for reducing and dealing with conflicts of interest cases.

Disclosure commitments due upon the Bank; whether its commitment of continuous disclosure to the CBJ or any other control bodies

Bank internal control system, including the rules related to selecting and appointing external auditors, which were prepared in order to guarantee the Bank performance and prepare the financial reports to be correctly directed and managed.

Risk management and compliance general framework.

General policies of relations with stakeholders.

The corporate governance framework of the bank is subject to the regulations and requirements of the Central Bank of Jordan and the relevant applicable laws and legislations, and therefore the policies in this guide should be read in conjunction with the instructions of the Central Bank of Jordan and the amendments and updates that occur in this regard.

Legal Framework

The Bank is committed to ensuring compliance and full obedience with the instructions of the CBJ and any other instructions regarding corporate governance, in addition to applying appropriate leading practices in this field in a manner that does not violate the instructions of the CBJ.

In addition to all applicable rules and instructions in the Hashemite Kingdom of Jordan and all countries in which the Bank is existed.

The instructions of CBJ with regard to corporate governance shall be applied, and in the event of a conflict with any other instructions, to clarify and illuminate that conflict and obtain the approval of the CBJ to address it.

Definitions

Based on the specific instructions of the Central Bank of Jordan, following are the relevant definitions:

| Abbreviation | Definition |
|-----------------------------|---|
| Board | Bank's Board of Directors |
| Corporate Governance | The system by which the bank is directed and managed, which aims to define and achieve the bank's institutional objectives, securely manage the bank's operations, protect the interests of depositors, abide by the responsibilities due towards shareholders and other stakeholders, and the bank's commitment to the bank's internal legislation and policies. |
| Executive Member | A member of the BOD who participates, for a charge, in managing the daily work of the bank. |
| Senior Executive Management | Includes the Bank's General Manager or Regional Manager, Deputy General Manager or Deputy Regional Manager, Assistant General Manager or Assistant Regional Manager, Finance Manager, Operations Manager, Risk Management Manager, Internal Audit Manager, Treasury Manager (investment) and Compliance Manager, as well as any employee who has executive authority in the Bank parallel to any of the powers of any of the aforementioned and directly linked to the general manager. |
| Independent Member | A board member who is not subject to any influences that limit his ability to take objective decisions in favor of the Bank, and who fulfills the conditions set forth in the independent member, item No. (1-5) of this guide. |
| Adequacy | Availability of certain requirements in the members of the Bank's board of directors and its senior executive management. |
| Stakeholders | Any interested party in the bank such as depositors, shareholders, employees, creditors, customers or the concerned regulatory authorities. |
| Major Shareholder | A person who directly or indirectly owns 5% or more of the Bank's capital. |

Organizational structure and Corporate Governance relations

Organizational structure

BOD shall accredit the organizational structure that is compatible with the nature and activities of the Bank, while guaranteeing having adequate organizational procedures for implementing the strategies accredited by it, which indicates administrative hierarchy, BOD emanating committees and executive administration, while insuring the following:

Identifying the objectives determined for each unit.

Determining the functional duties and responsibilities for all Bank departments and administrations.

Determining powers and communication channels for all jobs in the different administrative levels in order to achieve effective control / monitoring and separation of duties.

Accredit a functional description for all levels as indicated in the organizational structure, including determining the required expertise and qualifications for occupying such positions.

BOD seeks ensuring abidance by the organizational structure and continuously ensuring comprehensiveness of the following control levels:

Board of Directors and committees

Existence of separate administrations for risk management, compliance and audit, which do not fulfill executive works, and BOD shall ensure their independence.

Existence of units/ employees not participating in Bank daily operations (such as Credit Control and Middle Office employees).

On bank level, BOD shall abide by the following:

Accredit the administrative structures, strategies and policies of the Bank and entire group, while accrediting the corporate governance guide on group level in line with the CBJ instructions to be applied over the entire group, and ensure that the policies of the subsidiaries to the Bank are in line with these instructions. Bank shall take into consideration the instructions issued by the central banks or control bodies of the group countries, along with those applicable to the Bank and entire group without breaching CBJ instructions

Debriefing Bank structure, especially the complicated ones, through recognizing relations between the Bank and entire group, extent of corporate governance as part of the group, with adaptation between the corporate governance strategies and policies of the Bank and CBJ instructions, along with any other instructions issued by the CBJ or other related control bodies, and in case of contradiction, CBJ approval shall be obtained in order to address such contradiction.

Board of Directors

Board Formation

BOD currently consists of 11 members, based on the statute, and membership period is 4 years.

All BOD members are non-executive, including four independent members.

Board shall set and accredit BOD covenant in line with the requirements of corporate governance issued by the CBJ provided to include the following:

- Accountability limits
- Duties and responsibilities
- BOD chairman duties and responsibilities
- BOD Secretary's duties and responsibilities
- BOD formation
- Nomination and election conditions
- Meetings and legal quorum
- Powers and authorizations
- Confidentiality, conflict of interest and disclosure.

BOD Duties and Responsibilities

Accredit bank Corporate Governance Guide along with the governance report to be included in the Bank Annual Report.

Supervise the senior executive management and follow-up on its performance while ensuring the Bank's sound financial conditions and solvency. Accordingly, BOD accredited appropriate policies and procedures for supervising and controlling Bank performance

Determine the bank strategic objectives, and directing the executive management for preparing a strategy for achieving such objectives and accredit such strategy, while accrediting action plans that are compatible with this strategy

Accredit a policy for control and reviewing performance of the executive management through setting Key Performance Indicators in order to determine, measure and observe performance and progress towards the institutional objectives.

Ensure having policies, plans and procedures for the Bank, inclusive of all activities compatible with the related legislations, and being circularized on all administrative levels, while being regularly reviewed

Determine Bank institutional values and drawing clear lines for responsibility and accountability for all Bank activities, while promoting high culture for the moral standards, transparency and professional conduct of the Bank staff.

The Board shall be responsible for all Bank operations including financial conditions, responsibility of implementing CBJ requirements, and requirements of the other regulative and control bodies related to Bank work, consideration of stakeholders, that the bank is being managed within its internal policies and legislations, and that the effective control is continuously available over Bank activities including the outsourced ones

Each of the CEO and executive manager / internal audit and executive manager / risk management and executive manager / compliance shall be appointed and resign based on the recommendation of the concerned committee provided obtaining CBJ approval over the resignation or dismissal or either of them, and the CBJ may call any of the staff at the bank to verify reason of resignation or dismissal.

In consideration of the mentioned in clause 3.2.8 above, BOD approval shall be obtained upon appointing or approving resignation or dismissal or any of the senior executive management members and key management staff.

Accredit internal control systems for the Bank and reviewing them annually while ensuring that the internal and external auditor review structure of such systems at least once annually, and BOD shall include confirmation of systems' adequacy within Bank annual report

Guarantee independence of external auditor first hand and continuously.

Accredit a risk management strategy and controlling its implementation in a way that includes level of the accepted risks, while guaranteeing Bank non-exposure to high risks, while BOD shall be aware of the Bank operational working environment along with the related risks, and ensuring having infrastructure and tools for risk management at the Bank that are capable of determining and measuring all types of risks affecting the Bank.

Guarantee having and adequate and trusted MIS covering all Bank activities.

Ensure that the Bank credit policy include evaluating quality of the corporate governance of Bank clients of companies, especially the public shareholding ones, whereas customers' risks are evaluated through weaknesses and strengths according to practicing field of governance.

Ensure that the Bank adopts appropriate social initiatives in the field of environment protection, health and education, while considering offering funding to the SMEs with appropriate rates and terms.

Undertake the procedures that clearly separate between shareholders' powers having influential interest on one hand and the executive management on the other, in order to enhance sound corporate governance, thus finding appropriate mechanisms for reducing influence of shareholders having influential interest, which is done through, for example but not limited to, the following:

Shareholders having influential interest shall not occupy any position in the higher executive management.

Higher executive management shall acquire power from the BOD only, while working in the scope of authorization provided by it

Presence of committees emanating from the Board of Directors does not relieve the Board as a whole of its responsibilities.

The Board shall form seven continuous or permanent committees: Audit Committee, Risk Management Committee, Corporate Governance Committee, Nomination and Remuneration Committee, Information Technology Governance Committee, Compliance Committee and Facilities Committee.

The Board may also form other committees, which are the strategies committee, and this committee is emanating from the BOD and works in accordance with its working charter approved by the BOD.

The Board may form other committees to assist it in carrying out its tasks, and the Board may also delegate some of its powers to one or more of those committees. Delegating some of the Board's powers to these committees does not eliminate the joint responsibility of all members thereof. The Board also has the right to restore and withdraw those powers at any time.

Adopt an internal audit charter that includes the tasks and powers of an audit department and circulate it within the Bank.

Verify that the internal audit department is under the direct supervision of an audit committee and that it reports directly to the chair of audit committee.

Verify that violations of the acceptable risk levels are addressed, including accountability of the concerned higher executive management for such violations

BOD Chairman Duties and Responsibilities

Ensure having a constructive relationship between the Board and the executive management.

Encourage constructive criticism regarding the issues that have been discussed in general and those about which there is a difference in views among members, and encourage discussions and voting for such issues.

Ensure all Board members receiving minutes of previous meetings and signing them, and that they have received the agenda of any meeting well in advance of its convening, provided that the agenda includes sufficient written information about the topics to be discussed in the meeting and to be delivered by the secretary of the Board.

Ensure having a charter regulating and defining Board's work

Discussion of strategic and important issues in the Board's meetings extensively

Provide each member of the Board when elected with texts of laws related to the work of banks and Central Bank instructions related to the work of the Board, along with a handbook explaining the rights, responsibilities and duties of the member, in addition to the tasks and duties of the Secretary of the Board.

Provide each member with an adequate summary of Bank business upon appointment or request

Negotiate with any new member with the help of the Bank's legal advisor on the duties and responsibilities of the Board, especially with regards to the legal and regulatory requirements to clarify the tasks, powers and other matters related to membership, including membership period, dates for meetings, committees' tasks, value of remunerations, and possibility of obtaining independent specialized technical advice when necessary.

Fulfill the needs of the members of the Board with regards to developing their expertise and continuous learning, and to allow the new member to attend the Orientation Program, taking into account the member's banking background, provided that this program contains, as a minimum, the following topics:

- The Bank's organizational structure, corporate governance, code of professional conduct.
- Corporate goals and bank strategic plan and approved policies
- The financial position of the Bank.
- Bank's risk structure and risk management framework.

Chairman of the Board shall ensure that the Central Bank is informed of any material information that may adversely affect the suitability of any of its members.

BOD's Secretary Duties and Responsibilities

Attend all Board meetings and record all negotiations, suggestions, objections, reservations, and method of voting Board draft decisions.

Determining the dates of the Board's meetings, in coordination with the Chairman of the Board.

Ensure that the members of the Board of Directors sign minutes of meetings and decisions.

Follow up on the implementation of the decisions taken by the Board of Directors and follow up on discussing any issues that were postponed from a previous meeting.

Keep records and documents of Board meetings.

