

# Continuous Shared Prosperity

ahli



Annual Report

**2020**

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Fortune Magazine chose Jordan Ahli Bank to be among Fortune Change the World List for the year 2020.

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# Our Charter

## Our Vision

We are committed to improve the financial inclusion and prosperity of the communities we serve, to innovate profound customer experience and value, to earn the loyalty of our employees, and to provide our shareholders with balanced growth and a sustainable return on their investment.

## Our Mission

A specialized financial solutions provide that delivers valuable services through innovation, operational excellence, and customer centricity.

## Our Values

### Shared Prosperity.

Transparency and Credibility.

Superior Customer Experience.

Full commitment to the laws, regulations and best practices of good corporate governance principles.

Creating a corporate culture that embraces innovation.

Superior employee experience.

## Strategic Goals

### Stakeholder Engagement

Jordan Ahli Bank ("Bank") has a holistic strategy to manage its relationship with all direct and indirect stakeholders that is developed and renewed through continuous engagement through various channels in order to address and satisfy each of their requirements by affording measurable added value that corresponds to the interests of all stakeholders. In light of effective and inclusive corporate governance practices, this strategy is constantly evolving for the purpose of addressing all stakeholder needs based on the Bank's established values which are directed at reinforcing stakeholder trust.

### Shareholders

Guarantee a secure investment and maximizing shareholder value.

Provide shareholders with all institutional information in an accurate, transparent and regular manner through general assembly meetings, annual reports and other means in order to ensure equity between all investors.

Regulate the relationship with all other stakeholders including official and regulatory bodies.

### Customers

Offer a unique experience through a bouquet of innovative and unmatched banking and non-banking financial products and solutions.

Maintain an exceptional relationship through the use of leading customer management systems that reinforce the competitive position of Ahli Bank and which offer, among other features, complete secrecy for customer accounts and deposits and reward programs.

### Human Resources

Focus on empowerment and capacity building in order to offer diversified opportunities and ensure a promising institutional career.

Reinforce the competitive position of employees by offering an ideal working environment.

Continuous internal and external engagement through various channels.

Reinforce community engagement.

### Society and Environment.

Serving and reinforcing sustainable economic, social and environmental development through products, services and programs that provide direct benefit to different segments of society and to the environment taking into account the country's social, cultural and national needs.

### Official and Regulatory Bodies

Full adherence to applicable laws and regulations and transparent disclosure.

Support official efforts in various fields and fronts in a manner that serves the community.

### Suppliers

Building long term relationships, based on transparency and quality performance.

Maintaining effective long term partnerships built on quality, effectiveness, value added and efficiency.

### Partners (media and civil society institutions).

Building new strategic partnerships.

Fruitful cooperation, transparent and continuous engagement.

## Components of the Strategy

The goals of Jordan Ahli Bank stem from a determined will to elevate and develop the Bank through the implementation of the highest global banking standards. Our strategic plan is based on three components:



<b>Chairman of the Board</b>	<b>Mr. Saad Nabil Yousef Mouasher</b>
<b>Vice Chairman</b>	<b>Mr. Mahmoud Zuhdi Mahmoud Malhas</b>
<b>Board Members</b>	<b>Mr. Nadim Yousef Issa Muasher</b>
	<b>Mr. Rafik Saleh Muasher</b> Rajai Muasher & Brothers Co. Representative
	<b>H.E. Mr. Wasef Y. N Azar</b> Jordan Investor Center Representative
	<b>Mr. Imad Yousef Issa Mouasher</b> Mouasher Investment & Trading Co. Representative
	<b>Mr. Eyad Abdelsalam Rashad Abumohammad</b> Social Security Corporation Representative
	<b>Mr. Alan Fouad Wanna</b> Byblos Bank S.A.L/Lebanon - Representative
	<b>Mr. Aladdin Riad Sami</b> ZI&IME Ltd - Representative
	<b>Mrs. Ibtissam (M.S) I. El-Ayoubi</b>
	<b>Mr. Tarek Ziad Mounir Jallad</b>
	<b>Mr. Izzat Rashed Izzat Dajani</b>
	<b>H.E. Dr. Tareq Mohammad Khaleel Hammouri</b> As of 28/10/2020
<b>Legal Advisor &amp; Board Secretary</b>	<b>Mrs. Maisa Ziad Moh'd Turk</b>
<b>External Auditors</b>	<b>Ernst &amp; Young - Jordan</b>



## Message from the Chairman

### Esteemed Shareholders,

On behalf of myself and all the members of our Board of Directors, allow me to extend my warmest regards and to present you with Jordan Ahli Bank's 65th annual report. Within this report, the Board of Directors will present the Bank's results, main activities, closing accounts for 2020, as well as the Bank's strategic and operational plans for 2021.

2020 was a remarkably difficult year due to the numerous challenges and socio-economic disruptions brought about by the COVID-19 pandemic. Today, more than a year after the virus first appeared, the crippling effect of the pandemic is still evident, with challenges and complications transcending all local and global boundaries, and leaving a deep impact on society and on most economic sectors and activities. Domestically, while Jordan's economy is still struggling in the face of the repercussions posed by the ongoing pandemic, we believe that the national economy will begin to rebound in 2021 and record a positive GDP growth rate. The growth projections are supported with plans for widening vaccination efforts across the country that aim to reduce the spread of the virus, substantially reduce the tragic loss of human life, and improve socioeconomic outcomes. We remain hopeful that in 2021 onwards, the situation will gradually improve for all stakeholders; there is indeed light at the end of this long and arduous pandemic tunnel.

Prior to delving into Ahli Bank's highlighted accomplishments for 2020, allow me to emphasize the critical role and importance of the Jordanian banking sector and the significant, impactful and positive role it has played during the pandemic. In the face of the great macroeconomic difficulty and deteriorating financial factors due to the pandemic, our sector contributed, and in a very fundamental way, in lessening the severity of macroeconomic degradation, in stabilizing the economic cycle, and in catalyzing economic growth. In this context, we praise and commend all procedures and proactive and precautionary measures undertaken by the Central Bank of Jordan, all of which have tremendously contributed in supporting the economy, and in maintaining the strength and resilience of the banking sector and protecting it from the unprecedented repercussions of unprecedented times. As such, the sector's financial soundness indicators are still



solid, healthy and capable of withstanding the associated risks. The financial industry also stands ready to substantially support and accelerate economic growth, especially as we slowly yet gradually enter the post-COVID era; a time that we all welcome with great anticipation.

In the era of COVID-19, our deeply entrenched corporate values of community, shared prosperity, and corporate social responsibility become even more prominent and acute. We believe it is critical for private sector institutions to support national initiatives to help protect the lives and health and of our beloved citizens, and to assist the government in stabilizing the economy, and as such, together with some of the country's many national organizations, Ahli Bank has remained committed to extending substantial CSR support, most notably as it related to our participation in the government's Ministry of Health initiative, "Himat Watan". Ahli Bank's employees also participated in fundraising efforts to help those most affected by the pandemic, along with many other initiatives that aimed to support and sustain solidarity amongst local communities.

We also take great pride in the devotion and commitment exhibited by the Ahli Bank family of employees in these extraordinary circumstances, and in their relentless efforts to cope with and overcome the different challenges and obstacles that they have individually and collectively faced to ensure the continuity of Ahli Bank's business and activities in serving our communities and customers, thus contributing to national efforts in preserving economic stability and sustainability.

In 2020, Ahli Bank also further accelerated its creative, technology and business model innovation and disruption, and made giant leaps upgrading our customer experience by introducing many new products and services. For example, we have had phenomenal success in launching applications for banking services and solutions through state of the art digital platforms and technologies, including the country's first instant "Bank Account-Opening" service. This service allows new and existing clients to create secure digital IDs in order to open bank accounts immediately, remotely and digitally and without the need to visit any of the bank's branches. Ahli Bank was able to provide this service by being the first bank to join the artificial intelligence and blockchain-based eKYC-as-a-service platform "Anameen", a capability incubated and developed by Ahli Fintech's accelerator and developed by Jordanian talents and minds in partnership with Microsoft and Oracle. As such, and by the end of 2020, approximately 81% of all customer transactions have gone digital – a metric of which we are especially proud, and which proves that Ahli Bank has indeed become a 'digital first bank', with all the underlying capabilities, competencies, and infrastructure to do so.

Esteemed shareholders, it is with great pleasure and honor to also highlight that Jordan Ahli Bank was included on Fortune Magazine's annual "Change the World List" in 2020. Ahli Bank attained the rank of 48 out of 53 global companies "changing the world" in a list that included the likes of Paypal, Microsoft, Bank of America, Safaricom, Walmart, Alibaba and Blackrock. It is also noteworthy that since Fortune's inception of these annual listings in 2015, Ahli Bank has become the first institution in the Arab World to ever be selected for this great recognition. This remarkable achievement is attributed to Ahli Bank's success in designing and implementing "shared prosperity" as a sustainable business model that creates growing, measurable and transformative 'stakeholder value' as well as 'meaningful progress'; a sustainable and holistic business model that many leading researchers and industry leaders believe points to the future of how the financial industry as well as the private sector should evolve. Fortune Magazine's recognition of our work is a global validation by an expert research team of our strategy, business model, and results, and we look forward to sharing and reaping the rewards of this work together as shared prosperity grows and evolves.

In terms of our financial performance, and due to macroeconomic shocks witnessed as a result of the lockdown and the cessation/slowdown of economic activities, our executive team undertook a series of measures to mitigate impact including the postponement of due installments for individuals and corporations whose financial situation was negatively affected. Most importantly, a key priority was to consistently maintain sufficient liquidity levels to meet operational requirements, withdrawals and disbursements by means of managing cash flow and deployment of liquid assets. In addition, the conservative credit policies strategy adopted by Ahli Bank over the past few years and which aimed to increase our debt coverage ratio, as well as to increase the quality and nature of our credit portfolio, have further bolstered Ahli Bank's financial position, resilience and solvency ratios. Our capital adequacy ratio stood at 15.53% by the end of 2020, while total assets recorded a 2.84% growth to reach JD 2.84 billion at the end of the fiscal year.

Ahli Bank managed to sustain its interest revenues, growing by 1.8% (net) during 2020 compared to 2019, while employees' expenses dropped by nearly 7%. Moreover, while credit facilities maintained their 2019 levels standing at JD 1.37 billion by the end of 2020, customer deposits, on the other hand, registered a 2.17% growth, surpassing the JD 1.9 billion level despite mounting competition to attract deposits in the Jordanian market.

Meanwhile, the volume of operational revenues achieved in 2020 allowed us to take sufficient provisions to cover expected credit losses and other provisions due to the extraordinary circumstances brought about by the pandemic. In particular, provisions for expected credit loss and other provisions stood at JD 23 million by year end 2020 compared to JD 7.5 million in 2019. Despite the evident impact of credit loss provisions on Ahli Bank's profits, the Bank still managed to record JD 17.6 million in profit before tax. Credit loss provisions support Ahli Bank's resilience and enable the organization to better contain potential future repercussions. We have full faith and confidence in Ahli Bank's ability to overcome these exceptional circumstances with increased efficiency and strength, allowing us to capitalize on the the opportunities that will emerge from the local and global economic recovery.

Jordan Ahli Bank will continue on its journey towards improving standards of governance, shared prosperity, and innovation, as it seeks to deliver excellent returns to all stakeholders, most notably our beloved shareholders. In closing, allow me to extend my deep appreciation and gratitude for our esteemed clients and shareholders for their loyalty, and for their invaluable trust and faith in our team, vision and strategy. I would also would like to extend my thanks and appreciation to the executive management team as well as all of the outstanding Ahli Bank family of employees, for their persistent efforts and determination to overcome these troubled times and to deliver with excellence on Ahli Bank's value proposition to all stakeholders. I am honored to also commend the efforts of the Central Bank of Jordan, who have extended all efforts to support the stability of the economy, and who ensure the continued strength, soundness and resilience of the Jordanian banking sector and the overall growth and sustainability of the our national economy under the wise and compassionate leadership of the Hashemite Leadership of His Majesty King Abdullah II.

Sincerely yours,



**Saad Nabil Mouasher**  
Chairman of the Board



## CEO's Message

### Ladies and Gentlemen,

I am pleased to present you with Jordan Ahli Bank Annual Report for the year 2020. In this report we present the key achievements and successes of the Bank in 2020.

On behalf of Ahli Bank employees and executive management, it is with great honor and pleasure to announce that Jordan Ahli Bank was chosen by Fortune Magazine – a multinational business magazine - to be among (Change the World List); global companies that had a positive social impact and served as an inspiration to build a sustainable business model that meets communities' needs. Jordan Ahli Bank ranked 48 in the list and was nominated for adopting the shared prosperity model as an essential aspect of the Bank's strategy. Through a special partnership with Fortune Magazine, Shared Value Initiative has found solutions for society challenges through optimal employment of resources and capabilities of the private and business sectors, and Jordan Ahli Bank is the first institution in the Middle East to join this list for the year 2020.

The year 2020 was full of challenges, one of which was the COVID-19 pandemic, which affected the banking sector in Jordan and worldwide. Accompanied with a slowdown in economic growth, the pandemic had its toll on the financial performance of the banking sector. Nonetheless, Jordan Ahli Bank managed to prove its ability and resiliency to cope with the challenges and difficulties presented by the pandemic, thus overcoming them and turning them into opportunities that we can take advantage of and move forward on our path of achievements.

Jordan Ahli Bank continues to build on its comprehensive strategy, which is the cornerstone for our strategic transformation aiming to create the value added within our shared prosperity framework. The bank has also worked to develop hundreds of performance indicators related to its business and the services it provides and to put in place appropriate mechanisms to measure the extent of their effectiveness in serving all related parties, as part of the efforts towards development and sustainability.

In line with our efforts to further develop and enhance our services, we have launched a number of newly developed electronic services that meet our clients' needs and aspirations. Most importantly, the Bank launched the instant "Bank Account Opening" for the first time in the Jordanian market. New and existing clients can open bank accounts immediately and electronically, whereby clients are provided with all banking services without any exceptions and without the need to visit any of the bank's branches. This service was made available through "AnaMeen" platform, which offers the public the ability to create their digital identity. This service was incubated and developed by Ahli Fintech's accelerator.

Meanwhile, the second phase of our corporate culture initiative was staged, through holding interactive workshops to explore international best practices and values to be incorporated into our business environment to aid in fostering a healthy and sustainable corporate culture.

Finally, I would like to extend my gratitude to all members of our Board of Directors for their relentless efforts and for their support to our executive management to arrive to where we are today. I also would like to thank all Ahli Bank staff and members and our subsidiaries and hope we will always be worthy of your trust and confidence.

### Mohammad Mousa Dawood

Chief Executive Officer/General Manager



## Jordanian Economic Performance 2020

### Key Economic Indicators

#### Productivity, Prices and Employment

- Real GDP at market at fixed market prices recorded a decline of 1.5% during the first three quarters of 2020, compared to a growth of 1.9% during the same period of 2019.
- The general price level, measured by the percentage change in the Consumer Price Index (CPI) increased during the first eleven months of 2020 by 0.4%, compared to the same period of 2019.
- Unemployment rate during the third quarter of 2020 was recorded at 23.9%, compared to 19.1% during the same quarter of 2019.

#### Banking and Financial Sector

- The CBJ's gross foreign reserves (including gold and SDRs) amounted to USD 15.72 billion at the end of November 2020, of which USD 12.42 billion are foreign currency reserves.
- The outstanding balance of credit facilities extended by licensed banks amounted to JD 28.63 billion at the end of November 2020, a growth of %5.73 compared to year end 2019.
- Total deposits at licensed banks amounted to JD 36.79 billion at the end of November 2020, a growth of %4.20 compared to year end 2019.

#### Public Finance

- The general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 1.767 billion during the first eleven months of 2020, compared to a fiscal deficit of JD 1.289 billion during the same period of 2019.
- The outstanding gross public debt after excluding the debt holding by Social Security Investment (SSIF) amounted to JD 26,394.5 million by the end of November 2020, or 84.4% of the estimated GDP as per the end of November 2020.

#### External Sector

- The trade balance deficit decreased by 17.8% during the first eleven months of 2020 compared to the same period of 2019, standing at JD 5.89 billion.
- Travel receipts dropped by 75% during the first eleven months of 2020 compared to the same period of 2019, standing at JD 948 million, while travel payments dropped by 73.9% during the same period, standing at JD 251.5 million.
- Total workers' remittances receipts decreased by 9.5% during the first eleven months of 2020 compared to the same period of 2019, standing at JD 2.176 billion.



# Board of Directors' Report



In time of social distancing...  
Our services are getting closer.



## BOARD OF DIRECTORS' REPORT

### The Bank's Main Accomplishments

Jordan Ahli Bank provides comprehensive banking, financial and credit services for all economic sectors.

#### Business Sector

The Business Sector is one of the most important units of the Bank as it manages banking relationships with financial institutions as well as SME's, large enterprises and consumer banking and offers banking and project financing solutions with the aim of institutionalizing and developing relationships in a manner consistent with the Shared Prosperity strategy that is fundamental to the Bank's mission.

#### Corporate Banking and Projects Finance

The corporate segment is considered one of the most important segments of the Bank as it is one of the largest drivers of revenue. The department manages banking relationships with clients from the corporate, government and financial sectors by offering a wide array of banking solutions including project financing solutions for key infrastructure projects, either directly or indirectly, through direct leading or participation in syndicated Loans.

- The Corporate Banking and Projects Finance Department was able to establish and develop new client relationships with large corporates through the offering of relevant banking solutions, in addition to building relationships focused on the quality of the credit portfolio utilizing a conservative policy that balances risk and return.
- In 2020 the Bank continued to support the national economy through the offering of a unique bouquet of integrated financial solutions that match the needs of the segment and which correspond with the demands of quality and ever-increasing change in the business environment.
- As a result of the negative impact of the Pandemic Covid-19 on the Jordanian economy the Department continued to offer facilities and banking solutions to support its customers through specialized loans and direct and indirect commercial financing solutions, supporting a number of them in overcoming the financing gaps that they faced in light of the Covid-19 repercussions.



#### Small and Medium Enterprise Banking

- Jordan Ahli Bank always believed in the materiality of SMEs, hence in 2006 a specialized SME unit was established with a dedicated SMEs business centers distributed throughout the Kingdom. We offer specialized programs and services directed to this important segment, with harmony to the company's stage during establishment, entrepreneur, growth reaching to success and prosperity.
- Throughout 2020, Jordan Ahli Bank has reacted efficiently against the economical impact of Corona virus Pandemic and supported our clients. We have launched "Ahli Izwati" program that is supported with CBJ and JLGCC, for the purpose of providing liquidity during difficult periods to cover operational expenses with very competitive prices. In addition to this, we have reduced our lending rates to relief some costs pressure on our clients based on CBJ directions. Adding to this, we postponed payments of different facilities in reaction to cashflow fluctuation for those impacted clients.

During lockdown periods, we continued throughout our team to offer support to our clients such as salaries payments, transfers, cheques services, ensuring business continuity side by side to our electronic channels and services.

#### Consumer Banking

The Consumer Banking Services business unit continued its execution of the bank's strategic plan for restructuring branches, either by merging them or reallocating them, in order to raise operational efficiency and reduce costs. As for the Consumer Banking products, several new strategic partnerships have been established to help achieve the bank's financial and non-financial objectives, with shared value across all parties involved, thus enabling the bank to provide solutions with flexible and highly competitive product features to fit the needs of all segments of society. The contact center Supports our customers 24/7 to improve customer experience.

The automation of a large portion of consumer banking services lead to enhances customer satisfaction rates (CX) when compared year over year. The number of customers using our digital channel services has increased by 42% for ahli online banking and by over 50% for ahli mobile, when compared with the previous year.

During 2020, the Consumer Banking Services business unit has contributed to alleviate the financial burdens of those affected by the COVID-19 pandemic by offering very closely with customers to assist them with their financial needs.

The "Exclusive" customer segment identity has been re-launched and the services provided to them upgraded. This was supported by a substantial growth in the number of customers who use their ahli debit cards, in addition to the automation of the customer records updating process through digital channels.

## Treasury and Investment

- 2020 was an exceptional year by all standards, due to the rather unprecedented repercussions unfolding during the COVID-19 pandemic, the results of which have proven to be catastrophic on world economy and capital markets.

Treasury, Investments and Financial Institutions Management adopted a conservative investment approach, which has directly contributed to the bank's resiliency and capacity to overcome economic burdens, especially in the face of the disruptions caused by the pandemic that are still overshadowing the global and local economic activities, resulting in a prolonged uncertainty surrounding the world economy.

- The group maintained their adequate asset management of over JD 1 billion, fully addressing liquidity needs and requirements, and attaining income and cash flow sustainability by means of strategically managing its liquid assets in line with interest rate expectations during 2020. Also, the management continued to make use of the tools and technologies available to lower its costs, while sustaining return levels on its fixed income portfolio and at the same time securing a variety in terms of maturity dates. The management also capitalized on available growth opportunities in the Fixed Income secondary market thus further augmenting its overall returns.

- Asset management has also implemented and promoted the concept of "Responsible Investment" within a framework of investment criteria and feasibility targeting sector inclusion that further reinforce and promote variety in the overall national economy. As such, JAB contributed in all investment initiatives aiming to support vital sectors and companies in the Kingdom.

- On a different note, preparations to launch wealth management products and services have been finalized. Wealth management value-added products and service offerings that will become ready and available at the beginning of 2021, are articulated to meet the investment ambitions of our existing and future clients.

- The accomplishments of our corporate finance in terms of financial advisory, custody and paying agent were outstanding; total value of securities managed by the department exceeded JD 600 million for companies and financial institutions in various sectors. Meanwhile, the only private placement that took place in 2020 for a public shareholding company was managed by the department, whereby the placement covered 80% despite the difficult economic circumstances facing companies during the COVID-19 pandemic. Despite the negative ramifications of the pandemic and the full lockdowns imposed by the government, the Financial Institutions department was able to maintain all business relationships with our correspondents, in addition to on-boarding new major Banks to our widely covered network of correspondents.

## Credit Sector

### Credit Review Department:

- Study and Review credit applications from business departments (Corporate and SME) to identify customers financial capabilities towards servicing their debt in compliance with Central Bank of Jordan's instructions.
- During 2020, the department has been performing the proper evaluation of the credit portfolio in relation to the repercussions of the COVID19 and took necessary actions to mitigate potential risks.
- Credit Review Department updated the Credit Policy with proper integration of pricing and Credit Decision.
- Finalizing "The Loan Origination System" project.

### Credit Execution Department:

- Continuing the processes related to documentation, and activation in compliance with legal and administrative requirements.
- The automation of department activities.
- A plan was set out to reorganize the safe Custody Store through an automated system.
- Continuing the activities of early warning system to identify cases of financial distress and maintain quality control.
- Automating all processes related to credit control and supervision; early warning system including escalation process.

### Credit Remedial Department:

- Responsible for managing defaults and restructuring them to become active or taking the necessary measures and solutions.
- Managing Debt collections to maintain acceptable doubtful debt Ratios.

## Support Sector

### Operations & Shared Services

In recognition of the importance of BUNA's platform - Arab Monetary Fund in streamlining and harmonizing payments in multi currencies across banks operating in the Arab Region to make them easier, faster and cheaper, Jordan Ahli Bank was the first bank in Jordan to participate and join BUNA's platform in the year 2020.

Out of our care for and satisfaction of our customers and to bolster the quality of our services offered to them, we have broadened the scope of our electronic advices that we send to their email addresses to include remittances, loans, deposits and Letters of Credit.

Due to the importance of Innovation in developing our banking services, we benefited from Robotics Process Automation in automating a large number of banking transactions in order to ensure its rapidity, accuracy and to greatly improve its efficiency.

### Information Technology

The information technology department is responsible for providing support for the operations that utilize technology solutions including offering maintenance and continuity of the technical platforms whether hardware or software to ensure an environment of maximum security from cyber threats.

- Upgrade operating system of all ATMs to Windows 10 and implementing Desk Encryption.
- implementing New load balancer and include all services which Enhanced the availability and security.
- Operating all bank services and activating work from home during the lockdown without any issues.
- Implementing SOC.
- Upgrade the following systems and applications (SWIFT, T24 Cyprus, Oracle 19c, HID and Moody's).
- Implementing new Signature System at Jordan and Cyprus.
- Complete all PCI-DSS requirement.
- Launch new Retail Internet Banking System (Kony).



## Human Resources

Jordan Ahli Bank believes that human resources are the key to the success of institutions, hence the Human Resources Department aims to apply the best standards for employee experience, starting with attracting, recruiting, developing and retaining highly qualified human resources. Implementing programs that seek to achieve job satisfaction and promote a highly challenging corporate culture that supports creativity and innovation and provides competitive rewards and incentives programs.

Corporate culture institutionalization was key in 2020, whereby the culture elements have been defined and cascaded on all levels to ensure the achievement of a unified institutional culture that promotes effectiveness, flexibility and integration, and that is reflected in all practices. Focusing on applying the best values under the exceptional circumstances and educating employees at all levels of management to release their energies and guide them in establishing the rules of a work environment that aims towards creativity innovation, and prepares them for all the ingredients of success.

In this context, the Human Resources Department sought during the year 2020 to maintain the safety of the Bank's staff while ensuring continuity of work as the whole world experienced a major health crisis due to the Coronavirus (COVID-19), the situation created additional responsibilities and duties to protect the Bank's staff and provide the utmost care and prevention of the virus in all the Bank's locations, by taking measures to reduce the spread of the virus among Bank employees and their families and ensuring ongoing awareness of the virus, its symptoms and the methods of prevention. Implementing the measures required to ensure safety of the employees and the smooth operation of the bank by applying the principle of social spacing between employees through the activation of remote work and the distribution of employees on the buildings with low occupancy rates. Developing internally and implementing the needed infrastructure for monitoring employees' attendance by replacing the biometric attendance system by magnetic electronic cards and a mobile application to track and monitor the attendance of employees with GPS monitoring.

The Bank has continued implementing its policy of recruiting its vacancies internally in compliance with the career development and career paths of employees, hence ensuring internal justice and enhancing the retention of high potential employees. External expertise had been recruited to promote creative thinking and provide the Bank with qualified staff that are suitable for the values, environment of the Bank and the job requirements.

Based on the Bank's recognition that qualified and specialized banking capabilities and competencies are a key pillar in improving the level of service delivery to customers, the pandemic has not posed any obstacle in the training and development of the Bank's staff, and the implementation of training and development programs for employees has continued through the application of e-training and virtual training programs to develop and qualify branch staff in addition to implementing a range of development programs with the aim of developing high potential employees for leadership positions.

## Innovation

- The Innovation department kept up to pace with the rapid development in the financial services sector and with the integration of advanced technologies into our financial services offerings. The launch of the new corporate identity in its first phase has been successfully completed as planned. The internal operations across the bank's departments have been automated. Additionally, to ensure our customers can benefit from the best technological capabilities available in Jordan, the services offered to our customers have been automated and digitized. The Meen World eKYC-as-a-Service platform has been fully integrated in the bank's customer on-boarding process, enabling a fully digital and instantaneous customer on-boarding experience, thus enhancing the Customer Experience (CX) and customer journey, as well as improving the branches' ability in providing a superior customer experience to their clients.

- In continuation of the remarkable success achieved by the ahli777 program for Jordanian university students, the innovation team has continued its efforts to attract more students and fresh college graduates. The individuals selected to join the program will be trained and given the opportunity to offer their services in the bank's various departments in exchange for service fees, thus helping them gain experience and kickoff their careers.

- In conjunction with the COVID-19 pandemic, throughout the year 2020, the Innovation department worked on delivering exceptional new digital services to the bank's customers, most notably, the ahli mobile and ahli online banking services. The department also successfully launched the newly designed ahli.com website, which is a completely new look and uniquely distinctive user experience for the site visitors, especially for those with ambition, creative imagination, and personal drive.

## Project Management Office

In the implementation and management of the initiatives and projects of Jordan Ahli Bank, the Project Management Office relies on the foundations and goals emanating from Jordan Ahli Bank strategy where projects are managed through innovative tools and methods focusing primarily on human resources and the highest international standards.

- The Project Management Office provided a structured governing project management body by managing and monitoring 76 projects in 2020, creating a central repository for all projects and project information while using project management best practices supervised and imbedded by a certified Project Management Professional (PMP) team.

- To Achieve strategic alignment, Enterprise Architecture position was created under the PMO umbrella to align business goals and strategy, improving the management of existing applications and tools as well as finding efficiencies by applying the Enterprise Architecture principles.

## Center of Excellence

During the year 2020, the Center of Excellence was created to comply with the bank's strategic plans "Shared Prosperity Model" to ensure the application of an efficient business model through applying an "Integrated Operating Model" for the bank based on merging innovation, strategic and operational projects outputs in the design, organization and development of banking operations and improving the quality of services provided to customers to be End to End processes.

Where the scope of "Processes Re-engineering Department" was enriched to comply with the operating requirements of the creation of the Center of Excellence to include Operating Model and Processes Development through Processes Re-design and Process Automation or Centralization on the various banking systems in compliance with the bank's operating model, where the design, organization and development of banking operations outputs will be infused in the preparation, maintenance, documentation and approval of policies and procedures, financial, administrative and systems authority matrices.

The Executive Management has enriched the scope, tools and procedures of Internal Control and evaluation methodologies as a main line of defense and independent of all the executive organizational units of the bank in compliance with "Three Lines Model" as a part of effective response strategies for the risks that face the bank which is based on the segregation of duties, authority limitation and merging of operational and control roles within the procedures and process workflow on order to efficiently achieve strategic and operational bank goals and to assure that operations and activities are complied with circulars, instructions and regulations issued by all regulatory and legislative bodies that supervise banking business. Also, the bank has continued to develop and document a complete regulatory system framework and information technology governance according to the best practices (COSO Framework & COBIT 2019) with merging all the assurance, regulatory and consultancy roles that Board regulatory committees provide and the regulatory practices that should be executed by all executive organizational units through a refined governance framework that is derived from the deep supervisory role of the board of directors.

## Internal Audit

The Internal Audit Department is subject to the supervision of the Board Audit Committee emanating from the Board of Directors. The importance of the Internal Audit stems from the fact that the auditors are independent and are qualified to perform their functions in an objective manner in accordance with the Bank's corporate governance. Additionally, internal auditors validating the availability of sufficient internal control and oversight systems to ensure that the Bank's activities and remedial measures are being conducted in an efficient and effective manner.

The Internal Audit is also responsible for providing recommendations and proposed solutions that allow for the most effective use of the Bank's resources and in a manner that supports the implementation of the Bank's strategy in the lowest risk environment possible, especially considering the pace of change that the working landscape is undergoing largely as a result of the latest technological innovations which have unleashed new challenges and risks for all business segments.

- Providing training for all audit team members in accordance with latest developments in the banking industry and risk management.
- Cooperation and coordination with all departments of the Bank and regulatory bodies and strengthening the control environment across the Bank and its subsidiaries and external branches.
- Automation of audit functions.

## Risk Management

- Entrenching the governance framework for risk management by incorporating the bank's overall risk management strategy, Risk Appetite and methodologies.
- Developing risk management strategy.
- Automation of risk management reports.
- Maintaining the Bank Capital Adequacy Ratio within the Targeted Ratios.
- Preparing a set of stress testing scenarios in order to simulate the impact of COVID-19 pandemic over the Bank.
- Activating and reinforcing measures and controls to mitigate operational risk and information security risk in addition to reinforcing oversight and assessment of the cyber security environment.
- Implementation of Risk Management possesses related to Control Objective for Information and Related Technology (COBIT 2019).
- Activating and testing the business continuity plan in addition to the business alternatives and disaster recovery sites during COVID-19 pandemic.
- Addressing and remediating all findings raised by Central Bank, consultancy bodies, Audit department and Compliance department.
- Promoting a risk management culture and conducting training sessions, workshops and educational session.
- Reinforcing communication channels with all bank departments, foreign branches and subsidiaries.

## Compliance and Anti Money Laundering

- Developing a compliance framework that tracks the implementation of regulatory body requirements and guidelines related to the bank and oversees compliance therewith. Promoting a compliance culture in the Bank.
- Following-up and implementing CBJ's (COVID-19 pandemic) specific instructions and directives as they relate to all stakeholders (clients, employees, ...etc.)
- Participating in the development and enhancement of services provided to customers through the complaints processing unit.
- Providing guidance and advice to all members of the group with respect to compliance issues and addressing their inquiries.
- Taking necessary measures to ensure compliance with all requirements and developments relating to anti-money laundering and terrorism financing.
- Taking necessary measures to ensure compliance with the procedures, guidelines and international laws relating to GDPR, FATCA and MiFID II.
- Holding training workshops for employees of frontline branches covering all compliance matters and issues.

## Shareholders Affairs

The Bank undertakes the necessary measures to ensure the effectiveness of the persistent communication through the Shareholders Affairs at the Board Secretariat Department in accordance with best practices, in order to reinforce the trust of the shareholders in the Bank. The Shareholders Affairs follows up on the details of their shares and the distribution of any dividends, whether cash or in-kind. The AGM invitations, agenda and annual report are distributed to shareholders at their registered mail addresses, emails and are also disclosed on the Bank's website and in the necessary media channels.

In order to substantiate the shareholders' knowledge of all matters related to the and their rights, especially as they are one of the stakeholders under the Shared Prosperity Model, a mechanism was adopted to receive complaints and suggestions submitted by shareholders and were published on the bank's website.

## Geographical Coverage and Number of Employees

The Bank exercises its operations through a network of branches spreading across Jordan, Palestine and Cyprus as well as through its subsidiaries, in which the total number of branches among Jordan, Palestine and Cyprus are 62 as detailed at the end of this report herein, and the total number of the Bank's employees are 1374 as of the end of 2020. As detailed below:

	No. of Branches	No. of Employees 31/12/2020
Hashemite Kingdom of Jordan	51	1144
Palestine	10	217
Cyprus	1	13
<b>Total</b>	<b>62</b>	<b>1374</b>



## Distribution of Employees and Branches

The distribution of Jordan Ahli Bank branches and number of employees according to the Bank's Governates and its external branches as of the end of 2020 are as follows:

Within the Hashemite Kingdom of Jordan					
Branch	No. of Employees	Branch	No. of Employees	Branch	No. of Employees
<b>Amman</b>					
<b>Central Amman</b>					
Main Branch	12	Abdoun	9	Wadi Saqra Street	10
Corporate	20	Taj Mall	13	Ibn Khaldoun Street	4
Exclusive	19	Jabal Amman	9	Abdali Boulevard	7
Culture Street	5				
<b>East Amman</b>					
Sahab	6	Tabarbour	5	Dahieh Yasmine	6
Madaba	10	Al-Hashimi Al-Shamali	5	Marka	6
Hurriya Street	6	Downtown	6	Jabal Al Hussein	7
Khuraibet Al-Souq	7	Middle East Circle	7	Marj Hamam	7
<b>West Amman</b>					
Umm Uthaina	5	Mecca Mall	8	Makkah Street	9
Al Bayader	5	Wasfi Al-Tal Street	7	Queen Rania Street	6
Sweifieh	8	Khalda	8	City Mall	12
Abdullah Ghosheh	6				
<b>Balqa</b>					
Deir Alla	6	Al-Salt Gate	8	Balqa Applied University	7
Al-Salt	6	Fuhais	6	Jubaiha	9
<b>Zarqa And North</b>					
Zarqa Main Branch	6	Ramtha	8	Irbid	13
New Zarqa	5	Mafraq	6	Jerash	8
The Free Zone	4	Arabella Mall - Irbid	10	Rusayfa	6
<b>South</b>					
Tafila	9	Mu'ta	8	Karak	8
Ma'an	9	Aqaba	12		

## Outside The Hashemite Kingdom Of Jordan

Branch	No. of Employees	Branch	No. of Employees	Branch	No. of Employees
<b>Palestine</b>					
Regional Office	121	Jenin	10	Ramallah	11
Nablus	15	Tulkarm	8	Bethlehem	13
Shalala - Hebron	3	Beit Sahour	8	Masyoun	6
Salam - Hebron	Betonia		9		
<b>Cyprus</b>					
Limassol	13				

## Capital Investment

The capital investments of Jordan Ahli Bank amounted to 101 million Jordanian Dinars with fixed assets amounting to 90.2 million Jordanian Dinars and intangible assets amounting to 10.8 million Jordanian Dinars as at the end of 2020.

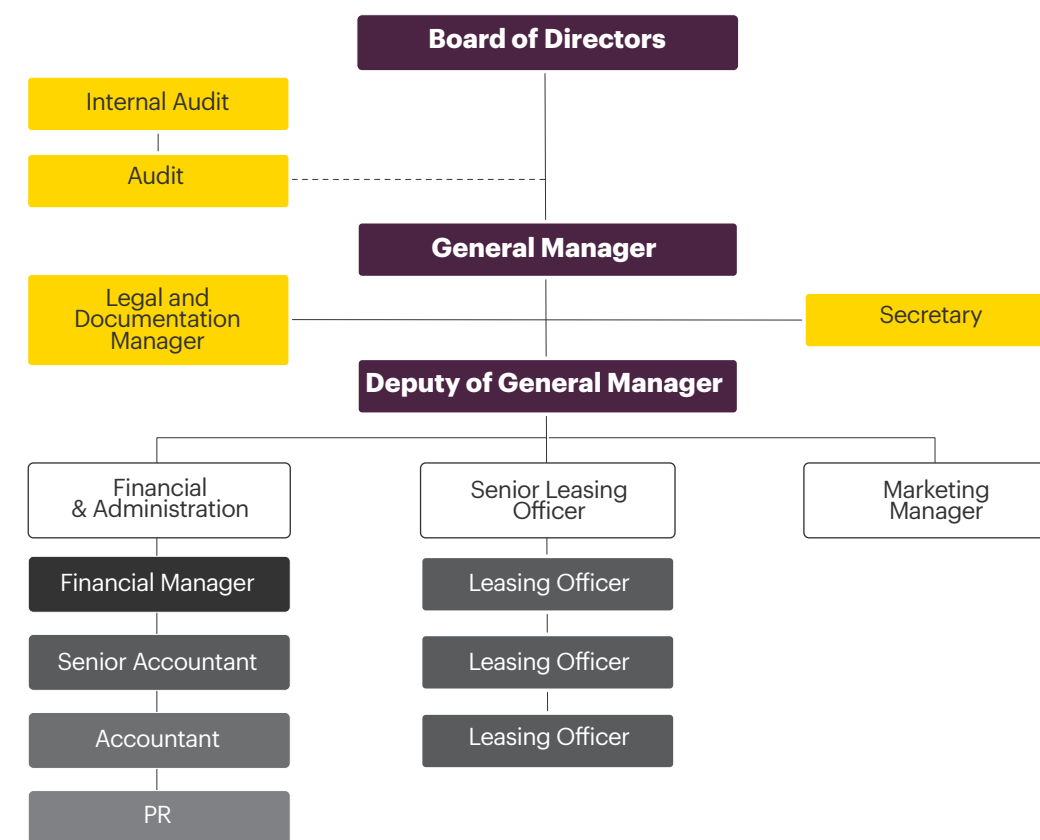
## Jordan Ahli Bank Subsidiaries

Table Providing Detailed Information in Respect of Subsidiaries

Name of Company	Type of Company	Address	The nature of the company's business	Capital	No of Employees	No of Branches	Major Shareholders (5% of more of Capital)				
							Name	No of Shares as of 31/12/2019	%	No of Shares as of 31/12/2020	%
Ahli Financial Leasing	Private Shareholding Co.	Amm. - Jo. Tel: 06 5003333	Leasing	17,500,000	13	1	Jordan Ahli Bank	17,500,000 JD/Share	100%	17,500,000 JD/Share	100%
Ahli Micro-finance	Limited Liability Co.	Amm. Jo. Tel: 06 9706558 Fax: 06 586 5952	Micro-finance	6,000,000	250	27	Jordan Ahli Bank	6,000,000 JD/Share	100%	6,000,000 JD/Share	100%
Ahli Brokerage	Private Shareholding Co.	Amm. Jo. Tel: 06 5624471 Fax: 06 5821162	Brokerage	3,000,000	7	1	Jordan Ahli Bank	3,000,000 JD/Share	100%	3,000,000 JD/Share	100%
Ahli Fintech	Private Shareholding Co.	Amm. - Jo. Tel: 06- 526000	Information Technology	Authorized 1,500,000 Subscribed & Paid up 600,000	-	1	Jordan Ahli Bank	100,000 JD/Share	100%	Authorized 1,500,000 Subscribed & Paid up 600,000	100%

## Ahli Financial Leasing Company PSC

A wholly-owned private shareholding company established in 2009, Ahli Leasing Company currently operates with a paid-up capital of 17.5 million Jordanian Dinars and aims at providing comprehensive financial leasing services and non-traditional lending solutions for a wide community, including both retail and corporate clients. The main areas of lending belong to financing capital investments such as real estate, plants and equipment, medical supplies, in addition to transportation, whereby Ahli Financial Leasing Company was able to become one of the leading leasing companies in Jordan in a very short period.



### Achievements of the company in 2020

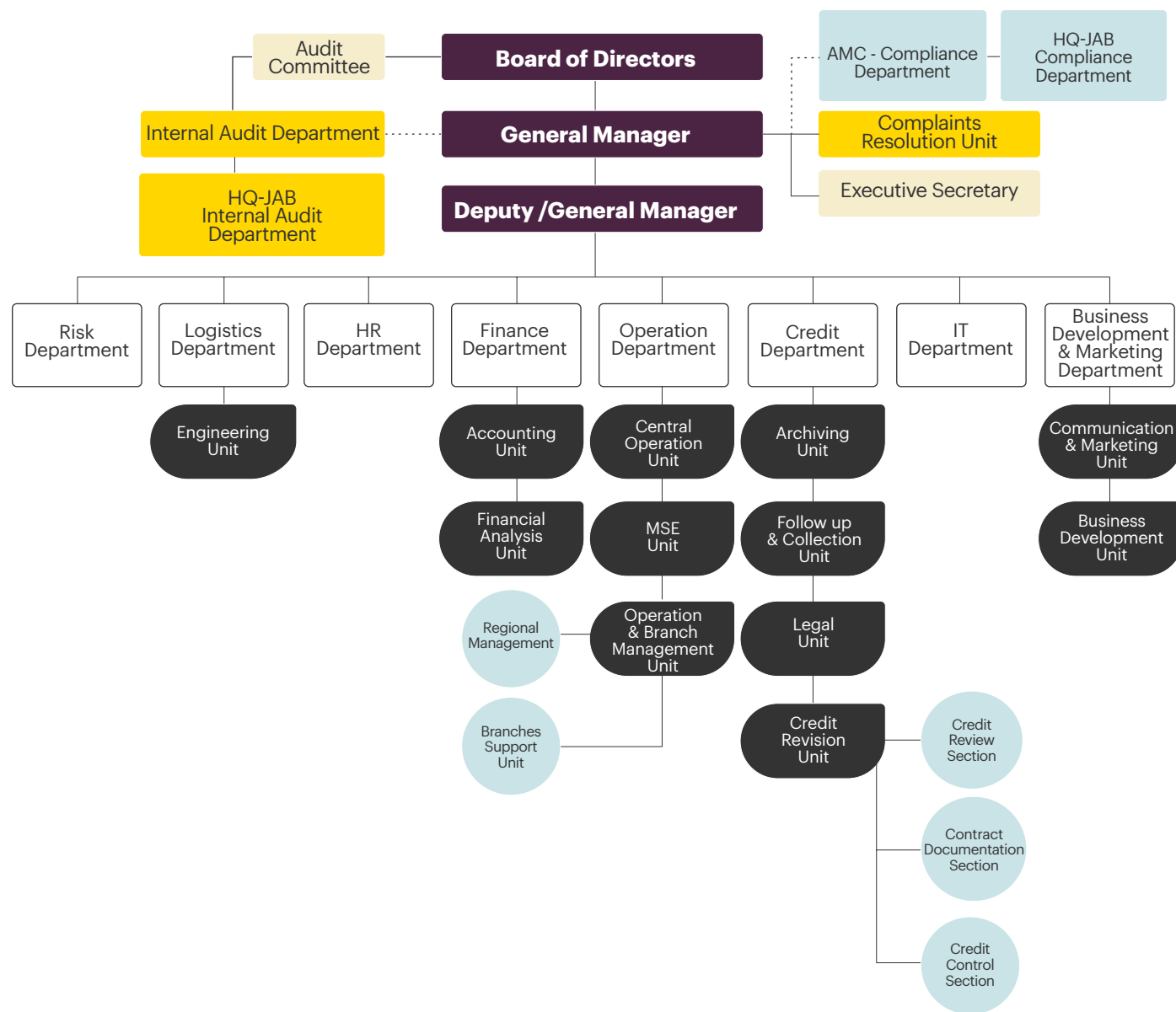
- Offering our leasing services in a dynamic and active approach, which in return stirs up economic activity.
- Maintaining and growing our well balanced and diversified portfolio of assets.

### Future Plan for 2021

- Attracting new clients through spreading awareness of the benefits of leasing.
- Developing e-services to our clients and launching our Website.

## Ahli Microfinance Company L.L.C.

A wholly-owned subsidiary of Jordan Ahli Bank and the first for-profit private sector company operating the microfinance space in Jordan. The company was established in 1999 in Jordan with a capital of 6 Million Jordanian Dinars. It aims to support the development of local communities by providing financing solutions to productive limited income and poor small business owners who are not serviced by traditional financing agencies (banks) and contribute to the reduction of unemployment and poverty by providing seed funding and supporting self-employment thus creating a better economic, social and educational environment with a positive impact on the prosperity of local communities. During this period, the Company has provided total loans exceeding 208 Million Jordanian Dinars and served more than 246 thousand customers through 26 branches located inside the Kingdom.



### Achievements of the Company in 2020

### Future Plan for 2021

- Expanded the company's outreach to AL Salt and Mu'tah cities.
- Implemented a number of strategic projects, including the relocation of the data center, completed the disaster recovery plan, cybersecurity and information security protection and developed an automated HR system.
- Developed an emergency plan to mitigate the repercussions of COVID-19 pandemic while ensuring the safety of the staff and clients.
- Prepared and implemented the departments' policies and procedures to further regulate the company's internal work.
- Launched a new website in line with the corporate identity standards.
- Achieved the company's financial and non-financial targets.
- Developed and launched new financial solutions and products to the micro and small enterprises (Intaji loan).
- Activated further the company's role in its social responsibility through supporting community based projects.

- Adopting and implementing a digital transformation business strategy.
- Expand our network through opening a new branch in Mafrq in line with The National Financial Inclusion Strategy.
- Executing several capital projects to further develop the company's efficiency business
- Enrich the company's strategic partnerships.
- Continue automation of procedures.
- Preserving and sustaining the company's growth and expansion.



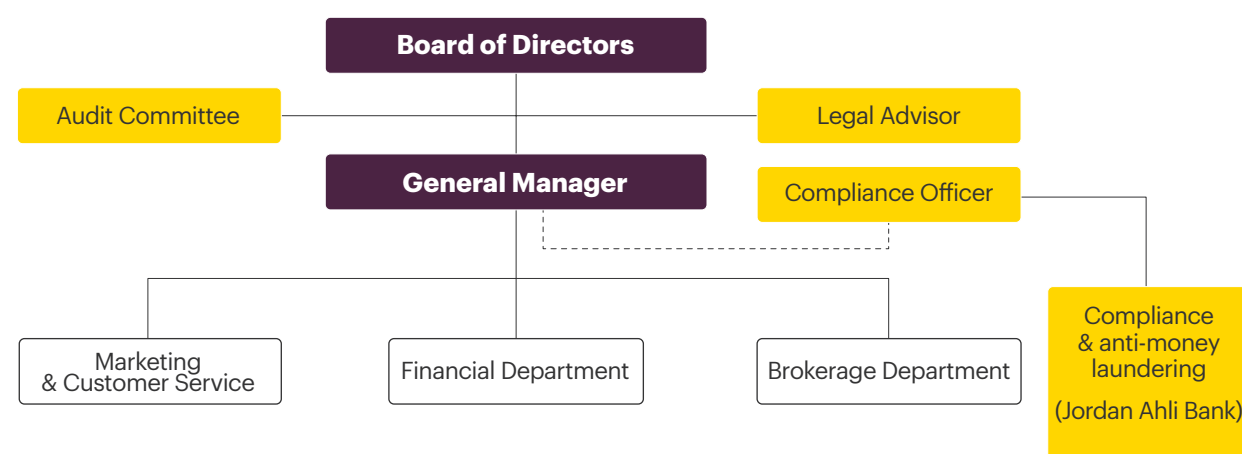


### Company's Branches:

Branch	Address	Phone No.	No. of Employees
Bayader	Bayader Street, Ata Ali traffic light, opposite to Jordan Kwait Bank - Ground floor	(06) 5820993	7
Zarqa	Al-Saadeh Street, building 20 - 4th floor, on top of Ahli Bank	(05) 3980083	9
Middle East	Khawla Bent Al Azwar Street, Al Entlaq AL Mowahad building-next to Total gas station - Ground floor	(06) 4777310	8
Irbid	Al Husoun Street, Raed AL Hijazi building, opposite to Jordan Ahli Bank - Ground floor.	(02) 7251072	11
Swaileh	Princess Haya Street, Al Jude building, next to Jo Petrol gas station - Ground floor	(06) 5347594	7
Zarqa Jadeedah	36 Street, building 37, next to Nuram Shamia sweets - Ground floor	(50) 3863354	6
Rsaifeh	King Hussain Street, building 100 - Ground floor	(05) 3755115	8
Rsaifeh (Jabal Al Shamali)	Yajouz Street, opposite to Prince Faisal Hospital - Ground floor	(05) 3756844	6
Al Hashmi	Al Bathaa Street, AL Montaser building, next to Anabtawi traffic light - Ground floor	(06) 5064990	8
Baqaa'	Al Shu'un Street, opposite to Al Wakaleh school - Ground floor	(06) 4727124	7
Marka	Esawah Street, building 8 - Ground floor	(06) 4884123	6
Jabal Al Hussien	Khaled Ben Al walid Street, buidling 130, opposite to Opera House - Ground floor	(06) 4657201	15
Aqaba	Petra Street, opposite to Super Market Hamam - Ground floor	(03) 2030320	7
Irbid - Aydoun	New bus station - Al Sydawi complex, next to Jordan Kwait Bank	(02) 7070260	9
Madaba	Greater Madaba Municipality Street, next to Alawneh Exchange - Ground floor	(05) 3244432	8
Al Karak	Mothalath Al Thonaya Street, Sabri Dal'een building - Ground floor	(03) 2386082	9
Ajloun	Ishtafina Street, traffic, under Ministry of Justice - Ground floor	(02) 6440344	7
Marj Al Hamam	Prince Nayef Street, Abu Khaled Al Manaseer building, next to pharmacy One - Ground floor	(06) 5733984	7
Abu Nseir	Abu Nser Street, next to Cairo Amman Bank - building 224 - Ground floor	(06) 5105786	7
Hai Nazal	Ad-Dustour Street, next to the Jordan Post - Ground floor	(06) 4370999	8
Salt	Anees Muasher St.- Dababneh Trade Complex - next to Housing Bank - Ground floor	(05) 3557105	7
Al Hurria	Al-Hurriyah Street, building 95, next to National Poultry Company - Ground floor	(06) 4205072	7
Jabal Al Naser	Adan Street, next to Flamingo Restaurant - Ground floor	(06) 4967529	5
Tabarbour	Tabarbour - Tareq Street, opposite to Tareq Post Office	(06) 5059350	5
Mu'ta Office	King's St. - Mazar area - municipality complex - Ground floor	(03) 2370312	5
Jarash	Hasan Al Kayed Street, near Al Kairwan circle, opposite to the bus station, Al Baraka commercial complex	(02) 6342070	5
Main Office	8 <sup>th</sup> circle, King Abdulla II Street, building 449	(06) 5865970	51

### Ahli Brokerage Company P.S.C

Ahli Brokerage Company is a wholly-owned subsidiary of the bank, was established in 2006 as a private shareholding company with a current paid-up capital of 3 Million Jordanian Dinars. The main activities are providing brokerage services for securities listed in Amman Stock Exchange.



#### Achievements of the company in 2020

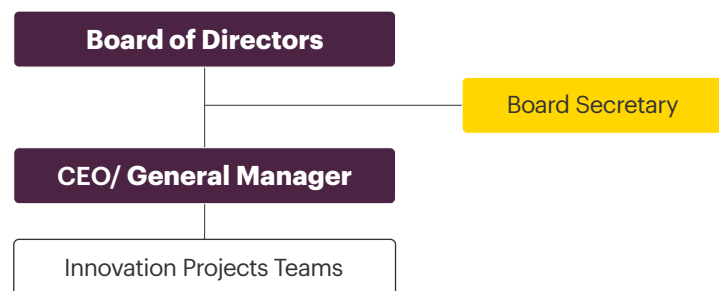
The company maintained its conservative approach during 2020 as the pandemic has created an immense state of uncertainty in the financial markets. Amman Stock Exchange has witnessed a decline in trading volumes and activity, which had a negative consequence on all financial service providers. However, Ahli Brokerage was able to take on those circumstances and maintain a comfortable solvency ratio of 118% by the end of 2020, which is well above the minimum required ratio of 75% set by JSC. We have also launched during 2020 the Market Information System (MIS) which enables users to view financial and non-financial information for all publicly listed companies, in addition to the daily change of ownership for BOD's and key shareholders that own more than 1%.

#### Future Plan for 2021

Going forward with our strategy of widening our client base and increasing the market share of the company through focusing on providing the best and most innovative financial e-services to our clients.

## Ahli Financial Technology Company P.S.C.

A wholly-owned subsidiary of Jordan Ahli Bank established in 2017 with an authorized capital of 1.5 million Jordanian Dinars and a subscribed and paid up capital of 600,000 Jordanian Dinars. The company develops and offers fintech solutions and operates as a growth accelerator through the AHLI FINTECH-Seed Accelerator to support entrepreneurial financial technology companies and startups.



### Achievements of the company in 2020

- During early 2020, the AHLI FINTECH became a UiPath™ Gold Partner, enabling it to develop Robotic Process Automation (RPA) solutions that automated over 19 processes for Jordan Ahli Bank, providing significant savings and process improvements for the bank.
- AHLI FINTECH incubated the internally innovated AI and Blockchain - based eKYC - as - a - Service platform, Meen World, and the AnaMeen digital identity mobile app, leveraging 5th generation technologies including Deep Learning, Machine Learning and Artificial Intelligence to aid in validating and authenticating the digital identities of its users. The service was launched in March 2020.
- During mid - 2020, the company became officially licensed by JoPACC as a CliQ instant payment service integrator through its Pay Apps World (PAW) CliQ Connector, enabling licensed banks in Jordan to offer the CliQ service to its customers in record time.

### Future Plan for 2021

- Growth in the Anameen customer base in Jordan, while widening the spectrum of Entity and industry participants in “meen world”, which utilize our instantaneous digital eKYC-as-a-service functionality.
- Enhance Anameen functionality to cater to the services of new industries in Jordan and abroad.
- Development of electronic payment, data analysis and other strategical solutions that contribute to the expansion of the Fintech industry.