Take the necessary measures to ensure that the draft decisions intended to be issued by the Board are in accordance with the legislations.

Preparing for the general assembly meetings and cooperating with the committees emanating from the Board

Providing the Central Bank with the adequacy acknowledgments to be signed by the members of the Board.

Members' Qualifications and Nominations

The Board of Directors shall adopt a policy for nominations and compatibility for its members, members of the senior executive management, and key management staff, which includes the standards, requirements, and conditions that must be fulfilled by the nominated and appointed member based on the applicable instructions of corporate governance issued by the Central Bank of Jordan and the laws of the supervisory authorities in force.

Board of Directors Committees

Board Committees' objectives

Assist the Board in carrying out some of its tasks and responsibilities under the charter of each committee, provided that it does not relieve the Board of its responsibilities as a whole.

Help to highlight important issues facing the Bank in a more intuitive and appropriate way.

Optimal use of the competencies and qualifications of the Board members through their participation in committees, whose nature of work is consistent with these qualifications.

Facilitating and strengthening effective lines of communication between the concerned departments and the Board through the concerned committee.

Common Principles of the Board Committees

Each committee has clear and independent powers and authorities, but all committees share general and common principles that are summarized as follows:

- Membership and no formation

Each committee has a minimum number of its members based on the corporate governance instructions issued by the related regulatory authorities.

- Quorum and voting:

- a. A meeting is considered to be held in the presence of the majority of the members, including the committee chairman or his deputy in his absence, and if the committee is composed of only three members, then the legal quorum for a committee meeting is in the presence of all its members.
- b. The decisions of the committee are taken by the majority of the members present. In the event of equal votes, the chairman of the committee shall give precedence to the prevailing opinion.
- c. Attendance shall be in person, and in the event that it is not possible to attend in person, a member of the committee can express his point of view through video or telephone after the approval of the chairman of the committee, and he has the right to vote and sign minutes of the meeting, provided that:
 - Documenting that duly
 - The in-person attendance of the member should not be less than 50% of the committee's meetings within a year.
 - The number of members present in person shall not be less than two-thirds of the committee's members.
- d. Notwithstanding what was mentioned in item (c) above, the committee may, in cases of emergency with high risks that require preventive and precautionary measures, to hold its meetings via video, telephone, or electronic communication programs, after the approval of the committee chairman, whereas members of the committee who attended meeting have the right to express their point of view, vote on decisions and sign the minutes of the meeting, provided that this is duly documented in the minutes of the meeting.

- Meetings:

The committees meet periodically and/or whenever the need arises, according to the charters of committees approved by the Board of Directors.

- Minutes of meetings:

Minutes of meetings are documented by a secretary of the concerned committee, so that the minutes include all deliberations, discussions, recommendations and decisions taken in this regard.

- Powers and Authorities:

The committees exercise their powers and authorities in accordance with the charter of each of them.

- Reporting to the Board of Directors:

Each committee prepares and submits a semi-annual report to the Board of Directors on a regular basis on the activities and powers it undertakes.

- Annual Evaluation:

The Nomination and Remuneration Committee evaluates the performance of the committees emanating from the Board of Directors.

Each committee must review the charter, guide or instructions of work every 3 years or whenever necessary, and submit a report on any proposed amendments to the board for approval.

It is prohibited for any member of the Board to chair more than one of the following committees (corporate governance, audit, nominations and remunerations, risk management) and it is prohibited to chair more than two of all committees emanating from the Board.

Current committees emanating from the BOD include:

Audit Committee:

Taking into account the stated in the instructions and laws in force, the majority of the members of the committee, including the chair of the committee, must be independent members, and the chairman of the board should not be the chairman of the committee or a member thereof, while may not be the head of any other committee emanating from the board. All members of the committee shall have academic qualifications and have appropriate practical experience in the fields of accounting, finance, or any of the specialties or similar fields related to the bank business.

The committee must have the authority to obtain any information from the executive management and it has the right to summon any of the staff to attend its meetings, provided that this is stipulated in its charter.

The committee shall meet with the external and internal auditor and the compliance officer at least once a year without the presence of any of the members of the senior executive management.

The work of any other committee may not be combined with the work of this committee.

Taking into account the stated in the Banks' Law and its amendments, the committee shall be responsible for reviewing the following matters:

- Audit committee must verify that internal audit employees rotate to audit Bank activities every 3 years, as a maximum.
- Audit committee to verify that internal audit employees have not been assigned any executive tasks.

- Audit committee should verify that all activities of the Bank are subject to audit, including those assigned to external parties.
- Board must verify that the internal audit department is under the direct supervision of the audit committee and that it reports directly to the head of the audit committee.
- Audit committee should evaluate the performance of the internal audit manager and employees and determine their remuneration.
- Scope, results and adequacy of the Bank's internal and external audit.
- Accounting issues that have a material impact on the Bank's financial statements.
- Bank internal control and monitoring systems
- Committee recommends to the Board regarding the appointment of the external auditor, termination of their work, their fees and any conditions related to contracting with them, in addition to evaluating their independency annually
- It is also responsible for reviewing and monitoring the confidential reporting procedures for any errors in the financial reports and any other matters, ensuring that there are no necessary arrangements for the independent investigation and ensuring that the results of the investigation are followed up and treated objectively.
- Set appropriate mechanisms to ensure that company provides the sufficient number of qualified human personnel to perform internal control tasks so that they are trained and rewarded appropriately.
- Study and evaluate any additional work outside the scope of the audit carried out by the external auditor, such as providing administrative and technical advice, and making sure that it does not affect its independence while recommending the Board of Directors to take a decision with that regard

Risk Management Committee:

This committee consists of at least three members of the Board, provided that one of them is an independent member at a minimum, and the chairman of the committee must be from among the independent members, and members of the executive management may participate in its membership.

The committee is responsible for several issues, the most important of which are:

- Review Bank's risk management framework.
- Review risk management strategy.
- Verify compatibility of the actual risks of the Bank with the level of acceptable risks (risk appetite) approved by the Board of Directors.
- Keeping pace with developments that affect the risk management of Bank and submitting periodic reports about them to the Board.
- Creating appropriate conditions to ensure that the risks of material impact are well known and any activities carried out by the Bank may expose it to greater risks than the level of the acceptable risks, and submit reports thereon to the Board and follow up on their treatment.

Nomination and Remuneration Committee:

This committee consists of at least three members, so that the majority of the members of the committee, including the head of the committee, are independent members. The committee is responsible for several matters, the most important of which are:

- Determining the persons qualified to join the membership of the Board based on the capabilities and qualifications of the persons nominated. In case of re-nomination of a member, the times of his/her attendance and the effectiveness of his/her participation in the meetings of the board shall be taken into consideration.
- Nomination of qualified persons to join the senior executive management and senior management staff.

- Ensure that the members of the Board of Directors attend workshops and seminars on banking issues, especially risk management, corporate governance, and the latest developments in banking.
- Verify independency of the independent members and review that annually.
- Evaluate performance of the Board of Directors, its members, committees and CEO through an approved evaluation system, and informing the Central Bank of Jordan and the Securities Commission of the result of such evaluation.
- Make sure that there is a policy of granting remunerations to Bank staff and review them periodically and apply this policy. It also recommends to determine the salaries of CEO and the rest of the senior executive management and key management employees, their remunerations and other privileges.
- Providing information and abstracts about the background of some topics that are relevant to the Bank for members of the board when they request and make sure that they are constantly informed about the latest topics related to banking.

Corporate Governance Committee:

This committee consists of at least three members, including the chairman of the board, whereas the majority of the committee's members are independent members, and the committee chairman must be an independent member.

The committee is responsible for several matters, the most important of which are:

- The committee undertakes to direct and supervise the preparation and update of the Corporate Governance Guide, monitor its implementation, and submit its recommendations for any suggestions or amendments to the Board of Directors.
- Review the remarks of the supervisory authorities related to the implementation of corporate governance in the company and following up on what has been done about it.

4.3.5 IT Governance Committee:

This committee consists of at least three members, and it is preferable that its membership includes persons with experience or strategic knowledge in information technology, so that this committee assumes the following tasks and responsibilities:

Adopting the strategic objectives of the information technology and the appropriate organizational structures, including for the steering committees at the level of the senior executive management and in particular (information technology steering committee) in a way that ensures the achievement and fulfillment of the objectives of the Bank's strategy and achieving the best added value from projects and investments of the information technology resources, while using the necessary tools and standards to monitor and verify the extent to which this is achieved, such as using the IT Balanced Scorecards system, calculating a rate of return on investment (ROI), and measuring the impact of contribution in increasing the financial and operational efficiency.

- Adopting a framework for public management, control and monitoring of information technology resources and projects that simulates the best international practices in this regard and specifically (COBIT), which is consistent and meets the objectives and requirements of governance instructions, information management and the accompanied technology through sustainable achievement of the institutional goals and objectives set out in the mentioned instructions, and achieving the accompanying Information Technology Objectives Matrix, while covering information technology governance processes.
- Adoption of the matrix of institutional objectives in Annex No. (1) of the instructions of governance, information management and technology, and their update of the Central Bank circular no. 10-6-984, along with the objectives of information and associated technology in Annex No. (2) and their update of the Central Bank circular no. 10-6-984, considering the data as a minimum, and describing the sub-objectives necessary to achieve them.

- Adopting a matrix of responsibilities (RACI Chart) towards the principal operations of information technology governance in Annex No. (3) and their update of the Central Bank circular no. 10-6-984, along with the sub-operations emanating from it in terms of: the entity, entities, persons or parties that are primarily (Responsible), those who are irrevocably (Accountable), those who are (Consulted), and those who are (Informed) towards all operations in the aforementioned facility, guided by the COBIT 2019 standard in this regard.
- Adopting the importance and order of priority of the Enterprise's Goals and the extent to which they are related to Alignment Goals and the Governance and Management Objectives in addition to their connection with the rest of the Enablers/Components.

Based on a qualitative and/or quantitative study considered for this purpose at least annually, which takes into account the factors affecting the formation of information technology framework of governance (Design Factors – COBIT 2019) in compatible with the privacy and strategies of the Bank. Provided that the topics of cyber security, risk management, privacy and data protection, compliance, monitoring, auditing, and strategic consensus are included as Focus Area and of high priority and importance, and provided that the level of maturity of the activities related to the objectives of governance and management and the rest of the seven elements of empowerment are compatible with the degree of importance and priority according to the results of the study mentioned above, and that the level of maturity of the goals of high importance and priority are not less than the level of Fully Achieved 3 according to scale for the maturity mentioned in the framework of COBIT 2019. It is allowed to consider no more than 26% of the targets mentioned in clause sixth above within the objectives of the management (no more than 9 goals as a maximum from 35 goals) as being of lower priority and importance, depending on the results of the aforementioned study.

- Ensure that there is a general framework for information technology risk management that is compatible and integrated with the entire general framework of risk management in the Bank and so that it takes into account and meets all processes of information technology governance listed in annex No. (3).
- Adopting the budget of resources and information technology projects in line with the objectives of the Bank's strategy.
- General supervision and reviewing the progress of information technology operations, resources and projects to ensure their adequacy and effective contribution in achieving the Bank requirements and business.
- Reviewing information technology audit reports and taking the necessary measures to address the deviations.
- Recommending the Board to take the necessary measures to correct any deviations.
- Adopting a Cyber Security Policy
- Adopting the Cyber Security Program
- Check for compliance with the Cyber Security Policy and Program
- Submit a semi-annual report to the Board of Directors on the work and activities of the committee.
- Revising the charter of the committee every 3 years and/or whenever the need arises, and submitting any amendments thereto to the Board of Directors for approval.
- Reviewing any topic presented to the committee by the board of directors, or that the committee deems necessary to discuss it and express its opinion or recommendation on it to the board of directors.

Strategy Committee:

The committee is formed by a decision of the BOD so that the committee assists the board in setting strategic goals and assists the executive management in designing the strategy and issuing recommendations to the Board for approval, thus the committee assumes the following tasks and responsibilities:

- Determining strategic goals in coordination with the executive management and recommending the Board of Directors for approval.
- Ensure preparation of strategic and operational plans and ensure that strategic objectives are included therein.
- Follow-up on the achievement of strategic goals through key performance indicators.
- Submit a semi-annual report to the Board of Directors on the work and activities of the Committee.
- Revising the charter of the committee every 3 years and/or whenever the need arises, and submitting any amendments thereto to the Board of Directors for approval.
- Reviewing any topic presented to the committee by the board of directors, or that the committee deems necessary to discuss it and express its opinion or recommendation on it to the board of directors.

Facilities' Committee:

This committee consists of at least five members, and one of the members of the committee may be independent, provided that not being a member of an audit committee. Members of the committee, including the chief and deputy chief, are appointed under a decision of the BOD, and members of the senior executive management may participate in committee meetings to present their recommendations. The legal quorum for meetings of the committee is fulfilled in the presence of at least four members, and decisions are taken by a majority of its members regardless of the number of attending members.

Maximum limits are determined for the powers entrusted to this committee in relation to granting, amending, renewing or structuring the credit facilities, so that there are clear powers for the Board in this regard. It is allowed under a decision issued by the BOD to authorize some or all powers of the committee in amending the conditions or restructuring the facilities to the executive management committee, with the necessity of informing the facilities' committee of the decisions taken within these powers.

This committee assumes the following tasks:

- Consider the facilities that exceed the authority of the highest committee in the executive administration.
- Its powers are limited to taking the appropriate decisions regarding facilities that were recommended for approval by the executive management committee.
- To submit to the Board periodically details of the facilities that have been approved by it.
- Revise the charter of the committee every 3 years and/or whenever the need arises, and submit any amendments thereto to the Board of Directors for approval.
- Reviewing any topic presented to the committee by the BOD, or that the committee deems necessary to discuss it and express its opinion or recommendation on it to the BOD.
- In the event of conflict of any of the recommendations of the committee and the decisions of the Board of Directors, the Board of Directors must include in the Governance Report a statement that is clearly detailing these recommendations and the reasons for the Board's non-compliance with them.

Compliance committee:

This committee consists of at least three members, whereas the majority of its members are independent. This committee assumes the following tasks:

- Ensure the availability of policies, a framework for compliance management, and the necessary programs and tools, while reviewing them periodically to ensure their effectiveness and amending them if necessary.
- Discussing compliance and anti-money laundering reports.
- Receiving and following up on compliance reports and internal control reports related to compliance management.
- And other tasks under the approved charter of the committee.

Adequacy, Evaluation and Remunerations

Adequacy of BOD Members, Senior Executive Management and Key Management Personnel

The members of the Board of Directors, the Senior Executive Management, and the key management staff must have integrity, experience, the required qualifications, and the ability to perform their duties, devote and fit to bank work, and meet the conditions of adequacy for the positions they occupy. The member of the Board of Directors must allocate an adequate time for fulfilling his/her duties.

The Board of Directors and the Nominations and Remunerations Committee are responsible for ensuring that the members of the Board of Directors, executive management and key management personnel meet the requirements of integrity, experience, qualifications and capabilities necessary to carry out the tasks and responsibilities required in accordance with the corporate governance instructions issued by the Central Bank of Jordan and other applicable regulations and instructions along with the internal policies adopted in this regard.

Conditions of adequacy for the Chairman and Members of the Board of Directors:

- Shall be at least 25 years old.
- Shall not be a member of the BOD of any other bank in the Kingdom, its general manager, regional director, or an employee there, unless the other bank is a subsidiary of this Bank.
- Shall not be a lawyer, legal advisor, or auditor for the Bank.
- Shall have a first university degree, as a minimum, in economics, finance, accounting, business administration, or any of the similar disciplines. The Nominations and Remunerations Committee may consider adding other disciplines if they are associated with experience related to Banks' business.
- Shall not be an employee of the government or any public official institution unless he/she is a representative thereof.
- Shall not be a member of the boards of directors of more than five public joint stock companies inside the Kingdom, whether personally or as a representative of a corporate body.
- Shall have at least five years of experience in banking, finance, or similar fields.
- Shall not combine his/her position with any administrative, executive or advisory position in the Bank.
- Shall be of good reputation and manners.

Conditions for the independence of the members of the Board of Directors:

- Shall not have been an executive member of the Board during the three years prior to his election.
- Shall not have worked as an employee in the Bank or of any of its subsidiary or affiliate companies during the three years prior to his election.
- Shall not be a relative to any of the other members of the Board, or any member of the BOD of companies affiliate to the Bank, or one of the main shareholders of the Bank up to a second degree.
- Shall not be a relative to any of the members of the executive management of the Bank or to any of the members of the executive management of Bank subsidiaries up to a second degree.
- Shall not be a partner or employee of the Bank's external auditor, and he/she shall not have been a partner or employee during the three years prior to the date of his election as a member of the Board, and he/she shall not be a relative to the partner responsible for the audit process.
- Shall not be a major shareholder in the Bank or a representative of a major shareholder or an ally of a major shareholder in the Bank, or whose shareholding with the ally constitutes the amount of the shareholding of a major shareholder or a major shareholder in one of the subsidiaries of the Bank or a major shareholder in the group that owns the Bank.
- Shall not have been as a member of a BOD of the Bank or one of its subsidiaries, or a member of its management committee for more than eight consecutive years
- Shall not have obtained, or any company he/she is a member of its board of directors, owner or major shareholder, a credit from the bank in excess of (5%) of the bank's subscribed capital, and shall not be a guarantor of credit from the Bank with value exceeding the same percentage.
- Shall have high financial or banking experience and qualifications

Conditions of Adequacy for CEO and members of the Senior Executive Management and Key Management Personnel:

- For the purposes of reading guide; the general manager defined in the Corporate Governance instructions is the same CEO mentioned in the approved organizational structure of the Bank.
- Shall not be a member of the board of directors of any other bank inside the Kingdom, unless the other bank is a subsidiary of the Bank.
- Shall be available to manage Bank business
- Shall have a first university degree as a minimum in economics, finance, accounting, business administration, or any of the similar disciplines that are related to bank business, with the exception of key management staff, who must fulfill the conditions and requirements of the job as accredited by the Bank according to the job description and qualifications.
- Shall have experience in the field of bank business or related businesses of not less than five years, except for the position of the CEO or regional manager, whose experience in the field of bank business must not be less than ten years, with the exception of key management staff, who must have experience in the field of business of his/her management or related business by not less than five years.
- Shall obtain a certificate of non-objection issued by the Central Bank of Jordan before appointing any member of the senior executive management in accordance with the instructions of the corporate governance in effect.

- His/her appointment shall not constitute a conflict of interest arising from a relationship with the Chairman of the Board of Directors or any member of it or any major shareholder, including being a relative up to the third degree in the case of CEO and first degree in the case of the occupants of the senior executive management
- Despite the stipulated in the Companies Law, it is not permissible to combine the positions of the chairman of the board and CEO, and the chairman of the board, or any of the members of the board or the shareholders, must not be relatives of fourth degree to the CEO.

The Nominations and Remunerations Committee shall find a clear methodology to verify the allocation of a member of the Board of Directors adequate timing to fulfill his/her duties as a member, including the extent to which a member is related to the membership of other boards / bodies / forums.

The approval of the Board of Directors must be obtained when appointing, accepting the resignation or dismissal of any members of the senior Executive Management and Key Management Personnel.

The Board of Directors shall adopt a policy for nominations and adequacy, which is implemented and updated every 3 years or whenever the need arises, in order to ensure compliance with the requirements of the Central Bank and all relevant instructions of the supervisory authorities.

The Board of Directors shall adopt a comprehensive functional replacement plan that shall be updated on an ongoing basis.

Performance Evaluation

The Board of Directors shall adopt a general framework to evaluate the performance of each of the Board of Directors, its members and its committees independently. This framework includes:

- Setting specific goals and defining the Board's role in achieving these goals in a measurable manner.
- Defining key performance indicators (KPIs) to evaluate the performance of the Board.
- Methodology of communication between the BOD and shareholders, and periodicity of such communication.
- Periodic meetings between the BOD and the senior executive management.
- The role of a member in the meetings of the BOD, in addition to comparing his/her performance with the performance of other members, and feedback must be obtained from the concerned member in order to improve the evaluation process

The Nominations and Remunerations Committee shall annually evaluate the work of the Board as a whole, its members and all Board committees, and inform the Central Bank of the results of this evaluation.

The Board of Directors shall approve the performance evaluation of CEO annually in accordance with an approved evaluation system prepared on the basis of key performance indicators (KPIs), so that the criteria for evaluating the performance of CEO include both the financial and administrative performance of the Bank and the extent to which strategies and action plans of the Bank are achieved in both medium and long terms, while notifying the Central Bank of the results.

The Board of Directors adopts a system for measuring Bank's staff performance who are not a member of the BOD nor CEO.

Based on approved KPIs, this regulation includes the following:

- To be given an appropriate weighting to measure the performance of compliance with a risk management framework and to assess the extent of compliance with internal control procedures and the requirements of regulatory authorities.

- Total income or profit shall not be the sole element for evaluating the performance, as it should take into account the main risks related to basic operations, customer satisfaction and other applicable elements.
- Not exploiting powers and avoiding conflict of interest.

General Rules for Financial Remunerations

The Bank has independent policies and procedures that are objective and transparent for granting remunerations to members of the Board of Directors, senior executive management and key management staff, based on the approved evaluation system. This policy is enforced by the Nominations and Remunerations Committee.

The objective of the financial remunerations policy includes:

- Maintaining staff with competencies, skills and experience, attracting and motivating them, and improving their performance.
- Take into consideration the risks, liquidity conditions, the profits and their timing in a way that does not affect the solvency and reputation of the Bank.
- The element of awarding remunerations shall not be based only on the performance of the current year, but should also be based on the performance in the medium and long terms (from three to five) years.
- Determining the form of remuneration in accordance with the approved remuneration policy and in line with instructions.
- Express Bank's goals, values, and strategy.
- The possibility of postponing the payment of a reasonable percentage of the remunerations, so that this percentage and the period of postponement are determined on the basis of the nature of the work, its risks and the activities of the concerned member of staff.
- Not granting financial rewards to staff of supervisory departments (risk management, auditing, compliance and anti-money laundering) based on the business results of the departments they monitor.