## Members of the Board of Directors



Name	<b>Mr. Saad Nabil Yousef Mouasher</b>
Title	<b>Chairman of the Board   Non-Executive   Non-Independent</b>
Date of Membership	2014
Date of Birth	26/10/1974
Academic Qualifications	<ul style="list-style-type: none"> <li>• Master of Business Administration (MBA) 2000, Stanford University.</li> <li>• B.A. in Economics 1996, Northwestern University.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Banking Executive with more than 20 years experience in the financial services industry, last executive position held: Senior Deputy CEO, Ahli Bank.</li> <li>• Vice Chairman – Al Nabil for Trade and Investments.</li> <li>• Vice Chairman – Fig Tree Ventures (Al Nabil for Trade and Investments representative).</li> <li>• Member of the Board - The Generous Palms.</li> <li>• Member of the Board of Trustees – The Crown Prince Foundation.</li> <li>• Board Member - Endeavor Jordan.</li> <li>• Served as Founder and/or active Board Member for many non-profit institutions including Queen Rania Foundation for Education and Development, Jordan Strategy Forum, and Naua/Nahno.</li> <li>• Fellow – The Aspen Institute, Aspen Global Leadership Network.</li> <li>• Moderator Corps – The Aspen Institute, Aspen Global Leadership Network.</li> <li>• Active Mentor and Startup Investor.</li> <li>• Member - YPO (Young Presidents Organization).</li> </ul>



Name	<b>Mr. Mahmoud Zuhdi Mahmoud Malhas</b>
Title	<b>Vice Chairman   Non-Executive   Non-Independent</b>
Date of Membership	1997
Date of Birth	26/8/1938
Academic Qualifications	<ul style="list-style-type: none"> <li>• B.A in Economics and Business Administration, 1957, the American University of Beirut.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Chairman of the Board of Directors of a number of companies, including: The Mahmoudia Trading Company, Chopard, Jaguar, Range Rover, Tufenkjian and McLean Square Mall USA.</li> <li>and a number of hotels, including: Cote D'azur Hotel - Beirut, White House Hotel - London, Marriott Hotel - Beirut.</li> <li>• Founder of the Saudi American Bank.</li> <li>• Former Vice Chairman of Tecan AG, Switzerland.</li> <li>• Private Secretary of His Majesty the late King Fahd Bin Abdulaziz Al Saud - Kingdom of Saudi Arabia.</li> <li>• A major investor in several companies.</li> </ul>



Name	<b>Mr. Nadim Yousef Issa Muasher</b>
Title	<b>Board Member   Non-Executive   Non-Independent</b>
Date of Membership	1997
Date of Birth	7/8/1950
Academic Qualifications	<ul style="list-style-type: none"> <li>• Masters in Construction Engineering, 1974, Stanford University.</li> <li>• B.A. in Architecture, 1973, University of Leeds.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Awarded the Order of Jordan (third degree) star and the Grand Cross of the Equestrian Order of the Holy Sepulchre of Jerusalem star.</li> <li>• Former Member of the Senate House.</li> <li>• Member of the Economic and Financial Affairs Committee and the Tourism Committee.</li> <li>• Former Honorary Consul - Of Cyprus.</li> <li>• Rapporteur for the Investment Committee/Economic Advisory Council; Investment Deepening Committee /National Agenda.</li> <li>• Former Chairman of the National Tourism Strategic Steering Committee.</li> </ul> <p>He works in the field of business, finance, investment, industry and trade, in addition to the following positions:</p> <ul style="list-style-type: none"> <li>• Chairman of the Arab International Hotels Co.</li> <li>• Chairman of Al Dawliyah for Hotels and Malls Co.</li> <li>• Chairman of El-Zay Ready Wear Manufacturing Co.</li> <li>• Chairman of the Jordan Investor Center Co.</li> <li>• Chairman of Beaches for Hotels and Spas Co.</li> <li>• Chairman of Business Tourism Company (Arab International Hotels Co. representative).</li> <li>• Vice Chairman of the Jordan Worsted Mills Co (Ranco Diversified Investments Co. representative).</li> <li>• Chairman of Ranco Diversified Investments Co.</li> <li>• Vice Chairman of Generous Palms Ltd.</li> <li>• Chairman and Vice Board of Trustees at Jordanian Hospitality and Tourism Education Co.</li> </ul>





Name	<b>Mr. Rafik Saleh Muasher</b> Rajai Muasher & Brothers Co Representative
Title	<b>Board Member   Non-Executive   Non-Independent</b>
Date of Membership	1997
Date of Birth	1/9/1949
Academic Qualifications	<ul style="list-style-type: none"> <li>• Masters in Construction Engineering, 1974, USA.</li> <li>• Masters in Engineering Projects Management, 1974, USA.</li> <li>• B.A. in Engineering, 1973, USA.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Managing business in business and investments.</li> <li>• Al Ahliah for Securities 1988 - present.</li> <li>• General Manager at Rajai Muasher &amp; Brothers Co.</li> <li>• Held positions in RANCO for construction and commerce 1980.</li> </ul>



Name	<b>H.E. Mr. Wasef Y. N. Azar</b> Jordan Investor Center Representative
Title	<b>Board Member   Non-Executive   Non-Independent</b>
Date of Membership	1997
Date of Birth	1/1/1936
Academic Qualifications	<ul style="list-style-type: none"> <li>• Masters in Economics and Development Management, 1969, American University of Beirut.</li> <li>• Postgraduate degree in Economics and Statistics, 1964, the University of Iowa.</li> <li>• B.A. in Law, 1962, Damascus University.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Former member of the Senate.</li> <li>• Former Minister of Industry and Trade.</li> <li>• General Manager of Phosphate Mines Company.</li> <li>• General Manager of Jordan Investment Corporation.</li> <li>• General Manager of the Retirement Fund.</li> <li>• General Director of the Department of Statistics   Head of the Economics Department.</li> <li>• General Director of the General Population Census.</li> <li>• General Manager of Jordan Ahli Bank.</li> <li>• The General Secretary of the National Planning Council, which was later transferred to the Ministry of Planning.</li> <li>• Director of Research and Studies - Royal Scientific Society.</li> <li>• Professional Lawyer.</li> <li>• Board Member- Middle East Insurance Company.</li> <li>• Board Member- Beit Al Mal Saving &amp; Investment for Housing PLC.</li> </ul>



Name	<b>Mr. Imad Yousef Issa Mouasher</b> Mouasher Investment & Trading Co Representative
Title	<b>Board Member Non-Executive Non-Independent</b>
Date of Membership	1997
Date of Birth	21/9/1957
Academic Qualifications	<ul style="list-style-type: none"> <li>• Masters in International Business Administration, 1981, USA.</li> <li>• B.A. in Economics, 1979, USA.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Chairman of the Board - Mouasher Investment &amp; Trading Co.</li> <li>• Vice Chairman of Jordan Worsted Mills (Mouasher Investment &amp; Trading Co. representative).</li> <li>• Vice Chairman - Jordan Investor Center (Arab International Hotels Co. representative).</li> <li>• Vice Chairman - Business Tourism Company PSC (Mouasher Investment &amp; Trading Co representative).</li> <li>• Vice Chairman of the Board - Beaches for Hotels &amp; Spas PSC. (Arab International Hotels Co. representative).</li> <li>• Chairman of the Board - the Generous Palms Ltd.</li> <li>• Vice Chairman - Wings of Hope Society.</li> </ul>



Name	<b>Mr. Eyad Abdelsalam Rashad Abumohammad</b> Social Security Corporation Representative
Title	<b>Board Member   Non-Executive   Non-Independent</b>
Date of Membership	Legal Entity : 1997 Legal Entity's Representative: 30/7/2019
Date of Birth	31/7/1969
Academic Qualifications	• Bachelor's of Art in Business Administration and Political Sciences, 1992, University of Jordan.
Experiences	<ul style="list-style-type: none"> <li>• CEO - Darat Jordan Holdings from 2013 – present.</li> <li>• General Manager -Noor Jordan-Kuwait Financial Investment from 2006 – 2010.</li> <li>• Vice Chairman - Airport International Group and Acting CEO from 2007 until 2010.</li> <li>• Deputy Director - Economic &amp; Development Division, the Royal Hashemite Court from 2004 until 2006.</li> <li>• Financial consultant -Al Saudi Al Fransi Bank, Al Khobar, KSA from 2004 until 2006.</li> <li>• Financial Consultant, Merrill Lynch International Bank, Manama, Bahrain from 1998 until 2001.</li> <li>• Account Officer, Credit Department, Arab Jordan Investment Bank from 1994 until 1998.</li> <li>• Assistant Manager, Credit Department, Bank Dohfar Al-Omani Al-Fransi from 1992 until 1994.</li> </ul>



Name	<b>Mr. Alan Fouad Wanna</b> Byblos Bank representative
Title	<b>Board Member   Non-Executive   Non-Independent</b>
Date of Membership	1997
Date of Birth	18/11/1969
Academic Qualifications	<ul style="list-style-type: none"> <li>• Masters in Banking &amp; Financial Sciences, 1995, American University of Beirut.</li> <li>• B.A. in Economics, 1992, Lebanese American University.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Chairman of the Board of Byblos Bank Syria.</li> <li>• Deputy General Manager - Byblos Bank.</li> <li>• Board Member at Byblos Bank Africa.</li> <li>• Board member of Byblos Bank Armenia.</li> <li>• Board member of Byblos Invest Bank.</li> <li>• Board member of ADIR SAL (Insurance company).</li> </ul>



Name	<b>Mr. Aladdin Riad Sami</b> ZI&IME representative
Title	<b>Board Member   Non-Executive   Non-Independent</b>
Date of Membership	1997
Date of Birth	16/5/1953
Academic Qualifications	<ul style="list-style-type: none"> <li>• Masters in International Finance Management, 1978, the American University in Cairo.</li> <li>• B.A. in Economics, 1974, Cairo University.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• <b>Saudi Holland Bank</b> <ul style="list-style-type: none"> <li>- Chief Dealer.</li> <li>- Main Branch Manager</li> <li>- Head of Credit Risk in Western Region</li> </ul> </li> <li>• Zahid Tractor &amp; Heavy Machinery Company Ltd - Director Finance</li> <li>• Zahid Group Holding LLC – Executive Managing Director</li> <li>• Zahid Group – Group - VP Investments</li> <li>• Chairman of Laguna Tourism Development Company – Egypt.</li> <li>• <b>Board member of</b> <ul style="list-style-type: none"> <li>- Xenia International, Ant Ventures, Hospitality Ventures, Zahid Travel Group, Wared Group, Greencells Holdings, Greencells GmbH, Saudi Total Petroleum Product, Total Maroc, Perpetua Holding Europe S.a.r.l., Perpetua Holding GmbH, United International Transportation Company (Budget Saudi).</li> </ul> </li> </ul>





Name	<b>Mrs. Ibtissam (M.S) I. El-Ayoubi</b>
Title	<b>Board Member   Non-Executive   Independent</b>
Date of Membership	2015
Date of Birth	1/4/1959
Academic Qualifications	<ul style="list-style-type: none"> <li>• MMB /Masters in Money &amp; Banking, 1990, American University of Beirut.</li> <li>• B.A. in Accounting, 1983, Beirut Arab University.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Full time Professor in practice - Al Hussein Technical University.</li> <li>• Member - Jordan National Forum for Women</li> <li>• Former Board Member at Ideal for Microfinance</li> <li>• Former Deputy General Manager at Capital Bank.</li> <li>• Assistant General Manager at the Arab National Bank - Saudi Arabia.</li> <li>• Various experiences - Arab Bank, Jordan bank and Jordan Commercial Bank.</li> <li>• Former Board Member at Middle East Payment Services Company.</li> </ul>



Name	<b>Mr. Tarek Ziad Mounir Jallad</b>
Title	<b>Board Member   Non-Executive   Independent</b>
Date of Membership	2015
Date of Birth	12/9/1979
Academic Qualifications	<ul style="list-style-type: none"> <li>• Masters, MSc in International Political Economy, 2007, The London School of Economics.</li> <li>• B.A. in Economics, 2001, University of Pennsylvania.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Executive Chairman - Jallad Group / Caterpillar Dealers.</li> <li>• Vice Chairman - Jordan Tractor &amp; Equipment.</li> <li>• Senior Analyst, Morgan Stanley, 2002 - 2003.</li> <li>• Analyst, Equity Capital Markets, Salomon Smith Barney (Citigroup) 2001 - 2002.</li> <li>• Chief Financial Officer - Jallad Group / Caterpillar Dealers.</li> <li>• Fellow - The Aspen Institute, Aspen Global Leadership Network.</li> <li>• Vice President of the Board - Ana Aqra Association - Lebanon.</li> <li>• Member - YPO (Young Presidents Organization).</li> </ul>



Name	<b>Mr. Izzat Rashed Izzat Dajani</b>
Title	<b>Board Member   Non-Executive   Independent</b>
Date of Membership	29/4/2019
Date of Birth	22/11/1953
Academic Qualifications	<ul style="list-style-type: none"> <li>• Masters in Public Administration, 1990, Harvard University.</li> <li>• BSc Pharmacy, 1978, Liverpool School of Pharmacy.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Chief Executive - IMCapital Partners - UAE.</li> </ul> <p><b>He also held the following positions:</b></p> <ul style="list-style-type: none"> <li>• Chairman &amp; CEO - Citibank - Qatar.</li> <li>• Head of Key Clients, Investment Management Division, Goldman Sachs - UAE.</li> <li>• Chief Executive - Investment &amp; Development Office, Government of Ras Al Khaimah - UAE.</li> <li>• Member of the Board of Directors - Alternatif Bank - Turkey.</li> <li>• Chairman of the Board of Directors - Alternatif Lease - Turkey.</li> <li>• Advisor to the Board of Directors - United Arab Bank - UAE.</li> </ul>



Name	<b>H.E. Dr. Tareq Mohammad Khaleel Hammouri</b>
Title	<b>Board Member   Non-Executive   Independent</b>
Date of Membership	As of 28/10/2020
Date of Birth	5/10/1975
Academic Qualifications	<ul style="list-style-type: none"> <li>• Ph.D. in Commercial Law, 2002, University of Bristol.</li> <li>• LL.M in Commercial Law, 1998, University of Edinburgh.</li> <li>• LL.B in Law, 1997, University of Jordan.</li> <li>• Diploma Certificate - WTO &amp; AMF - 2003.</li> <li>• Legal Mediation Training - American Bar Association - 2005.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Minister of Industry, Trade and Supply, 2018 - 2020.</li> <li>• Chairman of Jordan Institute of Standards and Metrology Committee, Jordan Enterprise Development Corporation (JEDCO), Jordan Civil Consumer Corporation and Supply Chain Ministerial Committee, 2018 - 2020.</li> <li>• Vice Chairman of the Ministerial Economic Committee, 2018 - 2020.</li> <li>• Member of the Ministerial Legal Committee, 2018 - 2020.</li> <li>• Chairman of Nominations and Remuneration Committee of Jordan Ahli Bank, 2017 - 2018.</li> <li>• Board Member - Jordan Ahli Bank (and member of the BNRC and BCC), 2017 - 2018.</li> <li>• Administrative, Financial and Legal Advisor to the President - University of Jordan, 2015 - 2016.</li> <li>• Dean of Faculty of Law - University of Jordan, 2012 - 2014.</li> <li>• Board Member - The Islamic International Arab Bank/ was engaged in the following sub committees (Audit Committee - Chairman, and Governance Committee - Member), 2011 - 2017.</li> <li>• Legal Advisor to the Government of Jordan, 2012.</li> <li>• Associate Professor - Faculty of Law - University of Jordan, 2011 - 2018.</li> <li>• Former board member in various institutions, companies and corporations: The King Abdullah II Fund for Development (KAFD), The Social Security Investment Fund (SSIF), The Judicial Institute of Jordan (JIJ), Electricity Distribution Company (EDCO), The National Company for Tourism Development (NTD), Al Rakaez Investment Company.</li> <li>• Head of Legal Department - University of Jordan, 2012.</li> <li>• He was involved in extensive legislative drafting (examples include the Amended Draft Law for the Standards and Metrology Law No. 22/2000, the Law on Security over Movable Assets as Security Debts No. 1/2012 and others).</li> <li>• Frequent speaker at law related events and contributor/author of legal publications.</li> <li>• Recommended attorney for Jordan by various leading international legal directories.</li> </ul>



## Resigned Members of the Board of Directors during the year 2020



Name	H.E. Dr. Umayya Salah Toukan
Title	<b>Vice Chairman   Non-Executive   Independent</b>
Date of Membership	2017 Resigned - As of 12/10/2020
Date of Birth	26/2/1946
Academic Qualifications	<ul style="list-style-type: none"> <li>• PhD in Monetary economics , 1987, Columbia University.</li> <li>• M.A. in Economic Development/ International Economics, 1982, University of Oxford.</li> <li>• Masters of Business Administration, 1970, the American University of Beirut.</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• Deputy Prime Minister and Minister of State for Economic Affairs.</li> <li>• Former Member of the Senate House.</li> <li>• Former Chairman of the Economic and Financial Committee - Senate House.</li> <li>• Former Governor of the Central Bank of Jordan during the period 2001-2010 for two consecutive terms.</li> <li>• Former Finance Minister.</li> <li>• Ambassador to the European Union.</li> <li>• Non-executive director at the European Arab Bank.</li> <li>• He worked as part of the experts' group at the International Monetary Fund for the year 2011.</li> <li>• Jordan's representative in the United Nations (Second Economic and Financial Committee).</li> <li>• Economic Adviser to the Prime Minister.</li> <li>• General Manager of the Financial Market</li> <li>• Former Board Member at Al Dawliyah for Hotels and Malls.</li> </ul>

## Executive Management



<b>Mr. Moh'd Mousa Dawood (Moh'd Issa)</b>	<b>Chief Executive Officer/ General Manager</b>
Date of Appointment	8/11/2015
Commencement Date of the Current Job	8/11/2015
Date of Birth	1/2/1956
Academic Qualifications	<ul style="list-style-type: none"> <li>• Bachelors in Major Mathematics, Minor Business Administration / University of Jordan 1978.</li> </ul>
Experience	<p><b>Previous Experience:</b></p> <ul style="list-style-type: none"> <li>• <b>All within Arab Bank Group:</b></li> <li>- Executive Vice President - Country Manager of Jordan from 16/12/2012 until 05/11/2015.</li> <li>- Executive Vice President - Head of Libya project from 09/2012 until 11/2012.</li> <li>- Executive Vice President - Head of Corporate and Investment Banking/ Jordan &amp; Palestine 04/2009 until 07/2012.</li> <li>- Senior Vice President - Head of Credit/ Jordan &amp; Palestine from 10/2006 until 03/2009.</li> <li>- Head of Corporate Finance/ Jordan &amp; Palestine from 08/2004 until 09/2006.</li> <li>- Other senior posts within Arab Bank plc, Jordan including: Head of Commercial Lending, Head of Syndicated Loans Unit 10/1983 - 07/2004.</li> <li>- Head of Guarantees Department - Arab National Bank – Saudi Arabia from 08/1982 until 09/1983.</li> <li>- Credit Officer - Investment and Finance Department 11/1978 until 07/1982.</li> </ul> <p><b>He held many board memberships, the most important of which is:</b></p> <ul style="list-style-type: none"> <li>• Deputy Chairman of the Board of the International Islamic Arab Bank.</li> <li>• Deputy Chairman of the Board of Directors of the Arab National Leasing Company</li> <li>• Board Member at the Arab Bank - Syria.</li> <li>• Board Member at the Jordan Mortgage Refinance Company.</li> <li>• Board Member at the Jordan Loan Guarantee Corporation.</li> <li>• Board Member at the Jordan Hotels and Tourism Company.</li> <li>• Board member at the Banker's Association and Institute for Banking Studies.</li> </ul> <p><b>Current Board of Directors Membership:</b></p> <ul style="list-style-type: none"> <li>• Chairman of the Board- Ahli FinTech</li> <li>• Chairman of the Board – Ahli For Financial Leasing.</li> <li>• Board Member- AlDawliyah for Hotels and Malls PLC.</li> <li>• Board Member- Arab International Company.</li> <li>• Board Member – Jordan Banks Association.</li> </ul>



**Mr. Ahmad Awad Abd Al Halim Al-Husseini** Deputy Chief Executive Officer/ General Manager

Date of Appointment 10/11/2015

Commencement Date of the Current Job 10/11/2015

Date of Birth 16/7/1966

#### Academic Qualifications

- PHD in Finance / Amman Arab University 2005.
- Master of Management sciences / Finance / University of Jordan 1993.
- Bachelor of Economics and management sciences / University of Jordan 1987.

#### Experience

##### Previous Experience:

- Senior Credit Officer (Levant) - Arab Bank from 1994 until 2015.
- Cairo Amman Bank from 1991 until 1994.
- Bank of Jordan from 1989 until 1991.

##### He held many board memberships, the most important of which is:

- Board Member at the International Islamic Arab Bank.
- Board Member at the Arab Bank - Syria.
- Board Member at the Arab National Leasing Company.
- Board Member at Jordan National Shipping Lines Company.
- Board Member at the Palestine Real Estate Investment Company.
- Board Member at the Palestine Mortgage Refinance Company.

##### Current Board of Directors Membership:

- Chairman of the Board – Ahli Microfinance.
- Vice Chairman – Ahli For Financial Leasing.
- Vice Chairman – Ahli FinTech.
- Board Member- Business Tourism Company.
- Board Member – Jordan Worsted Mills.
- Chairman of Tanmeyah - Jordan Micro Finance Network.



**Ms. Lina Najib AL Bakhit Al Dababneh** Executive Vice President / Chief Business Officer

Date of Appointment 1/4/1998

Commencement Date of the Current Job 1/1/2019

Date of Birth 28/4/1963

#### Academic Qualifications

- Bachelor's degree of Political Science & Public Administration - The American University of Beirut 11/7/1984.

#### Experience

##### Experience within Ahli Bank:

- Head of Treasury, Investments & Financial Institutions.
- Assistant General Manager for Treasury, Investments & Financial Institutions.

##### Previous Experience:

- Head of Treasury and Foreign Investments -Jordan Investments & Finance Bank from 1/4/1990 until 20/12/1998.
- Dealer- Petra Bank from 16/04/1985 until 23/12/1989.

##### Current Board of Directors Membership:

- Vice Chairman- Ahli Microfinance



**Mr. Majed Abdel Karim M. Hijab** Senior Vice President/  
Head of Treasury, Investments  
& Financial Institutions

Date of Appointment 7/2/1998

Commencement Date  
of the Current Job 1/1/2019

Date of Birth 11/2/1967

#### Academic Qualifications

- Masters in Banking and Financial studies / Banking-  
The Arab Academy for Banking and Financial Studies 1997/09/24.
- Bachelor of Economics - Yarmouk University 22/8/1988.

#### Experience

##### Experience within Ahli Bank:

- Head of Investments from 1/1/2018 until 31/12/2018.
- Investments Assistant General Manager from 1/5/2016 until 31/12/2017
- Investments Senior Manager from 1/4/2012 until 30/4/2016.
- Corporate Restructuring Manager from 1/1/2008 until 31/3/2012.
- Corporate Finance Manager from 1/7/2007 until 31/12/2007.
- Corporate Finance Supervisor from 1/6/2007 until 30/6/2007.
- Investments and Financial Analysis from 12/9/1998 until 31/5/2007.
- Branch Senior Officer (Middle East Branch) from 07/02/1998 until 11/9/1998.

##### Current Board of Directors Membership:

- Chairman of the Board - Ahli Brokerage.
- Board Member - Beaches for Hotels & Spas PSC
- Board Member - Jordanian Banks Group Company for Investment.
- Board Member - Commercial Banks Company for Corporate Contributions  
(Resigned in on 21/11/2019).
- Board Member - Ahli FinTech.



**Mr. Zaid Wasef Shams-Eddin El-Khatib** Senior Vice President/  
Head of Consumer  
Banking

Date of Appointment 18/12/2016

Commencement Date  
of the Current Job 21/1/2018

Date of Birth 8/8/1976

#### Academic Qualifications

- Bachelors of Accounting - Al-Ahliyya Amman University 2/2/2000.

#### Experience

##### Experience within Ahli Bank:

- Branches Network and Sales Management Department Manager  
from 12/9/2017 until 20/1/2018.
- Business Development and Corporate Communications Manager  
from 18/12/2016 until 11/9/2017.

##### Previous Experience:

- Acquiring Director - Emerging Markets Payments from 2/6/2013 until 15/12/2016.
- District Manager - Consumer Banking at Arab Bank from 1/9/2009 until 26/5/2013.
- Products Development Manager at Housing Bank for Trade and Finance  
from 11/2/2007 until 1/5/2009.
- Car Loans Product Manager - Consumer Banking - Standard Chartered Bank  
from 13/3/2005 until 21/8/2006.
- Personal Banking Advisor at HSBC from 1/8/2000 until 13/03/2005.

##### Current Board of Directors Membership:

- Board Member- Middle East Payment services (MEPS)





**Mr. Sofyan Ayed Mohammad Duais** Senior Vice President/  
Head of Corporate Banking  
& Projects Finance

Date of Appointment 14/2/2016

Commencement Date  
of the Current Job 1/1/2019

Date of Birth 30/10/1976

#### Academic Qualifications

- Bachelors of Accounting / University of Jordan 25/1/1998.

#### Experience

##### Experience within Ahli Bank:

- Deputy Head of Corporate Banking and Projects Finance from 1/1/2018 until 31/12/2018.
- Corporate Relationship Management and Projects Finance Assistant General Manager from 1/7/2016 until 31/12/2017.
- Corporate Relationship Management and Projects Finance Senior Manager from 14/2/2016 until 30/6/2016.

##### Previous Experience:

- Corporate Relationship Senior Manager - Arab Bank from 20/10/2009 until 9/2/2016.
- Corporate Relationship Manager - Business Development - Bank of Jordan from 23/11/2008 until 20/10/2009.
- Corporate Relationship Manager - Arab Bank from 10/10/1998 until 10/11/2008.

##### Current Board of Directors Membership:

- Vice Chairman - Arabia Insurance Company / Jordan.
- Board Member - Ahli Financial Leasing Company.



**Mr. Ammar (M.S.) R. Alsa'id** Vice President/  
Head of SME

Date of Appointment 1/11/2017

Commencement Date  
of the Current Job 1/11/2017

Date of Birth 4/5/1980

#### Academic Qualifications

- Bachelors in Financial and Banking Services / Yarmouk University 31/8/2004.

#### Experience

##### Previous Experience:

- Head of Commercial Banking - National Bank of Abu Dhabi - Jordan from 20/4/2014 until 30/10/2017.
- Senior Relationship Manager / Corporate - Invest Bank from 2/9/2012 until 23/4/2014.
- Corporate Credit Manager - National Bank of Kuwait from 7/1/2007 until 5/7/2012.
- Credit Analyst / Corporate - Arab Bank from 19/2/2005 until 10/01/2007.



**Mr. Dirar Shebli Khalaf Haddadin** Senior Vice President/  
Chief Financial Officer

Date of Appointment 2/9/2018

Commencement Date of the Current Job 2/9/2018

Date of Birth 22/10/1973

#### Academic Qualifications

- Master in Accounting and Financial Management - University of Essex 30/11/2009.
- Bachelor of Accounting / Business Administration - University of Jordan 11/6/1995.

#### Experience

##### Previous Experience:

- Assistant General Manager/ Chief Financial Officer / AGM - Arab Jordan Investment Bank from 2/1/2013 until 31/8/2018.
- Planning and Studies Department Manager at Jordan Commercial Bank from 6/10/2002 until 1/1/2013.
- Cost & Financial Analysis Officer - Housing Bank for Trade and Finance from 21/10/1995 until 1/10/2002.

##### Current Board of Directors Membership:

- Board Member- Ahli Brokerage Company.



**Mr. Mouin Aziz Nasif Bahou** Senior Vice President/  
Chief Credit Officer

Date of Appointment 13/9/2004

Commencement Date of the Current Job 1/5/2017

Date of Birth 24/3/1967

#### Academic Qualifications

- Bachelor of Financial and banking sciences / Accounting - Yarmouk University 22/1/1989.

#### Experience

##### Experience within Ahli Bank:

- Assistant General Manager Credit Review from 01/11/2013 until 30/04/2017.
- Deputy Assistant General Manager - Corporate Credit from 15/08/2010 until 31/10/2013.
- Deputy Assistant General Manager Foreign Credit from 01/06/2010 until 14/08/2010.
- Foreign Credit Executive Manager from 21/09/2008 until 31/05/2010.
- Syndicate Loans Executive Manager from 01/05/2008 until 20/09/2008.
- Syndicate Loans Manager from 01/01/2008 until 30/04/2008.
- Corporate Banking Relationship Manager from 13/09/2004 until 31/12/2007.

##### Previous Experience:

- Central Credit Supervisor – Amman Cairo Bank from 11/11/1995 until 12/09/2004.
- ANZ Grindlays Bank from 1/3/1992 until 31/10/1995.

##### Current Board of Directors Membership:

- Deputy Chairman for Ahli Brokerage Company.
- Board Member- Ahli for Financial Leasing.



**Mr. Khalid Zuhair Jamil Abuesh- Shaer** Senior Vice President/  
Chief Compliance Officer

Date of Appointment 1/2/2016

Commencement Date of the Current Job 1/2/2016

Date of Birth 11/6/1968

#### Academic Qualifications

- Masters of Business Administration (MBA) / Victoria University, 7/6/2006.
- Masters of Business - Electronic Commerce & Marketing / Victoria University 3/11/2004.
- Bachelors in Business Administration / Yarmouk University 7/6/1995.

#### Experience

##### Previous Experience:

- Executive Manager - Head of Compliance – Invest bank from 16/07/2006 until 31/1/2016.
- Customer Services - Housing Bank for Trade & Finance from 06/07/1996 until 1/1/2002.
- Assistant Auditor - Tema Abuesh- Shaer for auditing from 01/07/1995 until 1/7/1996.



**Mr. Iyad T. N. Ammari** Vice President/  
Chief Internal Auditor

Date of Appointment 1/4/1996

Commencement Date of the Current Job 1/5/2017

Date of Birth 9/4/1971

#### Academic Qualifications

- Bachelor's degree of Accounting - Mutah University 18/9/1994.

#### Experience

##### Experience within Ahli Bank:

- Acting Chief Internal Auditor from 14/11/2016 until 30/4/2017.
- Acting Chief Internal Auditor from 20/1/2016 until 18/7/2016.
- Audit Manager from 01/4/2011 until 19/1/2016.
- Audit Team Assistant Manager from 1/5/2009 until 31/3/2011.
- Audit Supervisor from 17/2007 until 30/4/2009.
- Senior Auditor from 1/1/2004 until 30/6/2007.
- Auditor from 1/4/1996 until 31/12/2003.

##### Previous Experience:

- Accountant – The Commercial & Industrial Co CIC from 1/6/1995 until 30/3/1996.





**Mr. Taha Mousa Taha Zeid** Vice President/  
Chief Risk Officer

Date of Appointment 8/12/2013

Commencement Date of the Current Job 1/1/2020

Date of Birth 23/8/1985

#### Academic Qualifications

- Bachelors in Risk Management and Insurance / Hashemite University 29/1/2007.

#### Experience

##### Experience within Ahli Bank:

- Acting Chief Risk Officer from 21/8/2019 until 31/12/2019.
- AVP Basel from 01/01/2018 until 20/8/2019.
- Basel Manager from 01/06/2015 until 31/12/2017.
- Basel Assistant Manager - from 8/12/2013 until 31/5/2015.

##### Previous Experience:

- Market and Liquidity Risk Manager - Investment Bank from 1/3/2012 until 3/12/2013.
- Market Risk Unit Head - Capital Bank - from 1/11/2010 until 23/2/2012.
- Head of Market Risk - Middle Officer - Bank of Jordan - from 13/1/2009 until 25/10/2010.
- Banker Remittances and Transfers - Arab Jordan Investment Bank - from 19/08/2007 until 12/1/2009.
- Dealer - Quintet for Financial Services & Consulting from 1/2/2007 until 1/7/2007.



**Mr. Rami Mohd-Murshed Khalaf Dana** Senior Vice President/  
Head of Operations  
& SHARED Services

Date of Appointment 2/1/2017

Commencement Date of the Current Job 2/1/2017

Date of Birth 26/3/1973

#### Academic Qualifications

- Bachelors of Business Administration / Accounting University of Jordan 22/1/1995.

#### Experience

##### Previous experience:

- Head of Operations - Al Khalij Commercial Bank (Al Khaliji - Qatar) from 22/12/2011 until 15/12/2016.
- Head of Credit Administration - Credit Control Department - The Saudi Investment Bank from 10/6/1999 until 20/12/2011.
- Loans and Investments Officer - Credit Department - Jordan - Arab Bank from 15/03/1997 until 14/6/1999.

##### Current Board of Directors Membership:

- Board Member - Hemaia Jordan for Cash in Transit Ltd.



**Mr. Rami Marwan Abdel-Hadi Al Karmi** Senior Vice President/  
Chief Innovation Officer

Date of Appointment 9/4/2017

Commencement Date of the Current Job 9/4/2017

Date of Birth 6/6/1976

#### Academic Qualifications

- Bachelors of Electrical Engineering / University of Jordan 14/6/1998.

#### Experience

##### Previous Experience:

- CEO - Founder - F03 Venture Partners from 2013 until 2017.
- CEO - N2VLabs & Group Executive - from 2010 until 2013.
- CEO - Shabakat Al Ordon - from 2005 until 2010.
- General Manager - Alternatives Inc from 2004 until 2005.
- Advisor to H.E. Minister Health on Information Technology - Ministry of Health - from 2003 until 2004.
- Group Chief Technology Officer / Jordan Country Manager - SigmaSoft Solutions from 1999 - 2003.
- Knowledge Server - iHorizons from 1998 until 1999.

##### Current Board of Directors Membership:

- Board Member - Ahli FinTech.



**Mr. Jwallant Arvindkumar Vasani** Senior Vice President/  
Chief Information Officer

Date of Appointment 1/8/2017

Commencement Date of the Current Job 1/8/2017

Date of Birth 21/12/1971

#### Academic Qualifications

- Masters of Business Administration / University of Pune 1/4/1995.
- Bachelors of Engineering (Computer) / South Quajarat University 15/12/1993.

#### Experience

##### Previous Experience:

- Head of Applications Development and Support - Al Khalij Commercial Bank q.s.c from 7/7/2013 to 20/7/2017.
- SVP Information Technology - First Gulf Bank from 15/4/2006 to 17/5/2010.



**Mrs. Maha Khaled Fathallah Dado** Vice President/  
Acting Chief Human  
Resources Officer

Date of Appointment 15/5/2005

Commencement Date  
of the Current Job 2/6/2019

Date of Birth 5/6/1980

#### Academic Qualifications

- Bachelors of Industrial Engineering / University of Jordan 17/2/2003.

#### Experience

##### Experience within Ahli Bank:

- Head of Talent Programs from 8/3/2011 until 1/6/2019.
- C&B Manager from 24/10/2010 until 7/3/2011.
- Performance Management and C&B Manager from 20/6/2010 until 23/10/2010.
- Performance Management Manager from 15/05/2005 until 19/6/2010.

##### Previous Experience:

- Management Consultant at Philadelphia Consulting Group from 01/02/2003 until 1/5/2005.



**Mr. Esam Ishaq Ibrahim Qaqish** Senior Vice President

Date of Appointment 4/2/2017

Commencement Date  
of the Current Job 4/2/2017

Date of Birth 9/9/1971

#### Academic Qualifications

- Master in Management Sciences / Accounting - University of Jordan 31/8/1997.
- Bachelor of Accounting / Business Administration - University of Jordan 24/1/1993.

#### Experience

##### Experience within Ahli Bank:

- Remedial Manager at Bank of Jordan from 3/7/2011 until 10/4/2017.
- Internal Audit & Control Manager at Telecommunication Regulatory Commission from 15/6/2004 until 3/7/2011.
- Inspector at Central Bank of Jordan from 2/1/1994 until 15/6/2004.
- Loans officer - The Housing Bank for Trade & Finance from 3/4/1993 until 7/12/1993.

##### Current Board of Directors Membership:

- Board Member - ELZAY Ready Wear Manufacturing.



### Competitiveness and Market Share

The Bank operates through its branches network inside and outside Jordan, in which the market share among licensed banks in the Kingdom as of 2020 stands at 4.11% in terms of the granted credit facilities, and the market share stands at 4.4% in terms of deposits.

Jordan Ahli Bank stands as the fifth largest bank in terms of total Assets and the sixth largest bank in term of Total Direct Credit Portfolio, as of Q3 2020. It also is ranked fifth in terms of Customer Deposits.

On the level of the bank’s competitive position in Palestine, the Bank’s market share stands at 2.9% in terms of credit facilities granted, and 2.7% in terms of customer deposits as of mid 2020, in addition to its branch in Cyprus.

### Degree of Dependence on Specific Suppliers or Significant Customers

The Bank does not depend on any specific supplier or customer whether local or international 10% or more of the Bank’s total purchases and/or sales.

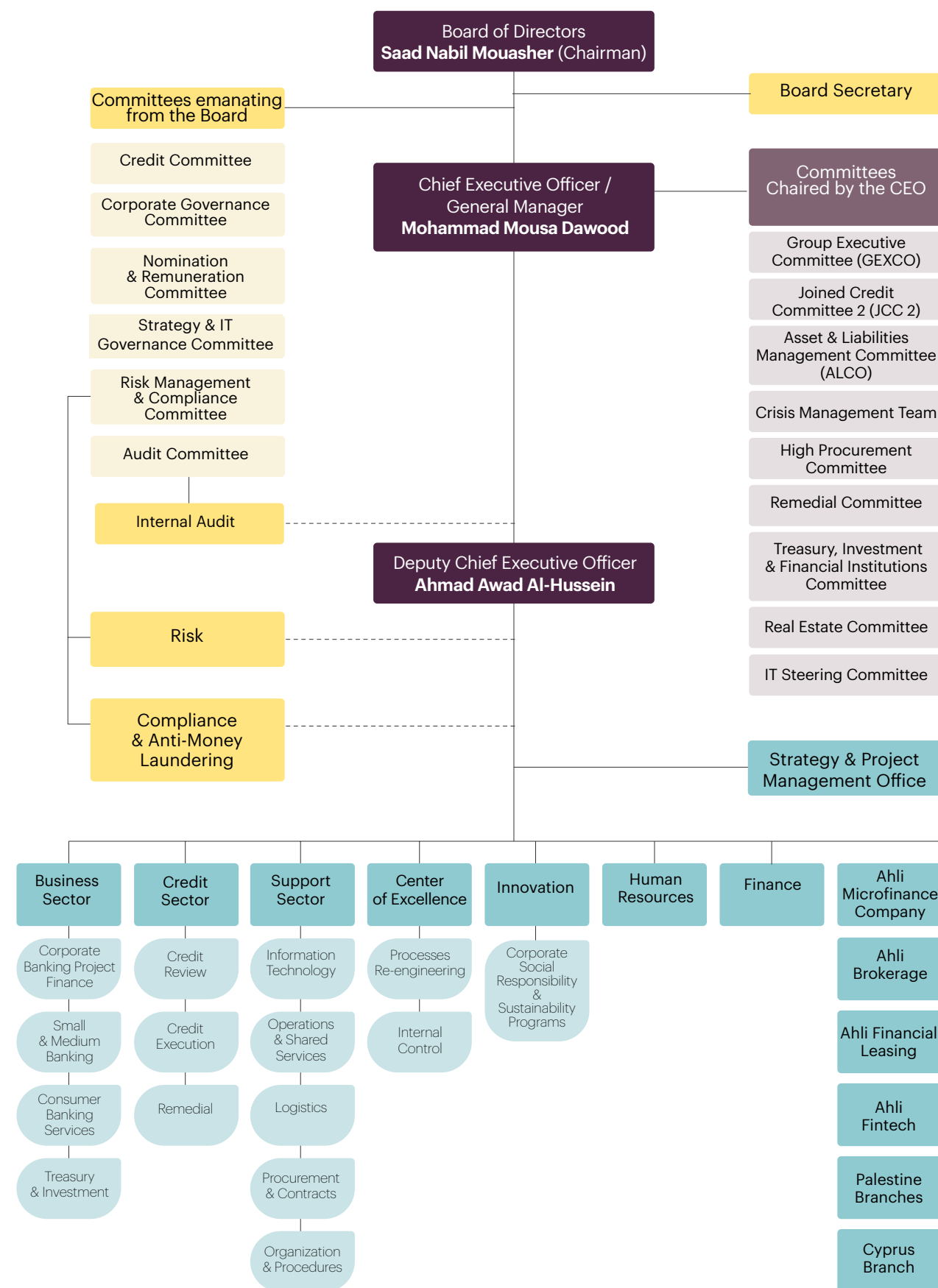
### Government Protections or Concessions that the Bank or Any of its Product enjoy by Virtue of Applicable Law, Regulations or Otherwise

There are no government protections or concessions which Jordan Ahli Bank or any of its products enjoy by virtue of application laws, regulations or otherwise.

### Decisions Issued by the Government or the International Agencies that have a Material Impact on the Operations or Products of the Bank or its Competitive Position

There were no decisions issued by the government or the international agencies that had a material impact on the operations or products of the Bank or its competitive position, and the bank complies with all the applicable laws, regulations, instructions and standards related to its business, and applies quality standards specifically those related to services and internal audit. The Bank does not enjoy any government or preferential protection and has obtained neither preferential advantages nor specific patents from local or international agencies.

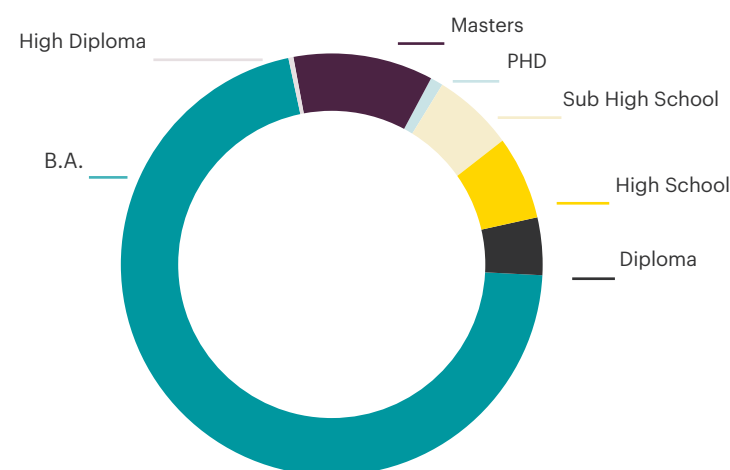
### Jordan Ahli Bank Organization Chart



## Number of Staff at the Bank and its Subsidiaries

Academic Qualifications	Jordan Branches	Palestine Branches	Cyprus Branch	Ahli Financial Leasing	Ahli Micro-finance	Ahli Brokerage	Ahli Fintech
PHD	8	0	0	1	1	-	-
Masters	103	11	6	4	4	-	-
High Diploma	3	0	0	-	0	-	-
B.A.	841	171	5	7	184	5	-
Diploma	42	20	1	-	35	-	-
High School	76	9	1	1	20	-	-
Sub High School	71	6	0	-	6	2	-
<b>Total</b>	<b>1144</b>	<b>217</b>	<b>13</b>	<b>13</b>	<b>250</b>	<b>7</b>	<b>-</b>

The distribution of employee according to their academic qualifications



## Training Programs for the Bank Employees

Type of Program	No. of Programs	Number of training Opportunities	No. of Males	No. of Females
<b>Within the Hashemite Kingdom of Jordan</b>				
Programs within the training center	127	2300	1055	1245
Programs with local / foreign companies and training agencies	131	1522	949	573
Training programs / Institute of Banking Studies	28	65	40	25
<b>Outside the Hashemite Kingdom of Jordan</b>				
Programs with foreign companies and training bodies	2	4	4	0
Training Programs / Palestine	13	73	55	18
Training Programs / Cyprus	18	53	13	40
<b>Total</b>	<b>319</b>	<b>4017</b>	<b>2116</b>	<b>1901</b>

## Fields of Training Courses:

The Program/Course	No. of Programs	No. of Training Opportunities	No. of Males	No. of Females
Audit Programs	1	1	1	0
Awareness Programs	8	74	48	26
Certificates & Diploma	13	60	47	13
Compliance Programs	25	391	198	193
Forums, conferences and seminars	15	65	47	18
Credit	9	28	19	9
Selling Skills & Customer Care	8	66	25	41
Computer Programs	2	3	0	3
Financial Programs	6	14	6	8
Functional Programs	24	352	164	188
Innovation Programs	7	83	46	37
HR Programs	1	1	0	1
Insurance Programs	1	2	1	1
IT Programs	3	4	4	0
Language Programs	3	12	7	5
Legal Programs	4	20	16	4
Management Programs	80	1173	751	422
Operational Programs	15	240	85	155
Banking Products Knowledge	23	445	187	258
Risk Programs	20	356	169	187
Soft Skills	31	372	179	193
Technical Programs	9	118	46	72
Treasury Programs	11	137	70	67
<b>Total</b>	<b>319</b>	<b>4017</b>	<b>2116</b>	<b>1901</b>

## Risk

### Credit Risk

The management of credit risk is conducted through a framework of policies and procedures that comply with the strategic direction of the Bank and sound international best practices. These include having in place a comprehensive credit risk management policy that details the types of risk and the methods for flagging, measuring and overseeing these risks; having a credit policy and operating practices that set limitations and parameters for the granting of credit, the concentration of credit and the determination of acceptable collateral; separating decisions related to credit approval from credit execution in order to achieve oversight; as well as putting in place oversight measures throughout the process and putting in place a credit risk rating system to measure the credit worthiness of customers.

The credit risk policy aims to diversify customers, economic sectors and geographical footprint which allows for the reduction of potential credit risks. The Risk Committee meets regularly to discuss all issues related to credit risk. It receives comprehensive quarterly reports to analyze the quality of the credit portfolio and to identify weakness and areas of concentration in the various economic sectors, as well as to review default rates. The Credit Risk Dept. seeks to continuously monitor and supervise credit exposure and credit concentration and to ensure that they remain within the risk parameters adopted by the Board. In order to assess risk exposure, the Credit Risk Department conducts regular sensitivity analysis tests to evaluate the financial position of the bank under different scenarios, in order to determine adequate procedures that would contribute to mitigating financial risks or lessen their impact.

In compliance with IFRS9 issued by the International Accounting Standards Board and the Central Bank regulations issued at the beginning of 2018, the Credit Risk Dept. launched a project to deploy the expected credit loss calculation system. This also included an upgrade to the operating procedures, standards and measures used and the implementation of a specific authority matrix for the various departments that is consistent with the methodology adopted as part of the implementation.

### Basel Department

Basel Department is responsible for calculating the Bank capital adequacy ratio in accordance with Basel III supervisory guidelines. This considers Regulatory capital and Pillar I Risk Weighted Assets (RWA) for credit, market and operational risk, in order to operate in line with the latest developments in the banking sector and to enhance the quality of the Bank capital. Basel Department conducts periodical stress testing and sensitivity analysis and consider the level of impact (low, medium, high) on bank capital adequacy as well as P&L.

Basel Dept. also adopted general framework for the Risk Appetite and tolerance levels for the purpose of managing, measuring and monitoring Risk tolerance levels within a governance framework adopted by the BOD, which determines the responsibilities of the Board of Directors and the executive management team, and lists Risk Appetite levels for each of (capital, assets, profit, liquidity, credit portfolio, and investment portfolio).

Basel Department also prepares an internal evaluation on capital adequacy in compliance with Basel III requirements and IFRS9, which is conducted in accordance with the best practices and Corporate Governance Guidelines for the purpose of managing, measuring and monitoring risk and capital adequacy and development of the risk management framework to remain in line with the latest local, regional and international developments.

### Market Risk

Market Risk Department manages losses that may arise as a result of any financial positions that the Bank may have taken, whether on or off balance sheet as a result of market changes in respect of interest rates, exchange rates, asset value, product pricing and as an extension of Jordan Ahli Bank's efforts to implement best local and international practices in managing, measuring, and monitoring market risk in compliance with Central Bank risk management requirements and Basel guidelines. In order to enhance the internal compliance function within the Bank. Market Risk Department prepared a Market Risk Management Policy, Liquidity and Interest Rate Risk Policy consistent with the Corporate Governance Guidelines and best practices.

In order to enhance oversight measures a new set of reporting was adopted through which all equity investment activities of the Bank could be monitored and the potential losses of the portfolio and open financial positions of the Bank could be evaluated, monitored and calculated on a daily basis to ensure that they remain within the Risk Appetite levels in addition to monitoring reports that were developed to manage and oversee market risk.

The Market Risk Department continues to review and upgrade the compliance framework within the Bank in a manner that complies with the Central Bank requirements and the overall economic ecosystem and in a manner that empowers the oversight role of the Department on Foreign branches.

### Liquidity Risk

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

- **Funding Liquidity Risk:**

This risk represents the Bank's inability to convert assets into cash - such as the collection of receivables - or to obtain funding to meet its obligations.

- **Market Liquidity Risk:**

This risk represents the Bank's inability to sell the asset in the market or selling the asset at a significant financial loss due to shallow liquidity or demand in the market.

Liquidity management at the bank is carried out by means of managing cash, legal and reserve liquidity levels in accordance with the regulatory requirements and the bank's risk tolerance policies in addition to cash inflows/ outflows management to ensure sufficient high-quality unencumbered liquid assets that can be converted easily and quickly into cash and in compliance with Basel III requirements regarding Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

Liquidity risk is managed through a liquidity strategy that takes into account diversifying the sources of funds, maintaining a reasonable balance of financial instruments readily realizable in the financial market, diversifying maturity dates of credit facilities, avoiding concentration of customer deposits and fund investments, and maintaining limits with correspondent banks and ensuring easy access to them within reasonable time and cost.

### Cyber Security/Information Security

With the pace of technological advances the world is witnessing, information is quickly becoming the lifeblood for business. In this context, JAB continues its pursuit to upgrade its electronic services while reducing the risk associated with cyber and information security and to build the cyber resilience of the Bank. The Cybersecurity/Information Security Department works on strengthening the monitoring and security environment and on building a cyber breach response framework that protects the confidentiality, security and accuracy of the Bank's data. The Department also works on promoting the utilization of best acceptable security practices in relation to the use of technology in a secure operating environment.

In addition, the Department contributes to raising awareness of information security risks and solid security practices and promotes best practices and holds training and awareness courses for the bank's employees. The Department also performs the following procedures and controls:

- Adopting and applying best practices and controls within the information technology environment in the bank
- Preparing a comprehensive assessment that meets the requirements of the Central Bank of Jordan and the legislative bodies.
- Conducting security and technical tests to identify vulnerabilities in the IT environment, such as penetration testing and vulnerability assessments.
- Deploying a number of procedures and monitoring tools to achieve operating efficiency and security.
- implementing the security operations center (SOC).
- Developing and deploying mechanisms and tools that are able to effectively protect the bank's assets and its customers by identifying, detecting, responding and recovering from any electronic cyber-attacks.
- Continuous identification and evaluation of the information technology and security risks, including emerging risks using anti-penetration security systems.
- Overseeing and monitoring software, network components and operating security systems to mitigate cyber breach.



In addition, the Cybersecurity/Information Security Department performs its tasks within a set of policies and procedures, the most important of which are the following:

- Implement the information security program in the bank through a number of information security related projects in response to regulatory and mitigating risk requirements.
- Implement GDPR legislation in Jordan.
- Implement the requirements of COBIT2019 as it relates to the management and processing of security data
- Verify the efficiency of the information technology environment and the continuous pursuit of improving its security.

### Operational Risk

Operational risk is defined as the risk of loss resulting from failure or insufficiencies of internal operations, personnel and systems, which arise as a result of external circumstances, including legal risks.

Based on the above Ahli Bank adopted the Risk Control Self-Assessment framework (RCSA) to manage operational risk. The Bank manages operational risk within the following parameters:

- An established operational risk management policy that includes the framework for managing operational risk and the roles and responsibilities for all related departments.
- Implementing a specialized operational Risk Management System.
- Creating risk profiles for the bank entities which includes identifying all operational risks, identifying the related controls to mitigate the risks and conducting a self-assessment in order to ensure the efficiency of the controls and to enhance areas of weakness or to implement additional control measures that aim to mitigate or protect against such risks.
- Setting up a database around operating losses to assess the level of exposure of the bank to operational risk and to assess the effectiveness of safeguards in place.
- Review of the Banks's policies and procedures in order to identify the related risks and to evaluate the adequacy of oversight measures.
- Providing the executive management and the risk management and Compliance sub-committee with necessary reporting on operational risk.

In addition, as part of the care the Bank affords to business continuity, the Operational Risk Department prepares, in coordination with concerned units and departments business continuity plans that allow for the provision of electronic banking services in a manner consistent with the Bank's strategies and policies.

Thus, Operational Risk Department is working proactively in reviewing and updating the Business impact analysis results to ensure that continuity plans remain up-to-date and effective.

### Risk Management Framework

The Bank has adopted a regulatory framework that contains different layers of oversight and which can be summarized as follows:

- First level: Business lines are the first line of defense and are directly responsible for risk management and evaluating oversight procedures related to them.
- Second level: The Risk and Compliance and Anti-Money Laundering Departments are the second line of defense as they are responsible for coordinating risk management and compliance tools being used and followed by the Bank to manage risk and to comply with applicable laws, regulations and instructions.
- Third level: The Internal Audit Department represents the third line of defense and is responsible for conducting its independent Review.

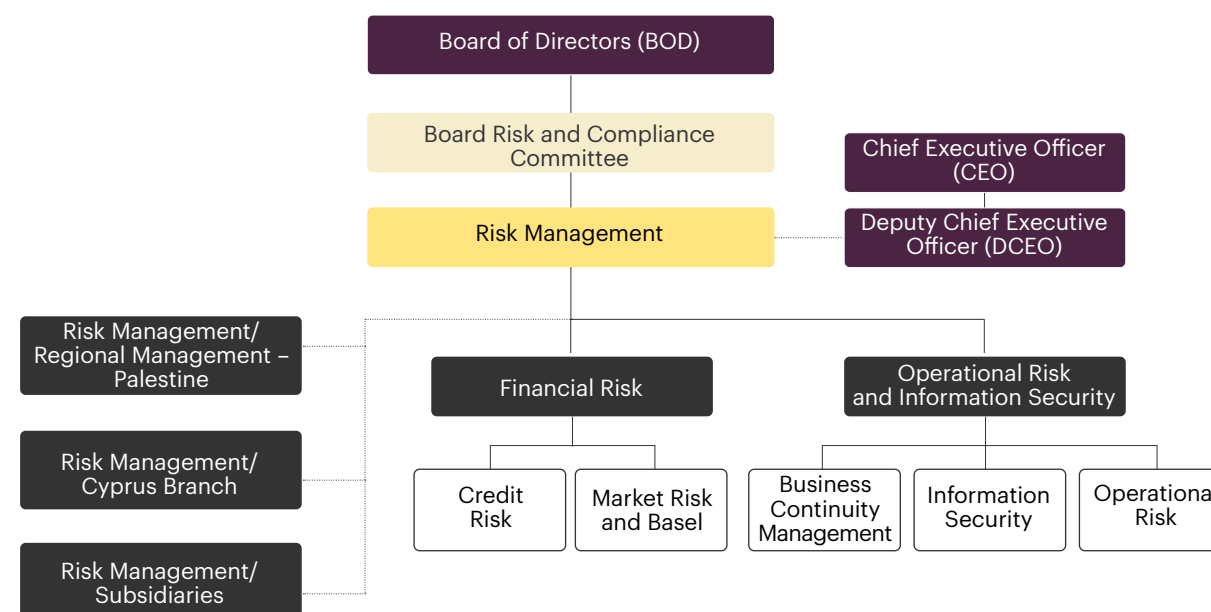
The Bank also gives the requirements of Basel, corporate governance and other international best practices for risk management consideration as they represent a framework for entrenching and improving the Bank's ability to upgrade its compliance environment and to address different kinds of risk, including operational, market and credit risks. The Bank has taken practical steps toward the implementation of their requirements including establishing specialized units to manage the various risks and whose responsibility is to monitor, measure, manage and mitigate the different kinds of risk and to assess the degree of compliance of the Bank with applicable laws, regulations, standards and requirements issued by the various local and international bodies in line with international best practice and taking into account the size of the Bank, its operations and the nature of the risks that it faces.

In This regards the Risk Department undertakes the following main functions:

- Preparing the Risk Management Framework for the Bank.
- Preparing and executing the risk management strategy and developing policies and procedures that assign roles and responsibilities for each of the stakeholders on all levels of management.
- Preparing risk Management policies and regularly updating them to ensure effectiveness.
- Preparing the internal Capital Adequacy Assessment Process (ICAAP) that is comprehensive and effective and can identify potential risks taking into account the Bank's strategic and capital planning.
- Prepare Risk Appetite framework for the Bank.
- Overseeing the compliance of all executing departments of considered levels of Risk Appetite.
- Ensuring the presence and testing of the Bann's business continuity plans.
- Presenting risk reports in relation to the expansion of the banking activities to the Board Risk and Compliance Committee.

- Conducting periodical stress testing analysis to measure the bank's ability to withstand shocks and high-risk scenarios and presenting the results to the Board Risk and Compliance Committee.
- Reporting to the Board Risk and Compliance Committee on information on actual Risk Profile of all Bank's activities and comparing it to the risk appetite and to address any deviations.
- Verifying the integration of risks assessment measures with Management Information System (MIS) used therein
- Conducting awareness in relation to risk management in all units of the Bank to entrench the compliance environment and create a risk sensitive culture with a deep understanding of relevant issues faced by the Bank at all managerial levels.
- Reviewing all strategic decisions and providing recommendations to avoid risk and ensure the most effective deployment of capital.
- Coordinating with various oversight departments to ensure effective oversight measures to control these risks or to otherwise outsource such risks or insure against them.

Based on the above the following risk management structure has been adopted:



## Risk Appetite Levels

- Risk Appetite Levels are set through a process that considers the nature of the various risks and their role in the Bank being able to achieve its strategic objectives. These parameters are included in the risk appetite study that is adopted by the Bank and which is subject to regular review and oversight in order to address any breaches or shortcomings.
- The general framework for risk appetite is set taking into consideration the strategic priorities of the Bank and the requirements of regulatory bodies as well as the requirements of sound management of credit, liquidity and capital risk in support of the Bank's growth and development plans.

## Stress Testing

- Stress tests across the Bank represent an integrated part of the risk assessment program where these tests provide information about the financial stability of the Bank under stress scenarios. They also provide early warning signals to possible threats to the Bank's capital.
  - Stress tests are also considered an integral and indivisible part of the Bank's corporate governance framework as it relates to risk management. It alerts management teams to the potential unexpected results of the various risks and it has an impact on decision making on both an administrative and strategic level and provides the Board of Directors and the executive management team with required capitalization level indicators to withstand shocks or changes that could occur and which would have an impact on the Bank and its financial position.
  - Stress tests are carried out in accordance with sensitivity analysis scenarios and consider the level of impact (low, medium, high) on capital adequacy and on anticipated profit and loss.
- Stress test results are analyzed and evaluated in terms of impact on the quality of the Bank's asset and financial position whether in terms of expected loss or reputational Risk. Stress testing outputs used in capital planning and direct impact of additional Buffers required on Capital in accordance with Internal Capital Adequacy Assessment (ICAAP).

- Various scenarios are played out considering the size and nature of the risks that face the Bank. They are listed from the lowest to the highest impact, depending on the level of potential loss that the Bank could face in order to uncover risks that have not been addressed. These scenarios are carefully planned and regularly revisited considering developments in the Bank specifically or in the banking sector in general.
- Stress tests are conducted bi-annually in a manner that complies with regulatory requirements and may be conducted more frequently depending on the recommendation of the Risk Department based on the developments in the banking sector or the economy in general.

## Internal Capital Adequacy Assessment Process (ICAAP)

The Internal Capital Adequacy Assessment Process (ICAAP) aims to achieve the following:

- Use of best practices to manage risk to ensure Capital Adequacy.
- Determining the responsibilities of the Board of Directors and executive management in developing the Internal Capital Adequacy Assessment program and putting in place capital targets that match the risk profile of the Bank and its regulatory environment.
- Comprehensive quantitative and qualitative evaluation of risks that the Bank may face in the current environment and in stress scenarios.
- Addressing risks that have not been addressed under the first pillar (liquidity, interest, concentration, reputational, strategic, business cycle).
- Understanding the nature and level of risk that the Bank might face and how to connect between those risks and capital requirements.
- Ensure that the management team of the Bank continues to take responsibility for ensuring capital adequacy to face all risks and to exceed minimum set requirements.

## Financial Impact of Non-Recurring Operations of the Year 2020

There are no non-recurring operations during 2020.

## Profitability Indicators

The impact and repercussions of the Corona pandemic, which led to a decline in macroeconomic indicators and thus increased hedging to cover any decline in the quality of assets.

	2019	2020
Profit before Tax	36.2M JD	17.6M JD
Profit after Tax	22.2M JD	9.5M JD
Expected credit Losses and other provisions	7.5M JD	23M JD
Return on Average Assets	0.80%	0.34%
Return on Average Equity	7.3%	3.05%
Operational Efficiency	63%	63.7%

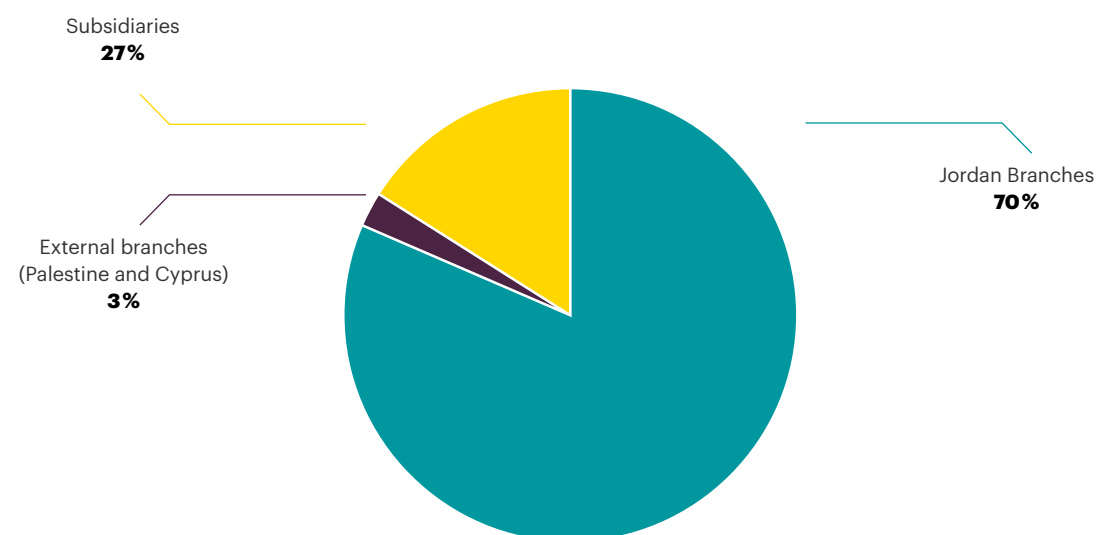
## Time Series Data for the Main Financial Indicators

(Amounts in million Jordanian Dinars)

Item/ Year	2016	2017	2018	2019	2020
Total Assets	2816	2729	2783	2763	2841
Customers' Deposits	2067	1919	1912	1864	1904
Loans and Credit Facilities (Net)	1447	1484	1425	1370	1370
Shareholders' Equity	303	306	301	308	318
Profit before Tax	8.2	20.1	33.2	36.2	17.6
Profit after Tax	6.3	13.3	21.3	22.2	9.5
Cash dividends distributed to the Bank Shareholders	8.8	9.2	11.6	-	8
Basic and diluted earning per share	0.034	0.069	0.106	0.111	0.048
Dividend Payout Ratio (JD)	0.05	0.05	0.06	-	0.04
Number of Free Shares distributed	5%	5%	4%	-	0%
Share price as of last working day (JD)	1.15	1.18	1.08	0.95	0.77

\*\* By virtue of the Central Bank of Jordan issued circular No 1/1/4693 dated 9 April 2020, the bank has not distributed dividends to shareholders for the year 2019.