Delegation of authority to Executive Management

Delegation of Authority to the CEO

The Board shall specify the legal, financial, and administrative powers to the CEO and the executive management to the extent that enables them to carry out their work efficiently and effectively, through CEO and executive management submitting the necessary recommendations to the Board regarding the allocation of a schedule of powers which includes legal, financial and administrative powers, and that the schedule be approved by the Board of Directors.

The Board should also specify the banking operations that require its approval, provided that they do not expand in a way that violates the supervisory role of the Board and that it does not grant executive powers, including the powers to grant credit to a member of the Board individually, including the Chairman, through a schedule of powers approved by the Board.

Shareholders' Rights

Shareholders' rights

The Bank shall guarantee the rights of the shareholders based on the instructions of the Central Bank and the instructions of the supervisory authorities as follows:

Ensure that the shareholders enjoy all their rights related to obtaining their share of the profits allocated for distribution, attend public meetings, actively participate in the deliberations, voting public decisions, obtain bank statements and financial reports, and exercise all rights stipulated by regulatory procedures granted to shareholders.

Encouraging shareholders to attend General Assembly's annual meeting and voting personally or by delegating other persons to attend the General Assembly's meetings on his/her behalf as stipulated by the laws and instructions of the supervisory authorities.

Ensure that the Bank's annual report and its quarterly reports include disclosures that allow current or potential shareholders to view the results of the Bank's operations and financial position.

Ensure preparing a report on the results of General Assembly meeting, provided that it includes the observations and questions that were raised by the shareholders to the executive management, in addition to the voting results.

Ensure allocating part of the website that includes clarification of the shareholders' rights and encourages them to attend and vote in General Assembly's meetings, as well as publishing the documents related to the meetings, including a full text of the invitation and minutes of the meetings.

Ensure that the Shareholders Relations Unit updates the Bank's website periodically and that it includes all information, statements, General Assembly decisions, and reports related to shareholders.

The Shareholder Relations Unit of bank is responsible for receiving shareholders' complaints through direct contact with shareholders or through the Bank's website.

The Shareholders Relations Unit directs the shareholders' complaints to the executive management for a response. Responses to shareholders' complaints are subject to the supervision and approval of the executive management, taking into account the confidentiality of the information.

Conflict of interest and Code of Professional Conduct

General Policies

The staff shall avoid conflicts of interest.

The Board of Directors shall adopt policies and procedures regulating cases of conflict of interest that may arise as a result of day-to-day business and disclose any conflict of interest that may arise from Bank's association with companies within the group.

The Board shall ensure that the executive management enjoys high integrity in carrying out its work and avoids conflict of interest.

The Bank shall ensure that there is no interest (direct or indirect) with the members of the BOD in the business or contracts that are executed for the Bank. The members of the BOD shall inform the Board in case of having a personal interest in the business or contracts that are executed for it, and this is documented in the minutes of the meeting. A member of the BOD who has a personal interest in Bank's business and contracts may not attend and participate in any decisions regarding this matter as stipulated by laws.

The BOD verifies that the executive management members comply with the approved policies and procedures.

The BOD shall adopt policies and a code of professional conduct and circulate them to all staff including the following:

- None of the staff exploiting the Bank internal information for their own personal benefit.
- Rules and procedures regulating dealings with the related parties.
- Cases that may result in a conflict of interest

The BOD shall adopt a policy for reporting conflict of interest cases, which allows employees to report confidentially about practices and activities that are not permitted or violate the laws and instructions through the approved means of reporting.

The Board shall adopt controls over information between the various departments to prevent exploitation for personal benefit..

Related Parties Transactions

General Policies for Related Parties Transactions

The Board of Directors shall adopt policies and procedures for dealings with the related parties that include the definition of these parties, taking into account the legislations, conditions for transactions, and approval procedures, and a monitoring mechanism for these transactions so that these policies and procedures are not allowed to be bypassed.

Bank shall establish and define mechanisms related to its relations with customers and suppliers, ensuring that their information and data are treated as confidential.

The Bank keeps records of the transactions of the related parties, with the necessity of subjecting these transactions to an appropriate level of scrutiny so that the supervisory departments in the Bank make sure that dealings with related parties have taken place in accordance with the approved policy and procedures, and an audit committee to review, monitor and inform the Board on these transactions.

The transactions of related parties are disclosed based on the disclosure requirements in accordance with the international financial reporting standards (IFRSs) for and the Central Bank, and any requirements of other local regulatory and official bodies in Jordan or in the countries where Bank or group is located.

Board of Directors' member shall give priority to the interest of Bank in all transactions that take place with any other company in which he/she has a personal interest, and not to take opportunities for commercial business of the Bank for his/her own benefit, avoid conflict of interests and disclose to the Board in detail any conflict in interests, if occurs, with the obligation not to attend or participate in the decision taken at the meeting in which such issue is discussed, and to record this disclosure in the minutes of the meeting of the Board.

Disclosure Requirements

Disclosure and transparency

The Board of Directors shall adopt policies for the disclosure of financial and non-financial information that assist shareholders and stakeholders in following up on the business, operations and financial results of the Bank.

The Bank's website includes all information and data that must be disclosed according to the disclosure requirements and instructions issued by the applicable regulatory authorities. The Board of Directors and other relevant committees also supervise the extent to which the executive management comply with this.

The disclosure and transparency policy of Bank includes the following:

- The process of reviewing/ checking the information to be disclosed to ensure accuracy and correctness before publishing.
- Mechanism of dealing with the internal information and ensuring that such information is not misused before being disclosed.
- Process for preparing supervisory reports to monitor non-compliance with the disclosure policy by employees/responsible authorities and procedures to be followed in the event of any violations being discovered.
- Process of assessing and measuring the risks that may result from disclosure, including the disclosure of inaccurate, incomplete or illegal information.

The Board of Directors shall be responsible for ensuring the integrity and accuracy of the information disclosed, while ensuring compliance with Bank's approved policy in this regard, and to review and update the policy periodically.

The Annual Report shall include, as a minimum, the following:

- A text stating that the Board is responsible for the accuracy and adequacy of the Bank's financial statements and the information included in the report, and for the adequacy of internal and comprehensive control and oversight systems and that the annual report includes all disclosure requirements that are issued by the applicable supervisory authorities.
- A summary of the Bank's organizational structure.
- A summary of the tasks and responsibilities of the Board's committees and any powers that the Board delegated to those committees.
- Information that are of interest to the stakeholders shown in the Bank's Corporate Governance Guide and the extent of its commitment to implementing the stipulated in the guide.
- Information about each member of the Board in terms of his/her qualifications and experience, the amount of his/her shareholding in Bank's capital, whether he is independent or not, his/her membership in the Board's committees, the date of his/her appointment, any memberships he/she holds in the boards of directors of other companies, and the remunerations in all forms that he/she obtained from Bank for the past year, as well as the loans granted to him/her by the Bank and any other transactions made between the Bank and member or related parties.
- Information on risk management, including its structure, nature of its operations, and upgrades.
- The number of meetings of the BOD and its committees and the number of attendances of each member in these meetings.
- The names of each of the board members and the senior executive management who resigned during the year.
- A summary of the policy of granting remunerations at the Bank, with the disclosure of all forms of remunerations for the members of the Board separately, and the remunerations in all forms that were granted to the senior executive management separately for the past year.
- The names of the shareholders who own 1% or more of Bank's capital, specifying the infinite beneficiary of these shareholdings or any part of them, and clarifying whether any of these shareholdings are mortgaged in whole or in part.
- Acknowledgments from all members of the Board that no member obtained any benefits through his/her work for the Bank without being disclosed, whether those benefits were material or in-kind, or whether he/she had personally or through any of his/her related parties, for the past year.

Internal Control and Discipline Systems

Internal control and discipline systems play a major role in ensuring the ability of the BOD and the executive management to achieve the objectives of the Bank, protect the interests of shareholders and stakeholders and reduce major risks such as fraud, illegal activities and business, and financial statements that do not reflect the actual financial position of the Bank

The Bank adopts internal control and discipline systems, and the BOD ensures that the internal and external auditors review the structure of these systems on an annual basis.

The BOD ensures the implementation of internal control and discipline systems through documented policies that cover all banking operations and their distribution and circulation at all administrative levels to review them on a periodic basis to ensure their updating and comprehensiveness. Several parties ensure the effectiveness of the internal control and discipline systems, which are:

Internal Audit

The Bank has an internal audit department that reports to an audit committee.

The Board shall take the necessary measures to enhance the effectiveness of the internal audit by giving the necessary importance to the audit process and fixing this in the Bank and following up on the correction of audit notes.

The Board shall ensure and enhance the independence of the internal auditors and give them an appropriate position in the Bank job hierarchy and ensure that they are qualified to carry out their duties, including the right and access to all records and information and contact with any employee at the Bank so that they can perform the tasks assigned to them and prepare their reports without any external interference and without contradiction with any relevant laws and/or instructions.

Audit committee shall provide sufficient number of qualified human resources to carry out internal audit activities

The tasks below are among the tasks performed by the internal audit:

- Reviewing financial and administrative matters, reviewing compliance with the Corporate Governance Guide, reviewing the validity and comprehensiveness of stress tests, in line with the methodology approved by the Board.
- Ensure having adequate internal control and discipline systems for the activities of the Bank and the group as a whole.
- Ensure compliance with Bank internal policies, international standards, and the applicable instructions of the supervisory authorities.
- Ensure accuracy of the procedures followed in relation to the Internal Capital Adequacy Assessment Process (ICAAP).

External Audit

The BOD shall nominate the external auditor based on the recommendation of the audit committee, and they shall be appointed by a decision of the General Assembly of the Bank. The external auditor must also be independent of the Bank and its BOD.

The BOD shall ensure regular rotation of the external auditor between auditing offices and their subsidiaries, affiliate companies, or related companies in any way, every seven years as a maximum, from the date of election, which is calculated at the beginning of application as of 2010, and the first year (upon rotation) of the new office shall be joint with the old office.

The old office may not be re-elected again before passing at least two years from the date of its last election at the Bank, other than a joint audit assignment.

The BOD shall ensure that appropriate steps are taken to resolve any weaknesses in the internal control system that have been identified and referred to by the external auditor.

Risk Management

The Bank administration has a specialized department for risk management that submits reports to the risk management committee and the senior executive management.

The Board shall ensure the independence of risk management and ensure availability of the human resources needed to carry out related activities and grant them the necessary powers to enable them to obtain information from other departments of the Bank and cooperate with other committees to carry out their tasks.

The Board shall ensure that violations are addressed at the approved levels of risk, including accountability of the concerned senior executive management for such violations.

The Board shall approve the Bank's acceptable risks' document.

The Board shall adopt a methodology for a self-assessment of the Bank's capital adequacy, whereas such methodology is comprehensive, effective, and able to identify all risks that may be directed to the Bank, and take into account Bank's strategy and capital plan, and review this methodology on a regular basis while ensuring its application while the Bank retaining sufficient capital to meet all kinds of risks that it faces.