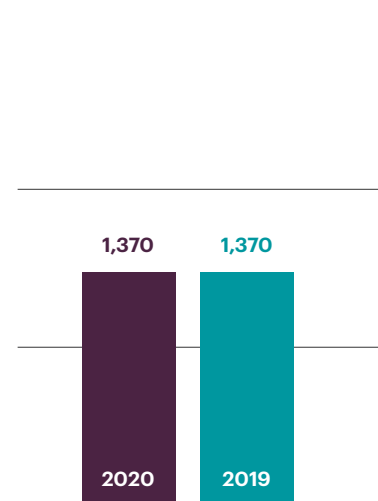
### The Proportional Distribution of Profits Before Tax 2020



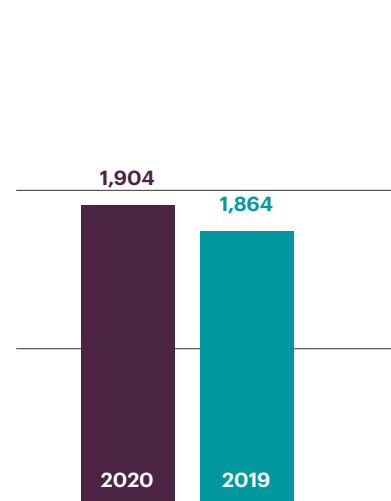
### Financial Position key points

(Amounts in million Jordanian Dinars)

1- Direct Credit Facilities, Net



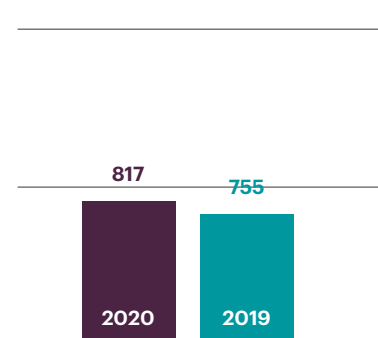
2- Customers' Deposits



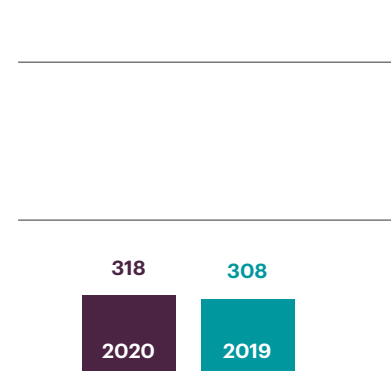
3- Total Assets



4- Financial Assets at Amortized Costs



5- Shareholders Equity



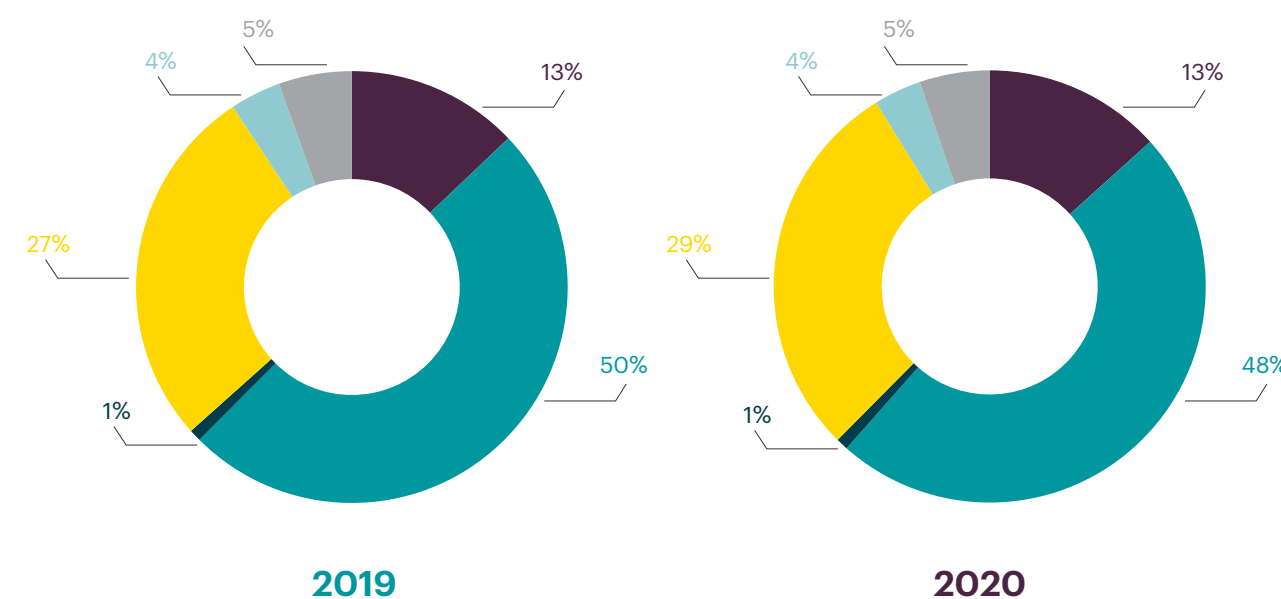
### Asset Quality Indicators

The Asset Quality indicators confirm the integrity and strength of Ahli Bank and its ability to deal with various economic variables.

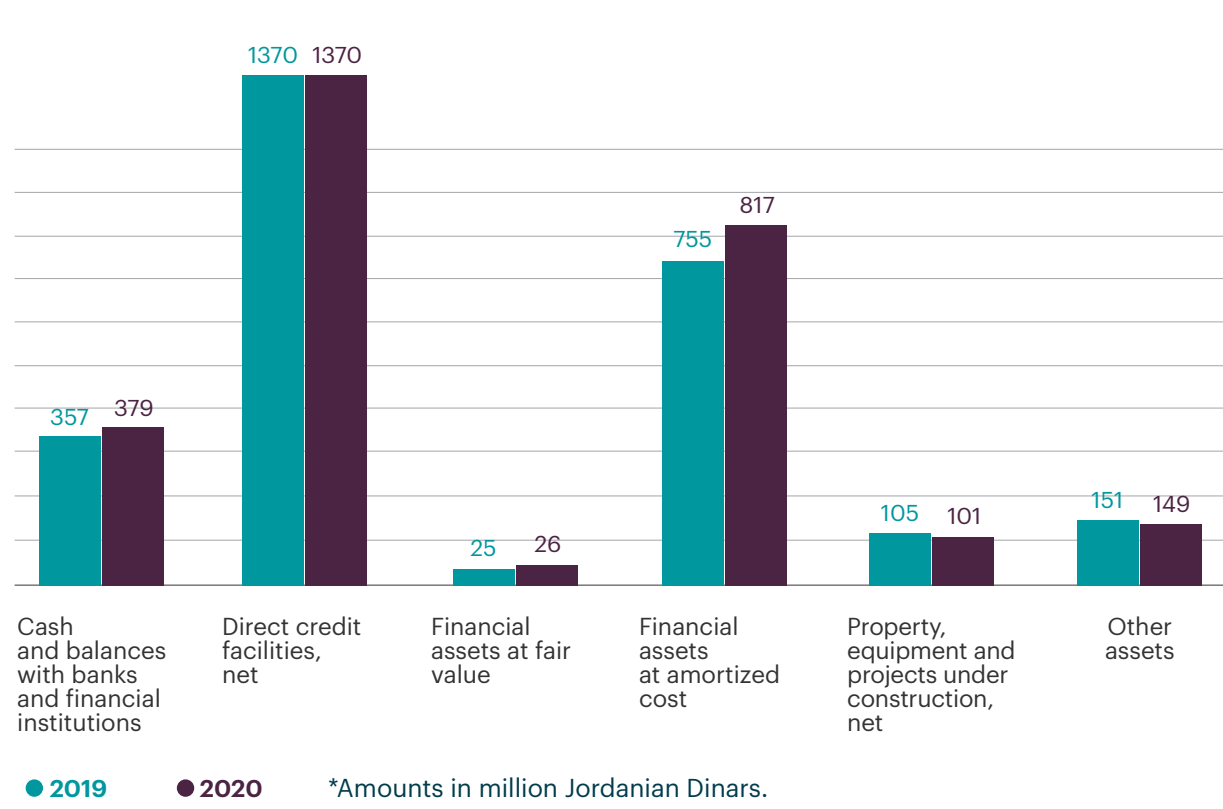
	2019	2020
Capital Adequacy Ratio	15.66%	15.53%
Non-Performing Loans - Net	75.3M JD	90.7M JD
Non-Performing Loans Ratio- Net	5.20%	6.26%
Coverage Ratio	76.8%	67.6%
Loan to Deposit Ratio	78.5%	77.2%

### Assets

- Cash and balances with banks and financial institutions.
- Direct credit facilities, net.
- Financial assets at fair value.
- Financial assets at amortized cost.
- Property, equipment and projects under construction, net.
- Other assets.

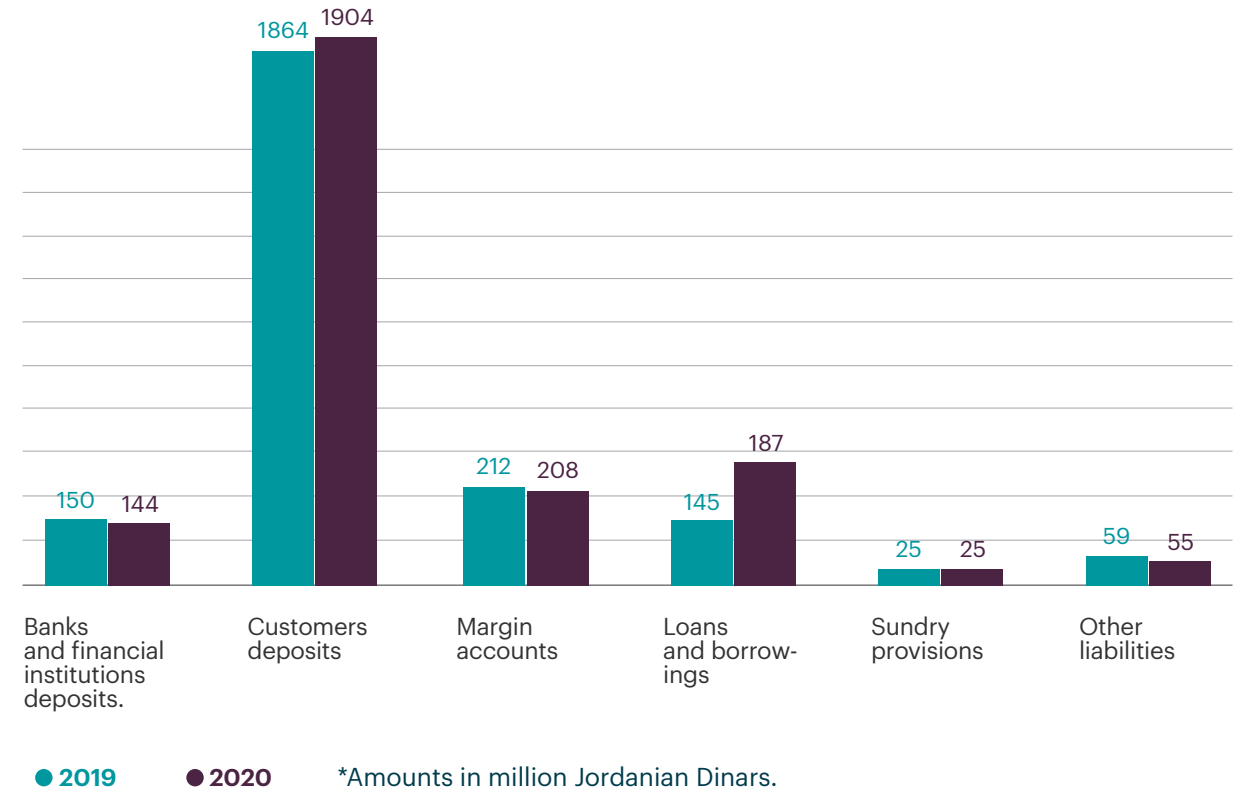
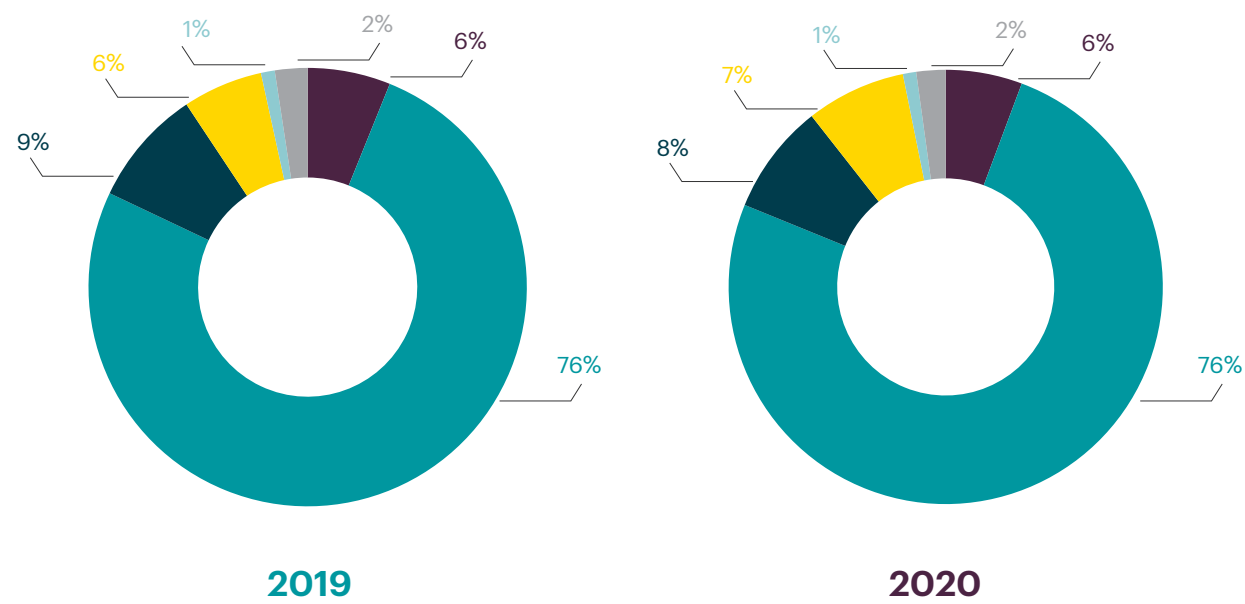






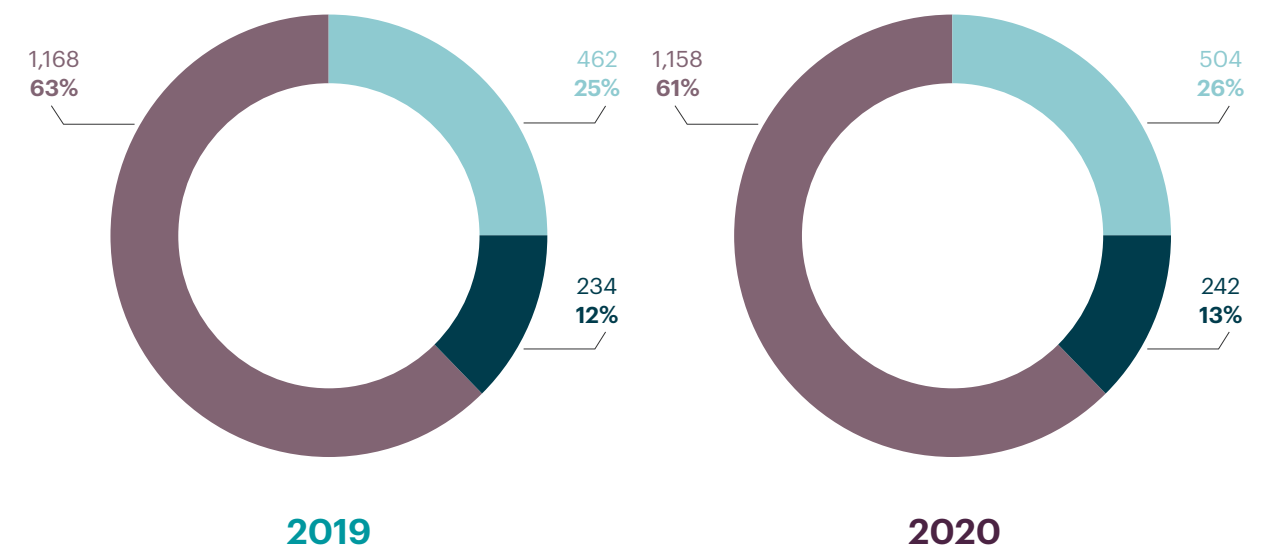
### Liabilities

- Banks's and financial institutions' deposits
- Customers' deposits
- Margin accounts
- Loans and borrowings
- Sundry provisions
- Other liabilities



### Customers' Deposits Composition

- Time and notice deposits
  - Saving accounts
  - Current and demand deposits
- \*Amounts in million Jordanian Dinars.



## Future Outlook and Plans for 2021

### Corporate Banking and Projects Finance

- The Corporate Sector will continue to grow and further strengthen its ties with its customer base as well build new ones through it's highly professional dedicated team; provide the best products and services as well as financial solutions to support the corporates especially during the unprecedented times we are passing through.

### Small and Medium Banking

- Our plans for 2021, to continue playing as a leader in SMEs market, we will continue to support the continuity and recovery of our clients during these difficult and challenging periods, we will also continue to focus on the innovative solutions and digital services which will include applying a new loan origination system, targeting to shrink turnaround time and to match customer experience. this falls within our organizational strategy, including customer service, operational excellence and innovation.
- We always believe in the importance of startups, entrepreneurs and women empowerment, hence 2021 will carry additional efforts to excel in these services as Jordan Ahli Bank is always a key partner in the market as to achieve financial inclusion, shared prosperity and the development of our country economy.

### Consumer Banking

- Expanding the bank's customer base by developing competitive and digitally accessible financial and non-financial products and services, starting with account opening and obtaining the ahli debit card, in addition to activating the ahli mobile and ahli online banking services instantly without visiting the branch. Our goal is to ensure that our customers' needs are met and that we are reaching them wherever they may be.
- Expanding the bank's ATM network through new and innovative business strategies to ensure an increase in the number of our ATMs.
- Continue to develop the branches operating model by automating many of the consumer banking products and services, and enhancing the existing ones, in order to improve the customer experience (CX) and satisfy their financial and non-financial needs in the fastest way and highest standard of service quality possible.
- We will provide our customers with bancassurance products and new financial services to satisfy customers' needs.

### Treasury and Investment

- The Treasury, Investments and Financial Institutions Management is gearing towards automating its private banking services to meet the needs and ambitions of future digital generations in the world of investment banking.

### Credit Sector

- The Credit Group and through its various divisions will continue to closely monitor the Credit Portfolio and add value through the automation of its activities.
- Update the Credit Policy to face any potential risks and provide the proper solutions on time.
- Managing efficiently the portfolio and maintaining its quality through decreasing it's non-performing loans.

### Support Sector

#### Operations & Shared Services

- We will work with Arab Monetary Fund to benefit from BUNA's future initiatives in relation to Instant Payments and Trade Finance Business with banks operating in the Arab Region. We will also make available a large number of banking services offered to our customers through the electronic channels in order to improve the quality of our services, facilitate access to them and process them on real time basis in a manner that meets the expectations of our customers.

#### Information Technology

- Implement new IT Service Management System
- Full Disaster Recovery Testing
- Publish new Mobile Banking app for retail customers
- Implement new Corporate Internet and Mobile Banking
- Implement Digital Voucher Solution.
- Upgrade Core Banking T24 to the latest Release R21
- Implement Loan Origination System for corporate sector

## Human Resources

The Human Resources department shall continue to strengthen the corporate culture to become an integral part of the Bank's identity, and will expand the application of remote and flexible work with the aim of enhancing the employee experience, job well-being, improve the work environment, increase employee productivity, expand the talent pool, and reduce expenses. The focus will be on training and developing the skills and capabilities of employees as the key driver of the sustainable performance of the Bank's business in line with the career development and succession plans to retain high potential employees and ensure their availability. Human Resources department shall continue implementing the necessary programs and initiatives that are in line with the Bank's strategies to meet the growing needs of human capital, enhance the employees' experience and contribute in implementing the Bank's strategy in achieving shared prosperity.

## Innovation

- Growth in the Anameen customer base in Jordan, while widening the spectrum of Entity and industry participants in "meen world", which utilize our instantaneous digital eKYC-as-a-service functionality.
- Continue on the path of the digital transformation of our banking services for our customers, including the bank's cards and payments services, ahli mobile, amongst others.

## Project Management Office

To fully utilize the Project Management Office function and to create consistency and governance, a comprehensive tool designed based on project management best practices will be used for Ahli bank projects to automate project management practices, manage documents, and generate dashboards. Along to updating the PMO standard operation procedure (SOP) and provide training and orientation for Project Management concepts and practices for other departments.

## Center of Excellence

- The bank will continue to develop the bank's comprehensive model to ensure the consistency of the business model and the operating model effectively and flexibly to emulate the best banking practices.

## Internal Audit

- Following up on the COBIT19 compliance during 2021, as part of the supervisory and advisory role of the Internal Audit Department.
- Cooperation and coordination with all departments of the Bank and regulatory bodies aiming at strengthening the control environment across the Banks and its branches abroad and subsidiaries.
- Continue to provide training to the Internal Audit teams to attain professional certificates.

## Risk Management

- The adoption of established international best practices in Risk Management, ISO31000 and Enterprise Risk Management Framework.
- Continue to implement risk management strategy (2020-2023) in order to achieve the Bank objectives.
- Reviewing and updating the governance framework for risk management and further develop its oversight and control procedures in addition to reporting processes.
- Completion of operational risk profiles through running Risk and Control Self Assessment (RCSA) workshops in Jordan and Palestine.
- Testing the Bank Business Continuity plans, Business alternative site and Disaster Recovery site.
- Developing and Implementing Information security and cyber security programs.
- Instilling Risk Management culture across the Bank through the Training and Awareness programs.
- Adopting the Bank corporate culture practices.

## Compliance and Anti Money Laundering

- Continue to increase awareness with regards to compliance culture as a shared responsibility, in addition to meeting local and international regulatory compliance requirements within the banking best practices.
- Developing a dynamic compliance framework in line with latest developments and policy updates.
- Developing anti-money laundering and terrorism funding procedures in accordance with the latest updates and developments and in line with the risk-based approach.
- Participating in the improvement of the customer service experience by effectively managing the complaints processing unit.



## The External Auditors' Compensation of the Bank and its Subsidiaries

No.	Name of Company	Audit Fees in JD
1	Jordan Ahli Bank	307,201
2	Ahli Microfinance Company	16,008
3	Ahli Brokerage Company	9,860
4	Ahli for Financial Leasing Company	10,846
5	Ahli Fintech Company	1,740
	<b>Total</b>	<b>345,655</b>

\*The services of the additional assignments/consultations provided by the external auditor and other external auditors firms (outside the auditing scope) amounted 40,248 JDs for the year 2020.

## A - (1) Jordan Ahli Bank Shares Owned by Members of the Board

Name	Position	Nationality	No. of shares as of	
			31/12/2020	31/12/2019
<b>Mr. Saad Nabil Mouasher</b>	Chairman of the Board	Jordanian	2,442,882	2,502,882
<b>Mr. Mahmoud Zuhdi Malhas</b>	Vice Chairman	Saudi	91,088	91,088
<b>Mr. Nadim Yousef Muasher</b>	Board Member	Jordanian	7,296,542	7,000,134
<b>Byblos Bank</b>	Board Member	Lebanese	20,829,355	20,829,355
Represented by <b>Mr. Alan Foad Wanna</b>		Lebanese	-----	-----
<b>Jordan Investor Center</b>	Board Member	Jordanian	11,151,938	11,028,646
Represented by <b>H.E. Mr. Wasef Y. N Azar</b>		Jordanian	112,681	112,681
<b>Mouasher Investment &amp; Trading Co.</b>	Board Member	Jordanian	529,240	529,240
Represented by <b>Mr. Imad Yousef Mouasher</b>		Jordanian	7,329,722	7,329,722
<b>Rajai Muasher &amp; Brothers Co</b>	Board Member	Jordanian	13,097	13,097
Represented by <b>Mr. Rafik Issa Muasher</b>		Jordanian	2,625,000	2,500,000
<b>Social Security Corporation</b>	Board Member	Jordanian	20,067,580	20,515,855
Represented by <b>Mr. Eyad Abdelsalam Abumohammad</b>		Jordanian	-----	-----
<b>ZI &amp; IME</b>	Board Member	Bahamian	1,559,759	1,559,759
Represented by <b>Mr. Aladdin Riad Sami</b>		Egyptian	-----	-----
<b>Mrs. Ibtissam (M.S) I. El-Ayoubi</b>	Board Member	Jordanian	2,293	7,293
<b>Mr. Tarek Ziad Jallad</b>	Board Member	Jordanian	908,951	908,951
<b>Mr. Izzat Rashed Dajani</b>	Board Member	Jordanian	2,600	2,600
<b>H.E. Dr. Tareq Mohammad Hammouri</b>	Board Member	Jordanian	2,922	2,922

## A - (2) Number of Jordan Ahli Bank Shares Owned by the Companies Controlled by any of the Board of Directors

Board Members	Companies Controlled by any of them	No. of shares owned by the companies controlled any of such Board Members	
		31/12/2020	31/12/2019
<b>Mr. Saad Nabil Mouasher</b> Chairman of the Board	Al Nabil For Trade And Investments	2,846,598	2,846,598
<b>Mr. Mahmoud Zuhdi Malhas</b> Vice Chairman	Mahmoudia For Trade	62,949	62,949
	Mahmoud Malhas Investments Ltd	2,147,200	2,147,200
<b>Mr. Nadim Yousef Muasher</b> Board Member	Jordan Fabric & Worsted Manufacturing Co.	5,118,757	5,118,757
	Arab International Hotels Company	1,580,277	1,580,277
	ELZAY Ready Wear Manufacturing Company	195,580	671,580
	Ranco Diversified Investments Co.	1,700,105	1,194,582
	World Fashion Trading Co Wft	31,715	114,917
	Jordan Investor Center	11,028,646	11,151,938
	Jordan Worsted Mills Co.	12,945,315	12,945,315
<b>Rajai Muasher &amp; Brothers Co</b> Board Member	Jordan Worsted Mills Co.	12,945,315	12,945,315
	Arab International Hotels Company	1,580,277	1,580,277
	ELZAY Ready Wear Manufacturing Company	195,580	671,580
<b>Jordan Investor Center</b> Board Member	Middle East Insurance Company	100,000	133,767
	Jordan Worsted Mills Co.	12,945,315	12,945,315
	Arab International Hotels Company	1,580,277	1,580,277
<b>Mouasher Investment &amp; Trading Co.</b> Board Member	Jordan Fabric & Worsted Manufacturing Co.	5,118,757	5,118,757
	Arab International Hotels Company	1,580,277	1,580,277
	ELZAY Ready Wear Manufacturing Company	195,580	671,580
	Ranco Diversified Investments Co.	1,700,105	1,194,582
	World Fashion Trading Co Wft	31,715	114,917
	Jordan Investor Center	11,028,646	11,151,938
	Jordan Worsted Mills Co.	12,945,315	12,945,315

## B- Number of Jordan Ahli Bank Shares Owned by the Relatives of the Board of Directors and the Companies Controlled by Them

Name	Relationship	Nationality	No. of shares as of		No. of shares owned by the companies controlled by any of such relatives	
			2020	2019	2020	2019
<b>Mr. Saad Nabil Mouasher</b> Chairman of the Board						
Mrs. Tania Anwar Boulos Harb	Spouse	Jordanian	256,698	256,698	----	----
	Minors	----	----	----	----	----
<b>Mr. Mahmoud Malhas</b> Vice Chairman						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
<b>Mr. Nadim Yousef Muasher</b> Board Member						
Mrs. Rania Issa Mubadda Dallal	Spouse	----	107,420	107,420	----	----
	Minors	----	----	----	----	----
Byblos Bank <b>Mr. Alan Foad Wanna</b> Board Member						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
Jordan Investor Center <b>H.E. Mr. Wasef Y. N. Azar</b> Board Member						
Mrs. Abla Salem Y. Muasher	Spouse	Jordanian	105,222	105,222	----	----
	Minors	----	----	----	----	----
Mouasher Investment & Trading Co. <b>Mr. Imad Yousef Mouasher</b> Board Member						
Mrs. Nadine Wadi Khalil Halaseh	Spouse	Jordanian	101,019	101,019	----	----
	Minors	----	----	----	----	----

B- Number of Jordan Ahli Bank Shares Owned by the Relatives of the Board of Directors and the Companies Controlled by Them/ Continued

Name	Relationship	Nationality	No. of shares as of		No. of shares owned by the companies controlled by any of such relatives	
			2020	2019	2020	2019
<b>Rajai Muasher &amp; Brothers Co</b> <b>Mr. Rafik Issa Muasher</b> Board Member						
	Spouse	---	----	----	----	----
	Minors	---	----	----	----	----
<b>Social Security Corporation</b> <b>Mr. Eyad Abdelsalam Abumohammad</b> Board Member						
	Spouse	---	----	----	----	----
	Minors	---	----	----	----	----
<b>ZI&amp;IME Ltd</b> <b>Mr. Aladdin Riad Sami</b> Board Member						
	Spouse	---	----	----	----	----
	Minors	---	----	----	----	----
<b>Mrs. Ibtissam (M.S) I. El-Ayoubi</b> Board Member						
	Spouse	---	----	----	----	----
	Minors	---	----	----	----	----
<b>Mr. Tarek Ziad Jallad</b> Board Member						
	Spouse	---	----	----	----	----
	Minors	---	----	----	----	----
<b>Mr. Izzat Rashed Dajani</b> Board Member						
	Spouse	---	----	----	----	----
	Minors	---	----	----	----	----
<b>H.E. Dr. Tareq Mohammad Hammouri</b> Board Member						
	Spouse	---	----	----	----	----
	Minors	---	----	----	----	----

### C- Jordan Ahli Bank Shares Owned by the Executive Management and the Companies Controlled by any of such Executive Management

Name	Nationality	No. of Shares as of		No. of shares owned by the companies controlled any of them		Companies Controlled by any of the Executive Management
		2020	2019	2020	2019	
<b>Mr. Moh'd Mousa Dawood</b> Chief Executive Officer/ General Manager	Jordanian	11,466	11,466	0	0	----
<b>Dr. Ahmad Awad Al- Hussein</b> Deputy Chief Executive Officer/ General Manager	Jordanian	0	0	0	0	----
<b>Ms. Lina Najib Al Bakhit Al Dababneh</b> Executive Vice President/ Chief Business Officer	Jordanian	10,260	10,260	0	0	----
<b>Mr. Majed A. M. Hijab</b> Senior Vice President/ Head of Treasury, Investments & Financial Institutions	Jordanian	196	196	0	0	----
<b>Mr. Zaid Wasef El-Khatib</b> Senior Vice President/ Head of Consumer Banking	Jordanian	9,420	9,420	0	0	----
<b>Mr. Sofyan Ayed Duais</b> Senior Vice President/ Head of Corporate Banking & Projects Finance	Jordanian	0	0	0	0	----
<b>Mr. Ammar MS. R. Al Sa'id</b> Vice President/ Head of SME	Jordanian	0	0	0	0	----
<b>Mr. Dirar Shebli Haddadin</b> Senior Vice President/ Chief Financial Officer	Jordanian	0	0	0	0	----
<b>Mr. Mouin Aziz Al- Bahou</b> Senior Vice President/ Chief Credit Officer	Jordanian	0	0	0	0	----
<b>Mr. Khalid Zuhair Abuesh- Shaer</b> Senior Vice President/ Chief Compliance Officer	Jordanian	0	0	0	0	----
<b>Mr. Iyad T. N. Ammari</b> Vice President/ Chief Internal Auditor	Jordanian	0	0	0	0	----
<b>Mr. Taha Mousa Zeid</b> Vice President/ Chief Risk Officer	Jordanian	0	0	0	0	----
<b>Mr. Rami Marwan Al Karmi</b> Senior Vice President/ Chief Innovation Officer	Jordanian	0	0	0	0	----



C-Jordan Ahli Bank Shares Owned by the Executive Management and the Companies Controlled by any of such Executive Management/ Continued

Name	Nationality	No. of Shares as of		No. of shares owned by the companies controlled any of them		Companies Controlled by any of the Executive Management
		2020	2019	2020	2019	
<b>Mr. Rami (Moh'd Murshed) Da'na</b> Senior Vice President/ Head of Operations & SHARED Services	Jordanian	0	0	0	0	----
<b>Mr. Jwallant Vasani</b> Senior Vice President/ Chief Information Officer	Indian	0	0	0	0	----
<b>Mrs. Maha Khalid Dado</b> Vice President/ Acting Chief Human Resources Officer	Jordanian	0	0	0	0	----

### D-Jordan Ahli Bank Shares Owned by the Relatives of Executive Management and the Companies Controlled by any of such Relatives

Name	Relation-ship	Nationality	No. of shares as of		No. of shares owned by the Companies Controlled by any of such Relatives	
			2020	2019	2020	2019
<b>Mr. Moh'd Mousa Dawood</b> Chief Executive Officer/ General Manager						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
<b>Dr. Ahmad Awad Al- Hussein</b> Deputy Chief Executive Officer/ General Manager						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
<b>Ms. Lina Najib Al Bakhit Al Dababneh</b> Executive Vice President/ Chief Business Officer						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
<b>Mr. Majed A. M. Hijab</b> Senior Vice President/ Head of Treasury, Investments & Financial Institutions						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
<b>Mr. Zaid Wasef El-Khatib</b> Senior Vice President/ Head of Consumer Banking						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
<b>Mr. Sofyan Ayed Duais</b> Senior Vice President/ Head of Corporate Banking & Projects Finance						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----

## D-Jordan Ahli Bank Shares Owned by the Relatives of Executive Management and the Companies Controlled by any of such Relatives/ Continued

Name	Relation-ship	Nationality	No. of shares as of		No. of shares owned by the Companies Controlled by any of such Relatives	
			2020	2019	2020	2019
<b>Mr. Ammar MS. R. Al Sa'id</b> Vice President/ Head of SME						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
<b>Mr. Dirar Shebli Haddadin</b> Senior Vice President/ Chief Financial Officer						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
<b>Mr. Mouin Aziz Al- Bahou</b> Senior Vice President/ Chief Credit Officer						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
<b>Mr. Khalid Zuhair Abuesh- Shaer</b> Senior Vice President/ Chief Compliance Officer						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
<b>Mr. Iyad T. N. Ammari</b> Vice President/ Chief Internal Auditor						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
<b>Mr. Taha Mousa Zeid</b> Vice President/ Chief Risk Officer						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
<b>Mr. Rami Marwan Al Karmi</b> Senior Vice President/ Chief Innovation Officer						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----

## D-Jordan Ahli Bank Shares Owned by the Relatives of Executive Management and the Companies Controlled by any of such Relatives/ Continued

Name	Relation-ship	Nationality	No. of shares as of		No. of shares owned by the Companies Controlled by any of such Relatives	
			2020	2019	2020	2019
<b>Mr. Rami (Moh'd Murshed) Da'na</b> Senior Vice President/ Head of Operations & SHARED Services						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
<b>Mr. Jwallant Vasani</b> Senior Vice President/ Chief Information Officer						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----
<b>Mrs. Maha Khalid Dado</b> Vice President/ Acting Chief Human Resources Officer						
	Spouse	----	----	----	----	----
	Minors	----	----	----	----	----

## Names of Major Shareholders of 5% and More

Name of Shareholder	2020		2019	
	No. of shares 31/12/2020	%	No. of shares 31/12/2019	%
Byblos Bank	20,829,355	10.381%	20,829,355	10.381%
Social Security Corporation	20,515,855	10.224%	20,067,580	10.001%
Jordan Worsted Mills Co.	12,945,315	6.452%	12,945,315	6.452%
Jordan Investor Center	11,028,646	5.496%	11,151,938	5.558%



## Major Shareholders Owning 1% or more of the share Capital of the Bank as of 31/12/2020, the Ultimate Beneficial Owner and pledges shares

Shareholder Name	Nationality	No. of Shares Owned as of 31/12/2020	Ownership of Capital %	Major Shareholders	Ultimate Beneficial Owner (UBO)	Percentage of UBO Ownership	No. of pledged shares	Percentage of pledged shares %	Pledgee	
<b>Byblos Bank</b>	Lebanese	20,829,355	10.38%	Byblos Invest Holding Luxembourg	Same	Byblos Invest Holding Luxembourg	--	--	--	
				29.43%		29.43%				
				The Bank of New York Mellon		The Bank of New York Mellon				
				11.11%		11.11%				
				International Finance Corporation		International Finance Corporation				
8.36%	8.36%									
Bassil Family	Bassil Family									
8.63%	8.63%									
<b>Social Security Corporation</b>	Jordanian	20,515,855	10.22%	Same	Same	10.22%	--	--	--	
<b>Jordan Worsted Mills Co.</b>	Jordanian	12,945,315	6.45%	Social Security Corporation	Same	Social Security Corporation	--	--	--	
				20%		20%				
				Jordan Ahli Bank		Nadim Muasher 0.53%, Imad Mouasher 0.37%, Saad Mouasher 0.12%, Ibrahim Mouasher 0.05%, Yousef Mouasher 0.13%, Ghada Muasher 0.07%, Huda Muasher 0.07%				1.35%
				9.98%		9.98%				
				Arab Bank		9.36%				
Jordan Investor Center	8.26%									
Arab International Hotels Company	6%									



## Major Shareholders Owning 1% or more of the share Capital of the Bank as of 31/12/2020, the Ultimate Beneficial Owner and pledges shares/ Continued

Shareholder Name	Nationality	No. of Shares Owned as of 31/12/2020	Ownership of Capital %	Major Shareholders	Ultimate Beneficial Owner (UBO)	Percentage of UBO Ownership	No. of pledged shares	Percentage of pledged shares %	Pledgee				
Jordan Investor Center	Jordanian	11,028,646	5.50%	AlDawlah for Hotels and Malls PLC 7.49%	Nadim Muasher 0.74%, Imad Mouasher 0.45%, Saad Mouasher 0.11%, Ibrahim Mouasher 0.10%, Yousef Mouasher 0.11%, Ghada Muasher 0.01%, Huda Muasher 0.01%	1.53%	1,513,653	13.725%	Jordan Bank				
							2,769,779	25.114%	National Bank of Kuwait				
							1,615,234	14.646%	Housing Bank for Trade and Finance				
							4,457,980	40.422%	Societe Generale Bank				
				<b>Total</b>							<b>10,356,646</b>	<b>93.907%</b>	
								Nadim Yousef Issa Muasher 7.49%					
								Jordan Ahli Bank 10%					
								Arab International Hotels Company 49.342%					
								Jordan Worsted Mills Co 18.186%					
								Jordan Investor Center 7.49%					
Imad Yousef Issa Mouasher	Jordanian	7,339,722	3.66%	Same	Same	4.76%	--	--	--				
		2,207,205	1.10%										
Nadim Yousef Issa Mouasher	Jordanian	7,000,133	3.49%	Same	Same	5.37%	--	--	--				
		3,772,314	1.88%										
Jordan Fabric & Worsted Manufacturing Co.	Jordanian	5,118,757	2.55%	Jordanian Armed Forces 20%	Nadim Muasher 0.07%, Imad Mouasher 0.07%, Saad Mouasher 0.02%, Yousef Mouasher 0.02%, Ghada Muasher 0.02%	0.23%	--	--	--				
										Jordan Worsted Mills Co 80%			

## Major Shareholders Owning 1% or more of the share Capital of the Bank as of 31/12/2020, the Ultimate Beneficial Owner and pledges shares/ Continued

Shareholder Name	Nationality	No. of Shares Owned as of 31/12/2020	Ownership of Capital %	Major Shareholders	Ultimate Beneficial Owner (UBO)	Percentage of UBO Ownership	No. of pledged shares	Percentage of pledged shares %	Pledgee	
Al Nabil for Trade and Investments	Jordanian	2,846,598	1.42%	Ibrahim Nabil Yousef Mouasher 33.333%	Saad Mouasher 0.47%, Ibrahim Mouasher 0.47%, Yousef Mouasher 0.47%	1.42%	--	--	--	
										Saad Nabil Yousef Mouasher 33.333%
										Yousef Nabil Yousef Mouasher 33.333%
Mustafa Diya' Habib	Iraqi	2,675,397	1.33%	Same	Same	1.33%	--	--	--	
Saad Nabil Yousef Mouasher	Jordanian	2,502,882	1.25%	Same	Same	2.10%	--	--	--	
		1,705,568	0.85%							
Rafik Saleh Issa Muasher	Jordanian	2,500,000	1.25%	Same	Same	1.25%	--	--	--	
Sideeq Omar Hashem AbuSido	Jordanian	2,386,621	1.19%	Same	Same	1.19%	--	--	--	
Ibrahim Nabil Yousef Mouasher	Jordanian	2,262,616	1.13%	Same	Same	1.89%	--	--	--	
		1,524,978	0.76%							
Yousef Nabil Yousef Mouasher	Jordanian	2,242,800	1.12%	Same	Same	1.86%	--	--	--	
		1,484,847	0.74%							
Basim Haron Ghanem Shihadeh	Jordanian	2,185,797	1.09%	Same	Same	1.09%	--	--	--	
Al Raja Investment Co.	Jordanian	2,163,510	1.08%	Mary Lana Rajai Saleh Muasher 33.333%	Huda Mouasher 1.08%	1.08%	--	--	--	
										Saleh Rajai Saleh Muasher 33.333%
										Huda Yousef Issa Mouasher 33.333%
Mahmoud Malhas Investments Ltd.	British Virgin Islands	2,147,200	1.07%	Mahmoud Malhas 100%	Mahmoud Malhas 1.07%	1.07%	--	--	--	

## The Chairman and Board of Directors Remuneration and Benefits paid in 2020

Name	Annual Transportation Allowance, Chairing Committees & Other Benefits	Annual Remuneration	Annual Travel Expenses	Total Annual Benefits
<b>Mr. Saad Nabil Mouasher</b> Chairman of the Board	510,000	5,000	70	515,070
<b>Mr. Mahmoud Zuhdi Malhas</b> Vice Chairman	23,200	5,000	0	28,200
<b>Mr. Nadim Yousef Muasher</b> Board Member	27,600	5,000	0	32,600
Rajai Muasher & Brothers Co <b>Mr. Rafik Issa Muasher</b> Board Member	24,400	5,000	0	29,400
Jordan Investor Center <b>H.E. Mr. Wasef Y. N Azar</b> Board Member	31,600	5,000	0	36,600
Mouasher Investment & Trading Co. <b>Mr. Imad Yousef Mouasher</b> Board Member	26,000	5,000	0	31,000
Social Security Corporation <b>Mr. Eyad Abdelsalam Abumohammad</b> Board Member	26,400	5,000	0	31,400
Byblos Bank <b>Mr. Alan Foad Wanna</b> Board Member	15,200	5,000	0	20,200
ZI & IME <b>Mr. Aladdin Riad Sami</b> Board Member	19,200	5,000	1,810	26,010
<b>Mrs. Ibtissam (M.S) I. El-Ayoubi</b> Board Member	95,400	5,000	0	100,400
<b>Mr. Tarek Ziad Jallad</b> Board Member	36,000	5,000	0	41,000
<b>Mr. Izzat Rashed Dajani</b> Board Member	42,800	3,750	6,400	52,950
<b>H.E. Dr. Tareq Mohammad Hammouri</b> Board Member As of 28/10/2020	9,600	0	0	9,600

## Resigned Board of Directors Remuneration and Benefits paid in 2020

Name	Annual Transportation Allowance, Chairing Committees & Other Benefits	Annual Remuneration	Annual Travel Expenses	Total Annual Benefits
<b>H.E Dr. Umayya Salah Toukan</b> Vice Chairman Resigned as of 12/10/2020	123,905	5,000	0	128,905

## Executive Management Compensation and Benefits in 2020

Name	Annual Salary	Annual Transportation Allowance	Annual Remuneration	Annual Travel Expenses	Annual Benefits
<b>Mr. Moh'd Mousa Dawood</b> Chief Executive Officer/ General Manager	544,800	0	224,000	2,210	771,010
<b>Dr. Ahmad Awad Al- Hussein</b> Deputy Chief Executive Officer/ General Manager	381,797	0	140,000	2,675	524,472
<b>Ms. Lina Najib Al Bakhit Al Dababneh</b> Executive Vice President/ Chief Business Officer	184,000	0	34,500	260	218,760
<b>Mr. Majed A. M. Hijab</b> Senior Vice President/ Head of Treasury, Investments & Financial Institutions	104,000	0	13,000	0	117,000
<b>Mr. Sofyan Ayed Duais</b> Senior Vice President/ Head of Corporate Banking & Projects Finance	105,600	3,600	18,300	50	127,550
<b>Mr. Ammar MS. R. Al Sa'id</b> Vice President/ Head of SME	72,800	2,400	9,100	0	84,300
<b>Mr. Zaid Wasef El-Khatib</b> Senior Vice President/ Head of Consumer Banking	128,000	3,600	14,600	70	146,270
<b>Mr. Dirar Shebli Haddadin</b> Senior Vice President/ Chief Financial Officer	178,336	0	22,292	0	200,628
<b>Mr. Mouin Aziz Al- Bahou</b> Senior Vice President/ Chief Credit Officer	105,600	0	13,200	0	118,800
<b>Mr. Khalid Zuhair Abuesh- Shaer</b> Senior Vice President/ Chief Compliance Officer	101,600	0	12,100	0	113,700
<b>Mr. Iyad T. N. Ammari</b> Vice President/ Chief Internal Auditor	64,000	2,400	8,000	0	74,400
<b>Mr. Taha Mousa Zeid</b> Vice President/ Chief Risk Officer	56,000	0	5,488	0	61,488
<b>Mr. Rami Marwan Al Karmi</b> Senior Vice President/ Chief Innovation Officer	153,680	0	28,815	0	182,495

## Executive Management Compensation and Benefits in 2020/ Continued

Name	Annual Salary	Annual Transportation Allowance	Annual Remuneration	Annual Travel Expenses	Annual Benefits
<b>Mr. Rami (Moh'd Murshed) Da'na</b> Senior Vice President/ Head of Operations & SHARED Services	137,600	0	17,200	0	154,800
<b>Mr. Jwallant Vasani</b> Senior Vice President/ Chief Information Officer	252,000	0	14,000	2,405	268,405
<b>Mrs. Maha Khalid Dado</b> Vice President/ Acting Chief Human Resources Officer	59,200	0	6,800	0	66,000

## Jordan Ahli Bank donations during the financial year 2020

Category	Amount in (JD)
Community support and empowerment (Local Development)	1,551,812
Education and youth	197,454
Internal social responsibility	26,007
Business support and others	13,715
<b>Total</b>	<b>1,788,988</b>

## Contracts, projects and dealings concluded between the Bank and the Subsidiaries, Members of the Board of Directors, the General Manager or any Employee of the Bank or their Relatives

All contracts, projects and dealings concluded between the Bank subsidiaries, members of the Board of Directors, the General Manager or any employee of the Bank or their relatives are compliant with the policies and procedures of the Bank and the requirements of the Central Bank of Jordan and the Banking Law.



## Transactions with the Board of Directors and the Related Parties

Details of the credit facilities granted to the members of the Board of Directors and related parties are listed below:

### Credit Facilities Granted to Members of the Board of Directors as of 31 December 2020:

Board Members	Direct Credit Facilities	Indirect Credit Facilities	Other exposures (investments in stocks and bonds)	Notes
<b>Mr. Saad Nabil Mouasher</b>				
Inside the Kingdom	129,754	1,000	0	
Outside the Kingdom	-	-	-	
<b>Mr. Nadim Yousef Muasher</b>				
Inside the Kingdom	1,835,831	-	-	
Outside the Kingdom	257,367	-	-	
<b>Mr. Rafik Issa Muasher</b>				
				Rajai Muasher & Brothers Co Representative
Inside the Kingdom	230,444	-	-	
Outside the Kingdom	769,265	-	-	
<b>Jordan Investor Center</b>				
Inside the Kingdom	369,900	0	3,575,000	
Outside the Kingdom	2,481,500	-	-	
<b>Mouasher Investment &amp; Trading Co</b>				
Inside the Kingdom	79,255	-	-	
Outside the Kingdom	-	-	-	
<b>Mr. Imad Yousef Issa Mouasher</b>				
				Mouasher Investment & Trading Co Representative
Inside the Kingdom	2,027	0	-	
Outside the Kingdom	-	-	-	
<b>Byblos Bank</b>				
Inside the Kingdom	-	50,000	-	
Outside the Kingdom	-	-	-	

### Credit facilities granted to the members of the Board of Directors as of 31 December 2020/ Continued

Board Members	Direct Credit Facilities	Indirect Credit Facilities	Other exposures (investments in stocks and bonds)	Notes
<b>Mr. Mahmoud Zuhdi Malhas</b>				
Inside the Kingdom	27,058	-	-	
Outside the Kingdom	-	-	-	
<b>Messrs. Imad, Nadim Yousef Mouasher and Yousef Mouasher Sons</b>				
Inside the Kingdom	991,334	5,000	-	
Outside the Kingdom	-	-	-	
<b>H.E. Dr. Tareq Mohammad Hammouri</b>				
Inside the Kingdom	135,213	-	-	
Outside the Kingdom	-	-	-	

Credit Facilities Granted to the Board of Directors Related Parties  
as of 31 December 2020:

Group	Where the Credit Facilities are granted	Name	Direct Credit Facilities	Indirect Credit Facilities	Other exposures (investments in stocks and bonds)
<b>Mr. Rafik Muasher Group</b>	Inside the Kingdom	Rafik Saleh Issa Muasher	230,444	-	-
		Rawad Security and Protection Company	-	50,000	-
	Outside the Kingdom	Rafik Saleh Issa Muasher	769,265	-	-
<b>Mr. Saad Mouasher Group</b>	Outside the Kingdom	Saad Nabil Yousef Mouasher	129,754	1,000	-
		AlKaram for Agriculture Products Co.	500,164	-	-
		Al Nabil for Trade and Investments	238,244	-	-
		Messrs. Imad, Nadim Yousef Mouasher and Yousef Mouasher sons	991,334	5,000	-
<b>Mr. Imad Yousef Mouasher Group</b>	Inside the Kingdom	Business Tourism Company PSC	5,130,833	32,340	4,778,607
		The Generous Palms Company	150,515	10,000	-
		Beaches for Hotels & Spas P.S.C	-	-	1,039,816
		AlKaram for Agriculture Products Co.	500,164	-	-
		Jordan Fabric & Worsted Manufacturing Co.	-	500,000	-
		RANCO Diversified Investments Co.	1,207,429	-	-
		Al Izdihar Center for Trade & Investment Company LTD	466,540	-	-
		Jordan Investor Center co. PSC	369,900	-	3,575,000
		Mouasher Investment & Trading Co. PSC	79,255	-	-
		Messrs. Imad, Nadim Yousef Mouasher and Yousef Mouasher sons	991,334	5,000	-
		Imad Yousef Issa Mouasher	2,027	-	-
		Outside the Kingdom	Jordan Investor Center co. PSC	2,481,500	-

Credit Facilities Granted to the Board of Directors Related Parties as of 31 December 2019/ Continued

Group	Where the Credit Facilities are granted	Name	Direct Credit Facilities	Indirect Credit Facilities	Other exposures (investments in stocks and bonds)		
<b>Mr. Nadim Mouasher Group</b>	Inside the Kingdom	Jordanian Hospitality and Tourism Education Co LTD	1,060,557	3,000	-		
		World Fashion Trading Co WFT	636,523	3,985	-		
		Business Tourism Company PSC	5,130,833	32,340	4,778,607		
		The Generous Palms Company	150,515	10,000	-		
		Beaches for Hotels & Spas P.S.C	-	-	1,039,816		
		AlKaram for Agriculture Products Co.	500,164	-	-		
		Jordan Fabric & Worsted Manufacturing Co.	-	500,000	-		
		RANCO Diversified Investments Co.	1,207,429	-	-		
		Interior Design Studio IDS	201,250	-	-		
		Al Izdihar Center for Trade & Investment Company LTD	466,540	-	-		
		Jordan Investor Center co. PSC	369,900	-	3,575,000		
		Messrs. Imad, Nadim Yousef Mouasher and Yousef Mouasher sons	991,334	5,000	-		
		Nadim Yousef Issa Muasher	1,835,831	-	-		
		Yazan Nadim Yousef Muasher- leasing company	211,230	-	-		
		Outside the Kingdom	Nadim Yousef Issa Muasher	257,367	-	-	
		Jordan Investor Center co. PSC	2,481,500	-	-		
		<b>Tarek Jallad Group</b>	Inside the Kingdom	Jordan Tractor and Equipment Co (CAT)	587,132	654,613	-
			Outside the Kingdom	M. Ezzat Jallad & Fils S.A.L	1,565,472	-	-
	<b>Mahmoud Malhas Group</b>	Inside the Kingdom	Mahmoud Zuhdi Mahmoud Malhas	27,058	-	-	
Al-Mahmoudieh Trading Co. Ltd			-	826	-		
Mahmoudia for Jewelry Trading Co.			-	826	-		
Mahmoudia Motors Co. Ltd			496,112	-	-		
		Mahmoudia Motors Co. Ltd - leasing company	2,018,882	-	-		
<b>Jordan Investor Center Group</b>	Inside the Kingdom	Jordanian Hospitality and Tourism Education co LTD	1,060,557	3,000	-		
		Rawad Security and Protection Company	-	50,000	-		
		Middle East Insurance Company PLC	-	424,752	-		
		Al Izdihar Center for Trade & Investment Company LTD	466,540	-	-		
		Jordan Investor Center co. PSC	369,900	-	3,575,000		
	Outside the Kingdom	Jordan Investor Center co. PSC	2,481,500	-	-		



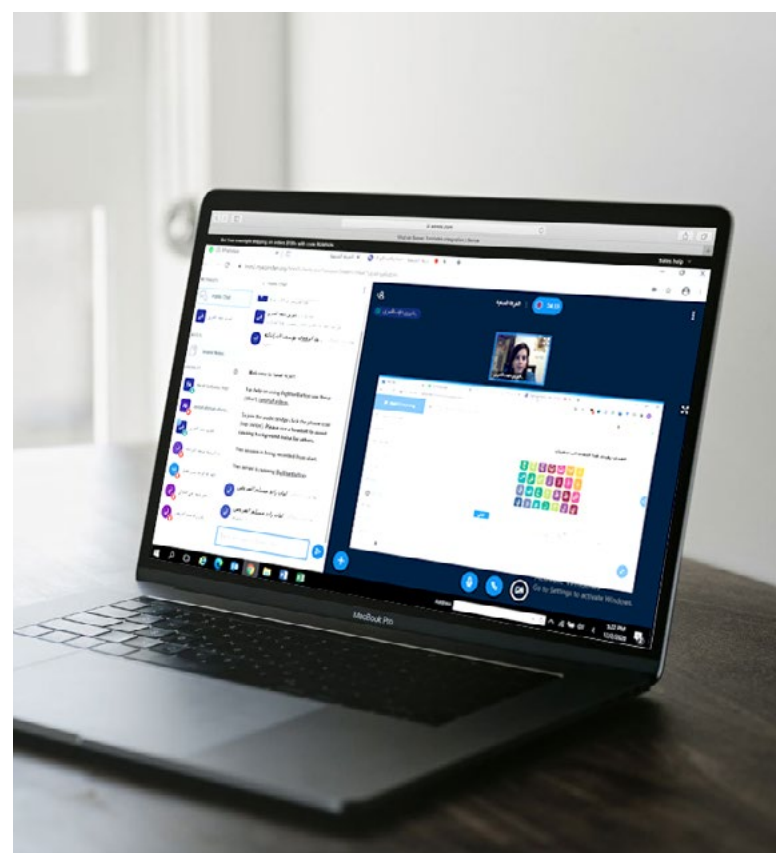
## Corporate Social Responsibility, Environmental Protection and Sustainability Report

Through launching and supporting various community initiatives aimed at achieving the maximum possible benefits and reaching the largest number of beneficiaries, the Department of Corporate Social Responsibility and Sustainability Programs seeks to translate the Sustainable Development Goals and achieve them on the ground, thus maintaining the status of Ahli Bank as a «Socially Responsible Bank».

The initiatives we have selected are within the bank's ambitious and renewed vision through adopting the «Shared Prosperity» business model, which focuses on investing in local communities as a basis for its advancement, and so to create added value to all stakeholders, ultimately achieving sustainable development that is becoming an integral part of our corporate culture, in line with our strategic pillars of social responsibility, namely: Community Empowerment, Social Innovation and Creativity, Education and Youth, the Environment, Art and Culture.

### Accordingly, our most notable achievements during 2020 were the following:

Within the framework of the partnership between the bank and Naua for Sustainable Development, an initiative of Crown Prince Foundation, which aims to embed a culture of giving in society by linking donors with non-governmental organizations, and based on the Bank's belief in the need to support national efforts to address societal challenges that affect on large sectors of society, the Bank provided its support to the Ministry of Health by supporting the «Together to Face Corona» campaign, which came as a result of the exceptional circumstances that Jordan is going through due to the Corona pandemic, in an effort to enhance the Ministry's ability to combat the ramifications of this crisis. In solidarity with the affected families during the pandemic period, the Bank supported the «Daily laborers» initiative aimed at distributing food parcels to these families according to the distribution mechanism approved by the official authorities concerned to ensure parcels reach those most in need. The Bank also continued its cooperation with the Jordanian Hashemite Fund for Human Development to support the annual «Goodwill Campaign».



This year, the partnership with «SOS Children's Villages Jordan» was embodied after sponsoring three families who live in the children's villages to secure the requirements of a decent life for them, the Bank also provided its support for the campaign that was launched on the occasion of Mother's Day to collect donations for the association, in addition to honoring surrogate mothers in Irbid village with village's children in a festive atmosphere and entertainment activities.

Based on the positive results achieved by the Bank's cooperation with Electronic Health Solutions since 2017, the Bank has renewed its support for the fourth year in a row for the annual Hakeem Academy Competition, intending to foster entrepreneurial projects concerned with developing healthcare through technology, and thus enhancing the quality and efficiency of National E-Health Program in Jordan.

Keenness of the Bank to support various activities related to education and empowerment of students, especially in disadvantaged areas, with the aim of creating an exemplary educational environment that contributes to enhancing the life values, personal and intellectual skills of students, which will positively affect the educational outcomes, the Bank continued its support for the implementation of «Masahati» program under «Madrasati» initiative in Al-Nasr Secondary School for Girls, in which more than 746 students participated, as part of the strategic partnership with the Queen Rania Foundation for Education and Development, but in a different way this year, in line with the epidemiological situation in Jordan, where the idea of «Masahati Clubs» was applied as a home based activities, using alternative technologies and the Internet, and providing students with bags containing interactive booklets, stationery, and all the necessary tools that have been designed in a distinct way that attract students to participate and complete remote activities, which have become a prerequisite for the success of the educational process in light of the exceptional circumstances that the Kingdom and the world are going through, which in turn has led to an acceleration of digital transformation in various sectors, especially the education sector. In addition to holding many workshops to support and train teachers on how to get over this stage effectively and efficiently. The program has gained wide participation from ahli Bank employees during the implementation of workshops in various fields, including arts, handicrafts, English language remedial lessons, and others. As well as maintenance and renovation of the school's playground and garden. In addition to proceeding with the support for the interactive educational Bank exhibit in Children's Museum Jordan, which aims to enhance financial literacy and its applications among children since 2007.



The Bank continued its support to the Al-Aman Fund for the Future of Orphans this year by supporting the «Back to Universities» campaign, as an effort to secure the needs of orphaned youth who have recently joined the Fund's programs, as well as the youth who are currently studying, to complete their university education or vocational training journey. The long-standing partnership that brings together Jordan Ahli Bank and its employees with Al-Aman Fund has benefited 215 orphans from different governorates of the Kingdom and in a variety of university specialties, and this contribution comes as a result of its direct impact on qualifying them to become productive, positive members in their society and capable of creating sustainable livelihoods.

Jordan Ahli Bank organized an awareness campaign, in cooperation with King Hussein Cancer Foundation, under the name «Still Up to the Challenge», on the occasion of World Cancer Day, and within the framework of the strategic partnership with the foundation, the campaign included many activities for employees and their families, to spread awareness among the Jordanian community of the importance of following a healthy lifestyle and motivating them to adopt it to prevent diseases. Moreover, continuing to support the «Cancer Care Program» by harnessing all the Bank's branches in all governorates of the Kingdom to welcome those wishing to join the program and by collecting subscription fees, from both customers and non-customers, with the possibility of installments for the Bank's customers.

In terms of environmental sustainability, the Bank's continuous support since 2016 for the Green Caravan program of the Arab Group for the Protection of Nature has contributed to addressing the environmental, as well as economic and social needs of local communities by planting more than 40 dunums of fruit-bearing trees on lands owned by destitute families, which in its turn contributes to the absorption of 35 tons annually of carbon dioxide from the air. Besides that, achieving food security for beneficiary families. The project generates an annual income that ranges between 4000-6000 JD per family, earned from the sale of surplus crops.

In the same context, the Bank continued its support for the third year in a row for the «Green Prints» initiative, which launched by Princess Alia Foundation to recycle paper and providing government schools with their needs for free.

Within the strategic partnership with the Princess Taghrid Institute for Development and Training, the Bank continued to support the «Pure Felt» project, which was established in cooperation with the Bank in southern Jordan Valley/ Ghor Fifa four years ago, through the purchase of gifts from the project's products to employees in honor for their efforts, especially their participation in voluntary activities.

Within the framework of strategic cooperation with Jordan Hashemite Charity Organization since 2016, through the clothes collection bus granted by the Bank to collect in-kind donations to support underprivileged families throughout Jordan, Jordan Ahli Bank continued its support to the Charity Clothing Bank, also offering indirect support through cash fundraising boxes placed in various branches, as well as for King Hussein Cancer Foundation and Al-Aman Fund for the Future of Orphans.

In line with the Bank's strategy for social responsibility and sustainability, which in turn focuses on serving the community, the Bank organized the annual blood donation campaign, through the internal volunteering program, in cooperation with the National Blood Bank and under its supervision in order to secure the Blood Bank with units to compensate the shortage and its need after the lockdown period that coincided with Corona pandemic crisis. The campaign, which lasted for three consecutive days, witnessed wide participation of the Bank's employees and customers, in addition to residents of the surrounding area, and within strict health measures.

## The Bank's Contribution in the Environmental Protection

Jordan Ahli Bank continues to reduce its ecological footprint by adopting more sustainable and environmentally friendly solutions. In 2020, we reduced our electricity consumption and paper usage by 3% and 28%, respectively. It is also worth noting that 63% of Jordan Ahli Bank's energy consumption is green and is produced with our own solar energy farm.

### Environmental Management and Strategy

At Jordan Ahli Bank, we recognize the importance and necessity of conserving the environment. Therefore, we are committed to providing significant support to help tackle environmental challenges and meet the environmental objectives of the Jordan National Vision 2025. We are always seeking to recognize, control and reduce our environmental impacts and risks, and encourage our workforce to be aware of and responsible about our resource consumption and its impact on the environment. We are working to improve our sustainability impacts to protect the planet for future generations.

At Jordan Ahli Bank, we have an environmental strategy in place which focuses on four pillars: Operational Field, Human Field, Financial and Nonfinancial Products, Services, and Natural Resources:



## The Most Prominent Sustainability Achievements of the Bank for the Year 2020

### Sustainability Approach at ahli Bank

Jordan Ahli Bank has always been at the forefront of the national banking institutions, considering sustainability as a core component of all its operations and the main driver of socioeconomic prosperity that we aspire to, this played a major role in overcoming the difficult challenges and exceptional circumstances that we faced during the year 2020 due to the Corona pandemic, as well as our established business continuity plans, through which we have been able to get over difficulties and adapt to the crisis with minimal impact, yet maintaining essential operations.

### Our Sustainability Framework

Our sustainability framework has gone beyond the borders to include both regional and global levels, as we have linked the five pillars of the sustainability framework to the United Nations Sustainable Development Goals, which in turn guided us in making sound decisions and managing risks especially during this crisis and thus enhancing our ability to overcome regional and economic challenges.

<p><b>Business Ethics</b></p> <p>We are committed to implementing an exemplary enterprise risk management and compliance system, ensuring transparency and accountability to stakeholders.</p>	<p><b>Responsible Banking</b></p> <p>Our mission is to provide an excellent and responsible banking services to our clients, ensuring that we conduct business responsibly, and up to the highest standards.</p>	<p><b>Employer of Choice</b></p> <p>We truly believe that our workforce is the bank's most valuable asset, which is why we continually support our employees, motivating them to give their best embodying our values.</p>
		
	<p><b>Positive Social Impact</b></p> <p>We are committed to playing a key role in strengthening the community and supporting national efforts to identifying and contributing to social challenges.</p>	<p><b>Environmental Protection</b></p> <p>We are committed to conducting our operations and business activities responsibly, using technology to help reduce our impact on the environment.</p>
		

### Key 2020 Highlights

The following are the bank's most notable achievements in terms of sustainability according to the 16 material issues to the bank and its stakeholders to achieve sustainability in our banking operations, it is also worth noting that these issues are aligned to the most widely used sustainability reporting frameworks by financial institutions around the world which guarantees its high-quality, consistency and comparability.

<p><b>Financial and economic performance</b></p>	<ul style="list-style-type: none"> <li>Despite the prevailing economic conditions, the bank was able to achieve growth across the majority of its financial indicators.</li> </ul>
<p><b>Systematic risk management</b></p>	<ul style="list-style-type: none"> <li>Our risk management system is in line with the latest national and international practices on managing, measuring, and monitoring all forms of potential risks.</li> <li>In order to enhance the governance of risk management as an integrative process within all administrative levels, the concept of "defense lines" was adopted, in addition to providing security awareness for all bank employees and building a culture of risk management by encouraging the adoption of sound security practices.</li> <li>Our updated continuity plans have succeeded in minimizing the impact of the pandemic on the Bank. Through a concerted team effort to improve efficiency and maintain essential operations, we utilized the current strategies and policies in place and have been able to adapt to the crisis with minimal impact.</li> </ul>
<p><b>Market presence</b></p>	<ul style="list-style-type: none"> <li>The bank operates 51 branches in Jordan, 9 branches and office in Palestine, and 1 branch in Cyprus. Additionally, we have installed 130 ATMs in Jordan and Palestine.</li> </ul>
<p><b>Governance, business ethics and compliance</b></p>	<ul style="list-style-type: none"> <li>We have adopted numerous new best practices to elevate governance standards and comply with regulatory guidelines issued by the Central Bank of Jordan and other international regulators. We are also committed to implementing requirements in accordance with the legislative framework governing the banking sector.</li> </ul>
<p><b>Customer privacy and data security</b></p>	<ul style="list-style-type: none"> <li>We strives to ensure compliance with data protection and privacy regulations and laws, therefore no incidents of data breaches were witnessed.</li> </ul>
<p><b>Customer satisfaction</b></p>	<ul style="list-style-type: none"> <li>79% Our customer satisfaction rate, and looking forward to increase it.</li> <li>Significant decrease in total customer complaints compared to 2019 in 74%.</li> <li>We have been able to maintain our responsive rate to customer complaints at 100%.</li> </ul>
<p><b>Talent attraction, development and retention</b></p>	<ul style="list-style-type: none"> <li>185 Career development programs offered to employees.</li> <li>9.7% Increase in the amount invested on training and developing our employees compared to 2019.</li> </ul>
<p><b>Financial inclusion</b></p>	<ul style="list-style-type: none"> <li>Offering facilities to support the entrepreneurial projects within the self-employment program "Inhad".</li> </ul>

<b>SME growth</b>	<ul style="list-style-type: none"> <li>• Launching “ahli Ezwati” program aiming to mitigate the impact of the pandemic on our customers whom owning affected companies.</li> </ul>
<b>Digital innovation</b>	<ul style="list-style-type: none"> <li>• Over 132 million automated transactions in 2020 done through online, mobile, ATMs and efawateercom channels.</li> <li>• Launching “Ana Meen” digital identity mobile free app, using the world’s most secure blockchain technologies.</li> <li>• More than 19 processes were automated through our strategic partnership with UiPath for Robotic Process Automation (RPA) solutions.</li> </ul>
<b>Responsible lending and investment</b>	<ul style="list-style-type: none"> <li>• Reducing debit interest rates and postponing installments on facilities and programs offered to our clients.</li> </ul>
<b>Diversity and equal opportunity</b>	<ul style="list-style-type: none"> <li>• Diversity is a fundamental part of our corporate sustainability strategy and key to helping us thrive in the market, female employment rate stood at 25.5%, and 74.5% is the youth employment rate, while the percentage of disabled employees is 0.3% .</li> </ul>
<b>Sustainable procurement practices</b>	<ul style="list-style-type: none"> <li>• We exemplify our commitment to support economic growth in Jordan by investing in local suppliers where possible. Local suppliers rate reached 85%, with 18% increase compared to 2019, and our local procurement rate is 94% from total procurement expenditures.</li> </ul>
<b>Community investment and socioeconomic opportunity</b>	<ul style="list-style-type: none"> <li>• In order to achieve the desired effects on all levels, we carefully select our strategic community investments, which include community empowerment, social innovation and creativity, education and youth, environment, art and culture, in addition to the continuity of the internal volunteering program “We Are All Family” despite the challenges that prevailed as a result of the repercussions of the pandemic. The most notable achievements in this context are included in the Corporate Social Responsibility and Sustainability Programs part of this report.</li> </ul>
<b>Financial literacy and education</b>	<ul style="list-style-type: none"> <li>• The bank’s interactive educational exhibit within the Children’s Museum embodies our continuous endeavor to promote financial literacy and its applications among the community’s children from an early age, through the best and most recent means.</li> </ul>
<b>Direct environmental impact of operations</b>	<ul style="list-style-type: none"> <li>• Decrease in paper usage, electricity and fuel consumption by 28%, 3%, and 25% respectively.</li> <li>• Implementing Virtualization using Hyperconverged technology to reduce our environmental impact of information technology, such as reducing the electricity consumption.</li> </ul>

## Moving Forward in Our Sustainability Journey

As sustainability is a cumulative process that requires continuous work and the participation of stakeholders, we intend in the coming years to continue conducting business responsibly, and up to the highest standards, while ensuring the highest financial and non-financial, sustainable and long-term value to our stakeholders, in pursuit to achieve the Jordan National Vision and Strategy 2025, in addition to enhancing sustainability and our performance in the environmental, social and governance fields in a comprehensive institutional manner in line with international guidelines.

## Summary of Performance Appraisal and Performance Incentives Policies

The Employee Appraisal and Retention Policy was ratified and adopted by the Board of Directors and has included a number of points which centered around employees being the foundation stone of any organization with a direct impact on its success and prosperity in an ever-changing and competitive environment. In order for any establishment to maintain its distinguished position, it is essential for it to provide extreme attention to its human resources policies and to accompany those policies with concrete actions that reflect the primary importance of ensuring employee retention and continued success.

Accordingly, putting in place a comprehensive bonus and appraisal policy that encourages and stimulates employees to achieve general institutional goals and strategies and which create a sense of ownership for all employees was essential and important. These policies were drafted to satisfy employee needs and to specifically improve employee satisfaction, especially as these incentives are not tied to short term goals but also consider medium and long term efforts that take into account individual performance metrics corresponding to institutional performance.

## The General Framework and Main Components of the Appraisal Policy

This policy aims to put in place the general framework for the bonus, appraisal and retention program and is based on the following key components:

- Expresses the vision and values of the Bank.
- Objective and transparent and seeks to retain and recruit effective, skilled and experienced employees and to incentivize and promote them.
- The individual performance but taking into account the role of the individual in the overall performance of the Bank.
- Provides clear objectives for each position at the Bank that match the Bank’s general objectives.
- Provides a balance between financial and non-financial incentives on the one hand, and short and long term goals on the other, where the appraisal is not only tied to current year performance but also looks at the medium and long performance (3-5 years).
- Designed to ensure that it is not used in a way that affects the soundness or reputation of the Bank.
- Takes into account risk, liquidity, profitability and its timing.
- Determines incentives in the form of salaries, allowances, raises, options or others.
- Includes a methodology that allows for payment of a reasonable percentage of the appraisal, taking into account the nature, job and risk profile of the employee in order to determine the basis and term of this deferment.
- Conflict of interest of oversight functions (risk, internal audit, compliance, and others) are considered and the appraisal of these departments are not tied to the results of the units that they are supervising.

## Operating Strategy

Five strategies for bonus, appraisal and retention have been adopted to include:

- Work environment.
- Internal relationships
- Logistics and support
- Growth and career development
- Financial appraisal

In addition each of the elements of these strategies have been clarified and the responsibilities and roles of each of the stakeholders (Board, CEO/GM, human resources, oversight functions, department heads) have been clearly demarcated.

The policy was divided into two different plans:

**Incentives Plan:** Annual incentive plan tied to financial performance and the meeting of specific pre-set objectives tied to the annual objectives of the Bank.

In addition, a transparent and objective long term incentive plan was put in place for the executive team and their management teams and other high flyers. The plan was adopted by the Board of Directors and allowed for a profit-share scheme to be implemented when decided by the Board in years of exceptional performance.

**Appraisal Plan:** Primarily aims at rewarding exceptional performers and incentivizing them to continue to perform and develop and to boost their morale and loyalty to the Bank. Taking into account the sensitive and subjective nature of the reward, parameters and clear terms and conditions were put in place.

## Disclosure and Transparency

In line with the Handling of Customer Complaints for Financial Service Providers Regulations (1/2017) and the Transparent and Equitable Handling of Customers Regulations (56/2012) an independent Customer Complaints Department was established and equipped with technology systems and staff. It reports to the compliance and AML department and its scope is to receive and handle the customer complaints received directly and through the channels listed below:

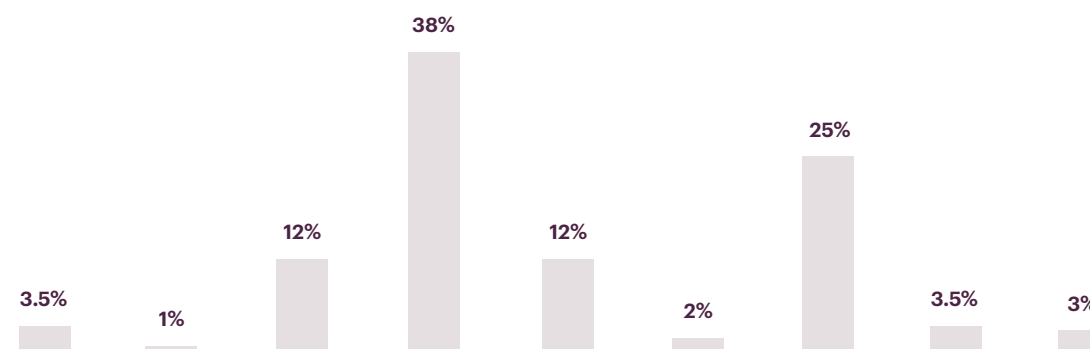
The Bank offers the following communication channels for receipt and handling of customer complaints:

- Website **www.ahli.com**
- Phone 06 5656300  
06 5007777
- Email complaints@ahli.com
- Physical Visit By visiting one of the customer complaints units in the General Management Head Office - Shmeisani during working hours.
- Mail PO Box 3103 Amman 11181 Jordan.

### Customers' Complaints and its Statistical Report

A total of (109) complaints were received in 2020 of which 28 were considered real and 81 were considered frivolous:

Classification	Total Number of Complaints	Percentage of Complaints
Electronic services	3	3%
Commissions and fees	4	3.5%
Professional dealing behavior	27	25%
Bank cards	2	2%
Interest rates / returns	13	12%
Contracts and its terms	42	38%
Work environment	13	12%
Remittances	1	1%
Other	4	3.5%



Complaints that were received were handled through the above listed channels and all necessary measures were taken to address such complaints within the timeline set by the Bank's internal guidelines for dealing with customer complaints in line with the Customer Complaints for Financial Service Providers Regulations (1/2017).



# Consolidated Financial Statements



E-services... anywhere, anytime.



**INDEPENDENT AUDITOR'S REPORT  
 To the Shareholders of Jordan Ahli Bank  
 Amman - Jordan**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

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

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

**Basis for Opinion**

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



**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context .

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Adequacy of expected credit losses provision on credit facilities	
Refer to the note (7) on the consolidated financial statements	
<p><b>Key audit matter:</b></p> <p>ECL is considered a key audit matter as the Group exercises significant judgement to determine when and how much to record as ECL.</p> <p>ECL's provision on credit facilities is determined in accordance with the Group's provisioning policy, which is aligned to the requirements of IFRS 9.</p> <p>Credit facilities form a major portion of the Group's assets. There is a risk that inappropriate ECL provisions are booked, whether from the use of inaccurate underlying data, or the use of unreasonable assumptions. Due to the significance of the judgments used in classifying credit facilities into various stages stipulated in IFRS 9 and determining related provision requirements, this audit area is considered a key audit matter.</p> <p>As at 31 December 2020, the Group's gross credit facilities amounted to JD 1,469,506,933 and the related ECL provision amounted to JD 76,974,392.</p>	<p><b>How the key audit matter was addressed in the audit:</b></p> <ul style="list-style-type: none"> <li>We gained an understanding of the Group's key credit processes comprising granting, booking, monitoring and provisioning and tested the operating effectiveness of key controls over granting and booking processes.</li> <li>We reviewed the Group's provisioning policy and compared it with the requirements of IFRS 9 as well as relevant regulatory guidelines and pronouncements.</li> </ul> <p><b>Stage 1 and Stage 2 provision:</b></p> <ul style="list-style-type: none"> <li>For provision against exposures classified as Stage 1 and Stage 2, we obtained an understanding of the Group's provisioning methodology, the underlying assumptions and the sufficiency of the data used by management.</li> <li>We obtained an understanding of the Group's internal rating model for credit facilities.</li> <li>For exposures movement between stages we have reviewed the appropriateness of the Group's determination of significant increase in credit risk and the resultant basis for classification of exposures into various stages. We also reviewed on the timely identification of exposures with a significant deterioration in credit quality.</li> </ul>





	<ul style="list-style-type: none"> <li>• For a sample of exposures, we reviewed the appropriateness of the Group's staging.</li> <li>• For forward looking assumptions used by the Group in its Expected Credit Loss ("ECL") calculations, we held discussions with management and corroborated the assumptions using publicly available information.</li> <li>• For a sample of exposures, we assessed the appropriateness of determining Exposure at Default, including the consideration of cash flows resulted from settlement process and the resultant arithmetical calculations.</li> <li>• We checked that the assumption of Loss Given Defaults used by the Group's management in the ECL calculations were appropriate.</li> <li>• We assessed theoretical soundness and mathematical integrity of the ECL Model.</li> <li>• We assessed the consolidated financial statements, disclosures to ensure compliance with IFRS 9.</li> <li>• The significant accounting policies, estimates and judgments, disclosures of credit facilities and credit risks are detailed in notes 3, 7 and 38 to the consolidated financial statements.</li> </ul> <p><b>Stage 3 (Specific) provisions:</b></p> <ul style="list-style-type: none"> <li>• For exposures determined to be individually impaired, we obtained an understanding of the latest developments in the counterparty's situation, examined management's estimate of future cash flows, and reviewed the resultant provision calculations. For each exposure selected, we performed the provision calculation by considering alternative scenarios.</li> </ul>
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**Other information included in the Bank's 2020 annual report.**

Other information consists of the information included in the Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

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

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

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





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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

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

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

### Report on Other Legal and Regulatory Requirements

The Group maintains proper books of accounts which are in agreement with the consolidated financial statements.

Ernst & Young / Jordan

Waddah Issam Barkawi  
Registration No. 591

Amman – Jordan  
3 February 2021



## Jordan Ahli Bank

## Consolidated Statement of Financial Position

As at 31 December 2020

	Notes	31 December 2020	31 December 2019
		JD	JD
<b>Assets</b>			
Cash and balances with central banks	4	191,617,135	212,324,788
Balances at banks and financial institutions	5	167,340,463	135,787,335
Deposits at banks and financial institutions	6	19,618,676	8,520,926
Direct credit facilities, net	7	1,369,633,832	1,369,737,583
Financial assets at fair value through other comprehensive income	8	25,744,834	25,014,042
Financial assets at amortized cost, net	9	817,193,096	754,893,973
Investment in associates	10	1,039,817	3,516,259
Property, equipment and projects under construction, net	11	90,242,536	91,633,021
Intangible assets, net	12	10,810,030	13,502,104
Other assets	13	138,637,804	138,352,740
Deferred tax assets	20	9,462,975	9,540,754
<b>Total Assets</b>		<b>2,841,341,198</b>	<b>2,762,823,525</b>
<b>Liabilities And Shareholders' Equity</b>			
<b>Liabilities</b>			
Banks' and financial institutions' deposits	14	143,818,778	150,146,290
Customers' deposits	15	1,904,393,574	1,864,020,376
Margin accounts	16	208,128,987	211,783,599
Loans and borrowings	17	187,381,234	145,009,726
Subordinated bonds	18	25,000,000	25,000,000
Sundry provisions	19	3,896,808	3,551,062
Income tax provision	20	5,866,856	10,097,921
Other liabilities	21	45,180,842	45,404,684
<b>Total Liabilities</b>		<b>2,523,667,079</b>	<b>2,455,013,658</b>
<b>Shareholders' Equity</b>			
Paid in share capital	22	200,655,000	200,655,000
Statutory reserve	23	62,722,983	60,964,485
Voluntary reserve	23	15,761,637	15,761,637
Pro-cyclicality reserve	23	3,678,559	3,678,559
Fair value reserve - net	24	(7,072,122)	(7,388,412)
Retained earnings	25	41,928,062	34,138,598
<b>Total Shareholders' Equity</b>		<b>317,674,119</b>	<b>307,809,867</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>2,841,341,198</b>	<b>2,762,823,525</b>

\* The accompanying notes from 1 to 48 form part of these consolidated financial statements and should be read with it.

## Jordan Ahli Bank

## Consolidated Statement of Income

For the Year ended 31 December 2020

	Notes	2020	2019
		JD	JD
Interest income	26	148,956,424	164,583,280
Interest expense	27	63,680,589	80,755,724
<b>Net interest income</b>		<b>85,275,835</b>	<b>83,827,556</b>
Net commission income	28	13,315,828	16,067,225
<b>Net interest and commission income</b>		<b>98,591,663</b>	<b>99,894,781</b>
Gain from foreign currencies	29	2,457,974	2,511,192
Dividends from financial assets at fair value through other comprehensive income	8	488,583	686,497
Other revenues	31	7,412,085	14,999,787
<b>Gross income</b>		<b>108,950,305</b>	<b>118,092,257</b>
Personnel expenses	32	37,431,424	40,257,255
Depreciation and amortization	11,12	11,565,490	11,774,331
Expected credit losses, net	30	21,398,476	6,908,437
Other provisions	10,13	1,552,580	575,361
Other expenses	33	22,112,205	22,358,845
<b>Total expenses</b>		<b>94,060,175</b>	<b>81,874,229</b>
<b>Operating profit</b>		<b>14,890,130</b>	<b>36,218,028</b>
Bank's share of an associate's profits (losses)	10	2,694,853	(14,888)
<b>Profit for the year before tax</b>		<b>17,584,983</b>	<b>36,203,140</b>
Income tax expense	20	(8,037,021)	(13,966,755)
<b>Profit for the year</b>		<b>9,547,962</b>	<b>22,236,385</b>
<b>Profit for the year Attributable to: Equity holders of the Bank</b>		<b>9,547,962</b>	<b>22,236,385</b>
<b>Profit for the year</b>		<b>9,547,962</b>	<b>22,236,385</b>
		<b>Fils/ JD</b>	<b>Fils/ JD</b>
Basic and diluted earnings per share attributable to bank's shareholders	34	0.048	0.111

\* The accompanying notes from 1 to 48 form part of these consolidated financial statements and should be read with it.

## Jordan Ahli Bank

## Consolidated Statement Of Comprehensive Income

For the Year Ended 31 December 2020

	2020	2019
	JD	JD
Profit for the year	9,547,962	22,236,385
Other comprehensive income items not to be reclassified to statement of income in subsequent year		
Change in fair value reserve-net (Note 24)	316,290	(4,162,602)
Total comprehensive income for the year	9,864,252	18,073,783
Total comprehensive income attributable to:		
Equity holders of the Bank	9,864,252	18,073,783

## Jordan Ahli Bank

## Consolidated Statement Of Changes In Equity

For the Year Ended 31 December 2020

	Reserves						
	Paid in share capital	Statutory	Voluntary	Pro-cyclicality	Fair value reserve, net	Retained earnings	Total Shareholders' equity
	JD	JD	JD	JD	JD	JD	JD
<b>For the year ended 31 December 2020</b>							
Balance as at 1 January 2020	200,655,000	60,964,485	15,761,637	3,678,559	(7,388,412)	34,138,598	307,809,867
Profit for the year	-	-	-	-	-	9,547,962	9,547,962
Net change in fair value reserve (note 24)	-	-	-	-	316,290	-	316,290
Total comprehensive income	-	-	-	-	316,290	9,547,962	9,864,252
Transferred to reserves	-	1,758,498	-	-	-	(1,758,498)	-
Balance as at 31 December 2020	200,655,000	62,722,983	15,761,637	3,678,559	(7,072,122)	41,928,062	317,674,119
<b>For the year ended 31 December 2019</b>							
Balance as at 1 January 2019	192,937,500	57,344,171	15,761,637	3,678,559	(3,225,878)	34,816,345	301,312,334
Profit for the year	-	-	-	-	-	22,236,385	22,236,385
Loss from sale of Financial assets at fair value through other comprehensive income	-	-	-	-	68	(68)	-
Net change in fair value reserve (note 24)	-	-	-	-	(4,162,602)	-	(4,162,602)
Total comprehensive income	-	-	-	-	(4,162,534)	22,236,317	18,073,783
Transferred to reserves	-	3,620,314	-	-	-	(3,620,314)	-
Dividends (note 22)	7,717,500	-	-	-	-	(19,293,750)	(11,576,250)
Balance as at 31 December 2019	200,655,000	60,964,485	15,761,637	3,678,559	(7,388,412)	34,138,598	307,809,867

\* The Central Bank of Jordan issued circular No. 10/1/7702 dated 6 June 2018, in which it requested the transfer of the general banking risk reserve balance to the retained earnings to offset the effect of IFRS 9 on the opening balance of the retained earnings account as of 1 January 2018. The circular also instruct that the balance of the general banking risk reserve should be restricted and may not be distributed as dividends to the shareholders or used for any other purposes without prior approval from the Central Bank of Jordan. The restricted balance amounted to JD 3,125,029.

- As at 31 December 2020, retained earnings includes JD 9,462,975 which represents deferred tax assets. The amount is restricted for use in accordance with the Central Bank of Jordan regulations.
- The Pro-cyclicality reserve is restricted for use without prior approval of the Palestinian Monetary Authority.
- The use of equivalent to the negative balance of the fair value reserve amounted to JD 7,072,122 of retained earnings is prohibited, in accordance with the Jordan Securities Commission.

## Jordan Ahli Bank

## Consolidated Statement of Cash Flows

For the Year Ended 31 December 2020

	Notes	2020	2019
		JD	JD
<b>Operating Activities</b>			
Profit for the year before tax		17,584,983	36,203,140
<b>Adjustments for:</b>			
Depreciation and amortization	11&12	11,565,490	11,774,331
Expected credit losses, net	30	21,398,476	6,908,437
Sundry provisions	10&19	933,774	928,737
Impairment on assets seized by the Bank	13	1,344,247	575,361
Cash dividends	8	(488,583)	(686,497)
(Gain) from sale of property and equipment	31	(105,475)	(5,489,410)
Bank's share of associate companies' (profit) losses	10	(2,694,853)	14,888
Net interest income		(10,601,360)	(6,537,819)
Effect of exchange rate changes on cash and cash equivalents	29	(698,815)	(406,153)
Operating profit before changes in assets and liabilities		38,237,884	43,285,015
<b>Changes in assets and liabilities -</b>			
Cash and balances at banks due after 3 months		(11,103,944)	10,891,484
Direct credit facilities		(19,137,477)	49,438,136
Other assets		17,273,988	2,672,905
Increase in banks' deposits matured within 3 months		9,637,503	14,012,017
Customers' deposits		40,373,198	(47,749,745)
Margin accounts		(3,654,612)	(45,632,556)
Other liabilities		(10,190,566)	(13,848,976)
Net change in assets and liabilities		23,198,090	(30,216,735)

\* The accompanying notes from 1 to 48 form part of these consolidated financial statements and should be read with it.

## Jordan Ahli Bank

## Consolidated Statement of Cash Flows / Continued

For the Year Ended 31 December 2020

	Notes	2020	2019
		JD	JD
<b>Operating Activities</b>			
Net cash flows from operating activities before income tax		61,435,974	13,068,280
Income tax paid	20	(12,190,307)	(11,001,932)
End of service indemnity paid and others	19	(379,695)	(987,183)
Net cash flows from operating activities		48,865,972	1,079,165
<b>Investing Activities</b>			
Investments in associate		4,962,962	-
Financial assets at fair value through other comprehensive income		(414,502)	(1,832,366)
Financial assets at amortized cost		(62,785,392)	(100,589,550)
Purchases of property and equipment, projects under construction, and intangible assets	11&12	(7,997,584)	(10,692,125)
Cash Dividends	8	488,583	686,497
Proceeds from sale of property and equipment		620,128	8,328,395
Net cash flows (used in) investing activities		(65,125,805)	(104,099,149)
<b>Financing Activities</b>			
Increase in loans and borrowings		42,371,508	2,537,917
Dividends paid to shareholders		-	(11,576,250)
Net cash flows from (used in) financing activities		42,371,508	(9,038,333)
Effect of exchange rate changes on cash and cash equivalents	29	698,815	406,153
Net increase (decrease) in cash and cash equivalents		26,810,490	(111,652,164)
Cash and cash equivalents, beginning of the year		212,841,708	324,493,872
Cash and cash equivalents, end of the year	35	239,652,198	212,841,708

\* The accompanying notes from 1 to 48 form part of these consolidated financial statements and should be read with it.



## Jordan Ahli Bank

### Notes to The Consolidated Financial Statements

For the Year Ended 31 December 2020

#### (1) General

Jordan Ahli Bank was established in the year 1955 as a public shareholding Company under registration No. (6) on 1 July 1955 in accordance with the company's law for the year 1927, with headquarters in Amman. Its address is Queen Noor Street, P.O Box 3103, Amman 11181 Jordan. The Business Bank was merged with the Bank effective from December 1996. Moreover, Philadelphia Investment Bank was merged with Jordan Ahli Bank Company PSC effective from 1 July 2005.

The General Assembly resolved in its meeting held on 29 April 2019 to increase paid-in capital by 4% to become JD 200,655,000 divided into 200,655,000 shares at par value of 1 JD each through the distribution of stock dividend to shareholders from the voluntary reserve. The capital increase was approved by the Companies Controller on 19 May 2019 and the Board of Jordan Securities Commission on 7 July 2019.

The Bank provides all banking and financial services related to its business through its main office, branches in Jordan (51 branches), foreign branches in Palestine and Cyprus (10 branches) and its subsidiaries in Jordan.

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

The consolidated financial statements have been approved by the Board of Directors in its meeting No. (1) held on 28 January 2021 and are subject to the approval of the Central Bank of Jordan and the General Assembly of Shareholders.

#### (2-1) Basis of preparation of the consolidated financial statements

The accompanying consolidated financial statements for the Bank and its subsidiaries have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and the interpretations of the International Financial Reporting Interpretations Committee stemming from the International Accounting Standards Board and in conformity with the applicable laws and regulations of the Central Bank of Jordan.

The consolidated financial statements are prepared on the historical cost basis except for financial assets at fair value through profit and Loss and financial assets at fair value through other comprehensive income and financial derivatives which have been measured at fair value at the date of the consolidated financial statements, moreover assets and liabilities that have been hedged for change in fair value are stated at fair value.

The consolidated financial statements are presented in Jordanian Dinar (JD) which is the functional currency of the Bank.

#### (2-2) Basis of consolidation of the consolidated 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 Group). 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 and has the ability to affect those returns through its power over the subsidiaries. All balances, transactions income, and expenses between the Bank and subsidiaries are eliminated.

#### The Bank's subsidiaries as at 31 December 2020 are as follows:

##### A. Ahlia Micro Finance Company (formally known as Ahlia for developing and finance small projects)

Ahlia Micro Finance Company is wholly owned by Jordan Ahli Bank. The Company's objective is to grant loans to limited income individuals. Its capital amounted to JD 6 million, total assets amounted to JD 21,246,767 and total liabilities amounted to JD 9,459,143 as at 31 December 2020. Its total revenues amounted to JD 6,768,220 and total expenses amounted to JD 5,730,136 for the year ended 31 December 2020, before excluding any transactions, balances, revenue, and expenses between the Company and the Bank.

##### B. Ahli Financial Brokerage Company

Ahli Financial Brokerage Company is wholly owned by Jordan Ahli Bank with a capital of JD 3 million. Its total assets amounted to JD 4,055,955 and total liabilities amounted to JD 515,957 as at 31 December 2020. Moreover, its total revenues amounted to JD 157,742 and its total expenses amounted to JD 284,663 for the year ended 31 December 2020, before excluding any transactions, balances, revenues and expenses between the Company and the Bank.

##### C. Ahli Financial Leasing Company

Ahli Financial Leasing Company is wholly owned by Jordan Ahli Bank with a capital of JD 17.5 million. Its total assets amounted to JD 86,056,105 and total liabilities amounted to JD 51,018,330 as at 31 December 2020. Moreover, its total revenues amounted to JD 4,725,953 and its total expenses amounted to JD 2,556,535 for the year ended 31 December 2020, before excluding any transactions, balances, revenues, and expenses between the Company and the Bank.

##### D. Ahli Financial Technology Company

Ahli Financial Technology Company is wholly owned by Jordan Ahli Bank with a capital of JD 600 thousand. Its total assets amounted to JD 601,654 and total liabilities amounted to JD 701 as at 31 December 2020. Moreover, its total revenues amounted to JD 2,104 and its total expenses amounted to JD 21,480 for the year ended 31 December 2020, before excluding any transactions, balances, revenues, and expenses between the Company and the Bank.

- The results of the subsidiaries are incorporated into the consolidated statement of income from the effective date of acquisition, which is the date on which actual control over the subsidiaries is assumed by the Bank. Moreover, the operating results of the disposed subsidiaries are incorporated into the consolidated statement of income up to the date of disposal, which is the date on which the Bank loses control over the subsidiaries.

- The financial statements of the subsidiary companies are prepared for the same financial year, using the same accounting policies adopted by the Bank. If the accounting policies adopted by the companies differ from those used by the Bank, the necessary adjustments to the financial statements of the subsidiaries are made to comply with the accounting policies followed by the Bank.

- In case separate financial statements are prepared for the Bank as a stand-alone entity, investments in the subsidiaries are shown in accordance with the equity method.

### (3-1) Changes in accounting policies

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2019, except for the adoption of the following new standards effective as at 1 January 2020:

#### Amendments to IFRS 3: Definition of a Business

- The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Bank, but may impact future periods should the Bank enter into any business combinations. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Bank.

#### Amendments to IAS 1 and IAS 8: Definition of "Material"

- The IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Bank.

#### Amendments to IFRS 7, and IFRS 9 Interest Rate Benchmark Reform

- Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7 includes a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Bank as it does not have any interest rate hedge relationships.

#### Amendments to IFRS 16 Covid-19 Related Rent Concessions

- On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. This relates to any reduction in lease payments which are originally due on or before 30 June 2021. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification.
- The Bank did not have any leases impacted by the amendment.

### (3-2) Significant Accounting Policies

#### Segments Information

Segment business represents a group of assets and operations shared to produce products or risk attributable services different from which related to other segments.

Geographic sector linked to present the products or the services in a specific economic environment attributable for risk and other income different from which related to other sectors work in another economic environment.

#### Recognition of Interest Income

##### The effective interest rate method

According to IFRS (9) Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortized cost, financial instruments designated at FVTPL. Interest income on interest bearing financial assets measured at FVOCI under IFRS 9. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

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

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the consolidated statement of financial position with an increase or reduction in interest income. The adjustment is subsequently amortized through interest and similar income in the consolidated statement of income.

##### Interest and similar income and expense

For all financial instruments measured at amortized cost, financial instruments designated at FVOCI and FVTPL, interest income or expense is recorded using the EIR. The calculation takes into account all of the contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

When the recorded value 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.

Expenses are recognized on an accrual basis.

##### Fees and commission income

##### Fees income can be divided into the following two categories:

A. Fees income 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 over that period. These fees include commission income and private wealth and asset management fees, custody and other management fees.

B. Fee income forming 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.

## Financial Instruments - Initial Recognition

### Date of recognition

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognized on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognized when funds are transferred to the customers' accounts. The Group recognizes balances due to customers when funds are transferred to the Group.

Commission is recorded as revenue when the related services are provided moreover dividends are recorded when realized (decided upon by the General Assembly of shareholders).

### Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group accounts for the Day 1 profit or loss, as described below.

### Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognizes the difference between the transaction price and fair value in net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognized in profit or loss when the inputs become observable, or when the instrument is derecognized.

### Measurement categories of financial assets and liabilities

**The Group classifies its financial assets (Debt Instruments) based on the business model for managing the assets and the asset's contractual terms, measured at either:**

- Amortized cost
- FVOCI
- FVTPL

The Group classifies and measures its derivative and trading portfolio at FVTPL. The Group may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortized cost or at FVTPL when they are held for trading and derivative instruments or the fair value designation is applied.

### Financial Assets and Liabilities

**The Group only measures due from banks, loans and advances to customers and other financial investments at amortized cost if both of the following conditions are met:**

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

### Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

**The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:**

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment

The Business model assessment depends on reasonably expected scenarios without taking into consideration the "worse case" or "stress test" scenarios.

If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

### The SPPI test

As a second step of its classification process the Group assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Derivatives recorded at fair value through profit or loss

**A derivative is a financial instrument or other contract with all three of the following characteristics:**

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Group enters into derivative transactions with various counterparties. These include interest rate swaps, futures and cross-currency swaps. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives are included in net trading income unless hedge accounting is applied.



### Debt instruments at FVOCI

The Group applies the new category under IFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:

The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets  
The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortized cost.

Where the Group holds more than one investment in the same security, they are deemed to be disposed of on a first-in first-out basis. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to the consolidated income statement.

### Equity instruments at FVOCI

Upon initial recognition, the Group occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to the consolidated income statement. Dividends are recognized in consolidated statement of income as other operating income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

### Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities at FVTPL are recorded in the consolidated statement of financial position at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Group's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or interest expense, respectively, using the EIR, taking into account any discount/premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss as other operating income when the right to the payment has been established.

### Financial guarantees, letters of credit and unutilized facilities ceilings

The Group issues financial guarantees, letters of credit and loan commitments.

Financial guarantees are initially recognized in the consolidated financial statements (within other liabilities) at fair value, being the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the consolidated statement of income as expected credit loss.

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. These contracts are in the scope of the ECL requirements, starting from 1 January 2019.

The premium received is recognized in the consolidated statement of income net of fees and commission income on a straight-line basis over the life of the guarantee.

The Group occasionally issues loan commitments at below market interest rates drawdown. Such commitments are subsequently measured at the higher of the amount of the ECL and the amount initially recognized less, when appropriate, the cumulative amount of income recognized.

### Derecognition of financial assets and liabilities

Derecognition due to substantial modification of terms and conditions

The Group derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized loans are classified as Stage 1 for ECL measurement purposes.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition other than for substantial modification

#### A- Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when the rights to receive cash flows from the financial asset have expired. The Group also derecognizes the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

**The Group has transferred the financial asset if, and only if, either:**

- The Group has transferred its contractual rights to receive cash flows from the financial asset
- Or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

**Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:**

The Bank has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

The Bank cannot sell or pledge the original asset other than as security to the eventual recipients.

The Bank has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

**A transfer only qualifies for derecognition if either:**

- The Bank has transferred substantially all the risks and rewards of the asset
- Or
- The Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Bank considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Bank has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognized only to the extent of the Group's continuing involvement, in which case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Bank could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Bank would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

## Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in consolidated statement of income.

## Impairment of financial assets

### Overview of the ECL principles

The Group has been recording the allowance for expected credit losses for all loans and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The 12 months ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

**Based on the above process, the Bank groups its financial assets into Stage 1, Stage 2 and Stage 3, as described below:**

- **Stage 1:**

When financial assets are first recognized, the Group recognizes an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

- **Stage 2:**

When a financial asset has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3.

- **Stage 3:**

Financial assets considered credit-impaired. The Bank records an allowance for the LTECLs. For financial assets for which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

IFRS 9 application methodology is detailed in note (3) – use of estimate.

## Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

## Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease obligations recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right-of-use assets are subject to impairment.

## Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

## Investments in an associate

- An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.
- The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.
- The Bank's investments in its associates are accounted for using the equity method.
- Under the equity method, the investment in an associate initially recognised at cost, the carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associates since the acquisition date. Goodwill relating to the associates is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.
- The consolidated statement of income reflects the Bank's share of the results of operations of the associates. Any change in other comprehensive income of those investees is presented as part of the Bank's other comprehensive income (OCI). In addition, when there has been a change recognised directly in the equity of the associates, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associates.
- The aggregate of the Bank's share of profit or loss of an associate is shown on the face of the consolidated statement of income within operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.
- The financial statements of the associates are prepared for the same reporting period as the Bank. When necessary, adjustments are made to bring the accounting policies in line with those of the Bank.

## Property and Equipment

Property and equipment are stated at cost net of accumulated depreciation and any impairment loss in its value. Moreover Property and Equipment (except for land) are depreciated according to the straight-line method over the estimated useful lives when ready for use of these assets using the following annual rates.

	%
Buildings	2
Equipment furniture and fixtures	9-15
Vehicles	20
Computer	12-15
Others	2-12

When the carrying amount of property and equipment exceeds their recoverable value, assets are written down and impairment loss is recorded in the consolidated statement of income.

The useful lives of property and equipment are reviewed at the end of each year. In case the expected useful life is different from what was determined before the change in estimate is recorded in the following years being a change in estimates.

Property and equipment are derecognized when disposed or when there is no expected future benefit from their use or disposal.

## Impairment of non-financial assets

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Bank makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use 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 groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

## Intangible Assets

### A- Goodwill

Goodwill is recorded at cost, and represents the excess amount paid to acquire or purchase the investment in an associate or a subsidiary on the date of the transaction over the fair value of the net assets of the associate or subsidiary at the acquisition date. Goodwill resulting from the investment in a subsidiary is recorded as a separate item as part of intangible assets, while goodwill resulting from the investment in an associated company constitutes part of the investment in that company.

Goodwill is distributed over the cash generating units for the purpose of testing the impairment in its value.

The value of goodwill is tested for impairment on the date of the consolidated financial statements. Good will value is reduced when there is evidence that its value has declined or the recoverable value of the cash generating units is less than book value. The decline in the values is recoded in the consolidated statement of income as impairment loss.

### B- Other intangible assets

Other intangible assets acquired through mergers are stated at fair value at the date of acquisition, while other intangible assets (not acquired through mergers) are recorded at cost.

Intangible assets are to be classified on the basis of either definite or indefinite useful life. Intangible assets with definite useful economic lives are amortized over their useful lives using the straight line method and recorded as an expense in the consolidated statement of income. Intangible assets with indefinite lives are reviewed in statement income for impairment as of the consolidated financial statements date, and impairment loss is recorded in the consolidated statement of income.

Intangible assets resulting from the banks operations are not capitalized. They are rather recorded in the consolidated statement of income in the same period.

Any indications of impairment in the value of intangible assets as of the consolidated financial statements date are reviewed. Furthermore, the estimated useful lives of the impaired intangible assets are reassessed, and any adjustment is made in the subsequent period.

Intangible assets with a finite life are recorded at cost less yearly amortization. These assets are amortized using the straight line method over the useful life using rates that range from 14%-30%

## Provisions

Provisions are recognized when the bank has an obligation as of the date of the consolidated financial statements as a result of past events, the obligation is likely to be settled, and a reliable estimate can be made of the amount of the obligation.

### Provision for employees' end-of-service indemnities

Provision for employees' end-of-service indemnities is estimated in accordance with the prevailing rules and regulations in the countries in which the bank operates.

## Income Taxes

Income tax expenses represent current and deferred taxes.

Income tax expense is measured on the basis of taxable income. Taxable income differs from income reported in the consolidated financial statements, as the latter includes non-taxable revenue, tax expenses not deductible in the current year but deductible in subsequent years, accumulated losses approved by tax authorities and items not accepted for tax purposes or subject to tax.

Taxes are calculated on the basis of the enacted tax rates according to the prevailing laws, regulations and instructions of countries where the Group operates.

Taxes expected to be incurred or recovered as a result of temporary timing differences between the value of the assets and liabilities in the consolidated financial statements and their respective tax bases. Deferred taxes are calculated on the basis of the liability method, and according to the rates expected to be enacted when it is anticipated that the liability will be settled or when tax assets are recognized.

### Capital cost of issuing or buying the Bank's shares

Cost arising from the issuance or purchase of the bank's shares are charged to retained earnings (net of the tax effect of these costs if any). If the shares issuance or purchase process is incomplete these costs are recorded as expenses in the consolidated statement of income.

### Assets under management on behalf of customers

These represent the accounts managed by the bank on behalf of its customers, but do not represent part of the bank's assets. The fees and commissions on managing these accounts are taken to the consolidated statement of income. Moreover, a provision is taken for the decline in the value of capital-guaranteed portfolios managed on behalf of its customers.



### Offsetting

Financial assets and financial liabilities are offset, and the net amount is presented in the consolidated statement of financial position only when there is a legal right to offset the recognized amounts, and the bank intends to either settle them on a net basis or to realize the assets and settle the liabilities simultaneously.

### Seized assets

Such assets are those that have been the subject of foreclosure by the bank and are initially recognized among "other assets" at the foreclosure value or fair value whichever is least.

At the date of the consolidated financial statements, seized assets are revalued individually (fair value less selling cost); any decline in fair value is recognized in the consolidated statement of income. Any subsequent increase in value is recognized only to the extent that it does not exceed the previously recognized impairment losses.

### Repurchase and resale agreements

Assets sold with a simultaneous commitment to repurchase them at a future date continue to be recognized in the consolidated financial statements as a result of the bank's continuous control over these assets and as the related risk and benefits are transferred to the Bank upon occurrence. They also continue to be measured in accordance with the adopted accounting policies. Amounts received against these contracts are recorded within liabilities under borrowed funds. The difference between the sale price and the repurchase price is recognized as an interest expense amortized over the contract period using the effective interest rate method.

Purchased assets with corresponding commitment to sell at a specific future date are not recognized in the consolidated financial statements because the bank has no control over such assets and the related risks and benefits are not transferred to the Bank upon occurrence. Payments related to these contracts are recorded under deposits with banks and other financial institutions or loans and advances in accordance with the nature of each case. The difference between the purchase price and resale price is recorded as interest revenue amortized over the life of the contract 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 transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the date of the consolidated financial statements using the exchange rate prevailing at the date of the consolidated financial statement issued by the Central Bank of Jordan. Gains or losses resulting from foreign currency translation are recorded in the consolidated statement of income.

Non-monetary items measured at historical cost are translated according to the exchange at fair value rate prevailing at the transaction date, using the exchange rate prevailing at the date of evaluation.

Differences resulting from the translation of non-monetary assets and liabilities at fair value denominated in foreign currency, such as equity shares, are recorded as part of the change in the fair value using the exchange rates prevailing at the date of evaluation.

On consolidation, the assets and liabilities in foreign operations are translated into the reporting currency in accordance with the average currency prices at the reporting date and issued prices by the central bank. Income and expense items are translated on a average price rate basis and the exchange differences arising on translation for consolidation are recognised in OCI. In case of selling any of these companies or branches, the amount of differences is included in the consolidated income statement.

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

### Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either, in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

**All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:**

- Level 1
  - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2
  - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3
  - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Bank determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Bank has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

Impairment is calculated through the difference between the book value of financial assets at amortized cost and the present value of expected future cash flows discounted using the original effective interest rate.

The book value of financial assets is reduced by the amortized cost by the impairment loss through the impairment reserve account. The change is recognized in the consolidated statement of income.

### Cash and cash equivalents

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

### (3-3) Use of estimates

#### Provision for impairment on direct credit facilities

In determining impairment of financial assets, judgement is required in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

The Bank computes the provision for impairment of financial assets in accordance to the International Financial Reporting Standards (IFRSs) which also complies to the instructions of the Central Bank of Jordan instructions.

#### Inputs, assumptions and techniques for ECL calculation - IFRS 9 methodology:

##### 1. Risk Management System

The Risk Management Department at the Bank reports to the Board of Directors according the Corporate Governance instructions issued by the Central Bank of Jordan. The Board of Directors assumes responsibility of reviewing and approving risk management strategies, policies and procedures at the Bank on an annual basis, which illustrates the general risk management framework. The Board of Directors delegates its powers to the monitoring of all risk management activities to the Risk Management Committee established under the board of directors' decision.

##### 2. Risk Management Culture

The Bank's risk management approach is based on experience, knowledge and culture of risks in which each employee is responsible for the potential risks included in their scope of work.

Risk management provides independent monitoring and support to establish and disseminate the risk management concept as a whole and at all administrative levels. It also proactively helps in identifying potential losses, setting plans for the appropriate responses and to implement to the required procedures encounter such risks in the event of such occurrences contributing to the reduction potential losses and expenses.

**Risk management activities are listed in a general risk management policy which enables the bank to identify risks and set appropriate limits for them. The said policy serves as a general framework for managing the main risks along with a number of separate policies for every types of risk, including:**

- Policies for managing credit risks, market risks and operational risks;
- Liquidity risks policy and interest rates risk policy for the bank's portfolio.
- Policy of internal assessment of capital adequacy.
- Stress testing policy.
- Business continuity policy.
- IFRS 9 a framework and policy for estimating expected credit loss
- Credit policy and investment policy are considered to be a complement risk management policy for the purpose of risks control and management.

The Bank's management pays special attention to Basel requirements and the best practices internationally for managing risks as they serve as a framework for enhancing the bank's ability in upgrading the control environment and encountering all risks (operational, market and credit). All practical steps were taken for implementation, whereas specialized units were established to manage all risks. Such units will take the responsibility of recognizing, measuring, managing and controlling all types of risks and determining the extent of compliance with regulations, laws and standards issued by local or international bodies in accordance to best known practices, size of the Bank's operations and types of the risks it is exposed to.

#### The Risk Management of the Group is responsible for performing the following functions:

- Developing the Bank's Risk Management Framework.
- Developing and executing risk management's strategy and enhancing policies and procedures which determine the roles and responsibilities of each of the parties at all administrative levels.
- Developing and reviewing risk management's policies regularly to ensure their effectiveness and amending them accordingly, as required.
- Developing a methodology for internal evaluation of the Bank's capital adequacy, whereas is comprehensive, effective and capable of identifying the risks which the Bank may encounter, taking into consideration the Bank's strategic and capital management plan.
- Developing the general framework and recovery plan indicators
- Developing a document on the bank's acceptable risks.
- Monitoring the level of the bank's executive departments' compliance with the specified levels of the acceptable risks.
- Ensuring a business continuity plan is in place and reviewing it regularly.
- Reporting the risks resulting from any expansion in the activities of the Bank to the Risk Management Committee established by the Board of Directors.
- Performing stress tests regularly to measure the Bank's resilience to withstanding shocks and encountering high risks and obtaining the approval of the Board of Directors.
- Submitting regular reports to Risk Management Committee containing information on actual risk management system (Profile Risk) for all activities of the Bank compared to the acceptable risk document and (Risk Appetite) following-up addressing negative deviations.
- Verifying the integration of risk measurement mechanisms with the used management information systems.
- Raising awareness on risk management in the Bank units to enhance the control environment and help staff of all administrative levels in gaining a deep understanding of the risks the Bank encounters.
- Reviewing strategic decisions and making recommendations to avoid risks and optimally utilizing the capital.
- Coordinating with all control departments of the Bank to ensure that the internal controls are in place or delegating the management of these risks to external parties or insuring them.

#### 3. Levels of Acceptable Risks

The process of identifying levels of acceptable risks is performed according to the quantitative measurement methods, nature and the distinctiveness of various risks. The said process aims to identify the risk levels accepted by the Bank in order to achieve its strategic objectives. Such limits are reflected in the risk appetite document approved by the bank which is subject to monitoring mechanism on a regular basis, as well as mechanism to address any deviations and violations, if any.

The general acceptable risks framework is developed in line with on the Bank's strategic plan, issued by regulatory bodies in regard to credit liquidity risks, as well as capital management in a manner that supports growth and development of the Bank's operations.

#### 4. Stress Testing

- Stress testing at the bank level is an integral part of the risks review and evaluation. Stress testing provides information on the financial integrity and risk matrix at the bank. It also provides early warning indicators regarding the Bank's capital.
- Stress testing is an integral part of the corporate governance system and risk management process as they notify the bank departments on the impact of unexpected negative events associated with various risks. The stress testing significantly impacts the administrative and strategic decisions and provide the board of directors and the executive management with indicators on the size of the capital required to encounter any losses that might result from changes that impact the bank's position and creditworthiness. Stress testing is considered important as it has a future-oriented nature in evaluating risks, compared to other methods that depend on historical data without taking into considerations the future events.

- Stress testing is carried out at the levels of sensitive and analytical scenarios and their impact is reflected on capital adequacy ratio, profits and losses in a set of levels, including: moderate, medium and severe.
- The results of stress testing are analyzed and evaluated to identify their impact on the type of the bank's assets and financial position either through the size of the expected losses and/or their impact on the bank's reputation and capital adequacy. The results of stress testing are used in capital planning and identification of their impact on generating additional capital according to the Internal Capital Adequacy Assessment Process (ICAAP).
- Scenarios prepared are proportionate to the nature and type of risks encountering the bank from the least influential to the most influential, including scenarios determining size of losses the Bank may bear in order to identify uncovered risks. The scenarios' scope is identified accurately, reviewed periodically and amended as per the changes at the bank level, banking industry level and economy level in general.
- Due to the COVID-19 pandemic that started at the beginning of 2020 and its impact on the global and national economy. The Bank has prepared stress testing based on the impacted sectors from least to most impacted in order to deal with the expected losses arising from the pandemic which might affect the Bank's position and solvency. This was based on two main pillars:
- Making changes to the expected credit losses by assuming a number of scenarios that depend on estimating the impact of COVID-19 pandemic on macroeconomic indicators
- Reflecting Management Overlay is assessing the impact on certain sectors or specific customers based on studying each sector or customer individually in order to each reasonable expectation for the outcomes of this event.

## 5. Non-performing and Mechanism of Processing by the Bank

**Irregular/ non-performing facilities are defined as credit facilities that meet the following characteristics:**

- The debtor is facing significant financial difficulties (very weak financial data).
- Has passed its maturity, or the maturity of one of its installments, or irregular payment of the principal and/or interest and/ or an overdraft account stagnant for the following periods:
  - Doubtful credit facilities from 90-179 days
  - Substandard credit facilities from 180-359 days
  - Default credit facilities for more than 360 days
  - Overdraft balance exceeding the allowed limit by 10% or more and for 90 days or more.
  - Credit facilities that were expired and not renewed 90 days ago or more.
- The bank extinguishing part of the debtor's obligations for reasons related to financial difficulties facing the debtor party and its inability to pay all obligations on time.
- The presence of clear indications that the debtor's bankruptcy is imminent.
- The absence of an active market for the financial instrument due to financial difficulties faced by the debtor party (source of credit exposure / debt instrument).
- The acquisition (purchase or creation) of a debt instrument at a significant discount represents a credit loss.
- Credit facilities granted to any client who declared bankruptcy or to any company that was put in liquidation.
- Credit facilities structured three times within a year.
- Current accounts and overdrawn accounts for 90 days or more.
- The value of guarantees paid on behalf of clients and not debited to their accounts for 90 days or more.
- The concept of default (Stage 3) is applied to all of the customer's accounts in case the concept applies to any of his exposures (Customer Level).

## Mechanism of processing Non-performing

When classifying non-performing debt, the bank allocates provisions according to the instructions of the central bank, and the processing mechanism is through reschedules or documented settlements that end the debt's maturity in accordance with the instructions and standards. In exceptional circumstances, the bank may be forced to give the customer a short and specific period of time that is commensurate with the circumstances that called for it. The bank resorts to legal treatment of debt, including the enforcement of guarantees when it has exhausted all amicable means of collection, and it has formed its conviction that collecting the debt in this way has become the only way that guarantees the bank to recover its rights.

## 6. Internal Credit Rating System

The Bank uses Moody's System for Internal credit rating to evaluate business clients, identify credit risks and evaluate default probability of the counterparty. The Bank applies internal rating models designed for various categories of clients based on exposure nature, type of borrower and banking sector managed by the borrower. The Credit Rating System consists of three main models used by business departments to analyze and classify clients based on financial and non-financial data of the clients. Credit Departments review, archive and approve the financial and non-financial data. The System allows selecting one model out of the three models. The model is selected based on availability and clarity of the financial data provided by the client and a set of questions relating to the client activity, including:

- **Model I: Fundamental Analysis Financials (only):**

This model is used if clear, adequate and detailed financial statements (audited or non-audited) are available. They can be used to reflect the client's financial situation. The highest weight is devoted to the financial statements and the client's financial situation in the classification process.

- **Model II: SME Rating Model- Financial Statements Provided:**

This model is used if the provided financial statements are non-detailed (containing some items). They are devoted a lower weight in the classification process and the highest weight is devoted to the quality aspects in classification.

- **Model III : SME Rating Model- No Financial Statements Provided:**

This model is used when the client has not provided financial statements. and risks classification is completely dependent on the quality aspects.

The system is applied to clients' portfolio including large firms, small and medium enterprises in the Bank's branches at Jordan, Palestine and Cyprus.

The ratings are detailed below:

The Credit Rating System consists of 10 credit ratings. The default risks increase upward depending on the risk degree. There is a definition for each credit rating as internally approved by the Bank.