The Board, before approving any expansion of Bank's activities, shall take into consideration the resulting risks and the capabilities and qualifications of the staff of the Risk Management Department.

The Board shall ensure that the risk management conducts stress tests periodically, and that they have major role in approving the hypotheses and scenarios used, discussing the results of the tests, and approving the measures that must be taken based on these results

The tasks below are among the tasks performed by the Risk Management:

- Ensure that the Bank works within the limits of the acceptable risks by monitoring the compliance of Bank's executive departments with the specified levels of the acceptable risks.
- Conducting stress tests periodically.
- Defining the acceptable risk levels, in addition to a strategy and risk policy for the Bank, to be approved by the BOD and the executive management.
- Ensuring the Bank's compliance with the approved and upcoming risk levels by submitting reports to the Board through the Risk Management Committee and a copy to the senior executive management that includes information on the actual risk system, in comparison with the acceptable risks' document and addresses any negative deviations.
- Ensure alignment and compatibility between risk measurement mechanisms and the information system.
- Reviewing the Bank's risk management framework before it is approved by the Board.
- Set and develop methods and techniques for identifying, supervising, examining and controlling all types of risks.
- Review and analyze all kinds of potential risks to Bank.
- Providing recommendations to the Risk Committee about Bank's exposure to risks and recording cases of exceptions to the risk policy.
- Providing the necessary information about Bank's risks to be used for disclosure purposes.
- Implementing a risk management strategy in addition to developing policies and work procedures to manage all types of risks.
- Ensure integration of risk measurement mechanisms with the used management information systems.

Compliance Management

The Bank has a Compliance Department that reports directly to a Compliance Committee with a copy sent to the CEO.

The Board shall ensure the independence of the Compliance Department and ensure the availability of sufficient and trained human personnel.

The Board shall adopt a policy to ensure that the Bank complies with all relevant legislations and shall review this policy periodically and verify its implementation.

The Board shall approve the duties and responsibilities of the Compliance Department.

Compliance and anti-money laundering policies approved by the Board shall be recorded and documented in a separate handbook to cover all aspects of compliance to ensure commitment to the applicable laws, instructions and international standards.

Rights of Stakeholders

Stakeholders are the parties with an interest in the Bank, such as depositors, shareholders, employees, creditors, customers or supervisory authorities.

The Board of Directors is committed to the highest ethical standards with regard to dealing with stakeholders, and this stems from the desire of the Bank to maintain the trust and faith of the stakeholders in the Bank and its commitment to them, so that the Board provides a specific mechanism to ensure communication with the stakeholders, through disclosing and providing meaningful information about the Bank's activities to stakeholders through the following:

- General assembly meetings.
- Annual report.
- Quarterly reports that contain financial information in addition to a report on the trading of Bank's shares and its financial position during the past year.
- Bank's website.
- Shareholder Relations Department.

Shareholders

The Bank is committed to creating sustainable value for shareholders. It also aims to provide financial returns and to carry out activities that would maximize the interests of shareholders.

Suppliers and Service Providers

The Bank commits to dealing with suppliers and service providers with honesty and credibility, and seeks to build and maintain good relationships with suppliers and service providers, and ensures the confidentiality of information related to them.

Staff

The Bank is obligated to treat employees with dignity and to provide equal employment opportunities to all employees in terms of employment practices, including hiring, remunerations, professional development and promotions.

Securing and providing safe and healthy working conditions and respect for human rights.

Community

The Bank is obligated to contribute to the overall quality of life in the communities in which it works, by using resources in a responsible manner to preserve the environment. The Board ensures that the Bank helps through charitable activities, civic service, etc. in order to fulfill its social responsibilities.

Clients

The Bank is obligated to treat all clients fairly, transparently and on equally without giving priority to the interests of some of them over others or granting some of them preferential terms except in accordance with commercial and banking foundations and standards pursuant to the relevant laws or instructions.

Governance Report



Cairo Amman Bank is one of the leading banks in applying the concepts of good corporate governance, so as it has for many years formed the permanent committees emanating from the Board of Directors, such as the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Governance Committee, Information Technology Governance Committee, Facilitation Committee and Compliance Committee, in addition to the formation of the Strategy Committee, with the aim of assisting the Board of Directors in carrying out the work and tasks assigned to it. Policies, procedures, and regulations were also prepared in accordance with the requirements and instructions of the relevant regulatory and official authorities.

Information about the Members of the Board of Directors of Cairo Amman Bank

Current / Resigned

| Member's Name | | Name of Representative of Member in case Member is a Natural Person | Executive / Non-executive | Independent / Nondependent | Membership in BODs of Public Shareholding Companies in Jordan | Status |
|---------------|--|---|---------------------------|----------------------------|---|----------------------------|
| 1 | Yazeed Adnan Mustafa Al-Mufti / BOD Chairman | - | Non-executive | Non-independent | Zara Investment Holding Co. | Current member |
| | | | | | Middle East Insurance Co. | |
| | | | | | Middle East (Holding) Co. | |
| 2 | Banque Misr | Husameddin Abdulwahab Ali Mohammad / BOD vice chairman as of 08/05/2022 | Non-executive | Non-independent | - | Current member |
| 3 | Hesham Zafer Taher Al-Masri | - | Non-executive | Non-independent | Jordanian Tourist Transportation | Current member |
| 4 | Arab Foodstuff and Trade Company | Ghassan Ibrahim Fares Aqeel | Non-executive | Non-independent | - | Current member |
| 5 | Social Security Corporation | Mazen Hamdi Mohammad Al-Sahsah | Non-executive | Non-independent | - | Current member |
| 6 | Yaseen Khalil "Mohammad Yaseen" Al-Talhouni | - | Non-executive | Non-independent | Zara Investment Holding Co. | Current member |
| | | | | | Jordanian Hotels and Tourism Company | |
| | | | | | Jordan Electricity Company | |
| | | | | | Al-Himah Mineral Company | |
| 7 | Hasan Ali Hussein Abu Al-Ragheb | - | Non-executive | Independent | First Insurance Company - Solidarity | Current member |
| 8 | Suha Baseel Andrawos Ennab | - | Non-executive | Independent | Arab European Insurance Group Company | Current member |
| 9 | Sami Issa Eid Smairat | - | Non-executive | Independent | Jordan Phosphate Mine Co. | Current member |
| 10 | Esam Mohammad Farouq Rushdi Al-Muhtadi | - | Non-executive | Non-independent | - | Current member |
| 11 | Kleman Mari Farajallah Me'mar Bashi as of 24/04/2022 | - | Non-executive | independent | - | Current member |
| 12 | Shareef Mahdi Husni Al-Saifi until 20/02/2022 | - | Non-executive | Non-independent | Arab Bank | Resigned member 20/02/2022 |
| 13 | Banque Misr | Mohmmad Mahmoud Ahmad Al-Atrabi until 24/04/2022 | Non-executive | Non-independent | - | Resigned member 24/04/2022 |

Executive Positions at the Bank and Names of Persons occupying them

| Name | Position |
|---|--|
| Mr. Kamal Ghareeb Abdel Raheem Al-Bakri | CEO |
| Mrs. Rana Sami Jadallah Al-Sunna' | Chairman of the Credit Services Group |
| Mr. Khaled Mahmoud Abdullah Qasem | Chairman of the Joint Services Group |
| Miss Jan Shawkat Mahmoud Yadj | CEO / Central Operations |
| Mrs. Reem Younis Mohammad Al-Eses | CEO / Treasury and Investment |
| Mr. Fouad Younis Abdel Lateef Saleh | CEO / Finance and Shareholders Affairs |
| Maha Abdullah Abdel Hamid Ababneh | CEO / Special Banking Services |
| Mr. Azmi Mohammad Hasan Awaidah | CEO /Personal Credit Services |
| Mr. Mohammad Ali Mahmoud Al-Qaisi | CEO and Legal Advisor / Legal Affairs and Contract Documentation |
| Mrs. Margret Muheeb Issa Makhamreh | CEO / Internal Audit |
| Mr. Yousef Abdel Fattah Suleiman Abu Al-Haija' | CEO / Risk Management |
| Mr. Anton Victor Anton Sabella | CEO / Compliance |
| Mr. Yazeed Seetan Yousef Ammari | CEO / Commercial Credit Services |
| Mr. Hani Mohammad Rashrash Ahmad Rasheed Khader | CEO / Banking Services and Marketing |
| Rami Anton Issa Ma'ayah | CEO / IT and Project Management |
| Esam Mamdouh Abed Al-Najdawi | Senior HR Manager |

Audit Committee Chairman and Members

1) Mr. Sami Issa Eid Smairat / Committee chairman/ independent

Academic qualifications

- Master's degree of Business Administration (NYIT)
- Master's degree in Telecommunications Engineering (University of Jordan)
- Bachelor degree of Electrical Engineering (University of Jordan)

Practical Experiences

- CEO of Jordan Data Transmission Services Company
- Executive Manager of the Corporate and Companies Sector (Orange)
- BOD Chairman of Petra Company for Payment Services by Cellophanes
- Deputy BOD Chairman of Jordan Phosphate Mines Company
- Member of the International Data Centre Commission
- Member of the National Cyber Security Council
- Member of Trustees Board of Princess Sumaya University for Technology
- Member of BOD of Sotel Company
- CEO of Wanado Jordan Company
- Founder Partner in Siberia Company
- Deputy CEO and Commercial Manager of Global One Company
- Assistant Research and Teaching in the University of Jordan

2) Mrs. Suha Baseel Ennab / Deputy Chairman / independent

Academic qualifications

- Bachelor degree in Business Administration / American University - Beirut

Practical Experiences

- Financial and administrative consultant from 2007
- Experience in banking business for more than 26 years by occupying several positions, including:
 - Deputy General Director of Societe General Bank - Jordan from 2003 until 2007
 - General Director Assistant of Cairo Amman Bank from 1992 until 2003
 - Deputy Chairman resident in Citibank Jordan from 1981 until 1992

3) Mr. Ghassan Ibrahim Fares Aqeel / Member / non-independent

Academic qualifications

- Master's degree in Administration / Thunderbird University
- Bachelor degree in accounting / University of Jordan
- Certified public accountant / Illinois University

Practical Experiences

- Executive manager of the Saudi Astra Group
- Experience in audit field through working as an audit manager at Arthur Anderson Company

Names of Chairman and Members of the Corporate Governance Committee, Nominations and Remuneration Committee and Risk Management Committee

| | | |
|---|---|--|
| Nominations and Remuneration Committee | Mrs. Suba Ennab / Committee Chairman - independent Mr. Hasan Abu Al-Ragheb / Vice-chairman - independent Mr. Hisham Al-Masri / member - non-independent | Mr. Esam Al-Muhtadi / member - independent Mr. Kleman Me'mar Bashi / member - independent |
| Corporate Governance Committee | Mr. Hasan Abu Al-Ragheb / Committee Chairman - independent Mr. Essam Al-Muhtadi / Vice-chairman - independent | Mr. Yazeed Al-Mufti / Member - non-independent |
| Risk Management Committee | Mr. Essam Al-Muhtadi / Committee Chairman - independent Mr. Husameddin Mohammad / Vice-chairman - non-independent | Mrs. Suha Ennab / Member - independent Mr. Sami Smairat / Member - independent |