## Working Mechanism of the System:

- Full details of clients are entered by business departments as they can contact the clients and learn about their conditions and activities.
- Credit Review Department reviews the input data and credit ratings of the clients to ensure the accuracy, objectivity and compatibility of the data entered to the system with the credit data and study provided to the client in general. Override feature may be used by users with credit-related powers to increase or decrease risks degrees according to specified information to estimate the borrower conditions.
- The Credit Rating System maintains a complete record of the risk degrees of the archived accounts for clients, starting from establishment of the credit relationship and regular updates conducted annually at least or reclassifying the client's rating if required.



## Application and Initial Recognition

### Existing Credit Exposures:

To rate credit exposures through internal rating system, the existing rating of the credit exposure is compared to the rating upon initial recognition by internally prepared studies to document historical information of the risks of each debt to identify risk degree in initial recognition. As for unrated credit exposures in the date of the financial statements, they are included in Phase II until they are duly classified.

### New Credit Exposures:

The new accounts must be rated using the internal rating system and their ratings are considered as an initial recognition in the classification date.

## 7. Approved Mechanism to Measure Expected Credit Losses

- IFRS 9 requirements include measuring expected credit losses (impairment losses/provision losses) of the credit exposures and debt instruments within IFRS 9 scope in terms of the method of inserting the credit exposures/debt instruments. In addition, IFRS 9 requirements includes a general approach and framework for ECL calculation through 3-phase approach defined by the new standard to recognize credit impairment that is dependent on the quality of credit risks since initial recognition. Assets are transferred between the three phases according to the changes in the credit risks. Based on these phases the change in ECL is recognized.
- The model of ECL calculation for debt instruments that subject to IFRS 9 was applied to all Jordan branches, subsidiaries and external branches in line with the instructions of the central bank of Jordan as well as IFRS9 requirements.
- The Bank followed an approach to measure ECL on case-by-case basis for credit exposures and debt instruments without identifying common components and specifications on a collective basis. ECL are calculated on the single contract (account) level that shows the impact of an individual details for each contract through identifying ECL formula variables by calculation of EAD, PD, LGD, time of maturity according to the detailed information of each contract. The following formula was used to calculate ECL:

$$\text{Expected Credit Loss (ECL)} = \text{Probability of Default (PD)} \% \times \text{Exposure at Default (EAD)} \times \text{Loss Given Default (LGD)}\%$$

## 8. Probability of Default (PD)

It is an estimate of the probability that the credit exposure/ debt instrument will default during a specific period of time, starting from the date of the financial statements, and is estimated as follows:

### Corporations banking:

- Transition Matrix is developed for facilities sector (including large firms and small-sized and medium-sized enterprises) as reflected in the rating data in Moody's Internal Rating System for one year. The data covers two periods for credit exposures at the branches of Jordan, Palestine and Cyprus at the level of individual clients.
- PDs and their annual updates available in Moody's System are used to generate default values for default probability at the level of banking sectors to be integrated in the approved ECLs model. A statistical model is constructed and a PiT PD and LTDR are extracted so that these variables reflect the probability matrix of Lifetime PD.

### Retail banking:

- Transition matrix for branches in Jordan, external branches and subsidiaries is developed based on Delinquency Buckets information for the past 24 Months. Transition matrix is developed as per the product type, including secured and unsecured products.

### Sovereign bodies and banks:

- Probability of default matrices for credit exposures and debt instruments owed by sovereign bodies and banks in various regions of the world are developed by relying on reports generated by Standard & Poor to extract PiT PD and LTDR.

### Notes:

- The Probability of default matrix is extracted based on the latest banking information and macroeconomic factors (e.g. Gross domestic product or unemployment rate).
- A probability of default equivalent to a risk rating of (5) was applied for all unrated exposures according to the opinion of the consulting firm responsible for application.
- A 100% probability of default is applied for Stage 3 exposures.

### Exposure at Default (EAD)

- EAD is followed based on credit limits available for clients or utilized EAD whichever is greater for direct or indirect exposures. Amounts that may be withdrawn by the debtor in future are considered. The Credit Conversion Factor (CCF) of 100% is applied to indirect facilities (including bank guarantees and documentary credits) and to unutilized credit ceilings.
- The expected life time for debt is considered in behavioral analysis the period during which the debt remains outstanding, especially revolving exposures, such as overdrafts and credit cards for which a 3-year maturity has been applied.
- The value of unutilized ceilings is proportionately distributed to contracts relating to this ceiling. In other words, the unutilized EAD for the contracts within this ceiling is divided to the total value for utilized contracts within the same ceiling. This mechanism is also applied when guarantees are distributed to ensure proper distribution of credit exposures to their corresponding guarantees.

### Loss Given Default (LGD)

An estimate of the amount of potential loss on default. It represents the difference between contractual cash flows and those that the bank expects to collect, including the collateral provided. It is often expressed as a percentage of the credit exposure amount at default.

**Portion Covered with Guarantees:** The managerial LGD model is applied to the portion covered with guarantees. Acceptable financial and non-financial guarantees deemed as credit mitigates against such exposures that are legally documented in credit contracts. There is no legal impediment preventing access to them. Hair-cut percentages for each type of acceptable guarantees are considered according to the instructions of the Central Bank of Jordan. The following formula is applied to calculate LGD for the portion covered with guarantee as follows:

$$\text{LGD} = 1 - \left( \frac{\text{Exposure After Mitigation}}{\text{Exposure Before Mitigation}} \right) \times 100\%$$

It has been taken into account the expected time period for recovery of real estate guarantees, cars and stocks according to the methodology adopted within the bank.

The percentage losses are identified by assuming default for some banking sectors within the branches of Jordan, the banking group, subsidiaries and foreign branches according to the methodology used in the bank.

**Portion Not Covered with Guarantees:** The historical data of the non-performing credit exposures for portions covered and uncovered with guarantees and collections made in the upcoming periods and in 4 years cut-off time from default date are used to study and analyze recovery rate for all banking sectors (large firms, small-sized enterprises and medium-sized enterprises) and to individually specify LGD percentage. LGD for portion uncovered with guarantees for various banking sectors and according to the approved methodology by the bank.

### Application Scope

**According to the followed approach, credit exposures and financial instruments fall within ECL and in a manner that meet IFRS 9 requirements:**

#### Loans and credit facilities (direct and indirect)

ECLs are calculated based on credit ceilings or utilized exposure whichever is higher to identify EAD by using CCF at 100%. As for Probability Default (PD), matrices developed for banking sectors in the upcoming 12 months or residual lifetime for the credit exposure. Phases required by IFRS 9 are considered to rate credit exposures based on the significant change determinants in credit risks. LGD for the portion uncovered with guarantee is applied as per the review of recovery rate for banking sectors. The acceptable financial and non-financial guarantees will be taken after application of standard hair-cut rates for all types of guarantees. The current value of the cash flows for the lifetime of the credit are calculated through Effective Interest Rate (EIR) given at the calculation date. It is noteworthy that one-year was used on average for all exposures with no outstanding date. Except for overdrafts and credit cards for which 3 years were used.

#### Debt instruments recorded at the amortized cost or at fair value through the other comprehensive income.

The ECLs are calculated by using the balances of debt instruments and interest is applied to the total debt instrument to calculate EAD. As for PD, the matrices developed for all types of debt instruments are applied and a LGD of 45% was applied.

The current value of the cash flows for the lifetime of the debt instruments are calculated using Effective Interest Rate (EIR).

It should be noted that debt instruments (treasury bills) of the Jordanian Government have been treated without calculation of ECL.

#### Credit exposures by banks, sovereign bodies and financial institutions

ECLs are calculated by using the balances of credit exposures to calculate EAD. As for PD, the matrices developed for banks, sovereign bodies and financial institutions according to their geographical distribution at local, regional and international levels. LGD of 45% was applied.

The current value of the cash flows for the lifetime of the credit are calculated through Effective Interest Rate (EIR).

### 9. Determinants for significant changes in credit risks

All credit exposures and financial instruments subject to ECL measurement must have specific determinants to be considered as a significant increase in credit risks. Financial instrument and credit exposures are moved through the three phases using the following change determinants as per the banking sector:

Variable	Criteria for transitioning to Phase II	Criterion for transitioning to Phase III
Change in the debt instrument/credit exposure credit rating.	- Decline in the credit rating of the credit exposure and debt instruments by two degrees in the credit rating system. Significant or expected decline in the external credit rating.	<ul style="list-style-type: none"> <li>- Accounts that meet the definition of non-performing debts.</li> <li>- Cases of bankruptcy or companies under liquidation.</li> <li>- The internal credit rating (8-9-10).</li> </ul>
Debts without credit rating	- Absence of a credit rating for credit exposure or debt instrument that subject to internal credit rating.	
Degree of default probability	- Clients with credit rating 7.	
Accruals	- Presence of accruals for duration ranging from 40 to 89 days. (Gradually decreased to 30 days)	
Account status/condition	- Accounts meeting the definition of watch list debts.	

All credit exposures that are classified as retail must be treated by individual portfolio method and must have determinants to be considered as a significant increase in credit risks. Credit exposures are moved through the three phases using the following change determinants:

Variable	Criteria for transitioning to Phase II	Criterion for transitioning to Phase III
Accruals	- Presence of accruals for duration ranging from 40 to 89 days. (Gradually decreased to 30 days).	<ul style="list-style-type: none"> <li>- Accounts meeting the definition of non-performing debts.</li> </ul>
Account Status/condition	- Accounts meeting the definition of watch list Debts	

Taking into consideration other indicators that are considered appropriate to evaluate the increase in credit risk level or indicate the presence of default in this case the debt should be classified in stage 3/2 in reference to IFRS 9, and Central Bank of Jordan circular number 47/2009.

## 10. Key Economic Indicators Used in Calculating Expected Credit Losses (ECLs)

Key economic indicators are considered in measuring probability default (PD) for several sectors. Historical information, current conditions and future events expected according to information or meaningful conclusions may be relied upon.

**A statistical model with economic single variable is used and macroeconomic variables are relied upon. Macroeconomic variables represent growth rates in GDP and difference in unemployment rates for the past ten years. They are linked with the forecasted economic variable in future for the next five years to reflect the impact of changes to the annual PD rates expected in future. GDP for the following sectors and geographical areas were relied upon:**

- Jordan.
- Palestine.
- Cyprus.
- Subsidiary/ Ahli Leasing.
- North America: Exposures of debt instruments owed by sovereign bodies and banks.
- Europe & Central Asia
- East Asia & Pacific
- Arab World

Differences in annual un-employment rates for the following sectors and geographical areas were relied upon:

- Jordan.
- Palestine
- Cyprus
- Ahlia Micro Finance

## 11. Application Governance of IFRS 9

Corporate governance is one of the modern management requirements of companies. It plays a fundamental role in identifying responsibilities and relations between parties to achieve the bank vision and objectives. It also provides the board of directors and the executive management with appropriate tools and means to achieve strategic objectives and ensure creating an effective control environment.

The Bank adheres to corporate governance requirements according to the instructions of the Central Bank of Jordan and best international practices set by Basel Committee. To achieve application governance of IFRS 9, the responsibilities of the board of directors, executive management, involved business units are detailed below.

### Responsibilities of the Board of Directors

- Identifying the bank strategic objectives, directing the executive management to formulate and approve strategies that aim at achieving objectives and approving action plans consistent with such strategies.
- Evaluating existing infrastructure, taking decisions concerning changes and improvements to ensure ECLs calculation according to the relevant legislation.
- The executive management supervision committees established by the board of directors ensure that internal control systems are in place, ensure availability of policies, plans and procedures and verify compliance with the bank's internal policies and application of international standards and relevant legislation.
- Taking procedures for effective monitoring of the IFRS 9 sound application and protection of the systems used in application.
- Ensuring that oversight units (including Risks Management Department and Internal Audit Department) take all needed actions to validate approaches and systems used in IFRS 9 application and provide necessary support.

- Approving business models used in identification of objectives and rules of financial instruments' acquisition and classification.
- Adopting appropriate policies and procedures related to IFRS application, exceptional cases and system outputs. An independent party will be responsible for deciding upon exceptions or changes. Such exceptions or changes must be presented to board of directors or audit committee formed by it.
- Ensuring that credit rating systems and ECLs calculation systems are in place.

### Executive Management's Responsibilities

- Providing appropriate infrastructure, making recommendations on changes or improvements that support IFRS 9 application accurately and thoroughly by qualified professionals and through adequate database and appropriate information system.
- Reviewing regulations, policies, procedures and any relevant standards and identify how appropriate they are for the standard application.
- Distributing tasks and responsibilities and business units' involvement in proper application of the international accounting standard.
- Following up regular reports related to the findings of IFRS 9 application and identifying the impact of its application on the bank's financial condition from quantitative and qualitative aspects.
- Setting corrective procedures approved by the board of directors.
- Protecting systems used in the application process.
- Reflecting IFRS 9 impact on pricing strategies and policies.

### Risks Management Department

- Validating the integrity of the approach and system used in IFRS 9 application.
- Regular update of PD matrices at the banking group level and for all sectors and reflecting amendments to the system used in ECLs calculation.
- Regular update of LGD matrix at the banking group level and for all sectors and reflecting outputs to the system used in ECLs calculation.
- Reviewing ICAAP and stress tests to meet IFRS 9 requirements.
- Preparing regular qualitative and quantitative disclosures to meet IFRS 9 requirements.
- Ensuring validity of the calculated provisions.

### Internal Audit Department

- Validating the integrity of approaches and systems used in IFRS 9 application and checking samples confirming integrity of the results extracted.
- Ensuring that ECLs are measured for all debt instruments and credit exposures and ensuring adequacy of ECL (impairment loss) monitored by the Bank is measured on each financial statement
- Verifying the required regular disclosures to comply with applying IFRS 9 as instructed by the central bank of Jordan

### Compliance Department

- Ensuring compliance with laws, regulations and instructions relating to the preparation of the financial statements, and the application of IFRS 9 and disclosures required under IFRS 7.



### Business Departments

- Setting risk rating degrees in the internal rating system, ensuring that credit ratings defined for credit facilities are updated regularly to reflect the client's credit condition and identifying credit ratings and economic situation in which customer operate.

### Credit Group

- Setting indicators to evaluate increase in the credit risks relating to the credit exposures' ratings according to the instructions of the central bank of Jordan and the accounting standards in this regard
- Ensure the existence of credit rating and the validity of the client risks are rated in a manner that reflects client's credit condition, defining the credit ratings and economic situation of the client's activities and verifying inputs to MOODY'S system and ensuring they are updated and archived regularly.
- Reviewing and documenting the historical information of the risks of each debt to identify rating in initial recognition.
- Ensuring that the system outputs reflect staging and client's credit risks and reviewing calculated provisions and their changes.
- Ensuring the application of change valuation indicators on exposures which meet the definition of watchlist debts and stage 2 and reviewing its collaterals according to the approved mechanism of inputs which is subject to the calculation process.
- Identifying the credit risk valuation indicators and ensuring the application of it on these accounts which meet the definition of default/ stage 3 and reviewing its collaterals according to the approved mechanism of inputs which is subject to the calculation process.
- Preparing regular quantitative disclosures to meet IFRS requirements over stage 2 and 3 classified accounts.
- Ensuring validity of transfer between stages.
- Preparing sheet of transfer between stages (ECL Change).
- Maintaining default information and analyzing the accounts that will be transferred to off- statement of financial position and the accounts that will be written off.
- Updating, on a regular basis, collection rates and loss rates for different banking segments using historical information under the approved mechanism.
- Updating the list of accounts that meet the definition of default at the bank level

### Financial Department

- Identifying financial instruments that subject to credit risks allocation according to IFRS 9.
- Distributing portfolios and ratings in banking sectors and inserting them in ECL template.
- Reconciling balances of the calculable financial instruments and the bank general ledger and comparing results of IFRS 9 application with the allocations required under the instructions of the Central Bank of Jordan 47/2009 and applying whichever is the heavier.
- Participating in the preparation and review of the regular disclosures to comply with applying IFRS 9.
- Preparing regular stage 1 disclosures.

### Treasury and Investment Department

- Reviewing and updating the external credit ratings of the banks and financial institutions.
- Ensuring that the system outputs reflect staging and client's credit condition and reviewing calculated allocations.
- Developing business model/models specifying objectives and rules of acquisition and rating of financial instruments in manner that meets working requirements and IFRS 9 requirements.
- Participating in the regular disclosures relating to investments to comply with IFRS 9.

### Information Technology Department

- Running download of financial and non-financial information and folders from the banking systems and supporting system to perform calculation.
- Managing the system and communicating with the provider in case any errors or malfunctions in the system.
- Managing features and powers of the users in the user profile and according to the approved authority's matrix.

### Income tax

Income tax expenses represent accrued taxes and deferred taxes,

Income tax expenses are accounted for on the basis of taxable income, Moreover taxable income differs from income declared in the consolidated financial statements because the latter includes non-taxable revenues or taxable expenses disallowed in the current year but deductible in subsequent years accumulated losses acceptable by the tax law and items not accepted for tax purposes or subject to tax.

Taxes are calculated on the basis of the tax rates according to the prevailing laws regulations and instructions of the countries where the bank operates.

Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the consolidated financial statements and the value of the taxable amount, Deferred tax is calculated on the basis of the liability method in the consolidated statement of financial position according to the rates expected to be applied when the tax liability is settled or tax assets are recognized.

Deferred tax assets and liabilities are reviewed as of the date of the consolidated financial statements and reduced in case it is expected that no benefit will arise from payment or the elimination of the need for deferred tax liabilities partially or totally.

### Fair Value

Fair value represents the closing market price (Assets Purchasing / Liabilities Selling) of financial assets and derivatives on the date of the consolidated financial statements in active markets, In case declared market prices do not exist active trading of some financial assets and derivatives is not available or the market is inactive fair value is estimated by one of several methods including the following:

Comparison with the fair value of another financial asset with similar terms and conditions.

Analysis of the present value of expected future cash flows for similar instruments.

Adoption of the option pricing models.

Evaluation of long-term assets and liabilities that bear no interest through discounting cash flows and amortizing premium / discount using the effective interest rate method within interest revenue / expense in the consolidated statement of income.

The valuation methods aim to provide a fair value reflecting the market's expectations taking into consideration the market expected risks and expected benefits when the value of the financial assets, When the financial assets fair value can't be reliably measured, they are stated at cost less any impairment.

#### (4) Cash And Balances With Central Banks

The details of this item are as following:

	31 December 2020	31 December 2019
	JD	JD
Cash in vaults	51,728,891	58,230,973
Balances at the Central Banks:		
Current and call accounts	6,018,631	5,377,533
Time and notice deposits	46,846,207	38,445,126
Statutory cash reserve	87,023,406	110,271,156
Total Balances at the Central Banks	139,888,244	154,093,815
<b>Total</b>	<b>191,617,135</b>	<b>212,324,788</b>

- Except for cash reserves with central banks and the capital deposit with the Palestine Monetary Authority amounted to JD 10,635,000 there are no restricted balances as at 31 December 2020 and 2019.
- There are no balances, matured in more than three months as at 31 December 2020 and 31 December 2019.

The classification of gross balance with central banks according to the Group's internal credit rating is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Governmental	139,888,244	-	-	139,888,244	154,093,815
<b>Total</b>	<b>139,888,244</b>	<b>-</b>	<b>-</b>	<b>139,888,244</b>	<b>154,093,815</b>

The movement on balances with central banks is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	154,093,815	-	-	154,093,815	205,407,284
New balances during the year	93,008,385	-	-	93,008,385	41,107,496
Withdrawn balances	(107,213,956)	-	-	(107,213,956)	(92,420,965)
<b>Balance at December 2020 31</b>	<b>139,888,244</b>	<b>-</b>	<b>-</b>	<b>139,888,244</b>	<b>154,093,815</b>

#### (5) Balances At Banks And Financial Institutions

Item	Banks and financial institutions					
	Local		Foreign		Total	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	JD	JD	JD	JD	JD	JD
Current and term accounts	249,174	108,761	52,315,311	40,683,675	52,564,485	40,792,436
Deposits matures in 3 months or less	2,000,000	2,118,000	112,811,323	92,906,050	114,811,323	95,024,050
<b>Total</b>	<b>2,249,174</b>	<b>2,226,761</b>	<b>165,126,634</b>	<b>133,589,725</b>	<b>167,375,808</b>	<b>135,816,486</b>
Less: ECL provision charged for the year	952	1,250	34,393	27,901	35,345	29,151
	<b>2,248,222</b>	<b>2,225,511</b>	<b>165,092,241</b>	<b>133,561,824</b>	<b>167,340,463</b>	<b>135,787,335</b>

- The non-interest-bearing balances held at banks and financial institutions amounted to JD 52,564,485 as at 31 December 2020 (31 December 2019: JD 40,792,436).
- There are no restricted balances as at 31 December 2020 and 31 December 2019.

The classification of gross balances with banks and financial institutions according to the Group's internal credit rating is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
From 1 to 6	148,889,677	-	-	148,889,677	125,397,889
7	11,967	-	-	11,967	1,500,000
Un-rated	18,474,164	-	-	18,474,164	8,918,597
<b>Total</b>	<b>167,375,808</b>	<b>-</b>	<b>-</b>	<b>167,375,808</b>	<b>135,816,486</b>

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

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	135,816,486	-	-	135,816,486	173,595,168
New balances during the year	188,524,930	-	-	188,524,930	33,197,169
Withdrawn balances	(156,965,608)	-	-	(156,965,608)	(70,975,851)
<b>Balance at December 2020 31</b>	<b>167,375,808</b>	<b>-</b>	<b>-</b>	<b>167,375,808</b>	<b>135,816,486</b>

The movement on the provision for expected credit losses on balances with banks and financial institutions is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	29,151	-	-	29,151	26,982
ECL for new balances during the year	6,194	-	-	6,194	3,305
Recoveries from ECL related to withdrawn balances	-	-	-	-	(1,136)
Balance at 31 December 2020	35,345	-	-	35,345	29,151

## (6) Deposits At Banks And Financial Institutions

Item	Banks and financial institutions					
	Local		Foreign		Total	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	JD	JD	JD	JD	JD	JD
Deposits mature within 3 months to 6 months	-	5,000,000	19,642,750	3,545,000	19,642,750	8,545,000
Total	-	5,000,000	19,642,750	3,545,000	19,642,750	8,545,000
Less: ECL	-	6,877	24,074	17,197	24,074	24,074
	-	4,993,123	19,618,676	3,527,803	19,618,676	8,520,926

- There are no restricted deposits balances as at 31 December 2020 and as at 31 December 2019.

The classification of gross deposits at banks and financial institution according to the Group's internal credit rating is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Classification 3	19,642,750	-	-	19,642,750	3,545,000
Classification 5	-	-	-	-	5,000,000
Total	19,642,750	-	-	19,642,750	8,545,000

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

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as of 1 January	8,545,000	-	-	8,545,000	19,438,653
New balances for the year	19,642,750	-	-	19,642,750	3,545,000
Withdrawn balances	(8,545,000)	-	-	(8,545,000)	(14,438,653)
Balance at December 2020 31	19,642,750	-	-	19,642,750	8,545,000

The movement on the provision for expected credit losses for deposits at banks and financial institutions is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as of 1 January	24,074	-	-	24,074	24,074
ECL for new balances during the year	-	-	-	-	-
Balance at December 2020 31	24,074	-	-	24,074	24,074



## (7) Direct Credit Facilities – net

The details of this item are as follows:

	31 December 2020	31 December 2019
	JD	JD
<b>Individuals (Retail)</b>		
Overdrafts	1,625,328	1,762,455
Loans and bills *	316,412,699	325,235,548
Credit Cards	9,679,101	11,277,737
Real Estate Loans	323,817,108	314,887,921
<b>Corporate Customers</b>		
Overdrafts	115,565,779	139,797,925
Loans and bills *	514,784,502	479,649,797
<b>Small and medium enterprises "SMEs"</b>		
Overdrafts	32,882,557	37,487,368
Loans and bills *	129,835,410	130,614,170
<b>Governmental and public sectors</b>		
	24,904,449	22,980,641
<b>Total</b>	<b>1,469,506,933</b>	<b>1,463,693,562</b>
Less: Provision for expected credit losses	(76,974,392)	(70,601,047)
Less: Suspended interests	(22,898,709)	(23,354,932)
<b>Direct credit facilities, net</b>	<b>1,369,633,832</b>	<b>1,369,737,583</b>

\* Net of interest and commission received in advance amounted to JD 13,645,250 as at 31 December 2020 (31 December 2019: JD 15,612,939).

- Non-performing credit facilities amounted to JD 110,523,831 as at 31 December 2020 (31 December 2019: JD 91,879,675), representing 7.52% as at 31 December 2020 (31 December 2019: 6.28%) of total direct credit facilities.
- Non-performing credit facilities, net of suspended interests and commissions, amounted to JD 90,709,860 as at 31 December 2020 (31 December 2019: JD 75,289,469), representing 6.26% as at 31 December 2020 (31 December 2019: 5.20%) of total direct credit facilities excluding the suspended interests.
- Non-performing credit facilities transferred to off consolidated financial position items, amounted to JD 126,521,094 as at 31 December 2020 (31 December 2019: JD 109,807,682), Moreover, these credit facilities are fully covered with the suspended interests and provisions.
- There are no credit facilities granted to and guaranteed by the Jordanian government as at 31 December 2020 and 31 December 2019.
- Based on the decisions of board of directors, an amount of JD 2,323,698 of the non-performing loans in addition to its suspended interests was written off during the year 2020 for on and off consolidated financial position items (JD 1,162,764 during the year 2019).

## Provision for Expected Credit Losses

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

Item	31 December 2020					
	Individuals	Realestate	Corporate	SME's	Governmental and public sectors	Total
	JD	JD	JD	JD	JD	JD
Balances as at 1 January 2020	21,145,775	6,496,955	29,568,205	13,297,535	92,577	70,601,047
Provision for expected credit loss on new facilities during the year	2,098,693	992,295	19,269,048	949,416	-	23,309,452
Reversal of provision for expected credit loss	(2,088,053)	(1,364,112)	(4,664,376)	(1,462,994)	(39,905)	(9,619,440)
Transferred to stage 1	471,303	340,583	106,846	37,472	-	956,204
Transferred to stage 2	(394,974)	(340,650)	(1,936,068)	(16,877)	-	(2,688,569)
Transferred to stage 3	(76,329)	67	1,829,222	(20,595)	-	1,732,365
Transferred to off statement of financial position	(5,518,732)	(832,278)	(2,300,536)	(3,463,772)	-	(12,115,318)
Effect on provision- resulting from reclassification among three stages for the year	1,068,869	672,571	14,511,685	585,855	-	16,838,980
Changes resulting from adjustments	(1,079,320)	762,929	(12,645,848)	1,674,475	-	(11,287,764)
Written-off facilities	(815,436)	(4,382)	(271,096)	(15,139)	-	(1,106,053)
Foreign exchange adjustments	(5,769)	-	250,144	109,113	-	353,488
<b>Net loss in direct credit facilities at the end of the year</b>	<b>14,806,027</b>	<b>6,723,978</b>	<b>43,717,226</b>	<b>11,674,489</b>	<b>52,672</b>	<b>76,974,392</b>
Re- allocation:						
Individual	14,806,027	6,723,978	43,717,226	11,674,489	52,672	76,974,392
Collective	-	-	-	-	-	-

Item	31 December 2019					
	Individuals	Realestate	Corporate	SME's	Governmental and public sectors	Total
	JD	JD	JD	JD	JD	JD
Balances as at 1 January 2019	18,971,978	4,788,116	37,421,934	13,882,271	84,994	75,149,293
Provision for expected credit loss on new facilities during the year	3,784,103	736,334	2,749,925	1,646,201	-	8,916,563
Reversal of provision for expected credit loss	(2,324,689)	(833,648)	(4,712,592)	(2,545,219)	-	(10,416,148)
Transferred to stage 1	648,705	108,459	(7,519)	116,149	-	865,794
Transferred to stage 2	(910,057)	(102,515)	(118,084)	(116,019)	-	(1,246,675)
Transferred to stage 3	261,352	(5,944)	125,603	(130)	-	380,881
Transferred to off statement of financial position	(162,797)	(335,929)	(8,903,240)	(632,095)	-	(10,034,061)
Effect on provision-resulting from reclassification among three stages for the year	1,866,086	308,298	2,654,991	882,247	-	5,711,622
Changes resulting from adjustments	(806,672)	1,792,904	(70,660)	199,278	7,583	1,122,433
Written-off facilities	(126,572)	(7,777)	(150)	(68,370)	-	(202,869)
Foreign exchange adjustments	(55,662)	48,657	427,997	(66,778)	-	354,214
Net loss in direct credit facilities at the end of the year	21,145,775	6,496,955	29,568,205	13,297,535	92,577	70,601,047
Re-allocation:						
Individual	21,145,775	6,496,955	29,568,205	13,297,535	92,577	70,601,047
Collective	-	-	-	-	-	-

- The provisions is no longer needed due to settlements , repayments or written off and transferred against other facilities amounted to JD 9,619,440 for the year ended 31 December 2020 (JD 10,416,148 for the year ended 31 December 2019).

The classification of gross balances relating to corporate facilities according to the Group's internal credit rating is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
From 1 to 6	478,508,663	18,974,553	2,406,233	499,889,449	519,508,411
7	697,593	29,434,958	1,293,710	31,426,261	28,342,637
From 8 to 10	-	-	51,948,973	51,948,973	19,859,132
Unrated	35,835,874	6,457,335	4,792,389	47,085,598	51,737,542
<b>Total</b>	<b>515,042,130</b>	<b>54,866,846</b>	<b>60,441,305</b>	<b>630,350,281</b>	<b>619,447,722</b>

The movement on corporate facilities at year end is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	488,579,141	102,477,054	28,391,527	619,447,722	646,254,944
New facilities during the year	140,325,774	9,340,895	3,433,978	153,100,647	125,196,108
Settled facilities	(122,843,090)	(11,853,644)	(3,347,731)	(138,044,465)	(138,362,760)
Transferred to stage 1	10,831,010	(10,831,010)	-	-	-
Transferred to stage 2	(1,850,705)	1,850,705	-	-	-
Transferred to stage 3	-	(36,059,301)	36,059,301	-	-
Written-off facilities and transferred to off statement of financial position items	-	(57,853)	(4,095,770)	(4,153,623)	(13,640,570)
<b>Balance at 31 December 2020</b>	<b>515,042,130</b>	<b>54,866,846</b>	<b>60,441,305</b>	<b>630,350,281</b>	<b>619,447,722</b>

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

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	3,041,972	5,011,881	21,514,352	29,568,205	37,421,934
ECL for new facilities during the year	1,930,214	861,043	16,477,791	19,269,048	2,749,925
Recoveries from ECL related to settled facilities	(7)	(1,423,043)	(3,241,326)	(4,664,376)	(4,712,592)
Transferred to stage 1	107,183	(107,183)	-	-	-
Transferred to stage 2	(337)	337	-	-	-
Transferred to stage 3	-	(1,829,222)	1,829,222	-	-
Effect on provision-resulting from reclassification among three stages for the year	(11,462)	358	14,522,789	14,511,685	2,654,991
Changes resulting from adjustments	(336,261)	3,164,094	(15,473,681)	(12,645,848)	(70,660)
Written-off facilities and transferred to off statement of financial position items	-	-	(2,571,632)	(2,571,632)	(8,903,390)
Adjustments due to exchange rate changes	-	-	250,144	250,144	427,997
Balance at 31 December 2020	4,731,302	5,678,265	33,307,659	43,717,226	29,568,205

The classification of gross balances relating to SMEs Facilities according to the Group's internal credit rating is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
From 1 to 6	107,526,358	9,877,799	3,589,799	120,993,956	121,757,022
7	-	9,074,382	945,348	10,019,730	13,506,661
From 8 to 10	-	82,860	10,318,833	10,401,693	10,102,430
Un-rated	15,654,752	536,214	5,111,622	21,302,588	22,735,425
Total	123,181,110	19,571,255	19,965,602	162,717,967	168,101,538

The movement on SMEs facilities at year end is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	113,871,641	28,239,618	25,990,279	168,101,538	183,355,213
New facilities during the year	40,666,964	2,858,827	888,178	44,413,969	53,429,604
Settled facilities	(35,483,551)	(5,296,865)	(3,043,562)	(43,823,978)	(67,443,942)
Transferred to stage 1	7,824,042	(7,728,943)	(95,099)	-	-
Transferred to stage 2	(2,619,556)	2,915,266	(295,710)	-	-
Transferred to stage 3	(1,078,430)	(1,416,648)	2,495,078	-	-
Written-off facilities and transferred to off statement of financial position items	-	-	(5,973,562)	(5,973,562)	(1,239,337)
Balance at 31 December 2020	123,181,110	19,571,255	19,965,602	162,717,967	168,101,538

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

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	291,316	658,510	12,347,709	13,297,535	13,882,271
ECL for new facilities during the year	115,256	301,677	532,483	949,416	1,646,201
Recoveries from ECL related to settled facilities	-	-	(1,462,994)	(1,462,994)	(2,545,219)
Transferred to stage 1	41,193	(33,946)	(7,247)	-	-
Transferred to stage 2	(2,231)	29,372	(27,141)	-	-
Transferred to stage 3	(1,490)	(12,303)	13,793	-	-
Effect on provision-resulting from reclassification among three stages for the year	(2,658)	(4,063)	592,576	585,855	882,247
Changes resulting from adjustments	834,679	25,273	814,523	1,674,475	199,278
Written-off facilities and transferred to off statement of financial position items	-	-	(3,478,911)	(3,478,911)	(700,465)
Adjustments due to exchange rate changes	-	-	109,113	109,113	(66,778)
Balance at December 2020 31	1,276,065	964,520	9,433,904	11,674,489	13,297,535



The classification of gross balances relating to retail facilities according to the Group's internal credit rating is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
From 1 to 6	1,861,713	-	-	1,861,713	4,779,579
7	-	-	-	-	955,344
From 8 to 10	-	-	-	-	86,643
Un-rated	300,900,115	9,797,168	15,158,132	325,855,415	332,454,174
<b>Total</b>	<b>302,761,828</b>	<b>9,797,168</b>	<b>15,158,132</b>	<b>327,717,128</b>	<b>338,275,740</b>

The movement on retail facilities at year end is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	307,462,240	7,896,142	22,917,358	338,275,740	346,961,286
New facilities during the year	47,668,870	1,156,458	948,549	49,773,877	65,535,715
Settled facilities	(48,139,130)	(1,819,191)	(1,390,023)	(51,348,344)	(73,747,101)
Transferred to stage 1	2,688,968	(2,639,364)	(49,604)	-	-
Transferred to stage 2	(5,615,026)	6,188,832	(573,806)	-	-
Transferred to stage 3	(1,304,094)	(985,709)	2,289,803	-	-
Written-off facilities and transferred to off statement of financial position items	-	-	(8,984,145)	(8,984,145)	(474,160)
<b>Balance at 31 December 2020</b>	<b>302,761,828</b>	<b>9,797,168</b>	<b>15,158,132</b>	<b>327,717,128</b>	<b>338,275,740</b>

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

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	920,913	1,721,060	18,503,802	21,145,775	18,971,978
ECL for new facilities during the year	185,985	190,621	1,722,087	2,098,693	3,784,103
Recoveries from ECL related to settled facilities	-	-	(2,088,053)	(2,088,053)	(2,324,689)
Transferred to stage 1	549,870	(522,208)	(27,662)	-	-
Transferred to stage 2	(49,552)	347,661	(298,109)	-	-
Transferred to stage 3	(29,015)	(220,427)	249,442	-	-
Effect on provision-resulting from reclassification among three stages for the year	(532,450)	540,427	1,060,892	1,068,869	1,866,086
Changes resulting from adjustments	(278,422)	(619,802)	(181,096)	(1,079,320)	(806,672)
Written-off facilities and transferred to off statement of financial position items	-	-	(6,334,168)	(6,334,168)	(289,369)
Adjustments due to exchange rate changes	-	-	(5,769)	(5,769)	(55,662)
<b>Balance at 31 December 2020</b>	<b>767,329</b>	<b>1,437,332</b>	<b>12,601,366</b>	<b>14,806,027</b>	<b>21,145,775</b>

The classification of gross balances relating to real estate facilities according to the Group's internal credit rating is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
From 1 to 6	21,254,377	1,526,793	-	22,781,170	24,696,643
7	-	2,692,736	-	2,692,736	3,070,096
From 8 to 10	-	-	-	-	1,402,952
Un-rated	270,504,888	12,879,522	14,958,792	298,343,202	285,718,230
<b>Total</b>	<b>291,759,265</b>	<b>17,099,051</b>	<b>14,958,792</b>	<b>323,817,108</b>	<b>314,887,921</b>

The movement on real estate at year end is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as of 1 January	285,955,528	14,351,882	14,580,511	314,887,921	322,816,366
New facilities for the year	46,509,756	1,130,517	567,146	48,207,419	47,857,785
Settled facilities	(33,149,349)	(1,408,209)	(3,174,552)	(37,732,110)	(54,998,032)
Transferred to stage 1	6,800,874	(5,625,994)	(1,174,880)	-	-
Transferred to stage 2	(10,332,439)	11,307,217	(974,778)	-	-
Transferred to stage 3	(4,025,105)	(2,656,362)	6,681,467	-	-
Written-off facilities and transferred off statement of financial position items	-	-	(1,546,122)	(1,546,122)	(788,198)
Balance at 31 December 2020	291,759,265	17,099,051	14,958,792	323,817,108	314,887,921

The movement on the provision for expected credit losses for real estate facilities for the year is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	417,297	638,798	5,440,860	6,496,955	4,788,116
ECL for new facilities during the year	19,707	27,928	944,660	992,295	736,334
Recoveries from ECL related to settled facilities	-	-	(1,364,112)	(1,364,112)	(833,648)
Transferred to stage 1	350,610	(259,657)	(90,953)	-	-
Transferred to stage 2	(4,841)	61,425	(56,584)	-	-
Transferred to stage 3	(5,186)	(142,418)	147,604	-	-
Effect on provision- resulting from reclassification among three stages for the year	(330,581)	190,825	812,327	672,571	308,298
Changes resulting from adjustments	(257,551)	51,336	969,144	762,929	1,792,904
Written-off facilities and transferred off statement of financial position items	-	-	(836,660)	(836,660)	(343,706)
Adjustments due to exchange rate changes	-	-	-	-	48,657
Balance at 31 December 2020	189,455	568,237	5,966,286	6,723,978	6,496,955

The movement on government and public sector facilities at year end is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	22,980,641	-	-	22,980,641	21,129,063
New facilities for the year	1,923,808	-	-	1,923,808	1,851,578
Balance at 31 December 2020	24,904,449	-	-	24,904,449	22,980,641

The classification of gross balances relating to government and public sector facilities according to the Group's internal credit rating is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Un-rated	24,904,449	-	-	24,904,449	22,980,641
Total	24,904,449	-	-	24,904,449	22,980,641

The movement on the provision for expected credit losses for government and public sector facilities for the year is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as of 1 January	92,577	-	-	92,577	84,994
Recoveries from ECL related to settled facilities	(39,905)	-	-	(39,905)	-
Changes resulting from adjustments	-	-	-	-	7,583
Balance at 31 December 2020	52,672	-	-	52,672	92,577

The classification of gross balances relating to total direct facilities according to the Group's internal credit rating is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
From 1 to 6	609,151,111	30,379,145	5,996,032	645,526,288	670,741,655
7	697,593	41,202,076	2,239,058	44,138,727	45,874,738
From 8 to 10	-	82,860	62,267,806	62,350,666	31,451,157
Un-rated	647,800,078	29,670,239	40,020,935	717,491,252	715,626,012
Total	1,257,648,782	101,334,320	110,523,831	1,469,506,933	1,463,693,562

The movement on facilities at collective basis at year-end is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as of 1 January	1,218,849,191	152,964,696	91,879,675	1,463,693,562	1,520,516,872
New facilities for the year	277,095,172	14,486,697	5,837,851	297,419,720	293,870,790
Settled facilities	(239,615,120)	(20,377,909)	(10,955,868)	(270,948,897)	(334,551,835)
Transferred to stage 1	28,144,894	(26,825,311)	(1,319,583)	-	-
Transferred to stage 2	(20,417,726)	22,262,020	(1,844,294)	-	-
Transferred to stage 3	(6,407,629)	(41,118,020)	47,525,649	-	-
Written-off facilities and transferred to off statement of financial position items	-	(57,853)	(20,599,599)	(20,657,452)	(16,142,265)
Balance at 31 December 2020	1,257,648,782	101,334,320	110,523,831	1,469,506,933	1,463,693,562

The movement on the provision for expected credit losses for facilities at collective basis for the year is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at 1 January	4,764,075	8,030,249	57,806,723	70,601,047	75,149,293
ECL for new facilities during the year	2,251,162	1,381,269	19,677,021	23,309,452	8,916,563
Recoveries from ECL related to settled facilities	(39,912)	(1,423,043)	(8,156,485)	(9,619,440)	(10,416,148)
Transferred to stage 1	1,048,856	(922,994)	(125,862)	-	-
Transferred to stage 2	(56,961)	438,795	(381,834)	-	-
Transferred to stage 3	(35,691)	(2,204,370)	2,240,061	-	-
Effect on provision-resulting from reclassification among three stages for the year	(877,151)	727,547	16,988,584	16,838,980	5,711,622
Changes resulting from adjustments	(37,555)	2,620,901	(13,871,110)	(11,287,764)	1,122,433
Written-off facilities and transferred to off statement of financial position items	-	-	(13,221,371)	(13,221,371)	(10,236,930)
Adjustments due to exchange rate changes	-	-	353,488	353,488	354,214
Balance at 31 December 2020	7,016,823	8,648,354	61,309,215	76,974,392	70,601,047

Suspended Interests

The movement on suspended interests is as follows:

	Individuals	Real estate loans	Corporates	Small and medium Companies	Total
	JD	JD	JD	JD	JD
	For the year ended 31 December 2020				
Balance at the beginning of the year	4,179,429	2,461,294	10,827,332	5,886,877	23,354,932
Add: Interests in suspense for the year	1,137,531	1,243,959	3,849,822	1,698,880	7,930,192
Less: Interests transferred to revenues	(137,003)	(274,690)	(309,634)	(349,008)	(1,070,335)
Transferred to stage 1	1,059	12,419	-	3,467	16,945
Transferred to stage 2	65,105	(40,866)	(4,595,616)	(30,521)	(4,601,898)
Transferred to stage 3	(66,164)	28,447	4,595,616	27,054	4,584,953
Less Transferred to off-Consolidated statement of financial position items	(2,325,632)	(609,497)	(1,353,208)	(2,361,120)	(6,649,457)
Interests in suspense written-off	(204,345)	(99,965)	(228,783)	(133,530)	(666,623)
Balance at the end of the year	2,649,980	2,721,101	12,785,529	4,742,099	22,898,709
For the year ended 31 December 2019					
Balance at the beginning of the year	2,634,502	1,894,601	11,306,976	5,021,311	20,857,390
Add: Interests in suspense for the year	1,833,846	1,189,930	4,329,314	1,993,488	9,346,578
Less: Interests transferred to revenues	(90,622)	(178,745)	(71,778)	(587,942)	(929,087)
Transferred to stage 1	7,802	14,352	-	-	22,154
Transferred to stage 2	8,695	(13,646)	(501,567)	10,848	(495,670)
Transferred to stage 3	(16,497)	(706)	501,567	(10,848)	473,516
Less Transferred to off-Consolidated statement of financial position items	(76,011)	(428,288)	(4,611,342)	(144,005)	(5,259,646)
Interests in suspense written-off	(122,286)	(16,204)	(125,838)	(395,975)	(660,303)
Balance at the end of the year	4,179,429	2,461,294	10,827,332	5,886,877	23,354,932

## (8) Financial Assets at Fair Value Through other Comprehensive Income

The details of this item are as follows:

	31 December 2020	31 December 2019
	JD	JD
Quoted shares	9,290,420	8,945,265
Unquoted shares	16,454,414	16,068,777
Mutual funds	-	-
<b>Total financial assets at fair value through OCI</b>	<b>25,744,834</b>	<b>25,014,042</b>

- Cash dividends distributions for the above-mentioned financial assets amounted to JD 488,583 for the year ended 31 December 2020 (JD 686,497 for the year ended 31 December 2019).

## (9) Financial Assets at Amortized Cost

The details are as follows:

	31 December 2020	31 December 2019
	JD	JD
Treasury bonds and bills	687,798,245	636,518,949
Corporate bonds	130,301,096	118,795,000
	<b>818,099,341</b>	<b>755,313,949</b>
Provision for expected credit losses	(906,245)	(419,976)
<b>Total</b>	<b>817,193,096</b>	<b>754,893,973</b>
Fixed rate	817,193,096	754,893,973
<b>Total</b>	<b>817,193,096</b>	<b>754,893,973</b>
Unquoted bonds and bills	817,193,096	754,893,973

The classification of gross balance for financial assets at amortized cost according to the Group's internal risk rating is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Governmental	687,798,245	-	-	687,798,245	636,518,949
Un-rated	130,301,096	-	-	130,301,096	118,795,000
<b>Total</b>	<b>818,099,341</b>	<b>-</b>	<b>-</b>	<b>818,099,341</b>	<b>755,313,949</b>

The movement of the financial assets at amortized cost at year end is as follows:

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Fair value at 1 January	755,313,949	-	-	755,313,949	654,724,399
New investment during the year	247,787,419	-	-	247,787,419	262,192,093
Matured investment	(185,080,281)	-	-	(185,080,281)	(161,622,999)
Change in fair value	78,254	-	-	78,254	20,456
<b>Balance at 31 December 2020</b>	<b>818,099,341</b>	<b>-</b>	<b>-</b>	<b>818,099,341</b>	<b>755,313,949</b>

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

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
At 1 January	419,976	-	-	419,976	388,812
ECL for new investments during the year	486,269	-	-	486,269	33,392
Recoveries from ECL related to matured investment	-	-	-	-	(2,228)
<b>Balance at 31 December 2020</b>	<b>906,245</b>	<b>-</b>	<b>-</b>	<b>906,245</b>	<b>419,976</b>

## (10) Investment in Associates

The Bank has one associate as at 2020 and 2019, as shown in the table below:

	Country of establishment	Ownership percentage	Shareholders' equity		Nature of business	Banks share of profit	Calculation method	Acquisition date
			31 December					
			2020	2019				
		%	JD	JD		%		
Beach Hotels and Tourist Resorts Company *	Jordan	24/815	1,039,817	3,516,259	Hospitality	24/815	Equity	2006
			1,039,817	3,516,259				

- The Bank's voting rights in the General Assembly's decisions for this company is based on to its ownership percentage.



The following is a summary of the movement on investment in the associated company.

	31 December 2020	31 December 2019
	JD	JD
Balance - at the beginning of the year	3,516,259	3,531,147
Provision for violating investments	(208,333)	-
Bank's share from investing in associated company's profit (losses)	2,694,853	(14,888)
Cash dividends	(2,977,777)	-
Reducing capital	(1,985,185)	-
Balance - at the end of the Year	1,039,817	3,516,259

### (11) Property, Equipment and Projects Under Construction - Net

	Lands	Buildings	Equipment, Furniture and Fixtures	Vehicles	Computers Hardware	Other	Right of use assets	Total
2020 -	JD	JD	JD	JD	JD	JD	JD	JD
Cost:								
Balance - at the beginning of the year	23,212,146	49,013,924	26,294,922	1,007,435	13,818,946	9,637,269	11,353,153	134,337,795
Additions	84,720	285,243	1,174,316	-	1,780,176	1,351,778	1,109,565	5,785,798
Disposals	-	-	(539,893)	(5,201)	(640,464)	(639,859)	(120,316)	(1,945,733)
Balance - at the end of the year	23,296,866	49,299,167	26,929,345	1,002,234	14,958,658	10,349,188	12,342,402	138,177,860
Accumulated Depreciation:								
Balance - at the beginning of the year	-	9,453,167	17,719,109	578,530	10,268,380	6,360,612	1,761,754	46,141,552
Depreciation for the year	-	906,378	1,719,965	127,817	1,735,655	1,048,924	1,844,639	7,383,378
Disposals	-	(15,206)	(168,196)	(1,391)	(601,551)	(636,519)	(8,217)	(1,431,080)
Balance - at the end of the year	-	10,344,339	19,270,878	704,956	11,402,484	6,773,017	3,598,176	52,093,850
Net book value of property and equipment	23,296,866	38,954,828	7,658,467	297,278	3,556,174	3,576,171	8,744,226	86,084,010
Down payments for projects under construction	-	-	4,158,526	-	-	-	-	4,158,526
Net Book Value - at the end of the year	23,296,866	38,954,828	11,816,993	297,278	3,556,174	3,576,171	8,744,226	90,242,536

## (11) Property, Equipment and Projects Under Construction - Net/ Continue

	Lands	Buildings	Equipment, Furniture and Fixtures	Vehicles	Computers Hardware	Other	Right of use assets	Total
2019 -	JD	JD	JD	JD	JD	JD	JD	JD
Cost:								
Balance - at the beginning of the year	23,681,289	50,283,409	36,979,468	1,019,020	19,426,789	9,837,887	-	141,227,862
Transition adjustment on adoption of IFRS 16	-	-	-	-	-	-	9,738,850	9,738,850
Balance - at the beginning of the year (amended)	23,681,289	50,283,409	36,979,468	1,019,020	19,426,789	9,837,887	9,738,850	150,966,712
Additions	1,744,858	322,375	1,784,456	-	2,033,803	754,520	1,614,303	8,254,315
Disposals	(2,214,001)	(1,591,860)	(12,469,002)	(11,585)	(7,641,646)	(955,138)	-	(24,883,232)
Balance - at the end of the year	23,212,146	49,013,924	26,294,922	1,007,435	13,818,946	9,637,269	11,353,153	134,337,795
Accumulated Depreciation:								
Balance - at the beginning of the year	-	9,720,258	28,193,742	443,932	16,076,537	6,339,898	-	60,774,367
Depreciation for the year	-	957,442	2,001,299	134,598	1,711,690	844,649	1,761,754	7,411,432
Disposals	-	(1,224,533)	(12,475,932)	-	(7,519,847)	(823,935)	-	(22,044,247)
Balance - at the end of the year	-	9,453,167	17,719,109	578,530	10,268,380	6,360,612	1,761,754	46,141,552
Net book value of property and equipment	23,212,146	39,560,757	8,575,813	428,905	3,550,566	3,276,657	9,591,399	88,196,243
Down payments for projects under construction	-	-	3,436,778	-	-	-	-	3,436,778
Net Book Value - at the end of the year	23,212,146	39,560,757	12,012,591	428,905	3,550,566	3,276,657	9,591,399	91,633,021

- Property and equipment include fully depreciated assets amounted to JD 26,446,783 as at December 31, 2020 (JD 23,417,400 as of December 31, 2019).

## (12) Intangible Assets- Net

The details of this item are as follows:

	Computer, software and applications	
	2020	2019
	JD	JD
Balance - at the beginning of the year	13,502,104	16,478,637
Additions	1,490,038	1,386,366
Amortization for the year	(4,182,112)	(4,362,899)
Balance - at the end of the year	10,810,030	13,502,104
Annual amortization rate %	14-30	14-30

## (13) Other Assets

The details of this item are as follows:

	31 December 2020	31 December 2019
	JD	JD
Real estate seized by the Bank against debts *- Net	91,749,387	89,610,670
Accrued interest and commissions	18,903,299	16,818,483
Checks and transfers under collection	9,375,842	11,553,716
Seized assets sold - net	10,829,102	11,681,294
Prepaid expenses	2,943,608	2,803,297
Various debtors	1,953,045	3,098,050
Prepaid rent	587,112	705,482
Refundable deposits - Net	328,785	275,434
Temporary advances	1,895,838	1,728,695
Other debit balances	71,786	77,619
Total	138,637,804	138,352,740

\* The movement on assets seized by the Bank against debts is as follows:

	2020	2019
	JD	JD
Balance - at the beginning of the year	89,610,670	84,107,268
Additions	5,631,810	9,625,922
Disposals	(3,020,147)	(3,865,823)
Impairment loss	(1,344,247)	(575,361)
Impairment Recoveries	544,602	318,664
Provision for breached assets recoveries	326,699	-
Balance - at the end of the Year	91,749,387	89,610,670

- The Central Bank of Jordan regulations require a disposal of these assets during a maximum period of two years from the date of foreclose.

\*\* Movement on the impairment on breached assets seized by the bank:

	31 December 2020	31 December 2019
	JD	JD
Balance at the beginning of the year	9,847,644	9,874,974
Provision for sold property during the year	(374,046)	(27,330)
Balance at the end of the year	9,473,598	9,847,644

## (14) Banks and Financial Institutions Deposits

The details of this item are as follows:

	Inside Jordan	Outside Jordan	Total
	JD	JD	JD
<b>31 December 2020</b>			
Current accounts and demand deposits	178,833	5,043,547	5,222,380
Time deposits	46,801,938	91,794,460	138,596,398
Total	46,980,771	96,838,007	143,818,778
<b>31 December 2019</b>			
Current accounts and demand deposits	269,980	11,451,178	11,721,158
Time deposits	39,059,702	99,365,430	138,425,132
Total	39,329,682	110,816,608	150,146,290

- There are banks and financial institutions deposits maturing within a period exceeding three months amounted to JD 35,148,378 as at 31 December 2020 and (JD 25,510,875 as of 31 December 2019).

## (15) Customers' Deposits

The details of this item are as follows:

	Individual	Corporate	SMEs	Governmental and public Sectors	Total
	JD	JD	JD	JD	JD
<b>31 December 2020</b>					
Current and demand deposits	196,856,289	143,291,220	153,155,518	10,339,870	503,642,897
Saving accounts	242,262,293	-	-	-	242,262,293
Time and notice deposits	674,323,262	225,895,698	149,076,382	109,193,042	1,158,488,384
Total	1,113,441,844	369,186,918	302,231,900	119,532,912	1,904,393,574
<b>31 December 2019</b>					
Current and demand deposits	173,846,753	129,254,301	145,247,233	13,587,840	461,936,127
Saving accounts	234,151,134	-	-	-	234,151,134
Time and notice deposits	731,440,624	221,267,320	147,439,518	67,785,653	1,167,933,115
Total	1,139,438,511	350,521,621	292,686,751	81,373,493	1,864,020,376

- Public sectors and the government of Jordan deposits inside the Kingdom amounted to JD 116,739,588 representing 6.13% of total customers' deposits as at 31 December 2020 compared to JD 78,655,404 representing 4.22% of total customers' deposits as at 31 December 2019.
- Non-interest-bearing deposits amounted to JD 557,521,558 representing 29.28% of total customers' deposits as at 31 December 2020 compared to JD 545,502,770 representing 29.26% of total customers' deposits as at 31 December 2019.
- Restricted deposits amounted to JD 2,676,737 representing 0.14% of total customers' deposits as at 31 December 2020 compared to JD 3,369,675 representing 0.18% of total customers' deposits as at 31 December 2019.
- Dormant deposits amounted to JD 39,583,390 representing 2.08% of total customers' deposits as of 31 December 2020 (JD 31,380,124 representing 1.68% of total customers' deposits as of 31 December 2019).

## (16) Margin accounts

The details of this item are as follows:

	31 December 2020	31 December 2019
	JD	JD
Cash margins on direct credit facilities	167,480,495	168,933,805
Cash margins on indirect credit facilities	28,556,086	31,337,550
Other margins	12,092,406	11,512,244
Total	208,128,987	211,783,599

## (17) Loans And Borrowings

The details of this item are as follows:

	Amount	Number of instalments		Instalment maturity frequency	Collaterals	Interest rate	Relending interest rate
		Total	Remaining				
	JD	JD	JD			%	%
31 December 2020 -							
Central Bank of Jordan	2,800,000	30	24	Semi - annual instalments	-	2/07	6/79
Central Bank of Jordan	1,212,715	30	30	Semi - annual instalments	-	3	6/143
Central Bank of Jordan	1,377,000	14	7	Semi - annual instalments	-	2/5	6/143
Central Bank of Jordan	2,189,750	20	19	Semi - annual instalments	-	2/12	6/166
Central Bank of Jordan	34,520,013	-	-	Renewed monthly	-	-/638	4/692
Central Bank of Jordan	27,196,973	-	-	Renewed monthly	-	2	-
European Bank for Reconstruction and Development	3,038,571	7	4	Semi - annual instalments	-	4/18	9-12
Jordan Mortgage Reference Company	65,000,000	1	1	One payment	-	4/75-6/35	4/5-8/5
Local Bank (loan to a Subsidiary)	1,910,570	24	14	30 June 2021	-	5/5	9/75
Local Bank (loan to a Subsidiary)	3,891,780	24	24	30 May 2021	-	5/5	9/75
Local Bank (loan to a Subsidiary)	4,166,671	36	30	36 monthly installments effective from the withdrawal date	-	5/45	9/75
Jordan Mortgage Reference Company (loan to a Subsidiary)	35,000,000	8	8	17 June 2021, 1 July 2021, 24 September 2021, 30 December 2021, 25 August 2022, 3 May 2023, 12 May 2023, 4 October 2023	-	4/45-6/3	9/75
Local Bank (loan to a Subsidiary)	4,007,356	-	-	36 monthly installments effective from the withdrawal date	-	5/75	15-18
Local Bank (loan to a Subsidiary)	584,104	-	-	36 monthly installments effective from the withdrawal date	-	5/45	15-18
Local Bank (loan to a Subsidiary)	485,731	-	-	36 monthly installments effective from the withdrawal date	-	5/50	15-18
<b>Total</b>	<b>187,381,234</b>						

	Amount	Number of instalments		Instalment maturity frequency	Collaterals	Interest rate	Relending interest rate
		Total	Remaining				
	JD	JD	JD			%	%
31 December 2019 -							
Central Bank of Jordan	3,200,000	30	26	Semi - annual instalments	-	3/85	6/79
Central Bank of Jordan	441,393	30	30	Semi - annual instalments	-	3	6/143
Central Bank of Jordan	437,986	30	30	Semi - annual instalments	-	2	6/143
Central Bank of Jordan	1,755,000	14	9	Semi - annual instalments	-	2/5	6/143
Central Bank of Jordan	2,305,000	20	20	Renewed monthly	-	3/9	6/166
Central Bank of Jordan	15,300,841	-	-	Renewed monthly	-	1/870	4/692
European Bank for Reconstruction and Development	5,064,286	7	5	Semi - annual instalments	-	4/18	9-12
Jordan Mortgage Reference Company	65,000,000	1	1	One payment	-	4/3-6	4/5-8/5
Local Bank (loan to a Subsidiary)	2,287,613	24	15	30 June 2021	-	6/5	10/17
Local Bank (loan to a Subsidiary)	8,919,844	24	24	30 May 2021	-	6	10/17
Jordan Mortgage Reference Company (loan to a Subsidiary)	35,000,000	8	8	3 May 2020, 11 May 2020, 3 October 2020, 1 July 2021, 24 September 2021, 28 December 2021	-	4/75-6/2	10/17
Local Bank (loan to a Subsidiary)	5,191,236	-	-	36 monthly installments effective from the withdrawal date	-	7	15-18
Local Bank (loan to a Subsidiary)	106,527	-	-	36 monthly installments effective from the withdrawal date	-	6/7	15-18
<b>Total</b>	<b>145,009,726</b>						

- Loans with fixed-interest rates amounted to JD 187,381,234 as at 31 December 2020 (31 December 2019: JD 145,009,726).