Names of the Committees Emanating from the BOD

| | | |
|---|--|--|
| Facilities' committee | Mr. Yazeed Al-Mufti / Committee Chairman - non-independent Mr. Esam Al-Muhtadi / Vice-chairman - independent Mr. Yaseen Al-Talhouni / member - non-independent | Mr. Mazen Al-Sahsah / member - non-independent Mr. Hasan Abu Al-Ragheb / member - independent |
| Audit Committee | Mr. Sami Smairat / Committee Chairman - independent Mrs. Suba Ennab / Committee Vice-Chairman - independent | Mr. Ghassan Aqeel / member - non-independent |
| Nominations and Remuneration Committee | Mr. Sami Smairat / Committee Chairman - independent Mr. Hasan Abu Al-Ragheb / Vice-chairman - independent Mr. Hisham Al-Masri / member - non-independent | Mr. Essam Al-Muhtadi / member - independent Mr. Kleman Me'mar Bashi / member - independent |
| Corporate Governance Committee | Mr. Kleman Me'mar Bashi / Committee Chairman - independent Mr. Sami Smairat / Vice-chairman - independent | Mr. Yazeed Al-Mufti / Member - non-independent |
| Risk management committee | Mr. Essam Al-Muhtadi / Committee Chairman - independent Mr. Husameddin Mohammad / Vice-chairman - non-independent | Mrs. Suha Ennab / Member - independent Mr. Sami Smairat / Member - independent |
| Compliance committee | Mr. Hasan Abu Al-Ragheb / Committee Chairman - independent Mrs. Suha Ennab / Vice-chairman - independent | Mr. Sami Smairat / Member - independent |
| Strategies' committee | Mr. Ghassan Aqeel / Committee Chairman - non-independent Mrs. Suha Ennab / Vice-chairman - independent | Mr. Yazeed Al-Mufti / Member - non-independent Mr. Essam Al-Muhtadi / member - independent |
| IT governance committee | Mr. Kleman Me'mar Bashi / Committee Chairman - independent Mr. Hisham Al-Masri / Vice-chairman - non-independent | Mr. Sami Smairat / Member - independent Mr. Essam Al-Muhtadi / member - independent |

Number of meetings of the BOD's emanating committees during the year along with the attending members for each meeting as follows:

Audit Committee

The number of meetings of the Audit Committee during the year reached 9 meetings. The following are the members present for each meeting:

| Member name | 1 st meeting | 2 nd meeting | 3 rd meeting | 4 th meeting | 5 th meeting | 6 th meeting | 7 th meeting | 8 th meeting | 9 th meeting |
|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 03/02/2022 | 06/02/2022 | 10/04/2022 | 26/04/2022 | 29/06/2022 | 26/07/2022 | 11/09/2022 | 27/10/2022 | 15/12/2022 |
| Mr. Sami Issa Eid Smairat | Attending | Attending | Attending | Attending | Attending | Attending | Attending | Attending | Attending |
| Mrs. Suha Basel Andrawus Ennab | Attending | Attending | Attending | Attending | Attending | Attending | Attending | Attending | Attending |
| Mr. Ghassan Ibrahim Fares Aqeel | Attending | Attending | Attending | Attending | Attending | Attending | Attending | Attending | Attending |

Nominations and Bonuses Committee

The number of meetings of the Nominations and Bonuses Committee during the year reached 6 meetings. The following are the members present for each meeting:

| Member name | 1 st meeting | 2 nd meeting | 3 rd meeting | 4 th meeting | 5 th meeting | 6 th meeting |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 30/01/2022 | 16/02/2022 | 03/04/2022 | 13/04/2022 | 16/10/2022 | 07/12/2022 |
| Mrs. Suha Basel Andrawus Ennab | Attending | Attending | Attending | Attending | Attending | Attending |
| Mr. Hasan Ali Hussein Abu AlRagheb | Attending | Attending | Attending | Attending | Attending | Attending |
| Mr. Hisham Thafer Taher Al-Masri | Attending | Attending | Attending | Attending | Attending | Attending |
| Mr. Esam "Mohammad Farouq" Rushdi Al-Mahdi (as of 24/04/2022) | - | - | - | - | Attending | Attending |
| Mr. Kleman Mary Farajallah Me'mar Bashi (as of 24/04/2022) | - | - | - | - | Attending | Attending |

Corporate Governance Committee

The number of meetings during the year along with the members present for each meeting:

| Member name | 1 st meeting | 2 nd meeting |
|---|-------------------------|-------------------------|
| | 21/11/2022 | 27/12/2022 |
| Mr. Kleman Mary Farajallah Me'mar Bashi | Attending | Attending |
| Mr. Sami Issa Eid Smairat | Attending | Attending |
| Mr. Yazeed Adnan Mustafa Al-Mufti | Attending | Attending |

Risk Management Committee

The number of meetings of the Risk Management Committee during the year reached 6 meetings. The following are the members present for each meeting:

| Member name | 1 st meeting | 2 nd meeting | 3 rd meeting | 4 th meeting | 5 th meeting | 6 th meeting | 7 th meeting | 8 th meeting |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 01/02/2022 | 28/03/2022 | 12/04/2022 | 29/05/2022 | 05/06/2022 | 07/08/2022 | 06/09/2022 | 20/11/2022 |
| Mr. Esam "Mohammad Farouq" Rushdi Al-Mahdi | Attending | Attending | Attending | Attending | Attending | Attending | Attending | Attending |
| Mr. Mohammad Mahmoud Ahmad Al-Atrabi (until 24/04/2022) | Attending | Attending | Attending | - | - | - | - | - |
| Mr. Husameddin Abdulwahab Ali Mohammad (as of 08/05/2022) | - | - | - | Attending | Attending | Absent | Absent | Attending |
| Mr. Sami Issa Eid Smairat | Attending | Attending | Attending | Attending | Attending | Attending | Attending | Attending |
| Mrs. Suha Basel Andrawus Ennab | Attending | Attending | Attending | Attending | Attending | Attending | Attending | Attending |
| Mr. Mazen Hamdi Mohammad Al-Sahsah (until 11/09/2022) | Attending | Attending | Attending | Attending | Attending | Attending | Absent | - |

Board of Directors

The number of meetings of the Board of Directors during the year reached 6 meetings. The following are the members present for each meeting:

| Member name | 1 st meeting | 2 nd meeting | 3 rd meeting | 4 th meeting | 5 th meeting | 6 th meeting | 7 th meeting | 8 th meeting |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 02/08/2022 | 19/4/2022 | 24/4/2022 | 31/5/2022 | 06/12/2022 | 09/11/2022 | 11/08/2022 | 29/11/2022 |
| Mr. Yazeed Adnan Mustafa Al-Mufti | Attending | Attending | Attending | Attending | Attending | Attending | Attending | Attending |
| Mr. Husameddin Abdulwahab Ali Mohammad (as of 08/05/2022) | - | - | - | Attending | Attending | Attending | Attending | Absent |
| Mr. Hesham Zafer Taher Al-Masri | Attending | Attending | Attending | Attending | Attending | Attending | Attending | Attending |
| Mr. Yaseen Khalil Mohammad Al-Talhouni | Absent | Attending | Attending | Attending | Attending | Attending | Attending | Attending |
| Mr. Ghassan Ibrahim Fares Aqeel (Arab Foodstuff and Trade Co. rep.) | Attending | Attending | Attending | Attending | Attending | Attending | Attending | Attending |
| Mazen Hamdi Mohammad Al-Sahsah (SSC rep.) as of 1/9/2021 | Attending | Attending | Attending | Attending | Attending | Attending | Attending | Attending |
| Mr. Hasan Ali Hussein Abu Al-Ragheb | Attending | Attending | Attending | Attending | Attending | Attending | Attending | Attending |
| Mrs. Suha Baseel Andrawos Ennab | Attending | Attending | Attending | Attending | Attending | Attending | Attending | Attending |
| Mr. Sami Issa Eid Smeirat | Attending | Attending | Attending | Attending | Attending | Attending | Absent | Attending |
| Mr. Esam "Mohammad Farouq" Rushdi Al-Muhtadi | Attending | Attending | Attending | Attending | Attending | Attending | Attending | Attending |
| Mr. Kleman Mary Farajallah Me'mar Bashi (as of 24/04/2022) | - | - | Attending | Attending | Attending | Attending | Attending | Attending |
| Mr. Mohammad Mahmoud Ahmad Al-Atrabi (Banque Misr representative) (until 24/2/2022) | Attending | Attending | - | - | - | - | - | - |
| Mr. Shareef Mahdi Husni Al-Saifi until 20/02/2022 | Attending | - | - | -- | - | - | - | - |

Table below indicates number of meetings of the BOD's emanating committees in addition to the number of meetings attended by each member during 2022

| Total number of meetings held during 2022 | BOD | Facilities committee | Audit committee | Corporate Governance committee | Nominations & remuneration committee | Risk management committee | Strategies committee | IT governance committee | Compliance committee |
|---|------|----------------------|-----------------|--------------------------------|--------------------------------------|---------------------------|----------------------|-------------------------|----------------------|
| | 8 | 27 | 9 | 2 | 6 | 8 | 3 | 4 | 5 |
| Mr. Yazeed Adnan Mustafa Al-Mufti | (8)8 | (27)27 | | (2)2 | | | (3)3 | | |
| Mr. Husameddin Abdulwahab Ali Mohammad (as of 08/05/2022) | (5)4 | | | | | (5)3 | | | |
| Mr. Hesham Zafer Taher Al-Masri | (8)7 | | | | (6)6 | | | (4)4 | |
| Mr. Yaseen Khalil Mohammad Al-Talhouni | (8)4 | (27)19 | | | | | | | |
| Mr. Ghassan Ibrahim Fares Aqeel (Arab Foodstuff and Trade Co. rep.) | (8)8 | | (9)9 | | | | (3)3 | | |
| Mazen Hamdi Mohammad Al-Sahsah (SSC rep.) as of 1/9/2021 | (8)8 | (27)25 | | | | (7)6 | | | |
| Mr. Hasan Ali Hussein Abu Al-Ragheb | (8)8 | (18)17 | | | (6)6 | | | | (5)5 |
| Mrs. Suha Baseel Andrawos Ennab | (8)8 | | (9)9 | | (6)6 | (8)8 | (3)3 | | (5)5 |
| Mr. Sami Issa Eid Smeirat | (8)8 | | (9)9 | (2)2 | | (8)8 | | (4)4 | (5)5 |
| Mr. Esam "Mohammad Farouq" Rushdi Al-Muhtadi | (8)7 | (27)27 | | | (2)2 | (8)8 | (3)3 | (4)4 | |
| Mr. Kleman Mary Farajallah Me'mar Bashi (as of 24/04/2022) | (6)6 | | | (2)2 | (2)2 | | | (4)4 | |
| Mr. Mohammad Mahmoud Ahmad Al-Atrabi (Banque Misr representative) (until 24/2/2022) | (2)2 | | | | | (3)3 | | | |
| Mr. Shareef Mahdi Husni Al-Saifi until 20/02/2022 | (1)1 | (3)3 | | | | | | | |

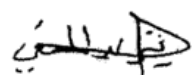
* Numbers between brackets represent the number of Board / Committee meetings held during membership period.