## (18) Subordinated bonds

The details of this item are as follows:

	Nominal amount	Maturity date	No. of issued bonds			Interest rate
			Total	Remaining	Guarantees	
			JD			
31 December 2020						
Subordinated bonds non transferrable to shares	25,000,000	12 October 2023	250	-	-	5/5
31 December 2019						
Subordinated bonds non transferrable to shares	25,000,000	12 October 2023	250	-	-	7/25

During the year 2017, the bank issued subordinated bonds non transferrable to shares for a period of six years through private subscription and the nominal value of the bond is JD 100,000 at variable interest rate that equals the discounted interest rate to the Central Bank of Jordan in addition to 2% margin. Moreover, the interest is paid semi- annually and the bonds mature on 12 October 2023.

## (19) Sundry Provisions

The details of this item are as follows:

	Balance at the beginning of the year	Additions during the year	Used during the year	Balance at the end of the year
	JD	JD	JD	JD
2020				
Provision for end of service indemnity	2,970,453	373,441	(107,045)	3,236,849
Provision for legal claims against the Bank	442,354	100,000	(14,149)	528,205
Other provisions	138,255	252,000	(258,501)	131,754
	3,551,062	725,441	(379,695)	3,896,808
2019				
Provision for end of service indemnity	3,229,271	626,952	(885,770)	2,970,453
Provision for legal claims against the Bank	323,585	120,569	(1,800)	442,354
Other provisions	56,652	181,216	(99,613)	138,255
	3,609,508	928,737	(987,183)	3,551,062

## (20) Income Tax

### A- Income Tax Provision

The movement on the income tax provision was as follows:

	31 December 2020	31 December 2019
	JD	JD
Balance at the beginning of the year	10,097,921	7,222,551
Income tax paid	(12,190,307)	(11,001,932)
Income tax for the year	7,666,269	12,709,854
Prior years' income tax expense	292,973	1,167,448
Balance at the end of the year	5,866,856	10,097,921

Income tax in the consolidated statement of income represents the following:

	31 December 2020	31 December 2019
	JD	JD
Accrued income tax on the year's profit	7,666,269	12,709,854
Prior years' income tax expense	292,973	1,167,448
Deferred tax assets for the year	(145,673)	(324,082)
Amortization of deferred tax assets for the year	223,452	413,535
	8,037,021	13,966,755

- The statutory tax rate for the banks in Jordan was amended effective from 1 January 2019 to become 35% + 3% national contribution according to tax law no. (34) from the year 2014, amended by law no. (38) for the year 2018, and the statutory tax rates for the foreign branches and subsidiaries range between 12.5% to 28.79%.
- The Bank has reached a final settlement with the Income and Sales Tax Department for all previous years up to the year 2014 for Jordan Branches.
- Financial years 2015 and 2016: The Income and Sales Tax Department audited the Bank's records for both years and imposed an additional tax amounted to JD 1,479,310 and JD 805,719, respectively. The Bank appealed the decision and filed a lawsuit against the Income and Sales Tax Department. The case is still pending at the Tax Court of First Instance. In the opinion of the Bank's management and the tax consultant, there is no need to book any additional provision.
- Financial year 2017: Tax return was submitted for the year 2017. However, the Income and Sales Tax Department did not review the records until the date of preparation these consolidated financial statements.
- Financial year 2018: The recommendation has been made by the Income and Sales Tax Department to open the file by the delegated employee.
- Financial year 2019: Tax return was submitted for the year 2019. However, the Income and Sales Tax Department did not review the records until the date of these consolidated financial statements.

- A final tax settlement has been reached with the income tax and value-added tax for Palestine branches up to the year 2018.
- A final tax settlement has been reached for Cyprus branch up to the year 2017.
- Ahli Financial Brokerage Company (subsidiary) – reached to a final settlement with the Income and Sales Tax Department up to the year 2018. Tax return was submitted for the year 2019. However, the Income and Sales Tax Department did not review the records until the date of these consolidated financial statements.
- Ahli Finance Leasing Company (subsidiary) – reached to a final settlement with the Income and Sales Tax Department up for the year 2018. The Company submitted its tax return for the year 2019, however, the Income and Sales Tax Department did not review the Company's records up to the date of these consolidated financial statements.
- Ahli Microfinance Company (subsidiary) – reached to a final settlement up to the year 2017. Tax return was submitted for the years 2018 and 2019. However, the Income and Sales Tax Department did not review the Company's records up to the date of these consolidated financial statements.
- Ahli Financial Technology Company (subsidiary) – Tax return was submitted for the year 2018 and 2019. However, the Income and Sales Tax Department did not review the Company's records up to the date of these consolidated financial statements.

	31 December 2020		31 December 2019	
	JD		JD	
Income tax rate				
Jordan Branches	38%		38%	
Palestine Branches	28.79%		28.79%	
Cyprus Branch	12.5%		12.5%	

An income tax provision was calculated and recorded for the year ended 31 December 2020 for the Bank, its foreign branch and its subsidiaries.

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

	31 December 2020		31 December 2019	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance at the beginning of the year	9,540,754	-	9,630,207	-
Additions	145,673	-	324,082	-
Amortized	(223,452)	-	(413,535)	-
Balance at the end of the year	9,462,975	-	9,540,754	-

## B - Deferred Tax Assets

	2020				
	Beginning Balance	Additions	Amounts released	Year-end balance	Deferred Tax
	JD	JD	JD	JD	JD
Accounts included					
Prior years' provision for non-performing loans	1,903,708	-	88,895	1,814,813	484,993
Interest in suspense	2,059,730	-	83,218	1,976,512	528,206
Provision for impairment in real estate	10,847,644	-	374,046	10,473,598	3,979,967
Provision for lawsuits	271,785	100,000	-	371,785	135,467
Provision for end-of-service indemnity	2,834,723	364,933	107,045	3,092,611	859,553
Provision for expected credit losses	8,758,142	-	-	8,758,142	3,328,094
Other provisions	574,040	-	25,116	548,924	146,695
<b>Total</b>	<b>27,249,772</b>	<b>464,933</b>	<b>678,320</b>	<b>27,036,385</b>	<b>9,462,975</b>

	2019				
	Beginning Balance	Additions	Amounts released	Year-end balance	Deferred Tax
	JD	JD	JD	JD	JD
Accounts included					
Prior years' provision for non-performing loans	2,041,781	-	138,073	1,903,708	508,750
Interest in suspense	2,135,576	-	75,846	2,059,730	550,445
Provision for impairment in real estate	10,874,974	-	27,330	10,847,644	4,122,104
Provision for lawsuits	173,585	100,000	1,800	271,785	97,467
Provision for end-of-service indemnity	3,122,739	597,754	885,770	2,834,723	780,487
Provision for expected credit losses	8,758,142	-	-	8,758,142	3,328,094
Other provisions	406,642	442,595	275,197	574,040	153,407
<b>Total</b>	<b>27,513,439</b>	<b>1,140,349</b>	<b>1,404,016</b>	<b>27,249,772</b>	<b>9,540,754</b>

**Summary of the reconciliation of accounting income to taxable income:**

	2020	2019
	JD	JD
Accounting profit	17,584,983	36,203,140
Non-taxable profit	(9,305,448)	(9,954,771)
Non-deductible expenses	9,174,505	5,873,327
Taxable profit	17,454,040	32,121,696
Effective income tax rate	43.59%	35.31%

**(21) Other Liabilities****The details of this item are as follows:**

	31 December 2020	31 December 2019
	JD	JD
Accepted checks and transfer	3,746,535	4,924,118
Accounts payable to financial brokerage customers	446,491	719,509
Accrued interests	8,301,939	10,280,665
Temporary deposits	7,734,211	5,566,853
Various creditors	1,563,948	2,663,284
Accrued expenses	6,745,156	4,525,161
Interest and commissions received in advance	1,680,028	1,819,550
Dividends checks – delayed in payment	1,225,848	1,846,261
Board of directors' remuneration	64,667	99,585
Lease liability*	8,419,731	9,214,391
Provision for expected credit losses on indirect credit facilities and unutilized facilities limits**	5,038,738	3,373,953
Others	213,550	371,354
	45,180,842	45,404,684

**\* The movement on lease liability contracts is as follows:**

	31 December 2020	31 December 2019
	JD	JD
Balance at 1 January	9,214,391	9,873,697
Additions	1,109,565	974,103
Cost of lease liabilities	430,527	461,039
Exclusions	(122,183)	-
Payments	(2,212,569)	(2,094,448)
Balance at 31 December 2020	8,419,731	9,214,391

**\*\*The classification of gross balance for letters of guarantees according to the Group's international credit rating is as follows:**

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
From 1 to 6	234,813,373	4,499,326	16,100	239,328,799	217,111,479
7	-	6,600,983	69,588	6,670,571	6,865,752
From 8 to 10	-	462,841	1,645,000	2,107,841	1,785,962
Un-rated	812,186	1,272,746	1,246,216	3,331,148	4,729,469
Total	235,625,559	12,835,896	2,976,904	251,438,359	230,492,662

**\*\* The movement on letters of guarantees is as follows:**

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at 1 January	185,881,239	41,556,627	3,054,796	230,492,662	221,790,115
New facilities during the year	48,178,353	401,648	22,760	48,602,761	89,274,213
Settled facilities	(22,637,830)	(4,492,462)	(526,772)	(27,657,064)	(80,571,666)
Transferred to stage 1	25,172,945	(25,172,945)	-	-	-
Transferred to stage 2	(894,148)	921,648	(27,500)	-	-
Transferred to stage 3	(75,000)	(378,620)	453,620	-	-
Balance 31 December 2020	235,625,559	12,835,896	2,976,904	251,438,359	230,492,662

**\*\*The movement on the provision for expected credit losses for letters of guarantees is as follows:**

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at 1 January	323,710	798,948	1,011,789	2,134,447	752,661
ECL for new facilities during the year	370,158	70,805	34,216	475,179	1,477,591
Recoveries from ECL related to settled facilities	-	-	-	-	(246)
Transferred to stage 1	154,298	(154,298)	-	-	-
Transferred to stage 2	(4,819)	24,894	(20,075)	-	-
Transferred to stage 3	(333)	(17,493)	17,826	-	-
Effect on provision- resulting from reclassification among three stages during the year	(87,891)	19,895	207,124	139,128	(2,767,244)
Changes resulting from adjustments	329,545	286,223	(143,561)	472,207	2,671,685
Balance 31 December 2020	1,084,668	1,028,974	1,107,319	3,220,961	2,134,447

**\*\* The classification of gross balance for letters of credits according to the Group's international credit rating is as follows:**

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
From 1 to 6	119,318,594	1,331,215	-	120,649,809	131,335,096
7	-	356,692	-	356,692	356,692
From 8 to 10	-	-	-	-	-
Un-rated	-	-	-	-	-
Total	119,318,594	1,687,907	-	121,006,501	131,691,788

**\*\* The movement on letters of credits is as follows.**

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at 1 January	127,059,385	4,632,403	-	131,691,788	109,776,585
New facilities during the year	59,566,466	1,617,007	-	61,183,473	125,222,222
Settled facilities	(68,371,050)	(3,497,710)	-	(71,868,760)	(103,307,019)
Transferred to stage 1	1,063,793	(1,063,793)	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Balance 31 December 2020	119,318,594	1,687,907	-	121,006,501	131,691,788

**\*\*The movement on the provision for expected credit losses for letters of credits is as follows:**

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at 1 January	381,848	18,895	-	400,743	256,425
ECL for new facilities during the year	376,822	11,232	-	388,054	3,932
Recoveries from ECL related to settled facilities	-	-	-	-	-
Transferred to stage 1	6,097	(6,097)	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Effect on provision- resulting from reclassification among three stages during the year	(3,278)	-	-	(3,278)	(2,478)
Changes resulting from adjustments	(351,173)	10,574	-	(340,599)	142,864
Balance 31 December 2020	410,316	34,604	-	444,920	400,743



**\*\* The classification of gross balance for unutilized facilities limits according to the Group's international credit rating is as follows:**

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
From 1 to 6	125,697,699	2,728,101	-	128,425,800	125,545,958
7	-	256,648	-	256,648	503,759
From 8 to 10	-	-	-	-	-
Un-rated	74,480,151	293,401	-	74,773,552	35,901,136
<b>Total</b>	<b>200,177,850</b>	<b>3,278,150</b>	<b>-</b>	<b>203,456,000</b>	<b>161,950,853</b>

**\*\* The movement on unutilized facilities limits is as follows.**

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at 1 January	154,262,753	7,688,100	-	161,950,853	150,414,035
New exposures during the year	102,048,379	1,722,447	-	103,770,826	140,806,821
Re-paid/derecognized facilities	(56,604,172)	(5,660,931)	(576)	(62,265,679)	(129,270,003)
Transferred to stage 1	910,012	(910,012)	-	-	-
Transferred to stage 2	(438,639)	438,639	-	-	-
Transferred to stage 3	(483)	(93)	576	-	-
<b>Balance 31 December 2020</b>	<b>200,177,850</b>	<b>3,278,150</b>	<b>-</b>	<b>203,456,000</b>	<b>161,950,853</b>

**\*\* The movement on the provision for expected credit losses for unutilized limits is as follows:**

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at 1 January	482,716	356,047	-	838,763	824,233
ECL for new facilities during the year	641,841	66,389	-	708,230	14,530
Recoveries from ECL related to settled facilities	-	-	-	-	-
Transferred to stage 1	40,753	(40,753)	-	-	-
Transferred to stage 2	(642)	642	-	-	-
Transferred to stage 3	(1)	(26)	27	-	-
Effect on provision-resulting from reclassification among three stages during the year	(30,374)	10,058	(27)	(20,343)	-
Changes resulting from adjustments	46,281	(200,074)	-	(153,793)	-
<b>Balance 31 December 2020</b>	<b>1,180,574</b>	<b>192,283</b>	<b>-</b>	<b>1,372,857</b>	<b>838,763</b>

**\*\* The classification of gross balance for indirect facilities according to the Group's international credit rating is as follows:**

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
From 1 to 6	479,829,666	8,558,642	16,100	488,404,408	473,992,533
7	-	7,214,323	69,588	7,283,911	7,726,203
From 8 to 10	-	462,841	1,645,000	2,107,841	1,785,962
Un-rated	75,292,337	1,566,147	1,246,216	78,104,700	40,630,605
<b>Total</b>	<b>555,122,003</b>	<b>17,801,953</b>	<b>2,976,904</b>	<b>575,900,860</b>	<b>524,135,303</b>

**\*\* The movement on gross indirect facilities is as follows.**

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at 1 January	467,203,377	53,877,130	3,054,796	524,135,303	481,980,735
New facilities during the year	209,793,198	3,741,102	22,760	213,557,060	355,303,256
Settled facilities	(147,613,052)	(13,651,103)	(527,348)	(161,791,503)	(313,148,688)
Transferred to stage 1	27,146,750	(27,146,750)	-	-	-
Transferred to stage 2	(1,332,787)	1,360,287	(27,500)	-	-
Transferred to stage 3	(75,483)	(378,713)	454,196	-	-
Balance 31 December 2020	555,122,003	17,801,953	2,976,904	575,900,860	524,135,303

**\*\* The movement on the provision for expected credit losses for indirect credit facilities is as follows:**

Item	31 December 2020				31 December 2019
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at 1 January	1,188,274	1,173,890	1,011,789	3,373,953	1,833,319
ECL for new facilities during the year	1,388,821	148,426	34,216	1,571,463	1,496,053
Recoveries from ECL related to settled facilities	-	-	-	-	(246)
Transferred to stage 1	201,148	(201,148)	-	-	-
Transferred to stage 2	(5,461)	25,536	(20,075)	-	-
Transferred to stage 3	(334)	(17,519)	17,853	-	-
Effect on provision- resulting from reclassification among three stages during the year	(121,543)	29,953	207,097	115,507	(2,769,722)
Changes resulting from adjustments	24,653	96,723	(143,561)	(22,185)	2,814,549
Balance 31 December 2020	2,675,558	1,255,861	1,107,319	5,038,738	3,373,953

**(22) Paid in Capital**

The bank's authorized and paid in capital amounted to JD 200,655,000 divided into 200,655,000 shares of one Jordanian Dinar each as at 31 December 2020 (JD 200,655,000 as at December 2019).

The Central Bank of Jordan issued circular No. 1/1/4693 dated 9 April 2020, no dividends were distributed for the year 2019.

Members of General Assembly decided in their ordinary meeting held on 29 April 2019 to approve the distribution of cash dividends at 6% of the capital amounting to JD 11,576,250 and 4% stock dividends of the capital amounting to JD 7,717,500 of the retained earnings balance to the shareholders as profits for the year 2018.

**(23) Reserves****The details of reserves as at 31 December 2020 and 2019 are as follows:****Statutory Reserve**

The accumulated amounts in this account represent the amounts transferred from the annual net income before tax at 10% according to the Bank's Law and the Companies law. This reserve cannot be distributed to shareholders.

**Voluntary Reserve**

This reserve represents amounts transferred from the pre-tax income at a rate not exceeding 20% during previous years. The voluntary reserve shall be utilized for the purposes determined by the Board of Directors. The General Assembly has the right to distribute it in full or in partially as dividends to shareholders.

**Pro-cyclicality reserve**

This reserve represents the periodic fluctuations reserve, calculated according to the Palestinian Monetary Authority's Instructions No. (1) for the year 2011 dated 27 January 2010, for all the banks operating in Palestine. Moreover, the periodic fluctuations reserve is calculated at 15% of the net income after tax. Reference to the Palestinian Monetary Authority's Instructions No. (1) for year 2019 the percentage was amended to become 0.57% of risk weighted average assets starting from the year 2019. The reserve cannot be used for any purpose unless a prior written approval is obtained from the Palestinian Monetary Authority.

**The restricted reserves are as follows:**

Reserve	31 December		Restriction nature
	2020	2019	
	JD	JD	
Statutory reserve	62,722,983	60,964,485	According to Jordanian Banks and Jordanian Companies Laws
Periodic fluctuation reserve	3,678,559	3,678,559	According to the Palestinian Monetary Authority Instructions

## (24) Fair Value Reserve - Net

The movement on this item is as follows:

	31 December 2020	31 December 2019
	JD	JD
Balance as at 1 January	(7,388,412)	(3,225,878)
Sold shares	-	68
Net unrealized profit (loss) transferred to statement of other comprehensive income	316,290	(4,162,602)
Balance at 31 December 2020	(7,072,122)	(7,388,412)

## (25) Retained Earning, Distributed Dividends and Recommended for Distribution

Retained earnings

The details of this item are as follows:

	31 December 2020	31 December 2019
	JD	JD
Balance at the beginning of the year	34,138,598	34,816,345
Profit for the year	9,547,962	22,236,385
Loss from sale of financial assets at fair value through other comprehensive income	-	(68)
Distributed dividends	-	(19,293,750)
Transferred to reserves	(1,758,498)	(3,620,314)
Balance at the end of the year	41,928,062	34,138,598

• The Central Bank of Jordan issued circular No. 1/1/4693 dated 9 April 2020, no dividends were distributed for the year 2019.

• The board of directors recommended to distribute 4% of the paid in capital as cash dividends equivalent of JD 8,024 Million, the proposal is subject to Central Bank and general assembly approval.

## (26) Interest Income

The details of this item are as follows:

	For the year ended 31 December	
	2020	2019
	JD	JD
Direct Credit Facilities:		
Individuals (Retail)		
Overdraft	189,830	258,611
Loans and discounted notes	27,030,705	32,249,013
Credit cards	1,955,019	1,965,992
Real estate mortgages	22,323,941	26,147,662
Corporates		
Large corporates		
Overdraft	10,908,523	15,105,083
Loans and discounted notes	29,428,937	31,253,661
Small and medium enterprises lending		
Overdraft	2,906,091	4,530,562
Loans and discounted notes	13,516,777	14,004,527
Government and Public Sector	1,513,583	1,172,773
Balances at Central Banks	423,353	508,340
Balances and deposits at banks and financial institutions	597,905	2,543,372
Financial assets measured at amortized cost	38,161,760	34,843,684
	148,956,424	164,583,280

**(27) Interest Expense**

The details of this item are as follows:

	For the year ended 31 December	
	2020	2019
	JD	JD
Banks and financial institutions deposits	3,835,586	5,613,050
Customers' deposits:		
Current accounts and demand deposits	186,304	449,242
Saving accounts	135,022	133,423
Time and notice placements	41,636,701	53,114,416
Lease liability interest	430,527	461,039
Cash margins	4,913,252	8,711,277
Borrowed funds	8,343,751	7,345,186
Subordinated bonds	1,501,027	1,892,466
Deposit insurance fees	2,698,419	3,035,625
	63,680,589	80,755,724

**(28) Commissions income - net**

	2020	2019
	JD	JD
Commissions income:		
Direct credit facilities	2,987,752	3,485,117
Indirect credit facilities	5,438,319	5,259,411
Other commissions	5,730,591	8,000,326
Less: Commission expense	(840,834)	(677,629)
	13,315,828	16,067,225

**(29) Foreign Exchange Income**

	2020	2019
	JD	JD
From trading	1,759,159	2,105,039
From re-evaluation	698,815	406,153
	2,457,974	2,511,192

**(30) Expected Credit Loss expense, net**

	Notes	2020			2019	
		Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	
		JD	JD	JD	JD	
Balances and deposits at Banks and financial institution	6&5	6,194	-	-	6,194	2,169
Financial assets at amortized cost	9	486,269	-	-	486,269	31,164
Direct credit facilities	7	1,296,544	3,306,674	14,638,010	19,241,228	5,334,470
Indirect credit facilities and unutilized limits	21	1,291,931	275,102	97,752	1,664,785	1,540,634
<b>Total</b>		<b>3,080,938</b>	<b>3,581,776</b>	<b>14,735,762</b>	<b>21,398,476</b>	<b>6,908,437</b>

**(31) Other revenues**

The details of this item are as follows:

	2020	2019
	JD	JD
Recovery from written-off debts	2,191,458	6,355,081
Interest in suspense recoveries	1,070,335	929,087
Recovered impairment loss from seized assets sold	871,301	318,664
Rental income of Bank's real estate	344,646	222,904
Rental income of safe deposit boxes	198,505	152,962
Gain from sale of properties and equipment	105,475	3,046,186
Income from check books	86,791	169,095
Brokerage commission income	46,556	53,245
Revenue from sale of capital assets not subject to depreciation	-	2,443,224
Others	2,497,018	1,309,339
	7,412,085	14,999,787



**(32) Employees Expenses**

	<b>2020</b>	<b>2019</b>
	JD	JD
Salaries, bonuses and employees' benefits	30,117,711	32,248,329
Bank's contribution to social security	2,858,594	2,919,740
Bank's contribution to employees saving fund	1,577,331	1,728,270
Medical expenses	1,594,256	1,569,602
End-of-service indemnity	373,441	626,952
Employees' training expenses	300,878	523,608
Travel expenses	357,001	397,258
Employees' life insurance	134,021	82,269
Employees' meals	117,968	158,362
Employees' uniforms	223	2,865
	<b>37,431,424</b>	<b>40,257,255</b>

**(33) Other expenses**

	<b>2020</b>	<b>2019</b>
	JD	JD
Fees and subscriptions	3,056,476	3,256,622
Information Technology licenses	4,717,908	4,477,846
Maintenance, repair and cleaning	1,850,216	1,709,808
Donations	1,788,988	1,322,684
Legal fees	1,732,215	1,744,785
Insurance fees	1,586,326	1,210,560
Advertisement	1,181,963	1,667,782
Board of Directors' expenses	1,073,200	1,337,279
Water, electricity and heating	953,076	959,225
Telecommunication	849,227	644,634
Printing and stationery	593,702	771,251
Other operating expenses	440,235	263,095
Rent and key money	236,944	457,578
Studies, research and consulting expenses	378,439	629,893
Transportation	434,381	470,943
General assembly meeting expenses	70,000	92,506
Security	562,804	706,522
Professional fees	383,644	382,511
Hospitality	37,066	57,305
Expenses of land and real estate evaluations	20,395	30,447
Lawsuits provision expenses	100,000	120,569
Board of Director's remunerations	65,000	45,000
	<b>22,112,205</b>	<b>22,358,845</b>

## (34) Earnings Per Share Attributed to The Shareholders of the Bank

	2020	2019
	JD	JD
Profit for the year	9,547,962	22,236,385
Weighted average number of shares	200,655,000	200,655,000
The share of profit for the year attributable to shareholder.		
Basic and diluted earnings per share	-/048	-/111

## (35) Cash and Cash Equivalents

The details of this item are as follows:

	2020	2019
	JD	JD
Cash and balances with central banks maturing within three months	191,617,135	212,324,788
Add: Balances at banks and financial institutions maturing within three months	167,340,463	135,787,335
Less: Banks and financial institutions' deposits maturing within three months	(108,670,400)	(124,635,415)
Restricted cash balances	(10,635,000)	(10,635,000)
	239,652,198	212,841,708

## (36) Related Parties Transactions and balances

A- The Consolidated Financial Statements includes the financial statements of the Bank and its subsidiaries include the following:

Company's Name	Ownership Percentage	Company's Capital	
		2020	2019
	%	JD	JD
Ahli Micro Finance Company	100	6,000,000	6,000,000
Ahli Financial Leasing Company	100	17,500,000	17,500,000
Ahli Brokerage Company	100	3,000,000	3,000,000
Ahli Financial Technology	100	600,000	100,000

The Bank has entered into transactions with members of the Board of Directors and Executive Management within the normal course of its activities at the commercial interest rates and commissions. All facilities granted to the related parties are performing and classified under Stage 1 and ECL for these facilities was calculated according to IFRS 9 requirements.

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

	Associates	Subsidiaries	Board of directors	Executive Management	Other*	Total	
						31 December	
						2020	2019
	JD	JD	JD	JD	JD	JD	JD
Consolidated Statement of Financial Position Items:							
Credit facilities	-	948,714	7,883,452	5,684,403	87,031,525	101,548,094	98,954,294
Related Parties' deposits at the bank	4,750,518	2,088,795	53,571,047	2,704,009	21,593,956	84,708,325	65,041,106
Cash margins	-	-	600	476,693	8,892,458	9,369,751	7,312,824
Assets at amortized cost	-	-	-	-	3,533,008	3,533,008	3,576,776
Off- Consolidated Statement of Financial Position Items:							
Indirect facilities	-	804,000	51,000	2,350	4,387,657	5,245,007	3,855,261
Consolidated Statement of Income Items:							
Credit interest and commission	207	158,004	573,197	292,753	4,005,360	5,029,521	5,444,693
Debit interest and commission	182,358	29,888	2,083,430	49,372	773,893	3,118,941	3,455,414

\* This item represents companies partially owned by members of the Bank's Board of Directors' relatives, and the Bank's employees.

- There are accounts receivable from a subsidiary company (Ahli Brokerage Company) of JD 2,360,290 belonging to a related party as at 31 December 2020. On 31 October 2013, the Company signed a settlement agreement with those clients to pay the obligations through an advance payment upon signing the settlement agreement, in addition to monthly instalments, as well as enhancement of their guarantees.
- The Bank doesn't have any deposits at the subsidiaries, associates and other related parties.
- Interest income rate range from 2.4% to 10.5%.
- Interest expense rate range from 0% to 6.3%.

B- The following is a summary of the benefits (salaries and remunerations plus other benefits) of the executive management of the Bank:

	31 December 2020	31 December 2019
	JD	JD
Salaries and other benefits	4,055,150	4,271,430
Travel and transportation	7,700	38,965
Per diems	1,400	27,713
	4,064,250	4,338,108

### (37) Financial Instruments that Do Not Appear at Fair Value in the Consolidated Financial Statements

There are no significant differences between the carrying value and fair value of financial assets and financial liabilities at the end of the year 2020 and 2019.

### (38) Risk management

The Bank's risk management conducts its activities (identification, measurement, management, monitoring and controlling) through applying the best international practices in connection with risk management, administrative organization, and risk management's tools in accordance with the size of the bank, its activities and types of risk it is exposed to.

The organizational structure of the Bank is integrated by risk management control according to each level. Moreover, the Corporate Risk Committee, at the Board of Directors' level, approved the Bank's risk policy and strategy, and ensures the management of risk. This is to ensure setting up and controlling the policies and instructions at an appropriate level for the types of risks the Bank is exposed to until the achievement of the acceptance return for the shareholders without impacting the Bank's financial strength. In this context, the work of the Risk Management Department is complemented by the work of the committees of executive management such as the Assets and Liabilities Management Committee and the Credit Facilities' Committee.

### (38/A) Credit Risk

The Bank's operations involve the Bank's exposure to many risk such as credit risk relating to the default or inability of the other party to the financial instrument to settle its obligations towards the Bank, which causes losses. An important duty of the Bank and its management is to ensure that these risks do not go beyond the general framework predetermined in the Bank's credit policy and maintain their levels within the balanced relationship among risk, return and liquidity.

The credit risk management at the bank is conducted by several committees from top management and executive management. Where the limits are specified for the amount of credit facilities that can be granted to one customer (individual or corporate) and related parties according with the ratios approved by the Central Bank of Jordan, while relying on the credit facilities distribution method to each credit manager and sector. This is performed by taking into consideration the geographic area in a manner that achieves confluence among risks, returns and the optimal utilization of the available resources and the enhancement of the Bank's ability to diversify lending and allocate it to customers and economic sectors.

The Bank monitors credit risk by periodically evaluating the credit worthiness of the customers in accordance with the customer's credit valuation system based on credit risk elements and probabilities of non-payment for financial, managerial, or competition reasons. In addition, the Bank obtains proper collaterals from customers for the cases requiring that according to each customer's risk level and extension of additional facilities.

Moreover, the Bank monitors credit risk and is continuously evaluating the credit worthiness of customers, in as well obtaining proper collaterals from them.

#### The Bank's credit risk management policy includes the following:

##### Specifying credit ceilings and concentrations:

The credit policy includes specific and clear ratios for the maximum credit that can be granted to a customer. Moreover, there are different credit ceiling for each administrative level.

##### Determining the risk mitigation methods:

#### The Bank's risk management activity depends on several methods to mitigate risk as follows:

- Collaterals and their convertibility into cash and coverage of the credit granted.
- Pre-approval of the credit facilities committee on the credit granted.
- Credit approval authority varies from one management level to another based on the customer's portfolio size, maturity, and customer's risk degree.

##### Mitigating the assets and liabilities' risk concentration:

The Bank works efficiently to manage this risk as its annual plan includes the well-studied distribution of credit focusing on the most promising sectors. In addition, credit is distributed to several geographic areas inside and outside of the kingdom.

##### Studying, monitoring, and following up on credit:

The Bank developed the necessary policies and procedures to determine the study method of credit, maintaining the objectivity and integrity of decision making, ensuring that credit risk is accurately evaluated, properly approved, and continuously monitored.

The general framework of the credit policy includes setting up credit approval authorities and clarifying credit limits and the method of determining the risk degree.

The Bank's organizational structure involves segregating the work units responsible for granting credit from the work units responsible for monitoring credit as regards to the credit terms, sounded of the credit decision, implementation for all credit extension terms, adherence to the credit ceiling and determinants in the credit's policy, and other related matters.

Moreover, there are specific procedures for following up on performing credit facilities to keep them performing and non-performing credit facilities to treat them.

The Bank mitigates the assets and liabilities concentration risk through distributing its activities to various sectors and geographic areas inside and outside the kingdom. Moreover, the bank adopts a specific policy that shows the credit ceilings granted to banks and countries with high credit ratings and reviews them continuously through the assets and liabilities committee, to distribute the risk and utilize the credit evaluation. The investment policy specifies the Investment allocation ratios and their determinants in order to distribute them in a way that achieves a high return and lowers the risk.

**Exposure to credit risk (net of ECL provision, interest in suspense and before collaterals and other risk mitigations):**

	31 December	
	2019	2020
	JD	JD
On- Consolidated Statement of Financial Position		
Balances at Central Banks	139,888,244	154,093,815
Balances at banks and financial institutions	167,340,463	135,787,335
Deposits at banks and financial Institutions	19,618,676	8,520,926
Credit Facilities:		
Individuals	310,261,121	312,950,536
Real-estate loans	314,372,029	305,929,672
Corporate	573,847,526	579,052,185
Small and medium entities	146,301,379	148,917,126
Government & public sector	24,851,777	22,888,064
Bonds and Treasury Bills:		
Financial assets at amortized cost	817,193,096	754,893,973
Other assets	18,903,299	16,818,483
<b>Total</b>	<b>2,532,577,610</b>	<b>2,439,852,115</b>
Off- Consolidated Statement of Financial Position Items		
Letters of guarantees	248,217,398	228,358,215
Letters of credit and acceptances	120,561,581	131,291,045
Un-utilized credit facilities limits	202,083,143	161,112,090
<b>Total</b>	<b>570,862,122</b>	<b>520,761,350</b>

**The credit exposure is distributed according to the degree of risks as follows:**

	Individual	Real Estate Loans	Corporate	Small and medium entities	Government and public sector	Banks and financial institutions	Others	Total
	JD	JD	JD	JD	JD	JD	JD	JD
31 December 2020-								
A. Low Risk	31,795,944	23,039,156	73,796,178	35,015,438	827,686,489	-	-	991,333,205
B. Acceptable risk	270,307,802	285,031,153	462,601,616	94,103,956	24,904,449	317,319,654	18,903,299	1,473,171,929
From which past due:								
Up to 30 days	218,816	4,637,094	-	873,791	-	-	-	5,729,701
From 31 to 60 days	222,694	4,067,112	16	60,711	-	-	-	4,350,533
C. Watch list	10,455,250	788,007	33,511,182	13,632,971	-	-	-	58,387,410
D. Non-performing								
Substandard grade	339,211	3,342,134	495,860	522,682	-	-	-	4,699,887
Doubtful	813,819	737,554	5,713,153	1,087,314	-	-	-	8,351,840
Loss	14,005,102	10,879,104	54,232,292	18,355,606	-	-	-	97,472,104
<b>Total</b>	<b>327,717,128</b>	<b>323,817,108</b>	<b>630,350,281</b>	<b>162,717,967</b>	<b>852,590,938</b>	<b>317,319,654</b>	<b>18,903,299</b>	<b>2,633,416,375</b>
Less: Interest in suspense	2,649,980	2,721,101	12,785,529	4,742,099	-	-	-	22,898,709
Less: provision for expected credit loss	14,806,027	6,723,978	43,717,226	11,674,489	52,672	965,664	-	77,940,056
<b>Net</b>	<b>310,261,121</b>	<b>314,372,029</b>	<b>573,847,526</b>	<b>146,301,379</b>	<b>852,538,266</b>	<b>316,353,990</b>	<b>18,903,299</b>	<b>2,532,577,610</b>



## The credit exposure is distributed according to the degree of risks as follows:

	Individual	Real Estate Loans	Corporate	Small and medium entities	Government and public sector	Banks and financial institutions	Others	Total
	JD	JD	JD	JD	JD	JD	JD	JD
31 December 2019-								
<b>A. Low Risk</b>	33,334,166	20,243,040	76,954,509	33,785,944	790,612,764	-	-	954,930,423
<b>B. Acceptable risk</b>	278,292,145	275,112,484	447,092,309	90,112,109	22,980,641	263,156,486	16,818,483	1,393,564,657
From which past due:								
Up to 30 days	201,285	8,097,451	62,721	1,038,004	-	-	-	9,399,461
From 31 to 60 days	91,863	4,442,662	1,564,860	125,539	-	-	-	6,224,924
<b>C. Watch list</b>	3,732,071	4,951,886	67,009,377	18,213,206	-	-	-	93,906,540
<b>D. Non- performing</b>								
Substandard grade	478,075	1,021,424	-	833,118	-	-	-	2,332,617
Doubtful	1,956,478	3,282,245	2,285,801	2,223,947	-	-	-	9,748,471
Loss	20,482,805	10,276,842	26,105,726	22,933,214	-	-	-	79,798,587
<b>Total</b>	<b>338,275,740</b>	<b>314,887,921</b>	<b>619,447,722</b>	<b>168,101,538</b>	<b>813,593,405</b>	<b>263,156,486</b>	<b>16,818,483</b>	<b>2,534,281,295</b>
Less: Interest in suspense	4,179,429	2,461,294	10,827,332	5,886,877	-	-	-	23,354,932
Less: provision for expected credit loss	21,145,775	6,496,955	29,568,205	13,297,535	92,577	473,201	-	71,074,248
<b>Net</b>	<b>312,950,536</b>	<b>305,929,672</b>	<b>579,052,185</b>	<b>148,917,126</b>	<b>813,500,828</b>	<b>262,683,285</b>	<b>16,818,483</b>	<b>2,439,852,115</b>

## Fair value of collaterals obtained against total credit exposures as of 31 December 2020:

Items	Total Exposure Value	Collateral Fair Value						Total Collateral Value	Net Exposure after collateral	Expected Credit Loss (ECL)
		Cash Margins	Quoted Shares	Acceptable LGs	Real Estates	Cars and Mechanics	Others			
	JD	JD	JD	JD	JD	JD	JD	JD	JD	
Credit exposure related to on- consolidated statement of financial position:										
Balances at Central Banks	139,888,244	-	-	-	-	-	-	-	139,888,244	-
Balances at Banks and Financial Institutions	167,375,808	-	-	-	-	-	-	-	167,375,808	35,345
Deposits at Banks and Financial Institutions	19,642,750	-	-	-	-	-	-	-	19,642,750	24,074
<b>Credit Facilities:</b>	<b>1,469,506,933</b>	<b>108,720,249</b>	<b>10,998,461</b>	<b>4,473,070</b>	<b>852,001,136</b>	<b>21,762,529</b>	<b>74,863,998</b>	<b>1,072,819,443</b>	<b>396,687,490</b>	<b>76,974,392</b>
Individuals	327,717,128	42,976,574	324,930	57,009	11,211,492	5,505,906	-	60,075,911	267,641,217	14,806,027
Real Estate Loans	323,817,108	442,782	-	-	482,545,389	84,000	66,027,800	549,099,971	(225,282,863)	6,723,978
Corporate	630,350,281	30,550,486	9,943,531	1,291,573	246,618,392	5,042,211	1,574,529	295,020,722	335,329,559	43,717,226
SMEs	162,717,967	34,750,407	730,000	3,124,488	111,625,863	11,130,412	7,261,669	168,622,839	(5,904,872)	11,674,489
Government and Public Sectors	24,904,449	-	-	-	-	-	-	-	24,904,449	52,672
Financial Assets at Amortized Cost	818,099,341	-	-	-	-	-	-	-	818,099,341	906,245
Other Assets	18,903,299	-	-	-	-	-	-	-	18,903,299	-
<b>Total balance sheet items</b>	<b>2,633,416,375</b>	<b>108,720,249</b>	<b>10,998,461</b>	<b>4,473,070</b>	<b>852,001,136</b>	<b>21,762,529</b>	<b>74,863,998</b>	<b>1,072,819,443</b>	<b>1,560,596,932</b>	<b>77,940,056</b>
<b>Total off balance sheet items</b>	<b>575,900,860</b>	<b>4,522,947</b>	<b>-</b>	<b>-</b>	<b>5,561,923</b>	<b>6,440,491</b>	<b>-</b>	<b>16,525,361</b>	<b>559,375,499</b>	<b>5,038,738</b>
<b>Total</b>	<b>3,209,317,235</b>	<b>113,243,196</b>	<b>10,998,461</b>	<b>4,473,070</b>	<b>857,563,059</b>	<b>28,203,020</b>	<b>74,863,998</b>	<b>1,089,344,804</b>	<b>2,119,972,431</b>	<b>82,978,794</b>

## Fair value of collaterals obtained against Stage 3 credit exposures as at 31 December 2020:

Items	Collateral Fair Value								Net Exposure after collateral	Expected Credit Loss (ECL)
	Total Exposure Value	Cash Margins	Quoted Shares	Acceptable LGs	Real Estates	Cars and Mechanics	Others	Total Collateral Value		
	JD	JD	JD	JD	JD	JD	JD	JD		
Credit exposure related to on- consolidated statement of financial position:										
Balances at Central Banks	-	-	-	-	-	-	-	-	-	-
Balances at Banks and Financial Institutions	-	-	-	-	-	-	-	-	-	-
Deposits at Banks and Financial Institutions	-	-	-	-	-	-	-	-	-	-
Credit Facilities:	110,523,831	3,002,402	1,114,881	807,612	52,359,878	3,009,527	678,105	60,972,405	49,551,426	61,309,215
Individuals	15,158,132	68,071	19,873	57,009	1,202,503	633,031	-	1,980,487	13,177,645	12,601,366
Real Estate Loans	14,958,792	24,099	-	-	16,174,164	-	51,412	16,249,675	(1,290,883)	5,966,286
Corporate	60,441,305	2,510,321	1,095,008	43,681	21,685,374	976,381	238,875	26,549,640	33,891,665	33,307,659
SMEs	19,965,602	399,911	-	706,922	13,297,837	1,400,115	387,818	16,192,603	3,772,999	9,433,904
Government and Public Sectors	-	-	-	-	-	-	-	-	-	-
Financial Assets at Amortized Cost	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-
Total balance sheet items	110,523,831	3,002,402	1,114,881	807,612	52,359,878	3,009,527	678,105	60,972,405	49,551,426	61,309,215
Total off-balance sheet items	2,976,904	1,703,597	-	-	5,561,923	6,440,491	-	13,706,011	(10,729,107)	1,107,319
Total	113,500,735	4,705,999	1,114,881	807,612	57,921,801	9,450,018	678,105	74,678,416	38,822,319	62,416,534

## Fair value of collaterals obtained against total credit exposures as of 31 December 2019:

Items	Collateral Fair Value								Net Exposure after collateral	Expected Credit Loss (ECL)
	Total Exposure Value	Cash Margins	Quoted Shares	Acceptable LGs	Real Estates	Cars and Mechanics	Others	Total Collateral Value		
	JD	JD	JD	JD	JD	JD	JD	JD		
Credit exposure related to on- consolidated statement of financial position:										
Balances at Central Banks	154,093,815	-	-	-	-	-	-	-	-	154,093,815
Balances at Banks and Financial Institutions	135,816,486	-	-	-	-	-	-	-	-	135,816,486
Deposits at Banks and Financial Institutions	8,545,000	-	-	-	-	-	-	-	-	8,545,000
Credit Facilities:	1,463,693,562	124,501,372	17,678,640	6,737,949	945,104,036	32,764,591	67,245,386	1,194,031,974	269,661,588	70,601,047
Individuals	338,275,740	50,552,257	124,093	82,047	12,718,251	6,809,273	14,564	70,300,485	267,975,255	21,145,775
Real Estate Loans	314,887,921	571,580	-	-	392,956,184	66,667	65,155,151	458,749,582	(143,861,661)	6,496,955
Corporate	619,447,722	37,118,213	16,704,547	523,336	415,805,370	10,407,877	479,460	481,038,803	138,408,919	29,568,205
SMEs	168,101,538	36,259,322	850,000	6,132,566	123,624,231	15,480,774	1,596,211	183,943,104	(15,841,566)	13,297,535
Government and Public Sectors	22,980,641	-	-	-	-	-	-	-	-	22,980,641
Financial Assets At Amortized Cost	755,313,949	-	-	-	-	-	-	-	-	755,313,949
Other Assets	16,818,483	-	-	-	-	-	-	-	-	16,818,483
Total balance sheet items	2,534,281,295	124,501,372	17,678,640	6,737,949	945,104,036	32,764,591	67,245,386	1,194,031,974	1,340,249,321	71,074,248
Total off-balance sheet items	524,135,303	36,011,941	703,398	-	47,181,716	6,842,894	-	90,739,949	433,395,354	3,373,953
Total	3,058,416,598	160,513,313	18,382,038	6,737,949	992,285,752	39,607,485	67,245,386	1,284,771,923	1,773,644,675	74,448,201

## Fair value of collaterals obtained against Stage 3 credit exposures as at 31 December 2019:

Items	Collateral Fair Value							Total Collateral Value	Net Exposure after collateral	Expected Credit Loss (ECL)
	Total Exposure Value	Cash Margins	Quoted Shares	Acceptable LGs	Real Estates	Cars and Mechanics	Others			
	JD	JD	JD	JD	JD	JD	JD			
Credit exposure related to on- consolidated statement of financial position:										
Balances at Central Banks	-	-	-	-	-	-	-	-	-	-
Balances at Banks and Financial Institutions	-	-	-	-	-	-	-	-	-	-
Deposits at Banks and Financial Institutions	-	-	-	-	-	-	-	-	-	-
Credit Facilities:	91,879,675	3,072,258	784,860	870,423	63,562,509	5,479,951	1,447,314	75,217,315	16,662,360	57,806,723
Individuals	22,917,358	73,428	14,253	56,646	2,701,683	1,184,722	14,564	4,045,296	18,872,062	18,503,802
Real Estate Loans	14,580,511	47,881	-	-	26,505,280	-	155,151	26,708,312	(12,127,801)	5,440,860
Corporate	28,391,527	2,558,092	770,607	64,287	8,013,484	950,887	479,460	12,836,817	15,554,710	21,514,352
SMEs	25,990,279	392,857	-	749,490	26,342,062	3,344,342	798,139	31,626,890	(5,636,611)	12,347,709
Government and Public Sectors	-	-	-	-	-	-	-	-	-	-
Financial Assets At Amortized Cost	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-
<b>Total balance sheet items</b>	<b>91,879,675</b>	<b>3,072,258</b>	<b>784,860</b>	<b>870,423</b>	<b>63,562,509</b>	<b>5,479,951</b>	<b>1,447,314</b>	<b>75,217,315</b>	<b>16,662,360</b>	<b>57,806,723</b>
<b>Total off balance sheet items</b>	<b>3,054,796</b>	<b>1,515,821</b>	<b>-</b>	<b>-</b>	<b>5,966,366</b>	<b>6,335,991</b>	<b>-</b>	<b>13,818,178</b>	<b>(10,763,382)</b>	<b>1,011,789</b>
<b>Total</b>	<b>94,934,471</b>	<b>4,588,079</b>	<b>784,860</b>	<b>870,423</b>	<b>69,528,875</b>	<b>11,815,942</b>	<b>1,447,314</b>	<b>89,035,493</b>	<b>5,898,978</b>	<b>58,818,512</b>

## A. Total credit exposures classified as of 31 December 2020:

Items	Stage 2		Stage 3		Total Reclassified Exposures	Percentage of Reclassified Exposures
	Total Exposure Value	Reclassified Exposures	Total Exposure Value	Reclassified Exposures		
	JD	JD	JD	JD		
Balances at Central Banks	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-
Deposits at banks and financial institutions	-	-	-	-	-	-
Credit facilities	101,334,320	(45,681,311)	110,523,831	44,361,772	(1,319,539)	(0/62)%
Financial assets at amortized cost	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total balance sheet exposure</b>	<b>101,334,320</b>	<b>(45,681,311)</b>	<b>110,523,831</b>	<b>44,361,772</b>	<b>(1,319,539)</b>	
<b>Total Off-balance sheet exposure</b>	<b>17,801,953</b>	<b>(26,165,176)</b>	<b>2,976,904</b>	<b>426,696</b>	<b>(25,738,480)</b>	<b>(123/87)%</b>
<b>Total</b>	<b>119,136,273</b>	<b>(71,846,487)</b>	<b>113,500,735</b>	<b>44,788,468</b>	<b>(27,058,019)</b>	

## B. Expected credit losses of reclassified exposures as of 31 December 2020:

Items	Reclassified Exposures			Expected credit loss of reclassified exposures					
	Total exposures reclassified from stage 2	Total exposures reclassified from stage 3	Total reclassified exposures	Stage 2 (Individual)	Stage 2 (Collective)	Stage 3 (Individual)	Stage 3 (Collective)	Total	Percentage of loss for reclassified exposures
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at Central Banks	-	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-	-
Deposits at banks and financial institutions	-	-	-	-	-	-	-	-	-
Credit facilities	(45,681,311)	44,361,772	(1,319,539)	(2,688,569)	-	1,732,365	-	(956,204)	72/465%
Financial assets at amortized cost	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
<b>Total balance sheet exposure</b>	<b>(45,681,311)</b>	<b>44,361,772</b>	<b>(1,319,539)</b>	<b>(2,688,569)</b>	<b>-</b>	<b>1,732,365</b>	<b>-</b>	<b>(956,204)</b>	
<b>Total Off-balance sheet exposure</b>	<b>(26,165,176)</b>	<b>426,696</b>	<b>(25,738,480)</b>	<b>(193,131)</b>	<b>-</b>	<b>(2,222)</b>	<b>-</b>	<b>(195,353)</b>	
<b>Total</b>	<b>(71,846,487)</b>	<b>44,788,468</b>	<b>(27,058,019)</b>	<b>(2,881,700)</b>	<b>-</b>	<b>1,730,143</b>	<b>-</b>	<b>(1,151,557)</b>	<b>0/759%</b>

**The types of guarantees against loans and facilities are as follows:**

- Mortgages.
- Mortgage financial instruments such as stocks.
- Bank guarantees.
- Cash collateral.
- Governmental guarantee.
- Cars and mechanics.

The Bank management monitor, the market value of those guarantees periodically. In case the value of the guarantee declines, the Bank requests additional guarantees to cover the shortage. Moreover, the Bank evaluates the guarantees against nonperforming credit facilities periodically.

• **Rescheduled loans:**

Represent loans classified previously as non-performing credit facilities but taken out furtherly according to proper scheduling and classified as watch list loans which amounted to JD 26,226,526 as at 2020 (2019: JD 20,944,256).

• **Restructured loans:**

Restructuring means to rearrange facilities instalments or by increasing their duration or postpone some instalments or increase the grace period...etc. These facilities are amounted to JD 101,679,833 as at 2020 (2019: JD 83,461,375).

• **Bills bonds and debentures:**

**The table below shows the classification of bills bonds and debentures according to external rating agencies:**

As of 31 December, 2020			
Rating Grade	Rating Institution	Within financial assets at amortized cost	Total
		JD	JD
Un-rated	-	130,301,096	130,301,096
Governmental	Government bonds and government guaranteed	687,798,245	687,798,245
<b>Total</b>		<b>818,099,341</b>	<b>818,099,341</b>

As of 31 December, 2019			
Rating Grade	Rating Institution	Within financial assets at amortized cost	Total
		JD	JD
Un-rated	-	118,795,000	118,795,000
Governmental	Government bonds and government guaranteed	636,518,949	636,518,949
<b>Total</b>		<b>755,313,949</b>	<b>755,313,949</b>

**(38/B) Market risks:**

Market risk is the optional loss that may arise from the changes in market prices, such as the change in interest rates, foreign currency exchange rates, equity instrument prices, and consequently, the change in the fair value of the cash flows for the financial instruments that are on and off consolidated statement of financial position.

Within the Bank's investment policy approved by the Board of Directors, acceptable risks are set and monitored monthly by the Assets and Liabilities Committee, which provides guidance and recommendations thereon. Moreover, the available systems calculate the effect of the fluctuations in interest rates, exchange rates and share prices.

• **Interest rate risks**

Interest rate risk results from the potential change in interest rates, and consequently, the potential impact on the fair value of the financial instruments. The bank is exposed to the risk of interest rates due to a mismatch or a gap in the amounts of assets and liabilities according to the various time limits or review of interest rates in a certain period. Moreover, the bank manages these risks through reviewing the interest rates on assets and liabilities based on the risk management's strategy.

The Bank is exposed to interest rate risks as a result of the timing gaps of re-pricing assets and liabilities. These gaps are periodically monitored by the Assets and Liabilities Committee through reviewing the report to identify interest rate risk in the short and long terms and take the proper decisions to restrict these risks in light of the expectations of the interest rate's trend through using all or some of the following methods:

- Repricing deposits and /or loans.
- Changing the maturities and size of the assets and liabilities sensitive to interest rates.
- Buying or selling financial investments.
- Using financial derivatives for interest rate hedging purposes.

**Interest rate benchmark reform:**

A fundamental reform of major interest rate benchmarks is being undertaken globally to replace or reform IBOR with alternative risk-free rates (referred to as 'IBOR reform'). The Group has exposure to interbank offered rates (IBORs) on its financial instruments that will be replaced or reformed as part of this market-wide initiative. There is uncertainty over the timing and the methods of transition.

The Group anticipates that IBOR reform may have operational, risk management and accounting impacts.

The Bank is not directly exposed to IBOR because most of the lending operations are based on the JODIBOR rate.

The Bank is in the process of reviewing the impact of the IBOR reform on their floating rate loans and advances to customers' contracts and their floating rate financial liabilities contracts.

The Group does not have hedging contracts and accordingly, there is no effect of the IBOR adjustment resulting from hedge accounting.

**Derivatives held for risk management purposes and hedge accounting:**

The Group holds derivatives for risk management purposes, some of which are designated as hedging relationships and management is in the process of assessing the impact.



**Interest rate risk:****31 December 2020**

Currency	Change (increase) in interest rate	Sensitivity of interest revenue (profit or loss)	Sensitivity of shareholders' equity
	%	JD	JD
US Dollar	1	9,779	-
Euro	1	6,298	-
British Pound	1	(22)	-
Japanese Yen	1	(311)	-
Others	1	(1,682)	-

Currency	Change (Decrease) in interest rate	Sensitivity of interest revenue (profit and loss)	Sensitivity of shareholders' equity
	%	JD	JD
US Dollar	1	(9,779)	-
Euro	1	(6,298)	-
British Pound	1	22	-
Japanese Yen	1	311	-
Others	1	1,682	-

**31 December 2019**

Currency	Change (increase) in interest rate	Sensitivity of interest revenue (profit or loss)	Sensitivity of shareholders' equity
	%	JD	JD
US Dollar	1	508,617	-
Euro	1	54,417	-
British Pound	1	12,913	-
Japanese Yen	1	(7,832)	-
Others	1	522,677	-

Currency	Change (Decrease) in interest rate	Sensitivity of interest revenue (profit and loss)	Sensitivity of shareholders' equity
	%	JD	JD
US Dollar	1	(508,617)	-
Euro	1	(54,417)	-
British Pound	1	(12,913)	-
Japanese Yen	1	7,832	-
Others	1	(522,677)	-

**Foreign currencies risk:****31 December 2020**

Currency	Change (increase) in currency exchange rate	Effect on profits or losses	Sensitivity of shareholders' equity
	%	JD	JD
US Dollar	-	-	-
Euro	5	31,489	-
British Pound	5	(111)	-
Japanese Yen	5	(1,553)	-
Other currencies	5	(8,410)	-

**31 December 2020**

Currency	Change (increase) in currency exchange rate	Effect on profits or losses	Sensitivity of shareholders' equity
	%	JD	JD
US Dollar	-	-	-
Euro	5	(8,773)	-
British Pound	5	(2,432)	-
Japanese Yen	5	52	-
Other currencies	5	19,793	-

- **Foreign currencies risk management:**

Within its approved investment policy, the Bank's Board of Directors sets up limits for the positions of all currencies at the Bank. These positions are monitored daily through the Treasury and Investment Department and are submitted to the executive management to ensure that the currencies positions are within the approved limits.

Moreover, the bank follows the hedging policy to mitigate the risks of foreign currencies by using financial derivatives.

- **Risks of changes in shares prices:**

This represents the risk resulting from the decline in the fair value of the investment portfolio of the shares due to the changes in the value of the shares' indicators and the change in the value of shares individually.

**31 December 2020**

Indicator	Change in equity prices	Effect on profit and losses	Effect on shareholders
	%	JD	JD
Financial markets	5	-	464,521

## 31 December 2020

Indicator	Change in equity prices	Effect on profit and losses	Effect on shareholders
	%	JD	JD
Financial markets	5	-	447,263

- Shares prices risks management

The Board of Directors adopts a specific policy in diversifying investments of the shares based on geographic and sectional distribution at predetermined percentages that are monitored daily. According to this policy, it is recommended to invest in listed shares of well-reputed international markets that have a high liquidity rate to face any risks that might arise therefrom.

**Interest Repricing Gap:**

The Bank follows a policy to match the amounts of assets and liabilities and align the maturities and to decrease the gap through dividing the assets and liabilities to various periodic maturities or review the interest rates in order to decent the interest rates risk and o study the gaps in the related interest rate or by using advanced hedging tools.

The rating is based on interest repricing periods or maturity.

The Bank follows a policy of compatibility in asset and liability amounts and matching accruals to reduce gaps by dividing assets and liabilities into multiple time-period categories or interest rate repricing benefits whichever is lower, in order to reduce interest rate risk, examine price gaps, and use hedging policies with advanced tools.

The rating is based on interest repricing periods or maturity whichever is earlier.