* The Audit Committee met the external auditor of the Bank twice during 2022. (once without the attendance of any of the higher executive management members or their representatives)

* Bank Governance Liaison Officer/ Mr. Anton Victor Anton Sabella/ Executive Director/ Compliance

Yazeed Adnan Al-Mufti

Chairman of Board of Directors



Cairo Amman Bank accentuates commitment to the terms and clauses stipulated in the Shareholding Companies Governance Instructions listed for the year 2017 and the Corporate Governance Guide accredited by the BOD and also published on the website.

Cairo Amman Bank adopted and published the IT Management Governance Guide on its website based on the CBJ instructions, and would like to confirm its commitment to applying guide and its clauses.

Bank branches and offices



Bank branches and offices

General Administration

Number of employees: 716
Arar Street – Wadi Saqra
Tel.: 5007700
Fax: 5007100
P.O. Box 950661 Amman 11195 Jordan

Branches

1. Abu Alanda

Number of employees: 8
Tel.: 4162857
Fax: 4164801
P.O. Box 153 Amman 11592 Jordan

2. Abu Nsair

Number of employees: 6
Tel.: 5105719
Fax: 5105716
P.O. Box 2459 Amman 11941 Jordan

3. Irbid

Number of employees: 12
Tel.: 7273390
Fax: 7279207
P.O. Box 336 Irbid 21110 Jordan

4. Aswaq Al-Salam

Number of employees: 9
Tel.: 5859045
Fax: 5857631
P.O. Box 140285 Amman 11814 Jordan

5. Um Uthaina

Number of employees: 7
Tel.: 5514072
Fax: 5534290
P.O. Box 17634 Amman 11195 Jordan

6. Al-Baqa’

Number of employees: 8
Tel.: 4728190
Fax: 4726810
P.O. Box 1215 Amman 19381 Jordan

7. Bani Kenanah

Number of employees: 6
Tel.: 7585191
Fax: 7585211
P.O. Box 109 Irbid 21129 Jordan

8. Wadi Seer

Number of employees: 10
Tel.: 5814934
Fax: 5814933
P.O. Box 140285 Amman 11814 Jordan

9. JU

Number of employees: 13
Tel.: 5342225
Fax: 5333278
P.O. Box 13146 Amman 11942 Jordan

10. Al Al-Bayt University

Number of employees: 7
Tel.: 6231856
Fax: 6234655
P.O. Box 130066 Al-Mafraq 25113 Jordan

11. German Jordanian University

Number of employees: 7
Tel.: 4250525
Fax: 4250545
P.O. Box 440 Madaba 17110 Jordan

12. Al-Hussein Ben Talal University

Number of employees: 9
Tel.: 2135071
Fax: 2134985
P.O. Box 13 Maan 71111 Jordan

13. JUST

Number of employees: 10
Tel.: 7095713
Fax: 7095168
P.O. Box 3030 Irbid 22110 Jordan

14. Philadelphia University

Number of employees: 4
Tel.: 6374604
Fax: 6374605
P.O. Box 1 Jarash 19392 Jordan

15. Mutah University

Number of employees: 8
Tel.: 2370182
Fax: 2370181
P.O. Box 88 Mutah 61710 Jordan

16. Hashemite University

Number of employees: 5
Tel.: 3826677
Fax: 3826688
P.O. Box 330111 Zarqa 13133 Jordan

17. Al-Yarmouk University

Number of employees: 12
Tel.: 7270181
Fax: 7270180
P.O. Box 336 Irbid 21110 Jordan

18. Jabal Al-Hussein

Number of employees: 8
Tel.: 5604974
Fax: 5605632
P.O. Box 526 Amman 21410 Jordan

19. Jabal Amman

Number of employees: 8
Tel.: 4625228
Fax: 4618504
P.O. Box 2018 Amman 11181 Jordan

20. Jabal Al-Lwaibdeh

Number of employees: 9
Tel.: 4628104
Fax: 4637438
P.O. Box 715 Amman 11118 Jordan

21. Jarash

Number of employees: 8
Tel.: 6341868
Fax: 6341870
P.O. Box 96 Jarash 26111 Jordan

22. Der Abi Seed

Number of employees: 6
Tel.: 6522190
Fax: 6522195
P.O. Box 7 Irbid 21710 Jordan

23. Al-Rabieh

Number of employees: 7
Tel.: 5524216
Fax: 5524267
P.O. Box 17915 Amman 11195 Jordan

24. Al-Rusaifeh

Number of employees: 6
Tel.: 3751822
Fax: 3742275
P.O. Box 330111 Al-Rusaifeh 13133 Jordan

25. Al-Rusaifeh / Al-Jabal Al-Shamali

Number of employees: 8
Tel.: 3755785
Fax: 3755796
P.O. Box 120225 Al-Rusaifeh 13712 Jordan

26. Al-Ramtha

Number of employees: 7
Tel.: 7201418
Fax: 7381503
P.O. Box 120225 Al-Ramtha 13712 Jordan

27. Zarqa

Number of employees: 7
Tel.: 3982729
Fax: 3931424
P.O. Box 39 Zarqa 13110 Jordan

28. Zarqa / Al-Zawahreh

Number of employees: 5
Tel.: 3903520
Fax: 3924347
P.O. Box 12291 Zarqa 13115 Jordan

29. New Zarqa / Mall

Number of employees: 9
Tel.: 3864118
Fax: 3864120
P.O. Box 12291 Zarqa 13112 Jordan

30. Zarqa / Baghdad Street

Number of employees: 7
Tel.: 3975202
Fax: 3975203
P.O. Box 150746 Zarqa 13115 Jordan

31. Al-Zarqa / Army Street

Number of employees: 8
Tel.: 3968031
Fax: 3968033
P.O. Box 151180 Zarqa 13115 Jordan

32. Al-Salt / Al-Yarmouk Street

Number of employees: 9
Tel.: 3550636
Fax: 3556715
P.O. Box 1101 Al-Salt Jordan

33. Al-Salt / King Abdullah II Street

Number of employees: 10
Tel.: 3500173
Fax: 3500178
P.O. Box 214 Al-Balqa’ 19328 Jordan

34. City Mall

Number of employees: 11
Tel.: 5820028
Fax: 5864726
P.O. Box 715 Amman 11118 Jordan

35. Al-Hurriya Street

Number of employees: 8
Tel.: 4205923
Fax: 4206962
P.O. Box 515 Amman 11623 Jordan

36. Irbid / Hakama Street

Number of employees: 9
Tel.: 7408377
Fax: 7412545
P.O. Box 336 Irbid 21110 Jordan

37. Irbid / Omar Al-Mukhtar Street

Number of employees: 9
Tel.: 7250950
Fax: 7250954
P.O. Box 150002 Irbid 21141 Jordan

38. Northern Al-Shouneh

Number of employees: 5
Tel.: 6580816
Fax: 6580818
P.O. Box 20 Irbid 28110 Jordan

39. Khalda

Number of employees: 13
Tel.: 5331206
Fax: 5335159
P.O. Box 140350 Amman 11814 Jordan

40. Al-Madina Al-Munawara Street

Number of employees: 9
Tel.: 5560285
Fax: 5537957
P.O. Box 1301 Amman Jordan

41. Al-Shmeisani

Number of employees: 8
Tel.: 5685074
Fax: 5687721
P.O. Box 962297 Amman 11196 Jordan

42. Al-Swaifieh

Number of employees: 12
Tel.: 5865805
Fax: 5863140
P.O. Box 715 Amman 11118 Jordan

43. Sweileh

Number of employees: 10
Tel.: 5332585
Fax: 5332485
P.O. Box 316 Amman 11910 Jordan

44. Al-Yasmeen Suburb

Number of employees: 11
Tel.: 4201748
Fax: 4201459
P.O. Box 38971 Amman 11593 Jordan

45. Tabarbour

Number of employees: 7
Tel.: 5054170
Fax: 5053916
P.O. 273 Amman 11947 Irbid Jordan

46. Al-Tafila

Number of employees: 9
Tel.: 2250756
Fax: 2250754
P.O. Box 28 Amman 66141 Jordan

47. Al-Abdlai

Number of employees: 9
Tel.: 5650853
Fax: 5602420
P.O. Box 928507 Amman Jordan

48. Abdoun

Number of employees: 8
Tel.: 5920131
Fax: 5920141
P.O. Box 851455 Amman 11185 Jordan

49. Ajloun

Number of employees: 10
Tel.: 6422895
Fax: 6422897
P.O. Box 55 Ajloun 26810 Jordan

50. Al-Karak / Al-Thaniya

Number of employees: 13
Tel.: 2387627
Fax: 2387626
P.O. Box 6 Al-Karak 61151 Jordan

51. Aqaba / Al-Yarmouk street

Number of employees: 14
Tel.: 2013355
Fax: 2015550
P.O. Box 1166 Aqaba 77110 Jordan

52. Amman

Number of employees:6
Tel.: 4658428
Fax: 4639328
P.O. Box 715 Amman 11118 Jordan

53. Ghor Al-Safi

Number of employees: 8
Tel.: 2300437
Fax: 2300438
P.O. Box 57 Ghor Al-Safi Jordan

54. Al-Fuhais

Number of employees: 8
Tel.: 5373061
Fax: 5373064
P.O. Box 180 Al-Fuhais 19152 Jordan

55. Marriott Hotel

Number of employees: 7
Tel.: 5560149
Fax: 5623161
P.O. Box 715 Amman Jordan

56. Justice Palace

Number of employees: 8
Tel.: 5677286
Fax: 5677287
P.O. Box 950661 Amman 11195 Jordan

57. Al-Qwaismeh

Number of employees:9
Tel.: 4771333
Fax: 4751737
P.O. Box 38971 Amman 11593 Jordan

58. Madaba

Number of employees:13
Tel.: 3253471
Fax: 3253465
P.O. Box 585 Madaba 17110 Jordan

59. Marka

Number of employees: 10
Tel.: 4896044
Fax: 4896042
P.O. Box 715 Amman 11118 Jordan

60. Al-Mahatta

Number of employees: 8
Tel.: 4651326
Fax: 4651991
P.O. Box 6180 Amman 11118 Jordan

61. Al-Safariya Complex / Irbid

Number of employees: 7
Tel.: 7249815
Fax: 7250715
P.O. Box 3757 Irbid 21110 Jordan

62. Marj Al-Hamam

Number of employees: 10
Tel.: 5712383
Fax: 5711895
P.O. Box 30 Marj Al-Hamam 11732 Jordan

63. Prince Hamza Hospital

Number of employees: 6
Tel.: 5055226
Fax: 5055204
P.O. Box 1047 Amman 11947 Jordan

64. JU Hospital

Number of employees:10
Tel.: 5514072
Fax: 5333248
P.O. Box 13046 Amman 11942 Jordan

65. King Abdullah I Hospital

Number of employees: 7
Tel.: 7095723
Fax: 7095725
P.O. Box 336 Irbid 21110 Jordan

66. Ma’an

Number of employees: 6
Tel.: 213590
Fax: 2136594
P.O. Box 135 Ma’an Jordan

67. Ma’adi

Number of employees: 9
Tel.: 3570030
Fax: 3571904
P.O. Box 27 Ma’adi 18261 Jordan

68. Al-Mafraq

Number of employees: 11
Tel.: 6235516
Fax: 6235518
P.O. Box 1308 Mafraq Jordan

69. Al-Mafraq / Prince Hasan Street

Number of employees: 7
Tel.: 6230555
Fax: 6230556
P.O. Box 25110 Mafraq 1237 Jordan

70. Mecca Mall

Number of employees: 13
Tel.: 5200686
Fax: 5811294
P.O. Box 950661 Amman 11195 Jordan

71. King Abdullah Square / Irbid

Number of employees: 8
Tel.: 7240071
Fax: 7240069
P.O. Box 2066 Irbid 21110 Jordan

72. Al-Nuzha

Number of employees: 7
Tel.: 5626220
Fax: 5626335
P.O. Box 8080 Amman 11121 Jordan

73. Northern Al-Hashmi

Number of employees: 8
Tel.: 5055390
Fax: 5055401
P.O. Box 231106 Amman 11123 Jordan

74. Wadi Saqra

Number of employees: 9
Tel.: 5006000
Fax: 5007124
P.O. Box 950661 Amman 1115 Jordan

75. Al-Wehdat

Number of employees: 8
Tel.: 4771171
Fax: 4753388
P.O. Box 715 Amman 11118 Jordan

76. Al-Karak / Al-Qasr

Number of employees: 7
Tel.: 032091152
Fax: 032315149
P.O. Box 3 Al-Karak 13115 Jordan

77. Medical City

Number of employees: 7
Tel.: 5203503
Fax: 58552278
P.O. Box 950661 Amman 11195 Jordan

78. Al-Hosn

Number of employees: 7
Tel.: 027201418
Fax: 027010422
P.O. Box 150002 Irbid 21141 Jordan

79. Wadi Mousa

Number of employees:5
Tel.: 032091140
Fax: 032154975
P.O. Box 48 Ma'an 71810 Jordan

80. Bahrain

Number of employees: 4
Tel.: 97316661000
Fax: 97316661001
P.O. Box 925102 Amman 11110 Jordan

Signature branches

1. Zara Mall

Number of employees: 18
Tel.: 5200649
Fax: 5201762
P.O. Box 71285 Amman 11171 Jordan

2. Um Al-Sumaq

Number of employees: 12
Tel.: 5200669
Fax: 5522852
P.O. Box 71285 Amman 11171 Jordan

3.Al-Khaldi

Number of employees: 9
Tel.: 520066
Fax: 4659073
P.O. Box 71285 Amman 11171 Jordan

LINC branches

1. LINC/ Irbid

Number of employees: 3
Tel.: 5006575
Fax: 725438
P.O. Box 150002 Irbid 21141 Jordan

2. LINC / Boulevard

Number of employees: 2
Tel.: 5007100
P.O. Box 950661 Amman 11195 Jordan

3. LINC / Taj Mall

Number of employees: 2
Tel.: 5006000
Fax: 5007100
P.O. Box 950661 Amman 11195 Jordan

4. LINC / JU

Number of employees: 3
Tel.: 5343743
Fax: 5341594
P.O. Box 13146 Amman 11942 Jordan

5. LINC / JUST

Number of employees: 3
Tel.: 027201404
Fax: 027241983
P.O. Box 3030 22110 Jordan

6. LINC / Al-Yarmouk Uni

Number of employees: 2
Tel.: 027201409
Fax: 027241983
P.O. Box 3030 Amman 21163 Jordan

7. LINC / Mut'ah Uni

Number of employees: 3
Tel.: 032091153
Fax: 032360917
P.O. Box 88 Amman 61710 Jordan

Offices

1. Amman Customs

Number of employees:3
Tel.: 4705447
Fax: 4705475
P.O. Box 38971 Amman 11593 Jordan

2. Jarash

Number of employees: 3
Tel.: 6354010
Fax: 6354012
P.O. Box 96 Jarash 26111 Jordan

3. Southern Al-Shouneh

Number of employees:3
Tel.: 3581322
Fax: 3581321
P.O. Box 27 Ma'di 18261 Jordan

4. JU / Aqaba

Number of employees: 3
Tel.: 2058027
Fax: 2058029
P.O. Box 1177 Aqaba 77110 Jordan

5. Al-Ramtha

Number of employees: 3
Tel.: 7384126
Fax: 7384126
P.O. Box 527 Aqaba 21410 Jordan

6. COZMO

Number of employees: 5
Tel.: 5821634
Fax: 5853480
P.O. Box 140285 Amman 11814 Jordan

7. Free Zone / Zarqa

Number of employees: 3
Tel.: 3826700
Fax: 3826070
P.O. Box 12291 Zarqa 13112 Jordan

8. Al-Shobak

Number of employees:3
Tel.: 2165476
Fax: 2165477
P.O. Box 13 Ma'an 71111 Jordan

9. Al-Salt

Number of employees: 6
Tel.: 3552198
Fax: 3556715
P.O. Box 1101 Al-Salt 19110 Jordan

10. Al-Zarqa

Number of employees: 3
Tel.: 3931980
Fax: 3931988
P.O. Box 150746 Zarqa 13115 Jordan

Palestine branches

Regional Administration

Number of employees: 214
Tel.: 2977241
Fax: 2979748
Al-Ma'ahed Street – Ramallah – P.O. Box 1870

Branches

1. Al-Masioun - Ramallah

Number of employees: 17
Tel.: 2977080
Fax: 2979755
P.O. Box 1313

2. Nablus

Number of employees: 21
Tel.: 2393001
Fax: 2381590
Al-Madina Center- Main circle – P.O. 50 Al-Hussein Circle - Nablus

3. Al-Ahliya - Ramallah

Number of employees: 14
Tel.: 2983511
Fax: 2955437
Al-Ahliyya College Street – Ramallah P.O. Box 2359

4. Al-Shallaleh – Hebron

Number of employees: 5
Tel.: 2227703/2
Fax: 2229327
Al-Shallaleh – Hebron P.O. Box 662

5. Haifa Street – Jenin

Number of employees: 17
Tel.: 2418001
Fax: 2439470
Haifa Street – Jenin – P.O. 66

6. Al-Ersal Street – Ramallah

Number of employees: 10
Tel.: 2948101
Fax: 2951433
Al-Ersal Street – Ramallah – P.O. Box 2123

7. Toulkarim

Number of employees: 15
Tel.: 2688141
Fax: 2672773
Hospital Street P.O. Box 110

8. Bab Al-Zuqaq – Bethlehem

Number of employees: 13
Tel.: 2756906
Fax: 2757722
Bab Al-Zoqaq - Hebron – Bethlehem P.O. Box 601

9. Qalqilia

Number of employees: 15
Tel.: 2941117
Fax: 2941119
P.O. Box Irbid Jordan

10. Jericho

Number of employees: 11
Tel.: 2312910
Fax: 2321982
Ain Al-Sultan Street – Jericho – P.O. Box 55

11. Faisal Street - Nablus

Number of employees: 15
Tel.: 2388671
Fax: 2383256
Faisal Street – Nablus – P.O. Box 1559

12. Wadi Al-Tuffah – Hebron

Number of employees: 12
Tel.: 2226836
Fax: 2225358
Wadi Al-Tuffah – Hebron P.O. Box 662

13. Khan Younis

Number of employees:8
Tel.: 2065680
Fax: 2054084
Al-Juni Al-Majhoul street – Khan Younis P.O. Box 158

14. Al-Saraya - Gaza

Number of employees: 9
Tel.: 2832301
Fax: 2824830
Omar Al-Mukhtar – Gaza – P.O. Box 167

15. Deir Al-Balah

Number of employees:7
Tel.: 2537770
Fax: 2539947
Main Street – Deir Al-Balah P.O. Box 6007

16. Rafah

Number of employees: 9
Tel.: 2130777
Fax: 2136250
Al-Bahar Street – Rafah P.O. Box 8205

17. Al-Rimal - Gaza

Number of employees: 14
Tel.: 2822331
Fax: 2821088
Omar Al-Mukhtar – in front of Al-Juni Al-Majhoul P.O. Box 5350

18. Sahat Al-Mahd – Bethlehem

Number of employees:10
Tel.: 2757771
Fax: 2744974
Sahat Al-Mahd – Bethlehem – P.O. Box 709

19. Ain Sarah – Hebron

Number of employees: 12
Tel.: 2216802
Fax: 2221140
Al-Haras – Hebron – P.O. Box 663

20. Al-Bareed Suburb – Bait Hanina

Number of employees:7
Tel.: 2365700
Fax: 2977163
Ramallah – Beit Hanina P.O. Box 60661

Offices

1. Al-Najah University

Al-Najah University
Number of employees: 5
Tel.: 2343550
Fax: 2977167
Al-Haram Al-Jadid Nablus P.O. Box 50

2. Abu Baker Street – Jenin

Number of employees: 13
Tel.: 2505270
Fax: 2503110
Abu Baker Street – Jenin P.O. Box 67

Subsidiaries

1. Al-Safa Bank

Number of employees: 83
Tel.: 97022941333
Fax: 97022957975
P.O. Box 1313 Ramallah Palestine

2. Al-Masioun - Ramallah

Number of employees: 12
Tel.: 2941333
Fax: 2941344
P.O. Box 1313

3. Ain Sarah – Hebron

Number of employees: 10
Tel.: 2296631
Fax: 2296632

4. Nablus

Number of employees: 11
Tel.: 2331410
Fax: 2331398

5. Al-Najah Uni

Number of employees: 4
Tel.: 2354326
Fax: 2331398

6. Jenin

Number of employees: 9
Tel.: 2500666
Fax: 2500802

7. Al-Beereh

Number of employees: 9
Tel.: 2400555
Fax: 2403405

8. Jerusalem

Number of employees: 4
Tel.: 2354422
Fax: 2354413

9. Bethlehem

Number of employees: 6
Tel.: 2778095
Fax: 2778093

10. Al-Tahrir

Number of employees: 6
Tel.: 2239814
Fax: 239817

11. Al-Wataniya for Financial Services Company

- Awraq Securities

Number of employees: 20
Tel.: 5503800
Fax: 5503802

12. Tamallak Lease Financing Company / Jabal Amman

Number of employees: 13
Tel.: 5006651
Fax: 5201772
P.O. Box 941715 Amman 11194 Jordan

13. Tamallak Lease Financing Company / Ibib

Number of employees: 4
Tel.: 027263813
Fax: 027241520
P.O. Box 941715

14. Al-Wataniya Securities Company

Number of employees: 11
Tel.: 97022980420
Fax: 97022987277
P.O. Box 1983 Ramallah Palestine