## interest rate sensitivity is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 to 3 years	Over 3 years	Non - interest bearing items	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<b>31 December 2020</b>								
<b>Assets</b>								
Cash and balances at central Banks	36,211,207	-	-	-	-	10,635,000	144,770,928	191,617,135
Balances at banks and financial institutions	113,474,545	1,301,433	-	-	-	-	52,564,485	167,340,463
Deposits at banks and financial institutions	-	-	19,618,676	-	-	-	-	19,618,676
Direct credit facilities	29,171,239	78,980,352	100,781,918	156,850,461	258,871,342	715,577,877	29,400,643	1,369,633,832
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	25,744,834	25,744,834
Financial assets at amortized costs	6,050,237	33,362,913	67,165,486	92,614,152	305,765,204	312,235,104	-	817,193,096
Investments in associate	-	-	-	-	-	-	1,039,817	1,039,817
Property, equipment and projects under construction	-	-	-	-	-	-	90,242,536	90,242,536
Intangible assets - Net	-	-	-	-	-	-	10,810,030	10,810,030
Other assets	-	-	-	-	-	-	138,637,804	138,637,804
Deferred tax assets	-	-	-	-	-	-	9,462,975	9,462,975
<b>Total assets</b>	<b>184,907,228</b>	<b>113,644,698</b>	<b>187,566,080</b>	<b>249,464,613</b>	<b>564,636,546</b>	<b>1,038,447,981</b>	<b>502,674,052</b>	<b>2,841,341,198</b>
<b>Liabilities</b>								
Banks and financial institution deposits	62,567,228	46,103,172	35,148,378	-	-	-	-	143,818,778
Customers' deposits	230,334,279	367,514,975	281,594,118	283,361,923	175,967,642	8,099,079	557,521,558	1,904,393,574
Cash collaterals	5,742,195	12,304,465	11,977,774	24,272,836	142,201,142	-	11,630,575	208,128,987
Borrowed funds	622,908	625,895	6,015,600	19,607,358	26,080,658	134,428,815	-	187,381,234
Subordinated bonds	-	-	-	-	25,000,000	-	-	25,000,000
Sundry provisions	-	-	-	-	-	-	3,896,808	3,896,808
Income tax provisions	-	-	-	-	-	-	5,866,856	5,866,856
Other liabilities	-	-	-	-	-	-	45,180,842	45,180,842
<b>Total Liabilities</b>	<b>299,266,610</b>	<b>426,548,507</b>	<b>334,735,870</b>	<b>327,242,117</b>	<b>369,249,442</b>	<b>142,527,894</b>	<b>624,096,639</b>	<b>2,523,667,079</b>
<b>Interest rate sensitivity gap</b>	<b>(114,359,382)</b>	<b>(312,903,809)</b>	<b>(147,169,790)</b>	<b>(77,777,504)</b>	<b>195,387,104</b>	<b>895,920,087</b>	<b>(121,422,587)</b>	<b>317,674,119</b>
<b>31 December 2019</b>								
<b>Total Assets</b>	<b>139,039,866</b>	<b>135,406,000</b>	<b>158,937,341</b>	<b>287,209,423</b>	<b>625,792,374</b>	<b>910,499,206</b>	<b>505,939,315</b>	<b>2,762,823,525</b>
<b>Total Liabilities</b>	<b>290,978,314</b>	<b>360,551,654</b>	<b>377,872,697</b>	<b>327,845,148</b>	<b>444,613,766</b>	<b>48,595,642</b>	<b>604,556,437</b>	<b>2,455,013,658</b>
<b>Interest rate sensitivity gap</b>	<b>(151,938,448)</b>	<b>(225,145,654)</b>	<b>(218,935,356)</b>	<b>(40,635,725)</b>	<b>181,178,608</b>	<b>861,903,564</b>	<b>(98,617,122)</b>	<b>307,809,867</b>

**Foreign Currency risk concentration:**

	USD	Euro	Sterling Pounds	Japanese Yen	Others	Total
	JD	JD	JD	JD	JD	JD
<b>31 December 2020</b>						
Assets						
Cash and balances at Central Banks	36,739,365	2,124,410	307,633	-	31,184,404	70,355,812
Balances at banks and financial institutions	141,230,813	10,322,983	6,285,043	609,170	6,644,232	165,092,241
Deposits at banks and financial institutions	-	14,788,451	4,830,225	-	-	19,618,676
Direct credit facilities	208,193,999	6,136,457	119,962	9,299,826	63,777,996	287,528,240
Financial assets at fair value through other comprehensive income	66,131	421,541	-	-	-	487,672
Financial assets at amortized cost	92,103,255	4,356,096	-	-	1,991,113	98,450,464
Properties, equipment and projects under construction	693,739	-	-	-	-	693,739
Intangible assets - net	160,792	-	-	-	-	160,792
Other assets	2,066,159	88,841	100	27,289	5,528,051	7,710,440
<b>Total Assets</b>	<b>481,254,253</b>	<b>38,238,779</b>	<b>11,542,963</b>	<b>9,936,285</b>	<b>109,125,796</b>	<b>650,098,076</b>
Liabilities						
Banks and financial institutions deposits	22,759,845	127,888	3,356,733	9,349,320	4,213,825	39,807,611
Customers' deposits	409,837,509	34,675,731	8,081,993	335,791	95,663,732	548,594,756
Cash margins	42,437,597	2,775,503	109,677	268,877	7,917,685	53,509,339
Borrowed funds	3,038,571	-	-	-	-	3,038,571
Sundry provisions	63,846	-	-	-	-	63,846
Income tax provision	82,903	-	-	-	-	82,903
Other Liabilities	2,056,088	29,876	(3,230)	13,361	1,498,762	3,594,857
<b>Total Liabilities</b>	<b>480,276,359</b>	<b>37,608,998</b>	<b>11,545,173</b>	<b>9,967,349</b>	<b>109,294,004</b>	<b>648,691,883</b>
Net concentration on balance sheet for the current year	977,894	629,781	(2,210)	(31,064)	(168,208)	1,406,193
Contingent liabilities off balance sheet for the current year	189,158,483	20,496,080	1,656,259	2,549,145	12,170,491	226,030,458
<b>31 December 2019</b>						
<b>Total Assets</b>	<b>457,644,798</b>	<b>37,166,232</b>	<b>10,918,553</b>	<b>706,955</b>	<b>103,573,971</b>	<b>610,010,509</b>
<b>Total Liabilities</b>	<b>468,409,595</b>	<b>37,341,688</b>	<b>10,967,198</b>	<b>705,917</b>	<b>103,178,113</b>	<b>620,602,511</b>
Net concentration on balance sheet for the current year	(10,764,797)	(175,456)	(48,645)	1,038	395,858	(10,592,002)
Contingent liabilities off balance sheet for the current year	204,775,943	17,298,288	1,486,402	5,527,071	11,988,202	241,075,906

**(39) Liquidity risk**

Liquidity risk is defined as the Bank's inability to make available the necessary funding to fulfil its obligations on their maturities. To protect the Bank against these risks, management diversifies funding sources, manages assets and liabilities, matches their maturities and maintains an adequate balance of cash, cash equivalents and marketable securities.

The Bank's liquidity management policy aims to enhance the possibility of obtaining at the lowest costs. Through managing liquidity, the Bank seeks to maintain reliable and stable funding sources at a reasonable cost rate.

Management, measurement, and control of liquidity are conducted based on normal and emergency conditions. This includes analysis of the maturity dated of assets and various financial ratios.

- **Fund sources:**

The bank diversifies its funding sources to achieve financial flexibility and to lower funding costs.

Moreover, the Bank has a large customer base comprising of individuals, and corporations, due to its financial strength, the Bank has an ability to access cash markets, which represent an additional available funding source.

The existence of the Bank in most of the cities of the Hashemite Kingdom of Jordan (51 branches) in addition to its branches in Palestine and Cyprus, enables the Bank to diversify its funding sources and not to rely on one geographic area as a source of funding.

**1. The table below summarizes the distribution of liabilities on the basis of the remainder undiscounted contractual maturity at 31 December 2020:**

	Less than 1 Month	1 to 3 Months	From 3 to 6 Months	From 6 Months to 1 year	From 1 To 3 Years	Over 3 Years	Without Maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<b>31 December 2020</b>								
Liabilities								
Banks' and financial institution's deposits	62,567,228	46,150,072	35,458,255	-	-	-	-	144,175,555
Customers' deposits	231,001,850	928,315,567	283,056,599	283,803,488	176,888,066	8,099,079	-	1,911,164,649
Cash margins	17,372,770	12,304,465	11,977,774	24,272,836	142,206,754	-	-	208,134,599
Borrowed funds	622,908	625,895	6,015,600	19,607,358	26,473,918	134,428,815	-	187,774,494
Subordinated bonds	-	-	-	-	25,000,000	402,226	-	25,402,226
Sundry provisions	-	-	-	-	-	-	3,896,808	3,896,808
Income tax provision	2,237,633	-	3,629,223	-	-	-	-	5,866,856
Other liabilities	-	-	-	-	-	-	37,251,892	37,251,892
<b>Total</b>	<b>313,802,389</b>	<b>987,395,999</b>	<b>340,137,451</b>	<b>327,683,682</b>	<b>370,568,738</b>	<b>142,930,120</b>	<b>41,148,700</b>	<b>2,523,667,079</b>
<b>Total Assets</b>	<b>412,148,822</b>	<b>114,225,771</b>	<b>188,239,609</b>	<b>251,087,930</b>	<b>568,600,929</b>	<b>1,047,606,430</b>	<b>259,431,707</b>	<b>2,841,341,198</b>

**2. The table below summarizes the distribution of liabilities on the basis of the remainder undiscounted contractual maturity at 31 December 2019:**

	Less than 1 Month	1 to 3 Months	From 3 to 6 Months	From 6 Months to 1 year	From 1 To 3 Years	Over 3 Years	Without Maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<b>31 December 2019</b>								
Liabilities								
Banks' and financial institution's deposits	92,868,322	31,963,668	25,971,430	-	-	-	-	150,803,420
Customers' deposits	193,691,820	865,105,594	328,160,684	285,520,643	199,773,236	-	-	1,872,251,977
Cash margins	5,085,743	10,650,027	15,078,580	29,464,129	151,538,091	3,017	-	211,819,587
Borrowed funds	-	1,810,744	10,585,039	14,789,364	94,675,661	23,592,625	-	145,453,433
Subordinated bonds	-	-	-	-	-	25,402,226	-	25,402,226
Sundry provisions	-	-	-	-	-	-	3,551,062	3,551,062
Income tax provision	2,205,630	-	7,892,291	-	-	-	-	10,097,921
Other liabilities	-	-	-	-	-	-	35,634,032	35,634,032
<b>Total</b>	<b>293,851,515</b>	<b>909,530,033</b>	<b>387,688,024</b>	<b>329,774,136</b>	<b>445,986,988</b>	<b>48,997,868</b>	<b>39,185,094</b>	<b>2,455,013,658</b>
<b>Total Assets</b>	<b>363,925,799</b>	<b>135,987,073</b>	<b>159,610,870</b>	<b>288,832,740</b>	<b>629,756,757</b>	<b>919,657,655</b>	<b>265,052,631</b>	<b>2,762,823,525</b>

To comply with the instructions of the regulatory authorities, the bank maintains part of its customers' deposits at the central banks as a statutory cash reserve that cannot be utilized except under specified regulations. In addition, the liquidity ratios are maintained at levels higher than the minimum imposed by the central banks in the countries in which the Bank operates.

The contractual maturity dated of the assets and liabilities in the schedule have been determined based on the remaining year from the date of the consolidated statement of financial position up to the contractual maturity date regardless of the actual maturities reflected by historical events relating to maintaining deposits and the availability of liquidity.

**Off- consolidated statement of financial position items:**

	Up to 1 Year	from 1-5 Years	Total
	JD	JD	JD
<b>31 December, 2020</b>			
Letters of credit and acceptances	165,953,783	7,597,852	173,551,635
Un-utilized facilities	203,456,000	-	203,456,000
Letters of guarantee	228,175,040	23,263,319	251,438,359
<b>Total</b>	<b>597,584,823</b>	<b>30,861,171</b>	<b>628,445,994</b>
<b>31 December, 2019</b>			
Letters of credit and acceptances	159,684,363	8,189,383	167,873,746
Un-utilized facilities	161,950,853	-	161,950,853
Letters of guarantee	210,145,274	20,347,388	230,492,662
<b>Total</b>	<b>531,780,490</b>	<b>28,536,771</b>	<b>560,317,261</b>

## (40) Segment Information

### 1- Information on Bank Activities

The Bank is organized for administrative purposes through six main operating segments, also brokerage and consulting services through the Bank's subsidiary Ahli Brokerage Company.

- Individual accounts: Principally following up on individual customers accounts real estate loans overdrafts credit cards facilities and transfer facilities.
- SME's: Principally "SME's" transactions on loans credit facilities and deposits and whom classified according to the volume of deposits and facilities in accordance with the instructions and policies existing in the bank and commensurate with the instructions of the regulatory authorities.
- Corporate accounts: Principally corporate transactions on loans credit facilities and deposits, whom classified according to the volume of deposits and facilities in accordance with the instructions and policies existing in the bank and commensurate with the instructions of the regulatory authorities.
- Treasury: principally providing money market trading and treasury services as well as management of the Bank's funding operations through treasury bills government securities placements and acceptances with other banks and that is through treasury and banking services.
- Investment and Foreign currency management: The activity of this sector is related to local and foreign bank investment as well as those restricted at fair value, in addition services for trading in foreign currency.
- Others: This sector includes all non-listed accounts in the above sectors, for example equity and investments in associates, receivables, equipment, and general management.



	Individuals	SME's	Corporate	Treasury and investments	Others	31 December 2020	31 December 2019
	JD	JD	JD	JD	JD	JD	JD
Gross Income	32,320,214	20,378,110	35,937,378	17,880,624	2,433,979	108,950,305	118,092,257
Expected credit losses allowance	(1,063,872)	(1,746,751)	(18,093,358)	(494,495)	-	(21,398,476)	(6,908,437)
Segment results	31,256,342	18,631,359	17,844,020	17,386,129	2,433,979	87,551,829	111,183,820
Not distributed expenses	-	-	-	-	-	(71,109,119)	(74,390,431)
Impairment provision on seized assets	-	-	-	-	-	(1,344,247)	(575,361)
Bank's share of profit (loss) in associate companies' profit (loss)	-	-	-	2,694,853	-	2,694,853	(14,888)
Provision for violating investments	-	-	-	(208,333)	-	(208,333)	-
Income before tax	31,256,342	18,631,359	17,844,020	19,872,649	2,433,979	17,584,983	36,203,140
Income tax	-	-	-	-	-	(8,037,021)	(13,966,755)
Income for the year	-	-	-	-	-	9,547,962	22,236,385
Other-information:							
Segment assets	590,383,277	191,998,184	613,204,694	1,197,515,879	108,561,543	2,701,663,577	2,620,954,526
Investments in associates	-	-	-	-	1,039,817	1,039,817	3,516,259
Asset not distributed over sector	-	-	-	-	138,637,804	138,637,804	138,352,740
Total assets	590,383,277	191,998,184	613,204,694	1,197,515,879	248,239,164	2,841,341,198	2,762,823,525
Segment liabilities	1,173,862,907	372,178,357	576,181,999	321,499,309	34,763,665	2,478,486,237	2,409,608,974
Liabilities not distributed over sector	-	-	-	-	45,180,842	45,180,842	45,404,684
Total Liabilities	1,173,862,907	372,178,357	576,181,999	321,499,309	79,944,507	2,523,667,079	2,455,013,658
Capital expenditure	-	-	-	-	7,997,584	7,997,584	10,692,125
Depreciation and amortization	-	-	-	-	11,565,490	11,565,490	11,774,331

## 2- Geographical distribution information

This sector represents the geographical distribution of the Banks operation. The Bank operates mainly in the Kingdom, which represents the local business. The Bank also carries out international activities in the Middle East, Europe, Asia, America and the Near East representing international business.

	Inside Jordan		Outside Jordan		Total	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	JD	JD	JD	JD	JD	JD
Bank's Assets	2,437,255,482	2,395,279,886	404,085,716	367,543,639	2,841,341,198	2,762,823,525
Gross income	96,882,438	107,542,639	12,067,867	10,549,618	108,950,305	118,092,257
Capital Expenditure	6,339,215	7,158,659	1,658,369	3,533,466	7,997,584	10,692,125

The table shows economical distribution of credit risk exposure as at 31 December 2020:

	2020										
	Corporates										
	Financial	Industrial	Trading	Real-estate	Agricultural	Services and public facilities	Shares	Individual	Governmental and other sector	Other	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central banks	-	-	-	-	-	-	-	-	139,888,244	-	139,888,244
Balances at banks and financial institutions	167,340,463	-	-	-	-	-	-	-	-	-	167,340,463
Deposits at banks and financial institutions	19,618,676	-	-	-	-	-	-	-	-	-	19,618,676
Direct credit facilities	20,419,094	128,712,038	275,058,350	467,626,554	33,828,093	138,400,282	7,793,792	272,943,852	24,851,777	-	1,369,633,832
Financial assets at amortized cost	129,394,851	-	-	-	-	-	-	-	687,798,245	-	817,193,096
Other assets	18,903,299	-	-	-	-	-	-	-	-	-	18,903,299
Total current year	355,676,383	128,712,038	275,058,350	467,626,554	33,828,093	138,400,282	7,793,792	272,943,852	852,538,266	-	2,532,577,610
LGs	248,217,398	-	-	-	-	-	-	-	-	-	248,217,398
LCs	120,561,581	-	-	-	-	-	-	-	-	-	120,561,581
Other obligations	202,083,143	-	-	-	-	-	-	-	-	-	202,083,143
Total	926,538,505	128,712,038	275,058,350	467,626,554	33,828,093	138,400,282	7,793,792	272,943,852	852,538,266	-	3,103,439,732

**Credit exposure categorized by economic sector and stages according to IFRS 9 as at 31 December 2020.**

Item	Stage 1	Stage 2	Stage 3	Total
	(Individual)	(Individual)		
	JD	JD	JD	JD
Financial	907,490,916	17,178,004	1,869,585	926,538,505
Industrial	104,498,967	11,486,350	12,726,721	128,712,038
Trading	239,291,938	30,487,994	5,278,418	275,058,350
Real estates	446,077,471	12,914,658	8,634,425	467,626,554
Agricultural	32,979,641	754,580	93,872	33,828,093
Services and public facilities	120,787,307	15,792,894	1,820,081	138,400,282
Shares	7,793,792	-	-	7,793,792
Individual	254,563,884	17,533,616	846,352	272,943,852
Governmental and Public sector	852,538,266	-	-	852,538,266
<b>Total</b>	<b>2,966,022,182</b>	<b>106,148,096</b>	<b>31,269,454</b>	<b>3,103,439,732</b>

**The below table shows geographical distribution of credit risk exposure as at 31 December 2020:**

	Inside Jordan	Middle east	Europe	Asia *	America	Total
	JD	JD	JD	JD	JD	JD
Balances with central banks	101,102,146	38,184,501	601,597	-	-	139,888,244
Balances at banks and financial institutions	248,313	23,827,794	114,952,925	579,457	27,731,974	167,340,463
Deposits at banks and financial institutions	-	-	19,618,676	-	-	19,618,676
Direct credit facilities	1,184,310,841	164,378,616	20,944,375	-	-	1,369,633,832
Financial assets at amortized cost	770,874,025	46,319,071	-	-	-	817,193,096
Other assets	17,529,683	1,323,035	50,581	-	-	18,903,299
<b>Total current year</b>	<b>2,074,065,008</b>	<b>274,033,017</b>	<b>156,168,154</b>	<b>579,457</b>	<b>27,731,974</b>	<b>2,532,577,610</b>
LGs	239,137,967	8,585,533	493,898	-	-	248,217,398
LCs	111,879,535	8,682,046	-	-	-	120,561,581
Other obligations	174,237,882	16,807,601	11,037,660	-	-	202,083,143
<b>Total</b>	<b>2,599,320,392</b>	<b>308,108,197</b>	<b>167,699,712</b>	<b>579,457</b>	<b>27,731,974</b>	<b>3,103,439,732</b>

\* Except the Middle East countries.

**3- Credit exposure categorized by geographical distribution and stages in accordance to IFRS 9 as at 31 December 2020:**

Item	Stage 1	Stage 2	Stage 3	Total
	(Individual)	(Individual)		
	JD	JD	JD	JD
Inside Jordan	2,471,488,015	99,690,724	28,141,653	2,599,320,392
Middle east	299,933,641	5,046,755	3,127,801	308,108,197
Europe	166,289,095	1,410,617	-	167,699,712
Asia *	579,457	-	-	579,457
America	27,731,974	-	-	27,731,974
<b>Total</b>	<b>2,966,022,182</b>	<b>106,148,096</b>	<b>31,269,454</b>	<b>3,103,439,732</b>

\* Except for the Middle East countries.

**(41) Capital Management****Through the management of its capital, the Bank seeks to achieve the below goals:**

- Compliance with the Central Bank capital related requirements.
- To keep the ability of the Bank to continue as a going concern.
- Having a strong capital base for supporting the Bank's expansion and development.

Capital adequacy is reviewed monthly and reported quarterly to the Central Bank of Jordan.

According to the Central Bank Instructions, the minimum requirement for capital adequacy is 12%. For banks that have foreign presence, the minimum capital adequacy ratio is 14%, Banks are classified into 5 categories, the best of which is having an average capital adequacy equal to or more than 14%.

The Bank manage its capital structure and makes the necessary adjustments in terms of working conditions. No adjustments were made on the objectives, policies and procedures related to capital restructuring during the year.

The Bank manages its capital in a way that ensures the continuation of its operating activities and achieving the highest possible return on equity, and capital is defined according to BASIL III as shown in the below table:

	31 December 2020	31 December 2019
	JD (In Thousands)	JD (In Thousands)
<b>Primary capital according to bank's management requirements</b>		
Paid-up capital	200,655	200,655
Retained earnings	41,928	34,139
Cumulative change in fair value	(7,072)	(7,388)
Statutory reserve	62,723	60,964
Voluntary reserve	15,762	15,762
Other reserves	3,678	3,678
<b>Total ordinary share capital (CET 1)</b>	<b>317,674</b>	<b>307,810</b>
<b>Total regulatory adjustments (deductions from capital)</b>		
Goodwill and Intangible assets	(10,810)	(13,502)
Proposed dividends	(8,026)	-
Postponed provisions with the approval of the Central Bank	(9,234)	-
Investment in Bank's capital, financial institutions and insurance companies	(3,575)	(3,575)
Investments where the bank owns more than 10%	(1,040)	(3,516)
Deferred tax assets	(9,463)	(9,541)
<b>Net ordinary share capital</b>	<b>275,526</b>	<b>277,676</b>
<b>Additional capital</b>		
Net primary capital (Tier 1)	275,526	277,676
Secondary capital (Tier 2)		
Provision required against credit facilities in stage 1	10,658	6,425
Total stable loan	10,000	15,000
<b>Net stable capital</b>	<b>20,658</b>	<b>21,425</b>
<b>Total regulatory capital</b>	<b>296,184</b>	<b>299,101</b>
<b>Total risk weighted assets</b>	<b>1,907,214</b>	<b>1,909,457</b>
Capital percentage from regular shares (CET 1) (%)	14.45%	14.54%
Regulatory capital percentage (%)	15.53%	15.66%

\* During October 2017, the bank issued subordinated bonds in the amount of JD 25 million for a period of six year. The bonds were issued at the discounted interest rate to the Central Bank of Jordan in addition to 2% margin in order to improve the capital adequacy percentage.

Ordinary shares capital was calculated net of investments more than 10% in financial institution.

## (42) Assets and liabilities Maturity Analysis

The following table illustrates the analysis of assets and liabilities according to the expected period of their recoverability or settlement:

	Up to One Year	More than One Year	Total
	JD	JD	JD
<b>December 31, 2020</b>			
<b>Assets:</b>			
Cash and balances at central banks	180,982,135	10,635,000	191,617,135
Balances at banks and financial institutions	167,340,463	-	167,340,463
Deposits at banks and financial institutions	19,618,676	-	19,618,676
Direct credit facilities - net	395,184,613	974,449,219	1,369,633,832
Financial assets at fair value through other comprehensive income	-	25,744,834	25,744,834
Financial assets at amortized cost	753,739,841	63,453,255	817,193,096
Investments in associate	-	1,039,817	1,039,817
Properties, equipment and projects under construction - net	-	90,242,536	90,242,536
Intangible assets - net	-	10,810,030	10,810,030
Other assets	-	138,637,804	138,637,804
Deferred tax assets	-	9,462,975	9,462,975
<b>Total Assets</b>	<b>1,516,865,728</b>	<b>1,324,475,470</b>	<b>2,841,341,198</b>
<b>Liabilities:</b>			
Banks and financial institutions' deposits	143,818,778	-	143,818,778
Customers' deposits	1,720,326,853	184,066,721	1,904,393,574
Cash margins	65,927,845	142,201,142	208,128,987
Borrowed funds	26,871,761	160,509,473	187,381,234
Subordinated bonds	-	25,000,000	25,000,000
Sundry provisions	-	3,896,808	3,896,808
Provision for income tax	5,866,856	-	5,866,856
Other liabilities	-	45,180,842	45,180,842
<b>Total Liabilities</b>	<b>1,962,812,093</b>	<b>560,854,986</b>	<b>2,523,667,079</b>
<b>Net</b>	<b>(445,946,365)</b>	<b>763,620,484</b>	<b>317,674,119</b>

	Up to One Year	More than One Year	Total
	JD	JD	JD
<b>December 31, 2019</b>			
<b>Assets:</b>			
Cash and balances at central banks	201,689,788	10,635,000	212,324,788
Balances at banks and financial institutions	135,787,335	-	135,787,335
Deposits at banks and financial institutions	8,520,926	-	8,520,926
Direct credit facilities - net	413,947,828	955,789,755	1,369,737,583
Financial assets at fair value through other comprehensive income	-	25,014,042	25,014,042
Financial assets at amortized cost	651,178,531	103,715,442	754,893,973
Investments in associate	-	3,516,259	3,516,259
Properties, equipment and projects under construction - net	-	91,633,021	91,633,021
Intangible assets - net	-	13,502,104	13,502,104
Other assets	-	138,352,740	138,352,740
Deferred tax assets	-	9,540,754	9,540,754
<b>Total Assets</b>	<b>1,411,124,408</b>	<b>1,351,699,117</b>	<b>2,762,823,525</b>
<b>Liabilities:</b>			
Banks and financial institutions' deposits	150,146,290	-	150,146,290
Customers' deposits	1,665,167,564	198,852,812	1,864,020,376
Cash margins	60,251,582	151,532,017	211,783,599
Borrowed funds	27,185,147	117,824,579	145,009,726
Subordinated bonds	-	25,000,000	25,000,000
Sundry provisions	-	3,551,062	3,551,062
Provision for income tax	10,097,921	-	10,097,921
Other liabilities	-	45,404,684	45,404,684
<b>Total Liabilities</b>	<b>1,912,848,504</b>	<b>542,165,154</b>	<b>2,455,013,658</b>
<b>Net</b>	<b>(501,724,096)</b>	<b>809,533,963</b>	<b>307,809,867</b>

### (43) Accounts Managed on Behalf of Customers

The details of this item are as follows:

	31 December 2020	31 December 2019
	JD	JD
Accounts managed on behalf of customers*	10,227,695	9,481,913

\* This item represents accounts with no guaranteed capital managed on behalf of customers. These accounts do not appear within the assets and liabilities of the Bank in the consolidated statement of financial position.

### (44) Commitments and Contingent liabilities

The details of this item are as follows:

	31 December 2020	31 December 2019
	JD	JD
<b>Letter of credit:</b>		
Letter of credit-outgoing	57,262,633	60,127,006
Letter of credit-incoming	52,545,134	36,181,958
Acceptances	63,743,868	71,564,782
<b>Letter of guarantees:</b>		
-Payment	116,138,301	115,548,667
-Performance bonds	94,537,895	85,175,801
-Others	40,762,163	29,768,194
Unutilized direct credit facilities ceilings	203,456,000	161,950,853
	<b>628,445,994</b>	<b>560,317,261</b>

### (45) Lawsuits against the bank

Lawsuits raised against the Bank amounted to JD 2,814,990 as at 31 December 2020 (31 December 2019: JD 3,334,078). In the opinion of the Bank's management and the legal advisor, no further liabilities exceeding the provision of JD 528,205 is required as at 31 December 2020 (31 December 2019: JD 442,354).

Lawsuits raised by the bank against others amounted around JD 340 million, those lawsuits are still pending at the specialized court and they have no financial impact on the Bank.



## (46) Fair Value Measurement

### A- Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis:

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period, the following table gives information about how the fair value of these financial assets and financial liabilities are determined (valuation techniques & key inputs).

	Fair value		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs of fair value
	31 December 2020	31 December 2019				
	JD	JD				
<b>Financial Assets</b>						
Financial assets at fair value through Comprehensive income:						
Quoted shares	9,290,420	8,945,265	Level 1	Quoted shares	Not applicable	Not applicable
Mutual fund	-	-	Level 2	The fund managers evaluation of the fair value	Not applicable	Not applicable
Unquoted shares	16,454,414	16,068,777	Level 2	Through using the acceptable method and latest financial information available	Not applicable	Not applicable
	25,744,834	25,014,042				
<b>Total financial assets at fair value</b>	<b>25,744,834</b>	<b>25,014,042</b>				

There is no transfer between Level 1 and Level 2 during the year ended 31 December 2020 and the year ended 31 December 2019.

### B- Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis:

	31 December 2020		31 December 2019		Fair value Hierarchy
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
<b>Financial assets not calculated at fair value</b>					
Deposits at Central Banks	46,846,207	46,848,355	38,445,126	38,453,529	Level 2
Balances and deposits at banks and financial institutions	186,959,139	186,961,497	144,308,261	144,449,083	Level 2
Direct credit facilities at amortized cost	1,369,633,832	1,376,195,281	1,369,737,583	1,375,105,003	Level 2
Financial assets at amortized cost	817,193,096	828,338,788	754,893,973	765,907,664	Level 2
Seized assets against debts	91,749,387	106,631,006	89,610,670	104,223,556	Level 2
<b>Total financial assets not calculated at fair value</b>	<b>2,512,381,661</b>	<b>2,544,974,927</b>	<b>2,396,995,613</b>	<b>2,428,138,835</b>	
<b>Financial liabilities not calculated at fair value</b>					
Banks and financial institutions' deposits	143,818,778	144,175,555	150,146,290	150,803,420	Level 2
Customers' deposits	1,904,393,574	1,911,164,649	1,864,020,376	1,872,251,977	Level 2
Cash margin	208,128,987	208,134,599	211,783,599	211,819,587	Level 2
Borrowed funds	187,381,234	187,774,494	145,009,726	145,453,433	Level 2
<b>Total financial Liabilities not calculated at fair value</b>	<b>2,443,722,573</b>	<b>2,451,249,297</b>	<b>2,370,959,991</b>	<b>2,380,328,417</b>	

For the items listed above, the fair value of the financial assets and liabilities classified as level two has been determined in accordance with generally accepted pricing models that reflect the credit risk of counterparties.

## (47) Standards Issued But Not Yet Effective

**The new standards and interpretations that are issued but not yet effective, up to the date of issuance of the consolidated financial statements are disclosed below. The intends to adopt these standards, if applicable, when they become effective.**

### IFRS 17 Insurance Contracts

IFRS 17 provides a comprehensive model for insurance contracts covering the recognition and measurement and presentation and disclosure of insurance contracts and replaces IFRS 4 -Insurance Contracts. The standard applies to all types of insurance contracts (i.e. life, non-life, other direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The standard general model is supplemented by the variable fee approach and the premium allocation approach.

The new standard will be effective for annual periods beginning on or after 1 January 2023 with comparative figures required. Early application is permitted provided that the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

### Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement.
- The right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- And that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

### Reference to the Conceptual Framework - Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

The amendments are not expected to have a material impact on the Bank.

### Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Bank.

### Onerous Contracts – Costs of Fulfilling a Contract - Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities.

General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The amendments are not expected to have a material impact on the Bank.

IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities  
As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially 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 either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Bank.

### IBOR reform Phase 2

IBOR reform Phase 2, which will be effective on 1 January 2021, includes a number of reliefs and additional disclosures. The reliefs apply upon the transition of a financial instrument from an IBOR to a risk-free-rate (RFR).

Changes to the basis for determining contractual cash flows as a result of interest rate benchmark reform are required as a practical expedient to be treated as changes to a floating interest rate, provided that, for the financial instrument, the transition from the IBOR benchmark rate to RFR takes place on an economically equivalent basis.

IBOR reform Phase 2 provides temporary reliefs that allow the Bank's hedging relationships to continue upon the replacement of an existing interest rate benchmark with an RFR. The reliefs require the Bank to amend hedge designations and hedge documentation. This includes redefining the hedged risk to reference an RFR, redefining the description of the hedging instrument and / or the hedged item to reference the RFR and amending the method for assessing hedge effectiveness. Updates to the hedging documentation must be made by the end of the reporting period in which a replacement takes place. For the retrospective assessment of hedge effectiveness, the Bank may elect on a hedge by hedge basis to reset the cumulative fair value change to zero. The Bank may designate an interest rate as a non-contractually specified, hedged risk component of changes in the fair value or cash flows of a hedged item, provided the interest rate risk component is separately identifiable, e.g., it is an established benchmark that is widely used in the market to price loans and derivatives. For new RFRs that are not yet an established benchmark, relief is provided from this requirement provided the Bank reasonably expects the RFR to become separately identifiable within 24 months. For hedges of groups of items, the Bank is required to transfer to subgroups those instruments that reference RFRs. Any hedging relationships that prior to application of IBOR reform Phase 2, have been discontinued solely due to IBOR reform and meet the qualifying criteria for hedge accounting when IBOR reform Phase 2 is applied, must be reinstated upon initial application.

### IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments is not applicable to the Bank.

#### (48) Comparative figures

Some of the comparative figures in the consolidated financial statements for the year 2019 have been reclassified to be consistent with the year 2020 presentation, with no effect on profit and equity for the year 2.



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## ATTESTATION STATEMENT ON COMPLETENESS OF FINANCIAL INFORMATION

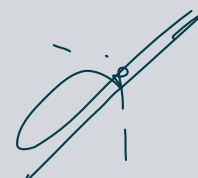
We, the undersigned, hereby attest to the accuracy and completeness of the financial statements and the financial information of this report as of 2020.



**Saad Nabil Mouasher**  
Chairman of the Board



**Moh'd Mousa Dawood**  
CEO / General Manager



**Dirar Haddadin**  
Chief Financial Officer

## ATTESTATION STATEMENTS

- The Board of Directors confirms, in accordance to their knowledge and belief that there are no significant issues that may affect the continued operations of the Bank during the financial year 2021.
- The Board of Directors confirms its responsibility for the preparation of the financial statements and for implementing an effective internal control system in line with international standards.
- The Board of Director's confirms that none of its members or those related to them received any benefits that were not disclosed, whether material or in kind, for the fiscal year 2020.



**Saad Nabil Mouasher**  
Chairman of the Board



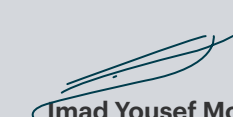
**Mahmoud Zuhdi Malhas**  
Vice Chairman



**Nadim Yousef Muasher**  
Board Member



**H.E. Mr. Wasef Y. N. Azar**  
Representing Jordan Investor  
Center / Board Member



**Imad Yousef Mouasher**  
Representing Mouasher  
Investment & Trading Co /  
Board Member



**Rafik Saleh Muasher**  
Representing Rajai Muasher &  
Brothers Co / Board Member



**Tarek Ziad Jallad**  
Board Member



**Eyad Abdelsalam Abumohammad**  
Representing Social Security  
Corporation / Board Member



**Ibtissam (M.S) I. El-Ayoubi**  
Board Member



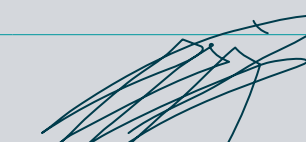
**Izzat Rashed Dajani**  
Board Member



**Alan Fouad Wanna**  
Representing Byblos Bank /  
Board Member



**Aladdin Riad Sami**  
Representing Zi And Ime Ltd /  
Board Member



**H.E. Dr. Tareq Mohammad  
Hammouri**  
Board Member



# Corporate Governance



Exclusive and secured financial services.

## Corporate Governance Guidelines

### Introduction

Corporate governance has become one of the most important requirements for companies and establishments in world economies. It is considered an important factor that reinforces the success of economic and organizational reforms currently undertaken in the context of globalization and open economies. It is considered tool for administrative and managerial reform. It emphasizes principles of fairness, transparency, and disclosure, accountability and control. In addition it clearly specifies responsibilities and defines relationships between all stakeholders in order to achieve the Bank's vision and objectives. Accordingly, corporate governance is used as a platform for the development of institutional performance. On one hand, it reinforces overall trust in the Bank as it safeguards depositors' and shareholders' savings. On the other hand, it enables the Bank to effectively contribute to the development of the banking sector; which is considered one of the main pillars for sustainable economic and social development.

The Organization of Economic Cooperation and Development ("OECD") defines corporate governance as a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set. Additionally, it determines the means of monitoring performance and attaining those objectives. Good corporate governance should provide proper incentives for the Board and management to pursue objectives that are in the interests of the company and shareholders and should facilitate effective monitoring, all of which encourages firms to use resources more efficiently. Therefore, effective corporate governance is considered the basis for institutional success. It provides appropriate tools and practices for the Board of Directors and the Senior to achieve corporate strategic objectives and creates an environment of effective control. Therefore, it is an essential element required to win the trust of all stakeholders. Jordan Ahli Bank's Board of Directors decided to adopt the Corporate Governance Guide (hereinafter referred to as "the Guide"). The Guide was prepared according to the corporate governance guidelines issued by the Central Bank of Jordan, the Banking Law and its amendments and international best practices as detailed in the Basel Committee recommendations on corporate governance. The Guide also implements the requirements of the regulatory authorities in other countries that host the Bank's branches. Moreover, the Board committed to

implement the Guide in accordance with Jordanian banking sector norms and the legislative and legal framework governing the Bank.

With the Guide in place, the Bank aims to offer all stakeholders with the highest levels of fairness and transparency, with accurate disclosure with regards to the Bank's administrative and financial standing. Through the implementation of clear separation of responsibilities and authority delegation the Guide also emphasizes the principles of accountability between the Senior and the Board of Directors, as well as between the Board of Directors on one hand and shareholders and stakeholders on the other.

#### Legal Framework and Guide Sources

The Guide was prepared in accordance with the following laws and regulations:

- Banking Law no. 28 of 2000 and its amendments.
- Companies Law no. 22 of 1997 and its amendments.
- Securities Law no. 18 for the year 2017.
- Regulations Amending the Institutional Corporate Governance Guidelines for Banks. (63/2016) dates 1/9/2016 issued by the Central Bank of Jordan.
- Basel Committee regulations on the topic.
- Corporate Governance Regulations for Publicly listed entities for the year 2017.

Approved by the Board of Directors at its 11<sup>th</sup> meeting held on 6/12/2019.

### Definitions

Central Bank	Central Bank of Jordan.
The Bank	Jordan Ahli Bank.
The Board	Board of Directors of Jordan Ahli Bank.
Corporate Governance	The system of rules by which the Bank is directed and controlled and which identifies the Bank's corporate objectives and the framework for attaining them, the safe operation of the Bank's business, securing the interests of depositors, shareholders and other stakeholders, and compliance with the Bank's bylaws and internal policies.
Suitability	The fulfillment of certain requirements and criteria by the members of the Board and Executive Management.
Independent Member	A Board member who is a non main shareholder who is not controlled by any of them and not subject to any influences that might limit his/her ability to make objective decisions in the Bank's interests. An independent member must fulfil the conditions mentioned in Article 6/D of the Corporate Governance instructions issued by the Central Bank of Jordan.
Executive Member	Member of the Board, who in turn participates in the daily management of the operations of the Bank.
Senior Executive Management	The Senior Executive Management comprises the General Manager, Deputy General Manager, Assistant General Manager, Financial Manager, Operations Manager, Risk Manager, Internal Audit Manager, Treasury (Investment) Manager and Compliance Manager, in addition to any employee who has executive authority parallel to any authority of the above-mentioned and is directly functionally associated with the General Manager.
Subsidiary	A company where at least 50% of its share capital is owned by one person or by multiple persons with joint interests, or where such person (or persons) have an influential stake that allows for control of its management of general policy.
Affiliate Companies	Are companies in which the Bank practices effective influence on the financial and operational policies (without the Bank controlling it) and where the Bank holds between 20% to 50% of voting rights.
Related Party	A person is considered related to the Bank if either of them has directly or indirectly a Controlling Interest in the other, (the Bank's Subsidiaries are considered Related Parties), or if that person has a managerial position at the Bank or has joint interest with one of the managers, or if the person was a spouse of one of the managers, or is related up to the third degree to the manager or his/her spouse or has a joint interest with any of the above-mentioned.
Affiliate	A person controlling, controlled by, or under common control with another person.

Concerned Party	Two or more people who form one banking risk due to the control of one person on the other, due to a mutual exchange of guarantees, due to the fact that the payment of their loans comes from the same source, due to taking loans for the same project, or due to other similar cases. The parties concerned are considered as one person.
Control	The ability to effectively influence the work or decisions of another person directly or indirectly.
Controlling Interest	The control of not less than 10% in the share capital of a legal person.
Major Shareholder	The person who directly or indirectly holds 5% or more in share capital of the bank.
Stakeholders	Any party that has interest or concern in the Bank, such as depositors, shareholders, employees, debtors, customers or competent regulatory authorities.
Conflict of Interest	Any relationship that exists between any of the Board Members or the Bank's employees or the clients or suppliers or competitors that limits their ability to fully perform their duties and responsibilities objectively and the end result of this relationship is to achieve personal benefit, either morally or financial, on the account of the Bank.
External Auditor	All the auditors (natural persons) grouped under the name of an auditing firm, which audits the Bank's accounts, and are registered in the list issued by the Central Bank annually.
Auditing Team	All team members who conduct the audit under the supervision of the External Auditor and does not included members of the additional services team for services which fall outside the auditing services.
Internal Capital Adequacy Assessment Process (ICAAP)	A future operation to evaluate the capital adequacy for all the risk elements the Bank might face whether expected or unexpected. The risk elements include the first risk pillar (credit, market, operational), the second risk pillar (liquidity, interest in the Bank's portfolio, credit concentrations, strategies, reputation and business cycle) and the specific risk elements (Corporate Governance, Board of Directors, Senior, risk, internal audit and internal controls).
Stress Tests	A group of hypothetical scenarios that cover all types of risks (credit, market, operational, concentrations, liquidity) designed to evaluate the Bank's ability to continue under normal conditions and stressful situations by assessing the extent of unexpected losses and its impact on the profit and loss, the Bank's financial status and strategic and contingency plans.
Acceptable Risk Document	It is the document that specifies the acceptable levels of risks the Bank might face.
Compliance Risks	Risks of legal or regulatory penalties, financial risks, or risks to the Bank's reputation that result from non-compliance with laws, regulations, instructions, orders, codes of conduct, standards, and proper banking practices.

## Chapter 1: Corporate Governance Stakeholders

### 1. Shareholders:

With the aim of enhancing institutional corporate governance the Board has adopted considerable measures to protect shareholders' rights and to ensure their equitable treatment according to the following criteria:

- The Bank shall disclose and provide material information on its activities to all Stakeholders through its website, annual report as well as its investor relations section.
- The Bank shall encourage shareholders to participate in the Annual General Assembly by clarifying their rights, and publishing documents concerning the meetings, including the full text of invitations and the minutes of meetings on the Bank's website.
- Separate voting shall be taken into consideration on every issue raised during the General Assembly's annual meeting.
- The Board shall limit the influence of shareholders with Controlling Interests.
- The Board shall put in place adequate procedures to ensure a clear separation between the authorities of shareholders with Controlling Interests on one side and the Senior on the other side, whereby none of the shareholders with Controlling Interests will hold a position in the bank's Senior Executive Management.
- The Bank shall separate between the Chairman of the Board and the General Manager position, while ensuring that there is no family relationship between the Chairman, any of the Board Members or a Major Shareholders with the General Manager below third degree.
- The Bank shall develop a system to evaluate the performance of the Board and its members, whereby it facilitates continuous communications between the Board and shareholders.

### 2. Board Members:

Board members are any member of Jordan Ahli Bank's Board of Directors, whether in their personal capacity or as representatives of corporate bodies. They have the responsibility for managing the Bank on behalf of the shareholders. Their responsibilities and tasks shall be subject to the relevant rules, regulations and internal policies governing the Bank.

### 3. Bank Employees:

All Bank employees have responsibility to apply executive measures and internal control procedures as part of their respective responsibilities in achieving the goals of the Bank. All employees should possess the necessary knowledge, skills, information and authority to perform their duties. This requires that employees have a complete understating of the operations of the Bank, the industry, the market and pertinent risks.

### 4. Customers and external parties:

The various parties having contractual relationships with the Bank, such as customers, suppliers and creditors. The relationship between them and the Bank is governed by a set of approved policies and procedures.



## Chapter 2: Board of Directors

### 1. Composition of the Board:

The composition of the Board shall comply with the following:

- The Board shall comprise of no less than eleven members elected by the Bank's General Assembly.
- The Bank shall ensure that none of the Board members is an Executive Member.
- The Board shall have a minimum of four Independent Members.
- An Independent Member is a Board member who is not subject to any influence that might limit his/her ability to make objective decisions in the Bank's interests. An independent member must fulfil the conditions listed under Article (6/D) of the Corporate Governance instructions issued by the Central Bank of Jordan, namely:

Has not been an Executive Member of the Board during the three years preceding the date of his/her candidacy for membership of the Board of Directors.

- Has not been employed by the Bank or any of its subsidiaries in the three years prior to his/her election.

- Is not a relative (up to the second degree) of any of the other members of the Board or any board member of the Subsidiaries of the Bank or a relative of any of the Bank's Major Shareholders.

- Is not a relative of any of the Senior Executive Management members of the Bank or any of the Senior Executive Management members of the Subsidiaries of the Bank up to the second degree.

- Is not a partner or employee of the external Auditor of the Bank, or has been a partner or employee during the past three years preceding the date of his/her election as member of the Board and is not a relative (up to the first degree) with the partner responsible for the audit.

- Is not a Major Shareholder in the Bank or a representative or Affiliate of a Major Shareholder in the Bank, nor should his/her shareholding constitute, along with his/her Affiliate, a Major Shareholding, and is not a Major Shareholder of one of the Bank's Subsidiaries or in the group owning the Bank.

- Has not been a member of the Board of Directors of the Bank or any of its subsidiaries for more than eight consecutive years.

- Has not obtained, personally or through any other company in which he is a board member or owner or a major shareholder, credit facilities from the Bank exceeding 5% of the Bank's share capital, nor is a guarantor of a facility which amount exceeds the percentage.

- Has adequate knowledge and experience in the financial and banking sectors.

- The Board is elected by secret ballot of the General Assembly according to the provisions of the Companies Law. It shall perform the tasks and responsibilities of managing the Bank's affairs for four years starting from the date of its election.

- An Independent Member shall lose his/her independent status after eight years of being appointed as an independent member.

- The Bank shall develop a system to evaluate the performance of the Board and its members, whereby it facilitates continuous communications between the Board and shareholders and neither the Chairman nor any of the Board members, or Major Shareholders may be related, up to the third degree, to the General Manager.

### 2. Meetings of the Board of Directors:

- Members of the Board shall attend Board meetings in person. In the event a member is unable to attend in person, a member may provide this opinion in the meeting through video or telephone conference; after receiving approval from the Chairman to do so, provided that the Chairman and the Board Secretary ratifies the minutes of meeting and its quorum.

- Minutes of Board meetings are noted accurately and fully including any reservations from any member. The Bank must keep all of these records appropriately.

- The Senior Executive Management shall provide sufficient and accurate information and related documents to Board members regarding the items on the meeting agenda, and must do so promptly and prior to the meeting. The Chairman shall confirm that the process is complete.

- It is possible for members of the Boards sub-committees to vote on committee meetings which have been fully attended by video or telephone conference, due to inability to attend in person for reasons approved by the Board, and

to also sign minutes of those meetings provided that the following conditions are met: 1) That is properly documented, 2) the total number of those attending in persons is not less than 2/3 of the members of the committee and 3) that the in-person attendance rate of the member to committee meetings is not less than 50%.

### 3. Responsibilities and Duties of the Board of Directors:

The Board of Directors shall have the following duties and responsibilities:

- Specify the strategic objectives of the Bank, instruct the Executive Management to set a strategy for achieving these objectives and approve the strategy and relevant work plans.

- Set the Bank's institutional values, and clear plans for responsibility and accountability regarding the Bank's activities; and incorporate a culture of compliance with ethical standards, integrity and professional conduct among managers, while also reflecting these standards in the Bank's code of conduct.

- Adopt strategies, policies, and organizational structures for the Bank and its Affiliates clarifying reporting lines, including those of the Board committees and Senior. Comply with instructions issued by central banks or the regulatory authorities in the countries where the Affiliates operate, and inform these authorities of the relationships and links between the Bank and its Affiliates, and of the adequacy of corporate governance within the group. Adopt a guide for corporate governance at the level of the group in line with instructions issued in this regard in the country of the mother company (Jordan) and in the countries where the Affiliates operate. In the event of any conflict arising between the two, the bank shall refer to the Central Bank to resolve the issue.

- Adopt the appropriate policies and procedures necessary to monitor and control the Bank's performance.

- Oversee and monitor the Senior and its performance, ensure the financial soundness and solvency of the Bank; ensure the availability of appropriate policies, plans and procedures that comprehensively cover the Bank's activities in line with relevant legislation; and ensure their circulation to all administrative levels and maintain continuous review.

- Adopt a policy to monitor and review the Senior by setting KPIs to determine, measure, and monitor performance and progress toward key objectives.

- Bear the ultimate responsibility for the bank's Business including its financial standing, and its compliance with the requirements of the Central Bank and other regulatory authorities.

Ultimately, the Board shall also be responsible for safeguarding the interests of the stakeholders, ensuring that the Bank is being operated in accordance with its bylaws and internal policies. This supervision and control of the activities of the Bank, including those that are outsourced, should be continually and effectively maintained.

- Adopt adequate procedures to ensure clear separation of powers between Controlling Shareholders and the Senior in order to reinforce sound corporate governance. The Board shall also maintain proper mechanisms to limit the influence of Controlling Shareholders, which shall include but are not limited to:

- No Controlling Shareholder may hold any position in the Senior Executive Management.

- The Senior Executive Management's authority comes from the Board alone and it can only work within the framework of the assignment given to it by the Board.

- Allow direct communication between the members of the Board of Directors and its committees with the Senior Executive Management and the Secretary of the Board and facilitate the performance of their duties including seeking the assistance, at the expense of the Bank and upon its approval, of third parties.

- Ensure that the acts of the members of the Board do not influence the decisions of the Senior Executive Management apart from through deliberations held during the meetings of the Board or its committees.

- Be informed of and stay up to date with legislation and principles related to the banking sector and the Bank's operational environment, stay abreast of external developments related to the bank's work, including appointment requirements for the Bank's Senior Executive Management.

- Approve and annually review the internal control systems of the Bank and ensure that the internal and external auditors review those systems once a year at least.

- Take the necessary measures to remedy weaknesses in the internal control systems or any other issues raised by the external auditor.

- Ensure the availability of sufficient and reliable MIS systems that cover all of the Bank's activities.

- Determine the banking operations which require the approval of the Board of Directors, subject always to limiting the scope of operations requiring the Board's approval in order not to prejudice the supervisory role of the Board, and subject also to not granting the Board any executive authorities including not delegating any authorities relating to the granting of credit to a single Board member including the Chairman.

- Ensure that the Bank's credit policy, in addition to being comprehensive, includes a corporate



governance evaluation system for its corporate clients. Particularly, the public shareholding companies whereby the risk is evaluated by assessing points of weakness and strength according to their implementation of sound corporate governance practices.

- Ensure that the Bank adopts social initiatives in the field of environment, health and education; and provide financing for SMEs with suitable terms and prices.

- Appoint the Secretary of the Board, and define his/her responsibilities and duties.

- Appoint the General Manager, the Audit Director, the Risk Director, and the Compliance Director; and accept their resignation or termination of services based on recommendations from the concerned committee. Obtain a no objection certificate from the Central Bank for the resignation or termination of services.

- Guarantee and reinforce the independence of internal auditors, and grant them an appropriate position in the Bank's organizational structure. Provide these internal auditors with support, and guarantee that they are empowered to perform their duties, including ensuring their right to access all records, information and communications regarding any Bank employee, so they can perform their duties and draft their reports without any external intervention.

- Adopt and circulate the Internal Audit Charter, which shall include the duties, authorities and responsibilities of the Audit Department.

- Guarantee the independence of external auditors at the beginning of their work and throughout.

- Guarantee the independence of the Risk Department at the Bank by having the department send its reports to the Risk and Compliance Committee. Grant the department all needed authorities and powers to facilitate its acquisition of all information from the Bank's various departments and ensuring cooperation by other committees to carry on its tasks.

- Adopt and monitor the execution of a risk management strategy, which includes acceptable risk levels, guarantees that the Bank is not exposed to high risks, and oversight of the Bank's operational environment and relevant risk. Guarantee the availability of the necessary tools and infrastructure for risk management to enable the Bank to determine, measure, control, avoid, and monitor all types of risks the bank may be exposed to.

- Guarantee that the Risk Department regularly conducts stress tests to measure the Bank's ability to tolerate shocks and face high risks. The Board plays a key role in adopting the assumptions and scenarios used, discussing the tests' results, and approving the measures to be taken based on these results.

- Adopt an internal evaluation methodology to assess the adequacy of the Bank's capital. This method must be comprehensive, effective and capable of identifying all the risks the Bank may face. It must take into consideration the Bank's strategic plan and capital plan. The method shall be regularly reviewed and compliance thereto monitored, and the Bank's capital must be maintained at a suitable level to face all possible risks.

- Before approving the expansion of any of the Bank's activities, take into consideration the risks involved, and the abilities and qualifications of the Risk Department's employees.

- Adopt a policy to guarantee the Bank's compliance with all relevant legislation, regularly review it, and ensure its implementation.

- Adopt the duties and responsibilities of the Compliance Department.

- Guarantee the independence of the Compliance Department, and continuously ensure that it is staffed with sufficient and trained personnel.

#### The Board's Orientation Program:

The Board of Directors offers its new members the opportunity to attend its Orientation Program organized through the Board's Secretary to help continuously develop their skills and knowledge, each according to his/her background in the banking sector. The program covers the following subjects:

- The Bank's organizational structure, corporate governance, and code of conduct.

- The Bank's corporate objectives and plans, the strategies, and its policies.

- The Bank's financial standing.

- The Bank's risk structure and its risk management framework.

- Information on the Bank's activities as compared with other local banks.

#### 4. Chairman of the Board:

In addition to supervisory tasks mentioned under Article (3) above, the Chairman of the Board of Directors shall have the following duties:

- Encourage a positive and constructive relationship between the Board of Directors and the Senior Executive Management.

- Promote critical discussions of issues deliberated by the Board, ensure different views are expressed and discussed during the decision-making process, and that votes are cast.

- Ensure that Board members are provided with and sign the minutes of previous meetings, and

ensure the timely provision of Board meeting agendas and relevant documents, provided that the said agendas contain sufficient detail about the items that will be discussed. The Secretary of the Board shall be responsible for providing the Board members with the documents.

- Ensure the availability of a charter that sets out the Board of Directors' mandate and scope of work.

- Encourage thorough discussions of strategic and critical issues during Board meetings.

- Provide each Board member, upon his/her election, with the laws and regulations that govern the Banks' activities as well as the instructions of the Central Bank of Jordan, including this Guide and a manual outlining rights, responsibilities and duties of the member and the responsibilities and duties of the Secretary of the Board.

- Provide each member with a comprehensive summary of the Bank's activities upon his/her election or request.

- Discuss, with each new member and in cooperation with the Bank's legal counsel, the duties and responsibilities of the Board, in particular: issues pertaining to legal and regulatory requirements, the term of Board membership, the dates of meetings, responsibilities and duties of Board committees, remuneration amounts, and the possibility of obtaining independent technical and specialized advice when necessary.

- Accommodate the Board members' needs for continuous improvement and learning, and give new Board members the opportunity to participate in the Orientation Program, taking into consideration his/her banking background. The program covers the Bank's organizational structure, corporate governance and code of conduct, corporate objectives and the Bank's strategic plan and approved policies, in addition to the financial position of the Bank as well as the Bank's risk structure and risk management framework.

- Inform the Central Bank of Jordan of any material information that might negatively affect the suitability of any of its Board members.

#### 5. Regulating the Board's Operations:

- The Board shall meet at least 6 times per year.

- The Chairman is entitled to call for a meeting in the case of any developments.

- The Secretary of the Board shall provide all Board members with the meeting agenda, at least a week prior to date of the meeting, ensuring that the agenda includes all relevant information on the topics to be discussed during the meeting and provides an update on the progress on the decisions taken in previous meetings.

- Board members must attend the meetings in person. In the event a member is unable to attend in person, a member may provide his opinion in the meeting through video or telephone conference; after receiving approval from the Chairman to do so, provided that the Chairman and the Board Secretary ratifies the minutes of meeting and its quorum.

- The Secretary of the Board shall fully and accurately monitor the deliberations and proceedings of the meetings of the Board and its committees along with any reservation that may be voiced by any member. The Secretary shall also note down all deliberations, suggestions, objections, and results of voting on Board resolutions.

- Such records, minutes and decisions shall be duly and properly kept by the Secretary of the Board.

- The Chairman shall ensure that the Senior Executive Management provides all Board members with adequate and accurate information prior to Board meetings.

- If a member is unable to attend, the votes of present members shall be counted.

- The Chairman must attend the meetings and is entitled to delegate to any other Board member the responsibility the meeting in case he was unable to attend.

#### 6. Limits of the Board's Responsibilities and Accountability:

- The Board shall have clear limitations on for responsibility and accountability, to which it commits to and ensures all the Bank's executive team commit to as well.

- The Board shall ensure that the organizational structure clearly demarcates responsibilities and authorities, and at least includes the following regulatory levels:

- The Board and its committees.

- Separate administrations for risk, compliance, and auditing that don't practice daily executive tasks.

- Units/employees that don't participate in the Bank's daily operations (such as credit review and middle office employees).

- The Board shall ensure that the Senior Executive Management fulfils its responsibilities regarding the Bank's daily operations, contributes to implementing corporate governance, assigns powers to employees, builds an effective administrative structure that reinforces accountability, and executes tasks across the Bank's various fields of activity in line with the policies and procedures adopted by the Board.

- The Board shall adopt appropriate regulatory controls that enable it to hold the Senior Executive Management accountable.
- The positions of Chairman of the Board and General Manager should not overlap. The Chairman of the Board, Board members, or Major Shareholders cannot be related to the General Manager below the third degree.

## 7. Secretary of the Board:

In addition to acting as a liaison between the Board of Directors and the Senior Executive Management, the Secretary of the Board shall be responsible for the following:

- Attending all meetings of the Board and recording all deliberations, suggestions, objections, and results of voting on Board resolutions.
- Ensure that all Board members sign the minutes of the meetings and Board resolutions.
- Monitor the implementation of Board resolutions, and follow-up on topics postponed from previous meetings.
- Keep records and documents of Board meetings.

Take all necessary measures and ensure that the draft resolutions intended to be issued by the Board are consistent with the applicable rules and regulations.

- Prepare for General Assembly meetings and coordinate with the Board's committees in this regard.
- Submit suitability attestations signed by each of the Board members to the Central Bank.
- Providing direct contact for Board Members and its committees with the executive management and the secretary of the board and facilitating the tasks entrusted to them, including the use of external sources when necessary at the expense of the bank subject to the Board approval, with an emphasis on the fact that none of the board members influence the decisions of the executive management except through the deliberations that take place in the meetings of the Board or its committees.

## 8. General Manager/CEO:

In addition to the duties mentioned under applicable legislation, the General Manager shall:

- Develop the Bank's strategic direction.
- Implement the Bank's strategies and policies.
- Implement the Board's decisions.
- Provide guidance for the implementation of short and long-term work plans.
- Convey the Bank's message and strategy to employees.
- Inform the Board of all important aspects of the Bank's operations.
- Manage the Bank's daily operations.

## Chapter 3: Committees Emanating from the Board

In order to organize the Board's workflow and increase its efficiency and competence, the Board has formed different committees delegated with certain powers and responsibilities in line with the regulations of the Central Bank of Jordan regarding corporate governance and the Bank's strategies and objectives. Nevertheless, the presence of these committees does not relieve the Board of Directors from its direct responsibilities towards the Bank. The following points are taken into account when forming these committees:

- The Board committees must have an odd number of members for voting purposes.
- Each committee emanating from the Board of Directors must have no less than three members appointed by the Board based on a recommendation from the Nominations and Remuneration Committee, including the committee's chairman, unless otherwise mentioned in the committee's charter.
- A charter is drafted for each committee and approved by the Board. It specifies each committee's duties, responsibilities and powers and indicates the nature of the committee (permanent or temporary).
- Every member must show credibility, integrity, competence, necessary experience, dedication, commitment and devotion for the Bank.
- Every member should have the knowledge, experience and qualifications that will assist him/her in taking suitable decisions independently and objectively.
- The committees emanating from the Board meet on a regular basis according to the charter approved by the Board.
- The Bank shall disclose the names of the different committee members as well as the duties and responsibilities of each in the Bank's annual report.
- The committees periodically submit their reports, recommendations and results to the Board.
- No Board member may head more than one of the following committees: Corporate Governance Committee, Audit Committee, Nominations and Remuneration Committee, Risk and Compliance Committee. No Board member may head more than two committees emanating from the Board. The committee are:
  - Corporate Governance Committee.
  - Audit Committee.
  - Nominations and Remuneration Committee.
  - Risk and Compliance Committee.
  - Senior Facilities Committee.
  - Strategy and IT Committee.

### 1. Corporate Governance Committee:

The Corporate Governance Committee comprises three members from the Board of Directors, of whom two members are Independent, including the Chairman of the Board.

The Head of the Committee may also summon any employee from the Senior Executive Management to attend the meetings (without the right to vote). The Committee shall have the following duties:

- To operate according to a charter adopted by the Board of Directors to set its tasks, authority, and responsibilities.
- Provide guidance and supervision in preparing the Corporate Governance Guide.
- Monitor the implementation of the Corporate Governance Guide and report to the Board of Directors on the extent of compliance with the Guide.
- Promote and emphasize the concepts of Corporate Governance in the Bank.
- Recommend the Corporate Governance Guide for the Board to approve.
- Review, amend and update the Corporate Governance Guide on a yearly basis or as and when needed in accordance with the Central Bank of Jordan's instructions and in line with the requirements and policies of the bank.
- Ensure that the Guide is published on the Bank's website for the public to view.
- Ensure the availability of a Code of Conduct that sets the Bank's corporate values, demarcates responsibility and accountability, and reinforces ethical behavior, integrity, and professional conduct for the Bank's directors.

### 2. Audit Committee:

The Audit Committee is comprised from at least two Board members and a Chairperson with the majority of members, provided that the chairperson and at least one other member are independent members and that the committee chair is not the Chairman of the board or the Chairman of any other Committee emanating from the board.

- To operate according to a charter adopted by the Board of Directors to set its tasks, authority, and responsibilities. The Audit Committee meets periodically every three months as a minimum and submits its reports to the Board of Directors provided that the number of its meetings is not less than four times a year, and that the minutes of these meetings are duly written.



- The Audit Committee's members should have professional financial or accounting qualifications and practical experience in the fields of accounting, finance or any other specializations in similar areas that are relevant to the Bank's business.

- Provided that such authority is granted to the Audit Committee in its charter, the committee may obtain any information from the Senior Executive Management, and summon any executive or director to attend its meetings.

- The committee shall submit recommendations to the Board regarding the external Auditor's appointment/termination of appointment, remuneration, and other terms of engagement; taking into account any non-audit services that he have performed, in addition to assessing the independence of the external Auditor.

- The Audit Committee shall meet, at least once a year, with the presence of the bank's external auditor, internal auditor and compliance officer, without the presence of the Senior Executive Management.

- The Committee must monitor and reviews the procedures that enable an employee to report any error in financial reports or any other matters confidentially. The committee must ensure also the availability of the necessary independent investigative arrangement and that findings are addressed in an objective manner.

- The activities of any other committee may not overlap with those of the Audit Committee.

- The Committee exercises its role in accordance with the Bank Laws the Corporate Governance Guide and other relevant laws and regulations to include the following at least:

- The scope, results and adequacy of the Bank's internal and external audits.

- Accounting issues that have a material impact on the Bank's financial statements.

- The Bank's internal controls.

- Ensure the availability of sufficient resources and qualified cadres for managing and training the Internal Audit Department.

- Rotate internal Auditors to audit all the Bank's activities every three years at a minimum.

- Ensure that internal Auditors do not perform any executive duties.

- Make sure that all the Bank's activities are subject to audit, including outsourced activities.

- The committee has direct supervision over the Internal Audit Department, which reports directly to the Head of the Audit Committee.

- Evaluate the performance of the Internal Audit Department manager and employees and determine their remuneration.

- Ensure that the Internal Audit Department is capable of carrying out the following tasks at least:

- Ensure the availability of adequate internal controls at the Bank and its Subsidiaries and that such controls are being adhered to.

- Ensure compliance with the Bank's internal policies and to relevant laws and regulations.

- Ensure adherence to the Corporate Governance Guide.

- The Committee performs under the supervision of the Board of Directors and submits its reports, recommendations and findings to the Board of Directors.

### 3. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee shall be comprised of three Board members, two of whom at least shall be Independent including the Head of the Committee. The Committee's duties are as follows:

- To operate according to a charter adopted by the Board of Directors that sets its tasks, authority, and responsibilities.

- Recommend qualified candidates for the membership of the Board of Directors, taking into consideration the candidates' qualifications and skills. In case of re-nomination, the regular attendance of such candidate of Board meetings and active participation in the meetings shall be taken into consideration.

- Recommend to the Board qualified candidates for appointment to Senior Executive Management jobs.

- Ensure that Board Members attend workshops or seminars related to banking topics with particular emphasis on risk management, corporate governance and other topics covering the latest developments in the banking industry.

- Define and annually review the criteria applicable to Independent Members, taking into account the definition of an Independent Member under Article (6/D) of the Corporate Governance instructions issued by the Central Bank of Jordan no. (63/2016), which is referred to throughout this Guide.

- Follow specific standards to evaluate the performance of the Board and the Chief Executive Officer objectively.

- Provide, upon request, background information and summaries to the members of the Board regarding certain significant matters relating to the Bank, and ensure that members remain informed with regards to material developments in the banking industry.

- Ensure that a Performance Incentives Policy is in place and that the policy is being implemented and periodically reviewed. The Committee shall also recommend the compensation and benefit plan for the Chief Executive Officer and other senior executive managers.

- Ensure that every Board and Senior Executive Management member possesses credibility, integrity, competency, necessary experience, commitment and devotion for the Bank.

- Put in place a framework to evaluate the performance of the Board as a whole and each of

its committees and members and to inform the Central Bank of the results of this evaluations.

- Put in place a framework to annually evaluate the performance of the General Manager and putting in place KPIs that address administrative and financial metrics, as well as an evaluation of the achievement to medium and long-term goals and strategies.

- Provide a summary of the Bank rewards plan and to disclose all rewards, of any kind, granted to each Member of the Board and to the Senior Executive Management during the past year.

- Put in place an evaluation framework for Senior Executive Management, other than Board Members and the General Manager, that gives proper weighting to commitment to the risk related matters, the implementation of internal control, and regulatory requirements so that profit and loss is not the only element that is considered for measuring performance with consideration of the risk surrounding the core functions of the Bank as well as customer satisfaction and also taking into account conflicts of interest and undue influence.

- Putting in place a policy to ensure the adequacy of members of the Board which would include the minimum level of requirements and conditions that need to be met for a person to be considered for membership in the Board and putting in place the mechanism necessary to ensure that all members are, and continue to be, compliant with such requirements.

- Putting in place a policy to ensure the adequacy of members of the Senior Executive Management which would include the minimum level of requirements and conditions that need to be met for a person to be considered for a role in the Senior Executive Management and putting in place the mechanism necessary to ensure that all members are, and continue to be, compliant with such requirements.

- Ensuring there is a contingency plan in place for Senior Executive Management.

### 4. Risk and Compliance Committee:

The Risk and Compliance Committee comprises of three members, one of whom shall be an Independent Member. Members of the Senior Executive Management are permitted to participate. The Committee shall have the following duties:

- To operate according to a charter adopted by the Board of Directors to set its tasks, authority, and responsibilities.

- Review the Bank's risk management framework.

- Review the Bank's risk management strategy prior to being approved by the Board and to evaluate its effectiveness and to continuously monitor it is up-to-date with latest developments.

- Ensure automated systems are in place that assist in the monitoring and measuring of risk.

- Overseeing the development of the necessary data base for the risk management group.

- Ongoing monitoring of risk factors that might affect the risk profile of the bank and submitting regular reports to the Board.

- Identify any variance between the actual risk exposure of the Bank and acceptable risk levels approved by the Board and to address any additional exposure beyond acceptable levels and to hold the Senior Executive Team accountable for such discrepancies.

- Approving the expansion of Bank activities taking into account associated risk and the capabilities and capacity of the Bank risk management team.

- Ensure that the risk department is conducting Stress Tests on a regular basis to measure the capability of the Bank to withstand shocks and high-risk situations.

- Review reports generated by the risk department and adopting recommendations and putting in place remedial measures to limit exposure due to any breaches which may expose the bank to legal liability, material financial loss or loss of reputation taking into account unpredictable or exceptional risk not addressed the in the risk policy.

- Creating a suitable environment that predicts material risk and flags any activities of the Bank which may expose the Bank to levels of unacceptable risk and raising the necessary reports to the Board and to follow up on and remedy such matters.

- To make recommendations to the Board to adopt a risk policy that is consistent with the strategic direction of the Bank.

- Ensure that members of the Board and Senior Executive Management enjoy the highest levels of credibility, integrity, qualification, experience, ability and time commitment and dedication necessary for the Bank.

- Preparing evaluation forms for the Board, its subcommittees and members and informing the Central Bank of the results of this evaluation.

- Preparing an annual evaluation system for the General Manager and putting in place KPI that evaluate the financial and administrative performance of the Bank and the degree of implementation of the Bank's medium and long-term strategies and plans and information the Central Bank of the results of this evaluation.

- Preparing a summary of the bonus and rewards policy at the Bank and disclosing all types of rewards granted to each member of the Board and to members of the Senior Executive Management for the past year.

- Put in place an evaluation framework for executives at the Bank, other than Board Members and the General Manager, that gives proper weighting to commitment to the risk related matters, the implementation of internal control, and regulatory requirements so that profit and loss is not the only element that is considered for measuring performance with consideration of the risk surrounding the core functions of the Bank as well as customer satisfaction and also taking into account conflicts of interest and undue influence.

- Putting in place a policy to ensure the adequacy of members of the Board which would include the minimum level of requirements and conditions that need to be met for a person to be considered for membership in the Board and putting in place the mechanism necessary to ensure that all members are, and continue to be, compliant with such requirements.
- Putting in place a policy to ensure the adequacy of members of the Senior Executive Management which would include the minimum level of requirements and conditions that need to be met for a person to be considered for a role in the Senior Executive Management and putting in place the mechanism necessary to ensure that all members are, and continue to be, compliant with such requirements.
- Ensuring there is a contingency plan in place for Senior Executive Management.

## 5. Board Credit Committee:

The Board Credit Committee is comprised of at least five members of the Board of Directors. One of its members must be an Independent Member provided he is not a member of the Audit Committee.

- To operate according to a charter adopted by the Board of Directors to set its tasks, authority, and responsibilities.
- The Committee has the right to obtain any information from the Senior Executive Management and has the right to summon any executive to attend any of its meetings as stipulated in its charter.
- Limits are set for the authority the Board Credit Committee in terms of granting, amending, renewing, or setting the structure of credit facilities so that the Board of Directors has a clear understanding of prerogatives in this regard.
- The Committee's powers are limited to making suitable decisions concerning the facilities recommended by the Executive Management Committee for approval.
- Quorum at the Committee's meeting shall require the presence of at least four members. Decisions are made with the approval of the majority of members regardless of the number of those present.
- The Committee regularly reports to the Board about details of the facilities it approved.
- Committee members must attend meetings and vote in person. If a member's presence is not possible, he can voice his/her opinion by video or telephone and may vote and sign the meetings provided this process is duly documented provided that the percentage of personal attendance of the member is not less than 50% of the committee's meetings during the year.
- The Board of Directors may assign some or all of the committee's authorities with regards to amending the terms or structure of facilities granted to the aforementioned Executive

Management Committee. Facilities committees must be informed of the decisions made in this regard.

- Ensuring that the credit policy of the Bank which requires investigation of the corporate governance framework of corporate clients is applied to measure the customer risk in terms of strength and weakness of the corporate governance practices.
- Recommending the credit policy and overseeing the performance of the credit portfolio.
- Directing the executive management to prepare policies and plans relating to credit matters and then raising and recommending the same to the Board for proper adoption and to abide by their terms post-adoption in order to achieve the following goals:
  - Grant/increase/renew credit.
  - Oversee and process credit.
  - Collection and bad debt provisions.
- Ensure that the executive management/credit departments take the necessary care to make correct credit decisions based on objective criteria applied in accordance with set credit analysis practices and that they exert their efforts to provide the necessary information as required by the credit policy in order to allow for proper decision making that maintains and elevates the quality of decision making and reduces levels of risk to the maximum extent all of which reflects positively on the quality of the credit portfolio.
- Ensure that the authority matrix of the Bank as it relates to credit in authorities granted by the Board.
- Taking necessary decisions in relations to matters that are outside the scope of the internal credit committee or the Senior Executive Management and in accordance with the authorities guide adopted and approved by the Board of Directors.
- Making recommendations to the Board with respect to matters that are outside the scope of authority of the committee.
- Setting the limits to the authorities granted to the committee relating to granting, amending, renewing or structuring facilities where these authorities are clearly apparent to the Board.
- Reviewing the facilities granted to the top 20 corporate customers in the credit portfolio once every six months at least.
- Reviewing the facilities granted to the top 20 SME customers in the credit portfolio once every six months at least.
- Reviewing the default rate dashboard and analyzing the underlying reasons for all business units.
- Reviewing the early warning signal dashboard for all business units.
- Making recommendations for writing off bad debt for delinquent customers.
- Adopting a review and oversight policy that puts in place KPIs that measure performance against

specific institutional goals relating to credit facilities.

- Reviewing the Central Bank report on business departments.

## 6. Strategy and IT Governance Committee:

The Strategy and IT Governance Committee comprises of at least three members and shall have the following duties:

- To operate according to a charter adopted by the Board of Directors to set its tasks, authority, and responsibilities.
- Issue recommendations to the Board of Directors concerning the Bank's general strategy, including IT objectives, guide the Senior Executive Management in setting a strategic plan to achieve these objectives and in having the Board approve the plan, and adopt work plans in line with this strategy within an effective execution framework.
- Review and approve balanced scoreboards to assess the performance of the Senior Executive Management in line with the Bank's approved strategy.
- Review KPIs concerning issues of strategy, finance, quality, and quantity as proposed by the CEO/ General Manager, and issue recommendations to improve the efficiency of strategic plans and reinforce alignment in executing these plans within an effective systematic framework in preparation for the Board's approval of said plans.
- Follow-up on and support the development of a corporate identity that reflects the Bank's strategy.
- Adopt strategic objectives for IT issues and their corresponding regulations, including for steering committees within the Senior Executive Management, especially the IT Steering Committee. In doing so, support the achievement of the Bank's strategic objectives and the achievement of the highest added value for IT projects and investments, while ensuring that the appropriate tools and criteria are used to monitor the former, such as IT Balanced Scorecards, return on investment calculations, and the impact on increasing operational and financial efficiency.
- Adopt a general framework for managing, controlling, and regulating IT projects and resources in line with the relevant best international practices, especially the Control Objectives for Information and Related Technology (COBIT). The framework must meet the objectives and requirements of Instructions no. 65/2016 issued by the Central Bank of Jordan by sustainably meeting corporate objectives, fulfilling the appropriate IT objectives matrix, and cover IT governance operations as mentioned in the instructions.
- Adopt a corporate objectives matrix and its relevant IT objectives as mentioned in Instructions no. (65/2016) issued by the Central Bank of Jordan. The criteria of the matrix shall be considered as the minimum requirements and sub-objectives shall be identified to achieve it.

• Adopt a responsibility matrix (RACI Chart) for key IT governance operations as mentioned in Instructions no. (65/2016) issued by the Central Bank of Jordan and deriving sub-instructions in terms of the entities or parties initially Responsible, ultimately Accountable, those Consulted, and those Informed for operations subject to these instructions. The COBIT 5 Enabling Processes criterion shall be taken into consideration.

- Ensure that a general framework for IT risks is in place, and is aligned and complements the overall risk framework at the bank. The IT risk framework shall take into consideration and shall seek to fulfill the bank's strategy in guaranteeing a minimal level of control over risks, protecting customer interests, and fulfilling all IT governance operations as mentioned in Instructions no. 65/2016 issued by the Central Bank of Jordan.
- Approve the budget for IT projects and resources in line with the Bank's strategic objectives.
- Supervise and follow-up on IT operations, resources, and projects, and follow-up on their efficiency and contribution to meeting the bank's requirements.
- Review IT audit reports and take the necessary measures to remedy any problems.
- Submit recommendations to the Board on the measures that should be taken to remedy any problem.
- Any other tasks assigned to it by the Board of Directors.



## Chapter 4: Suitability

### 1. Suitability of Board Members:

The Board of Directors adopts an effective strategy to ensure that its members possess the minimum requirements and standards to fulfill the membership criteria. The policy referred to is subject to review whenever necessary. Adequate procedures are set to ensure that all Board members fulfill their suitability requirements, and that they continue to do so and shall provide the Central Bank of Jordan with a copy of such policy.

- The Chairman and Board members must meet the following requirements:
  - Must not be less than twenty-five years of age.
  - Must not be a member of the Board of any other bank in Jordan, or a general manager, regional manager, or an employee of any other bank in Jordan unless the other bank is a subsidiary of Jordan Ahli Bank.
  - Must not be the Bank's lawyer, legal advisor or auditor.
  - Must have a bachelor's degree at a minimum, specializing either in economics, finance, accounting, business administration or any other related field, whereby the Nomination and Remuneration committee is permitted to consider adding new specialties if combined with an experience that is related to banking.
  - Must not be a government employee or an employee of an official public institution unless he is a representative of that entity.
  - Must not be a member of the boards of more than five public shareholding companies in Jordan, whether in a personal capacity or as a representative of a legal entity.
  - Must possess a minimum expertise of five years in banking, finance or similar specializations.
- The Chairman and Board members must each sign a suitability attestation in the form approved by the Central Bank of Jordan in its corporate governance instructions.
- The Chairman shall ensure that any critical information that may adversely affect the suitability of any Board member is disclosed to the Central Bank of Jordan.
- The Central Bank may object to the nomination of any person as a member of the Board of the Bank on the basis that they do not meet any of the conditions set out above.

### 2. Suitability of Executive Management:

The Board shall develop an effective policy to ensure the suitability of members of the Senior Executive Management that includes the minimum requirements to fulfill the membership criteria. The said policy is subject to review whenever necessary. The Board shall also develop adequate procedures to ensure that all members fulfill their suitability requirements and that they continue to do so and shall provide the Central Bank of Jordan with a copy of such policy.

- The Board shall adopt a succession plan for members of the Senior Executive Management and shall review this plan once a year, at least.
- The Board of Directors shall appoint a Chief Executive Officer who possesses a high level of integrity, technical competence and banking experience after obtaining the approval of the Central Bank of Jordan.
- The approval of the Board of Directors must be obtained prior to the appointment, acceptance of the resignation or termination of any of the Senior Executive Management members.
- The Board shall ensure that any critical information that may adversely affect the suitability of any senior executive is disclosed to the Central Bank of Jordan.
- The following conditions should be fulfilled by an appointed senior executive:
  - Should not be a member of the Board of Directors of any other bank in Jordan unless the other bank is a subsidiary of Jordan Ahli Bank.
  - Should be dedicated full-time to the management of the Bank's business.
  - Should have, at a minimum, a bachelors' degree in economics, finance, accounting, business administration or any other related field.
  - Should have a minimum of five years of experience in banking or any related field, except for the position of Chief Executive Officer, in which a minimum of ten-year experience in banking is required.
  - A "No Objection" letter should be obtained from the Central Bank of Jordan prior to the appointment of any Senior Executive Management member. The Bank, prior to the appointment of a senior executive, must obtain from the candidate his/her Curriculum Vitae along with any academic certificates, certificates of expertise, certificate of good conduct and any other necessary documentation. The member will also be asked to sign the approved suitability attestation form and the Bank will provide the Central Bank of Jordan with a copy thereof along with the Curriculum Vitae.

## Chapter 5: Performance Evaluation and Remuneration

### 1. Evaluating the Performance of the Board and their Remunerations

The mechanism to evaluate the performance of Board members is an important tool in guaranteeing good performance of the Board and its committees. Therefore, specific and approved principles must be followed during the evaluation process to ensure assessment criteria are objective. The mechanism must take into consideration the following:

- The extent to which members were able to acquire skills, knowledge and expertise that effectively regulate the Bank's work.
- The extent to which members communicate with internal and external stakeholders at certain times.
- How clear the structure of committees deriving from the Board is, and how many members are provided with the necessary data and tools to perform their tasks effectively.
- The extent to which members focus on the important aspects at the right time.
- The extent to which members have a team spirit and seek to find the right level of confidence and challenge.
- The Chairman of the Board's role as an effective board leader.
- The extent of continuous development and improvement for the Board and its members as a group and as individuals.

#### The General Framework for the Performance Assessment Policy for Board Members, and their Financial Remuneration

The Board of Directors shall develop a mechanism to evaluate its performance and that of its members, provided that the mechanism must at least include the following:

- The Nomination and Remuneration Committee shall be responsible for evaluating, on an annual basis, the performance of the Board as a whole, its committees and its members, and inform the Central Bank of the results of the evaluation.
- The Board shall set specific goals and define the role of the Board in order to achieve these goals in a measurable manner.
- The Board shall identify KPIs based on the plans and strategic goals and use them to measure the performance of the Board.
- Communication between the Board and the shareholders, and the regularity of this communication.

- Regularity of the meetings of the Board of Directors with the Senior Executive Management.
- The member's participation in the Board's meetings, comparing his/her performance with that of other Board members, and receiving the members' feedback as a means to improve the evaluation process.
- The Board shall set measures to determine the remuneration granted to its members based on the approved evaluation system.
- The Board's incentives program links financial incentives to performance and to meeting the Board's objectives as linked to the Bank's annual objectives. This encourages the Board to exert all efforts to improve the efficiency and corporate performance, and to direct all capacities toward achieving the Bank's general goals and improving corporate governance.
- The program is implemented at the end of every fiscal year after the incentive amounts are allocated in the estimated budget approved by the Board. The payment of these incentives must fully fulfill the adopted goals.

#### Evaluation form for the Board of Directors and its Members:

The Nomination and Remuneration Committee prepares a form for evaluation, the review of evaluation criteria, and the weights attributed to each criterion. The model evaluates Board Members and the Board's performance. Below are examples of criteria covered by the form:

- Aspects relating to individual contributions, challenges, independence of opinions, integrity, training, and development.
- The quality of decisions or recommendations issued by the committee(s) in which the member participates. This includes but is not limited to:
  - The member's commitment to attending committee meetings, and regular attendance.
  - The impact of the member's contribution in the committee(s) in which he participates.
  - Allowing ideas provided by management to the Board to be discussed.
- Evaluation levels vary between 1 and 5.
- The Nomination and Remuneration Committee sends the form to all Board members for self-evaluation and submission to the Chairman of the Board.
- The Nomination and Remuneration Committee provides support and advice to every Board member.

- The Chairman of the Board meets with each Board member individually to review their self-assessments, and discuss points of weakness (points that require development and improvement).
- The final forms are sent to the Nomination and Remuneration Committee for approval.
- The Nomination and Remuneration Committee calculates the results of the Board members' performance based on the weights set for each evaluation criterion.
- The Chairman of the Board informs the Board members of the evaluation results.
- The Central Bank of Jordan is informed of the results and of final recommendations through an official letter issued by the Nomination and Remuneration Committee.
- Maintaining confidentiality of personal feedback and disclosing data relating to collective feedback only.

## 2. Evaluating the Performance of Executive Management and their Remunerations:

The Board shall, on an annual basis, evaluate the performance of the General Manager according to an evaluation mechanism set by the Nomination and Remuneration Committee, which includes key performance indicators. The General Manager's evaluation includes the following criteria:

- The Bank's financial and administrative performance.
- The extent to which the Bank's medium and short-term plans and strategies are achieved.

The Nomination and Remuneration Committee informs the Central Bank of Jordan of the findings.

The Board shall adopt a system to measure the performance of the Bank's executives who are not members of the Board and are not the General Manager. This system should include at a minimum the following:

- Attribute appropriate weighting to criteria in order to measure the extent of commitment to the framework of risk management, internal controls and regulatory requirements.
- The net revenue and profit should not be the sole measurement indicator; risks related to basic operations, customer satisfaction, and other indicators should also be considered when possible.
- Not abusing a person's position and taking into account conflicts of interest.
- The Nomination and Remuneration Committee is responsible for setting an objective and transparent reward policy for the Executive Management. The policy must be approved by the Board.

- The Reward Policy should include the following key points:

- To be structured to retain and recruit qualified and experienced executives, and to motivate them and promote their performance.

To be designed to ensure that it will not be used in a manner that might affect the soundness and reputation of the Bank.

To take into consideration the risks, liquidity, profit and their timing.

- To ensure that rewards are not based on the performance of the current year only, but also consider medium and long-term performance (3-5 years).

- To reflect the achievement of the goals, values and strategy of the Bank through clear KPIs.

- To define the form of the reward will take such as fees, salaries, allowances, bonuses, share options or any other form of benefits.

- The possibility of postponing the payment of a reasonable proportion of the reward. The amount of such proportion and the postponement period will depend on the nature of the work, the risks associated therewith and the concerned executive's activities.

- Executives of supervisory departments (risk management, audit, compliance, etc.) should not be given a reward based on the performance of their respective departments.

## Chapter 6: Conflict of Interest

### 1. Conflict of Interest:

- To ensure that there is no conflict of interest between Board members and the Bank or between the Senior Executive Management and the Bank, Jordan Ahli Bank has adopted a conflict of interest policy addressing all different aspects or units (administrative, regulatory, Board of Directors).
- The Board shall adopt procedures to handle conflicts, of interest that may arise from the Bank's position within a banking group and disclose any such conflicts that may arise as a result of inter-group relationships.
- The Board shall ensure that the Senior Executive Management implements the adopted policies and procedures.
- The Board shall adopt controls to manage the transfer of information within the various departments to prevent using such information for personal gain.
- The Board shall ensure that the Senior Executive Management exercises high integrity and avoids conflict of interest in the conducting of its affairs.

### 2. Related Party Transactions:

- The Board shall adopt specific policies and procedures addressing related party transactions that include a clear definition of the different stakeholders while taking into consideration applicable legislation, procedures, practices and mechanisms governing such dealings and transactions with restrictions in place to ensure adherence to such policies and procedures.
- Oversight departments at the Bank shall ensure that all related party transactions are carried out according to the related policies and procedures.
- The Audit Committee shall review all related party transactions and present them to the Board of Directors.

### 3. Code of Conduct:

- The Code of Conduct is a key document that regulates the Bank's transaction – in relation to all activities – with related parties. It addresses ethical practices, values, and controls.
- The Board shall adopt the code of conduct and will circulate it among all executives. The code shall include the following:
  - Executives are not to use any insider or confidential information related to the Bank for their personal benefit.

- Rules and procedures that govern related party transactions.

- Examples of cases that may lead to conflicts of interest.

- The Compliance and Anti-Money Laundering/Combating the Financing of Terrorism Department shall be responsible for drafting the code of conduct, and for answering any questions about it. It shall update it regularly and whenever necessary.

### 4. Whistleblowing (Confidential Reporting Policy):

- The Bank will prepare and adopt a whistleblowing (confidential reporting) policy and procedures for the reporting of illegal activities, fraud, manipulation, collusion and which will allow employees to contact the Senior Executive Management – Audit Committee to report any concerns that they may have about any potential breaches or fraud in a manner that would allow for the initiation of an independent investigation into these concerns and to follow up on them in a manner that allows the Bank to afford such employees with the necessary protections against threats or retribution in case the fears do not materialize.
- The Audit Committee will review and supervise the procedures that allow for whistleblowing (confidential reporting) of any error in the financial reports or any other matter and which ensure that arrangements are in place to allow for independent investigation and ensuring that the results have been objectively pursued and followed up.

## Chapter 7: Control, and Internal and External Audit Systems

The Board of Directors shall ensure that the Bank's internal control systems are in place and that the duties of the different departments are clearly specified in order to put in place adequate controls are in place based on the duties and responsibilities assigned to each of the following departments:

### 1. Internal Audit:

- The Audit Committee emanating from the Board of Directors ensures that the Bank's Internal Audit Department is capable of fulfilling, among others, the following duties:
- To ascertain that there are adequate internal controls for the activities of the Bank and its subsidiaries, and to ensure compliance therewith.
- To ascertain adherence to internal policies, international standards and procedures, and applicable laws and regulations.
- To audit the Bank's financial statements and administrative reports while ensuring accuracy, credibility, and timeliness (and that they cover important issues such as allocations and defaulting debts).
- To assess compliance with the Corporate Governance Guide.
- To examine the comprehensiveness and accuracy of stress tests in accordance with the methodology approved by the Board.
- To ensure the accuracy of procedures used for the internal evaluation of the bank's capital adequacy (ICAAP).

### 2. External Audit:

- The Audit Committee emanating from the Board of Directors shall choose the best auditing firms, and shall guarantee the regular rotation of the External Auditors at the Auditor firms and at their Subsidiaries, Affiliates, and other related entities . The rotation must happen at intervals of no longer than seven years.
- The seven-year period shall be computed as of the date of the launch in 2010.
- The new external Auditing firm (when rotation is implemented) shall work jointly with the old firm for the first year.
- Apart from the joint auditing task, the old external auditing firm shall not be re-elected before at least two years from the date of its last election.
- The independence of the External Auditor is assessed annually by the Audit Committee.

- The Board of Directors shall take appropriate measures to address the weaknesses in the control and internal control systems or any other points revealed by the external auditor.

### 3. Risk Management

- The Risk Management Department shall have the following duties:
- Prepare and review the Bank's risk management framework to be approved by the Board.
- Implement the risk management strategy, and develop policies and procedures to manage all types of risks.
- Develop methodologies to identify, measure, monitor and control all types of risks.
- Monitor the compliance of the Bank's executive departments to the set levels of acceptable risk.
- Report to the Board of Directors through the Risk Management Committee, and send a copy of the report to the Senior Executive Management. The report shall include information on the Bank's actual risk profile for all its activities compared with the risk appetite. It shall also follow-up on measures taken to remedy any problems.
- Verify the compatibility of the risk measurement methodologies with the applied management information systems.
- Review and analyze all types of risks that the Bank may face.
- Submit recommendations to the Risk Management Committee on risk exposures and any exceptions to the risk management policy.
- Provide the necessary information about the Bank's risks for use in the Bank's disclosures.
- The Audit and Compliance Committee deriving from the Board of Directors shall check that violations related to acceptable risks are remedied, including holding the Senior Executive Management accountable for such violations.

### 4. Compliance

- Monitoring compliance is considered an independent duty that seeks to guarantee the compliance of the Bank and its internal policies to all laws, regulations, instructions, resolutions, codes of conduct, standards, and safe practices issued by local and international regulatory entities.

- The Board of Directors, represented by the Risk and Compliance Committee, shall ensure the independence of the Compliance Department and that adequate and well-trained personnel are being employed.

- The Compliance Department forms part of and reports to the Risk and Compliance Committee emanating from the Board of Directors. It shall have a dotted line to Bank's Senior Executive Management and will provide them with copies of these reports.

- The Compliance Department has many duties, including:

- Manage "compliance risks" that the Bank faces within the limits of the laws, regulations, and standards in force and their amendments.

- Continuously monitor compliance at the Bank, test compliance using adequate and sufficient tools, and issue reports in this regard.

- Adopt a training, development and awareness plan to increase awareness about subjects related to compliance and professional conduct, and answer employee questions about compliance.

- Act as a link and liaison center between the Bank and concerned regulatory entities.

- Monitor the Bank's operations to combat money laundering and the funding of terrorism, in line with recognized best practices and within the framework of international sanctions systems.

- Comply with FACTA requirements.

- Receive and timely resolve customer complaints, and issue recommendations to the concerned entities to take the necessary measures to avoid their reoccurrence.



## Chapter 8: Stakeholder Rights, Disclosure and Transparency

In order to guarantee the rights of Stakeholders, and meet disclosure and transparency requirements, the Board of Directors should ensure the following:

- The Board shall ensure that all financial and non-financial information that is of interest to the Stakeholders is published.
- A mechanism shall be developed to guarantee communication with Stakeholders by disclosing and providing relevant information about the Bank's activities through:
  - General Assembly meetings.
  - Annual Report.
  - Quarterly financial reports which enclose financial data, and the Board's report on the Bank's share trading and the bank's financial status during the year.
  - The Bank's website.
  - Investors' division.
- A part of the Bank's website shall be designated to clarify investors' rights and to encourage them to attend and vote at the General Assembly meetings. Also, the documents of the General Assembly meetings, including the invitation and minutes of meetings, shall be published on the website.
- The Board shall ensure that the Bank's financial disclosures are consistent with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Central Bank of Jordan's regulations, and other relevant legislation. Also, the Senior Executive Management shall remain well informed of changes and updates on related International Financial Reporting Standards (IFRS).
- The Board shall ensure that the annual report includes the following information:
  - Disclosures that allow current and potential Stakeholders to be informed of operation results and the Bank's financial standing.
  - Summary of the organizational chart of the Bank.
  - Summary of the roles and responsibilities of Board committees, and the authorities delegated to each committee.
  - Useful information to Stakeholders as identified in the Corporate Governance Guide and the extent of compliance with the Guide.
  - Information about each Board member in terms of his/her qualifications, experience, shareholding, status (independent –non-executive, etc.) membership in Board committees, date of appointment, any other board memberships in the boards of other companies and remunerations of all forms for the previous year in addition to loans

granted to the member by the Bank and any other transaction that has taken place between the Bank on the one part and the member or stakeholders on the other.

- Information about Risk Management Department, including its structure and nature of its operations and its development.
- Number of Board and Board Committee meetings and attendance of each member at such meetings.
- Names of each Board member and senior executive who have resigned during the year.
- Summary of the rewards policy and full disclosure of all forms of reward to Board members and Senior Executive Management team member individually for the previous year.
- A list of shareholders who own 1% or more of the share capital of the Bank, the ultimate beneficiary owner of such shareholdings or any part thereof, in addition to a clarification as to whether the shareholdings are wholly or partially pledged.
- Attestations from all Board members confirming that he/she or any of the members' relatives did not receive any benefits from the Bank during the previous year which has not been previously disclosed.
- The annual report shall include a statement to the effect that the Board is liable for the accuracy and completeness of the financial statements of the Bank and all other information in the report in addition to the adequacy of the internal control systems. It shall also include a report from the Board in relation to the Bank's traded shares and the financial status throughout the year.

## Chapter 9: General Provisions

- The Chairman of the Board shall extend an invitation, sufficiently ahead of time, to the Central Bank of Jordan to attend General Assembly meetings for the CBJ to name its representative.
- The Chairman of the Board shall provide the Central Bank of Jordan with the minutes of General Assembly meetings no later than five days after the Companies Controller or his/her representative approves the minutes.
- At least 30 days before the date of the General Assembly meeting, the Bank shall inform the Central Bank of Jordan of its wish to nominate an external auditor for election (or reelection) by the General Assembly.
- The Bank shall provide the Central Bank of Jordan with the number of shares pledged by the Bank's shareholders who own 1% or more of the Bank's capital, and the party to which they are pledged.
- The Bank shall provide the Central Bank of Jordan with information on Board members and committees, and Senior Executive Management members, according to approved forms. His/her information must be sent semi-annually and whenever amended.
- The Bank shall provide the Central Bank of Jordan with information on department members and executive entities, and Senior Executive Management departments at subsidiary companies inside and outside the Kingdom, according to approved forms. This information must be sent semi-annually and whenever amended.
- The Central Bank of Jordan may summon any candidate for a senior executive position at the Bank for a personal interview before his/her appointment, and may, as it deems necessary, summon any Board member for an interview.
- The Central Bank of Jordan may appoint any external entity to evaluate the bank's governance at the expense of the bank.
- The Central Bank of Jordan, may at any time, summon Audit Committee members, the Internal Audit Department Director, or the Compliance Department Director to discuss any issue related to their work.
- The Central Bank of Jordan set a maximum limit of Independent Members for the Board's structure as it deems necessary.
- The Central Bank of Jordan may consider any member to be non-independent based on specific criteria, even if all terms in Article 6/D of its Corporate Governance instructions apply.
- This Guide shall take into consideration the Corporate Governance Instructions for Banks as a minimum requirement in line with the Bank's

needs and policies. The guide shall be adopted by the Board and a copy shall be sent to the Central Bank of Jordan.

- This Guide reflects the Bank's perspective on corporate governance in terms of concepts, importance, principles and in line with relevant legislation and international best practices.
- This Guide shall be reviewed and updated regularly and whenever necessary.
- This Guide shall be published on the Bank's website (www.ahli.com). The Bank shall disclose the existence of this Guide in its annual report, and shall disclose information of interest to Stakeholders and announce its commitment to implementing the Guide's content.

### Disclosure Relating to Corporate Governance

Jordan Ahli Bank confirms its commitment to the Corporate Governance Guide adopted by the Board of Directors and the implementation of its terms and conditions in accordance with the Amended Corporate Governance Instructions and the Banking Law in force as published on the Bank's website.

Jordan Ahli Bank has also adopted and published the associated Information Technology Management and Governance Guide which have been published on the Bank's website based on the Central Bank Instructions and confirms its commitment to apply the Guide and its terms stated therein.



## Governance Report

Good governance practices ensure to uphold the principles of fairness, transparency, accountability, and responsibility. It also bestows the ability to develop and execute a long term, sustainable strategy that can deliver great value to all stakeholders, instead of simply optimizing around short-term objectives. Whereas, through oversight and counsel, Jordan Ahli Bank's Board of Directors works with management to ensure the implementation and success of its strategy in order to provide the great added value to all stakeholders, the Board Members have invested their time, experience, and capabilities, in collaboration with Deloitte's global consultancy, to implement and develop governance within the bank and elevate our practices to world class levels and evolve its 'governance maturity', which in turn will translate to great value to all the Bank's stakeholder community, most notably to shareholders. There have been a tremendous number of best practices and recommendations that we have adopted over the past few years to evolve our governance frameworks. In 2020, we have implemented the recommendations proposed by Deloitte regarding the 2019 Quality Assurance Review to enhance the board's oversight functions and capabilities to global best practices, including the role of the audit, compliance, and risk management.

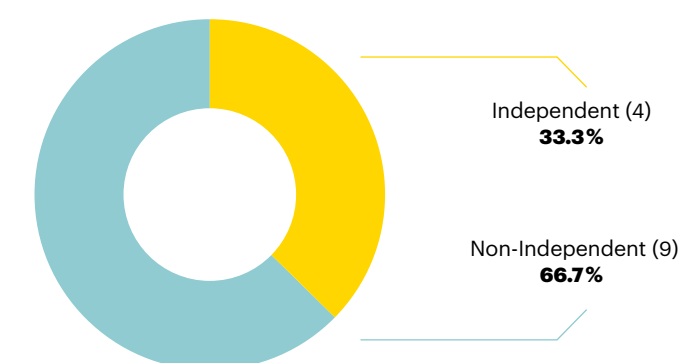
In addition, Jordan Ahli Bank adopts the highest standards of disclosure and transparency within the framework of good governance and is committed to disseminate the material information in an integrated, and accurate manner to its shareholders and in line with the regulatory and legislative requirements whether the disclosures are financial or non-financial. Moreover, Jordan Ahli Bank is committed in complying and enforcing the provisions of the Banking Law, Corporate Governance Instructions and the Publicly Listed Companies Instructions. Therefore, a mechanism and procedures were put in place to ensure compliance with all the legislation in force, including without limitation:

- Ensure the application of the Disclosure Policy in accordance with local and international best practices in addition to ensure that there exists approved policies for the Bank's various activities and in accordance with the applicable legislation.
- Ensure that the composition of the Board and the committees emanating from it, including the number of members, number of independent members, and number of non-executive members and qualification requirements are all compliant with the instructions.
- Implement all provisions of the Corporate Governance Guidelines, which was drafted in line with the Corporate Governance Instructions for Banks issued by the Central Bank of Jordan and the Corporate Governance Guidelines for Listed Companies issued by the Securities Commission and its amendments and the Banking Law in force.
- Ensure that there exists a Charter for the Board of Directors and charters for all committees in alignment with the Regulations.
- Ensure that the Board of Directors' meetings and its committees are held in accordance with Instructions and the Laws in force and that the subcommittees are performing their duties in accordance with best practices relating to corporate governance.
- Ensure the conditions and requirements for Independent Members are met and that Independent Members sign the suitability attestation forms annually.
- Ensure that the Board and each of the subcommittees emanating from it undergo self-evaluation and overall evaluation in accordance with the Instructions.

**In compliance with the Publicly Listed Companies Instructions which are issued by the Securities Commission this Governance Report was prepared as follows:**

### Board of Directors of Jordan Ahli Bank

The Board of Directors of Jordan Ahli Bank is composed of (13) thirteen non-executive members, (4) four of which are independent members with a diverse knowledge base and a balanced skill set that gives the bank a distinctive edge, and for this reason, the Board's responsibilities are focused on strengthening the basic pillars of governance, at the utmost, the required strategic alignment through setting the Bank's values, strategy and key policies, along with pursuing and maintaining its long-term success. Such role is accomplished through providing entrepreneurial leadership, sound strategies and risk management oversight to ensure that risks are assessed and properly managed.



The Board of Directors meet at least six times per year for discussions on matters that are important to all stakeholders.

#### A-1 The names of Jordan Ahli Bank's Board members and Representatives \*

Name	Position	Independent/Non-Independent	Executive/Non-Executive
<b>Mr. Saad Nabil Mouasher</b> Since 2014	Chairman of the Board	Non-Independent	Non-Executive
<b>Mr. Mahmoud Zuhdi Malhas</b> Since 1997	**Vice Chairman	Non-Independent	Non-Executive
<b>Mr. Nadim Yousef Muasher</b> Since 1997	Board Member	Non-Independent	Non-Executive
<b>Mr. Rafik Saleh Muasher</b> Rajai Muasher & Brothers Co. Since 1997	Board Member	Non-Independent	Non-Executive
<b>H.E. Mr. Wasef Y. N Azar</b> Jordan Investor Center Since 1997	Board Member	Non-Independent	Non-Executive
<b>Mr. Imad Yousef Mouasher</b> Mouasher Investment & Trading Co. Since 1997	Board Member	Non-Independent	Non-Executive
<b>Mr. Eyad Abdelsalam Abumohammad</b> Since 2019 Social Security Corporation Since 1997	Board Member	Non-Independent	Non-Executive
<b>Mr. Alan Fouad Wanna</b> Byblos Bank S.A.L./Lebanon Since 1997	Board Member	Non-Independent	Non-Executive
<b>Mr. Aladdin Sami</b> ZI&IME Ltd Since 1997	Board Member	Non-Independent	Non-Executive
<b>Mrs. Ibtissam (M.S) I. El-Ayoubi</b> Since 2015	Board Member	Independent	Non-Executive
<b>Mr. Tarek Ziad Jallad</b> Since 2015	Board Member	Independent	Non-Executive
<b>Mr. Izzat Rashed Dajani</b> Since 2019	Board Member	Independent	Non-Executive
<b>H.E. Dr. Tareq Mohammad Khalil Hammouri</b> As of 28/10/2020	Board Member	Independent	Non-Executive

## A-2 The Resigned Board Members

Name	Position	Independent/ Non-Independent	Executive/ Non- Executive
<b>H.E Dr. Umayya Salah Toukan</b> Resigned as of 12/10/2020	Vice Chairman	Non-Independent	Non-Executive

\*Jordan Ahli Bank Board of Directors was elected by the General Assembly of the bank on 30/4/2017.

\*\*Mr. Mahmoud Malhas was appointed as a Vice Chairman on 28/10/2020.

## B- Board Secretary

Tracking the decisions of the Board and the committees emanating from it is an important part of the responsibilities of the Board. Keeping in mind the importance of the role of the Secretary for Corporate Governance, Lawyer **Maissa' Ziad Moh'd Turk** was appointed as Board Secretary and Legal Advisor and the roles and responsibilities of the Board Secretary were included in the Corporate Governance Guidelines and the procedures relating thereto.

## C- Executive Positions in Jordan Ahli Bank and Names of persons who occupy them

Executive Position	Name
Chief Executive Officer - General Manager	<b>Mr. Moh'd Mousa Dawood (Moh'd Issa)</b>
Deputy Chief Executive Officer - General Manager	<b>Dr. Ahmad Awad Abd Al Halim Al- Hussein</b>
Executive Vice President/ Chief Business Officer	<b>Ms. Lina Najib Al Bakhit AlDababneh</b>
Senior Vice President/ Head of Treasury, Investments & Financial Institutions	<b>Mr. Majed Abdel Karim M. Hijab</b>
Senior Vice President/ Head of Consumer Banking	<b>Mr. Zaid Wasef Shams- Eddin El-Khatib</b>
Senior Vice President/ Head of Corporate Banking & Projects Finance	<b>Mr. Sofyan Ayed Mohammad Duais</b>
Senior Vice President/ Head of SME	<b>Mr. Ammar (M.S.) R. Al Sa'id</b>
Senior Vice President/ Chief Financial Officer	<b>Mr. Dirar Shebli Khalaf Haddadin</b>
Senior Vice President/ Chief Credit Officer	<b>Mr. Mouin Aziz Nasif Al- Bahou</b>
Senior Vice President/ Chief Compliance Officer	<b>Mr. Khalid Zuhair Jamil Abuesh- Shaer</b>
Senior Vice President/ Chief Internal Auditor	<b>Mr. Iyad T. N. Ammari</b>
Senior Vice President/ Chief Risk Officer	<b>Mr. Taha Mousa Taha Zeid</b>
Senior Vice President/ Chief Innovation Officer	<b>Mr. Rami Marwan Abdulhadi Al Karmi</b>
Senior Vice President/ Head of Operations & Shared Services	<b>Mr. Rami (Moh'd Murshed) Khalaf Da'na</b>
Senior Vice President/ Chief Information Officer	<b>Mr. Jwallant Arvindkumar Vasani</b>
Senior Vice President/ Acting as Chief Human Resources Officer	<b>Mrs. Maha Khalid Fathallah Dado</b>

## D- Memberships of the Board of Directors (natural person) held by the Board of Directors in Public Shareholding Companies inside Jordan

Name	Memberships in the Boards of Public Shareholding Companies
<b>Mr. Nadim Yousef Muasher</b>	-Arab International Hotels Plc. -Al Dawliya for Hotels & Malls Plc. (Ranco Holding Company Representative) -Jordan Worsted Mills Co. ( Ranco Holding Company Representative) -El-Zay Ready Wear Manufacturing Company
<b>Mr. Mahmoud Zuhdi Malhas</b>	Mediterranean Tourism Investments Company

## E- Governance Liaison Officer in the Bank

Mrs. Muna George Saliba Baqlouq/ Governance Liaison Officer/ Compliance and AML

## F- Committees emanating from the Board.

The Board of Directors has formed six standing committees that assist in fulfilling its duties in an effective manner. Each committee emanating from the Board operates under its own charter that sets out its duties and responsibilities and composition requirements.



Board Corporate Governance Committee



Board Nomination and Remuneration Committee



Board Risk and Compliance Committee



Board Audit Committee



Board Credit Committee



Board Strategy and Information Technology Governance Committee

### G- The Names of Members of the Audit Committee and their Financial and Accounting Qualifications.

Name	Qualifications	Experience
<b>Mrs. Ibtissam (M.S) I. El-Ayoubi</b>	<ul style="list-style-type: none"> <li>• MMB /Masters in Money &amp; Banking, 1990, American University of Beirut.</li> <li>• B.A. in Accounting, 1983, Beirut Arab University.</li> </ul>	<ul style="list-style-type: none"> <li>• Full time Professor in practice - Al Hussein Technical University.</li> <li>• Member - Jordan National Forum for Women</li> <li>• Former Board Member at Ideal for Microfinance</li> <li>• Former Deputy General Manager at Capital Bank.</li> <li>• Assistant General Manager at the Arab National Bank - Saudi Arabia.</li> <li>• Various experiences - Arab Bank, Jordan bank and Jordan Commercial Bank.</li> <li>• Former Board Member at Middle East Payment Services Company.</li> </ul>
<b>H.E Mr. Wasef Y. N. Azar</b>	<ul style="list-style-type: none"> <li>• Masters in Economics and Development Management, 1969, American University of Beirut.</li> <li>• Postgraduate degree in Economics and Statistics, 1964, the University of Iowa.</li> <li>• B.A. in Law, 1962, Damascus University.</li> </ul>	<ul style="list-style-type: none"> <li>• Former member of the Senate.</li> <li>• Former Minister of Industry and Trade.</li> <li>• General Manager of Phosphate Mines Company.</li> <li>• General Manager of Jordan Investment Corporation.</li> <li>• General Manager of the Retirement Fund.</li> <li>• General Director of the Department of Statistics   Head of the Economics Department.</li> <li>• General Director of the General Population Census.</li> <li>• General Manager of Jordan Ahli Bank.</li> <li>• The General Secretary of the National Planning Council, which was later transferred to the Ministry of Planning.</li> <li>• Director of Research and Studies - Royal Scientific Society.</li> <li>• Professional Lawyer.</li> <li>• Board Member- Middle East Insurance Company.</li> <li>• Board Member- Beit Al Mal Saving &amp; Investment for Housing PLC.</li> </ul>
<b>H.E. Dr. Tareq Mohammad Hammouri</b>	<ul style="list-style-type: none"> <li>• Ph.D. in Commercial Law, 2002, University of Bristol.</li> <li>• LL.M in Commercial Law, 1998, University of Edinburgh.</li> <li>• LL.B in Law, 1997, University of Jordan.</li> <li>• Diploma Certificate - WTO &amp; AMF - 2003.</li> <li>• Legal Mediation Training - American Bar Association - 2005.</li> </ul>	<ul style="list-style-type: none"> <li>• Minister of Industry, Trade and Supply, 2018 - 2020.</li> <li>• Chairman of Jordan Institute of Standards and Metrology Committee, Jordan Enterprise Development Corporation (JEDCO), Jordan Civil Consumer Corporation and Supply Chain Ministerial Committee, 2018 - 2020.</li> <li>• Vice Chairman of the Ministerial Economic Committee, 2018 - 2020.</li> <li>• Member of the Ministerial Legal Committee, 2018 - 2020.</li> <li>• Chairman of Nominations and Remuneration Committee of Jordan Ahli Bank, 2017 - 2018.</li> <li>• Board Member - Jordan Ahli Bank (and member of the BNRC and BCC), 2017 - 2018.</li> <li>• Administrative, Financial and Legal Advisor to the President - University of Jordan, 2015 - 2016.</li> <li>• Dean of Faculty of Law - University of Jordan, 2012 - 2014.</li> <li>• Board Member - The Islamic International Arab Bank/ was engaged in the following sub committees (Audit Committee - Chairman, and Governance Committee - Member), 2011 - 2017.</li> <li>• Legal Advisor to the Government of Jordan, 2012.</li> <li>• Associate Professor - Faculty of Law - University of Jordan, 2011 - 2018.</li> <li>• Former board member in various institutions, companies and corporations: The King Abdullah II Fund for Development (KAFF), The Social Security Investment Fund (SSIF), The Judicial Institute of Jordan (JIJ), Electricity Distribution Company (EDCO), The National Company for Tourism Development (NTD), Al Rakaez Investment Company.</li> <li>• Head of Legal Department - University of Jordan, 2012.</li> <li>• He was involved in extensive legislative drafting (examples include the Amended Draft Law for the Standards and Metrology Law No. 22/2000, the Law on Security over Movable Assets as Security Debts No. 1/2012 and others).</li> <li>• Frequent speaker at law related events and contributor/ author of legal publications.</li> <li>• Recommended attorney for Jordan by various leading international legal directories.</li> </ul>

### H- Names of Chairperson and Members of the Committees.

#### Board Corporate Governance Committee



- Mr. Tarek Ziad Jallad | Chairperson | Independent
- Mr. Saad Nabil Mouasher | Member | Non-Independent
- Mr. Nadim Yousef Muasher | Member | Non-Independent
- Mr. Izzat Rashed Dajani | Member | Independent
- H.E. Dr. Tareq Mohammad Hammouri | Member | Independent

#### Board Nomination and Remuneration Committee



- Mr. Izzat Rashed Dajani | Chairperson | Independent
- Mr. Rafik Saleh Muasher | Member | Non-Independent
- Mr. Mahmoud Zuhdi Malhas | Member | Non-Independent
- Mrs. Ibtissam (M.S) I. El-Ayoubi | Member | Independent
- H.E. Dr. Tareq Mohammad Hammouri | Member | Independent

#### Board Risk & Compliance Committee



- H.E. Dr. Tareq Mohammad Hammouri | Chairperson | Independent
- Mr. Saad Nabil Mouasher | Member | Non-Independent
- Mr. Nadim Yousef Muasher | Member | Non-Independent
- Mrs. Ibtissam (M.S) I. El-Ayoubi | Member | Independent
- Mr. Eyad Abdelsalam Rashad Abumohammad | Member | Non-Independent
- CEO/ General Manager - Executive Management
- DCEO/ General Manager - Executive Management
- Chief Risk Officer - in respect of Risk
- Chief Compliance Officer - in respect of Compliance

#### Board Audit Committee



- Mrs. Ibtissam (M.S) I. El-Ayoubi | Chairperson | Independent
- H.E Wasef Y. N Azar | Member | Non-Independent
- H.E. Dr. Tareq Mohammad Hammouri | Member | Independent

#### Board Credit Committee



- Mr. Saad Nabil Mouasher | Chairperson | Non-Independent
- Mr. Nadim Yousef Muasher | Member | Non-Independent
- Mr. Rafik Saleh Muasher | Member | Non-Independent
- H.E Wasef Y. N Azar | Member | Non-Independent
- Mr. Imad Yousef Mouasher | Member | Non-Independent
- Mr. Izzat Rashed Dajani | Member | Independent

#### Board Strategy and Information Technology Governance Committee

















- Mr. Saad Nabil Mouasher | Chairperson | Non-Independent
- Mr. Nadim Yousef Muasher | Member | Non-Independent
- Mrs. Ibtissam (M.S) I. El-Ayoubi | Member | Independent
- Mr. Eyad Abdelsalam Rashad Abumohammad | Member | Non-Independent
- Mr. Tarek Ziad Jallad | Member | Independent

### I- Conflict of Interest.

The Board confirmed as part of the Corporate Governance Guidelines that each member of the Board must disclose his/her relationship with the Bank, the nature of that relationship on an annual basis and in the event of a conflict of interest. Further he/she must adhere to the relevant professional code of conduct and disclose in writing in the event of any of any developments arising from the same.

## J- Number of Board and Board committees meetings during the year 2020 and Names of Attendees\*

	 Board of Directors	 Board Credit Committee	 Board Audit Committee	 Board Nomination and Remuneration Committee	 Board Strategy and Information Technology Governance Committee	 Board Risk & Compliance Committee ***	 Board Corporate Governance Committee
<b>Mr. Saad Nabil Yousef Mouasher</b> Chairman of the Board	10	16	-----	-----	4	4	2
<b>Mr. Mahmoud Zuhdi Mahmoud Malhas</b> Vice Chairman	11	-----	-----	5	-----	-----	-----
<b>Mr. Nadim Yousef Issa Muasher</b> Board Member	7	11	-----	-----	3	4	2
Jordan Investor Center <b>H.E. Mr. Wasef Y. N. Azar</b> Board Member	9	17	9	-----	-----	-----	-----
Mouasher Investment & Trading Co. <b>Imad Yousef Issa Mouasher</b> Board Member	10	17	-----	-----	-----	-----	-----
Rajai Muasher & Brothers Co. <b>Mr. Rafik Saleh Muasher</b> Board Member	7	12	-----	5	-----	-----	-----
Social Security Corporation <b>Mr. Eyad Abdelsalam Rashad Abumohammad</b> Board Member	12	-----	-----	-----	4	5	-----
Byblos Bank S.A.L/Lebanon <b>Mr. Alan Fouad Wanna</b> Board Member	7	-----	-----	-----	-----	-----	-----
ZI&IME Ltd <b>Mr. Aladdin Riad Sami</b> Board Member	11	-----	-----	-----	-----	-----	-----

	 Board of Directors	 Board Credit Committee	 Board Audit Committee	 Board Nomination and Remuneration Committee	 Board Strategy and Information Technology Governance Committee	 Board Risk & Compliance Committee ***	 Board Corporate Governance Committee
<b>Mrs. Ibtissam (M.S) I. El-Ayoubi</b> Board Member	12	-----	9	5	3	5	-----
<b>Mr. Tarek Ziad Mounir Jallad</b> Board Member	10	-----	1/1	1/1	4	-----	2
<b>Mr. Izzat Rashed izzat Dajani</b> Board Member	12	15	-----	5	-----	-----	2
<b>H.E. Dr. Tareq Mohammad Khalil Hammouri</b> As of 28/10/2020 Board Member	3/3	-----	2/2	1/1	-----	1/1	1/1
<b>H.E Dr. Umayya Salah Ala Uddin Toukan</b> Resigned - as of 12/10/2020	6/7	-----	4/6	3/3	2/2	-----	1/1
<b>Total Number of Meetings</b>	12	17	9	5	4	5	2

\*Roles and responsibilities of the committees are in compliance with the Committees Charters, Corporate Governance Code and the legislation in force.

\*\* The Bank's external auditors attended five meetings of the Audit Committee.

\*\*\* The Board Risk and Compliance Committee includes members of the Executive Management: CEO/General Manager, DCEO/General Manager, Chief Risk Officer, Chief Compliance Officer, who attended all meetings of the Committee.



Chairman of the Board  
**Saad Nabil Mouasher**





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## Agenda of the Ordinary General Assembly Meeting

1- To read the preceding ordinary general assembly meeting decisions, which was held on 21/05/2020.

2- To vote and ratify the Board of Directors report for the fiscal year 2020 and the bank's future business plan.

3- To vote on the bank's auditors report for the fiscal year 2020, the bank's statements and budget for the fiscal year ending 31/12/2020, ratify it and approve the recommendation of the Board of Directors to distribute cash dividends to shareholders with a percentage of 4 % of the Bank's Subscribed and Paid Up Capital from the returned earnings.

4- To approve the board decision in respect of appointing H.E. Dr. Tareq Mohammad Khaleel Hammouri as a board member for the current term that shall ending by 30/4/2021, as a result of the membership vacant seat due to resignation of H.E Dr. Umayya Salah Toukan, in accordance with the provisions of Article 150 of the Companies Law No. 22 of the year 1997 and Article 38 of the Bank's Memorandum & Articles of Association.

5- To read the Board subcommittees summary report by virtue of the amended Corporate Governance Instructions and the provisions of Article 6/E of the Corporate Governance Instructions for PLC of the year 2017.

6- To absolve the members of the Board of Directors from liability for the fiscal year 2020.

7- To elect of the bank's auditors for the fiscal year 2020 and determining their fees.

8- To elect the board members of Jordan Ahli Bank for the new term.

## The Addresses of the Bank's Branches:

### Within the Hashemite Kingdom of Jordan

#### Amman

##### Central Amman

###### Main

Tel. +962 (6) 5807677  
Fax +962 (6) 5689634

###### Al Thaqafa Street

Tel. +962 (6) 5807679  
Fax +962 (6) 5681326

###### Wadi Saqra

Tel. +962 (6) 5807678  
Fax +962 (6) 5678612

###### Abdoun

Tel. +962 (6) 5929397  
Fax +962 (6) 5929652

###### Taj Mall

Tel. +962 (6) 5930961  
Fax +962 (6) 5931024

###### Jabal Amman

Tel. +962 (6) 5807676  
Fax +962 (6) 4611541

###### Ibn Khaldoun Street

Tel. +962 (6) 5807675  
Fax +962 (6) 4622685

###### Abdali Boulevard

Tel. +962 (6) 5807666  
Fax +962 (6) 5102844

##### East Amman

###### Sahab

Tel. +962 (6) 5807677  
Fax +962 (6) 4025673

###### Madaba

Tel. +962 (5) 3903466  
Fax +962 (5) 3240260

###### Al Hurriah Street

Tel. +962 (6) 5807673  
Fax +962 (6) 4206214

###### Khuraybet al-Souq branch

Tel. +962 (6) 5807672  
Fax +962 (6) 4127610

###### Dahiyat Al-Yasmeen

Tel. +962 (6) 5807671  
Fax +962 (6) 4206759

###### Marka

Tel. +962 (6) 5807658  
Fax +962 (6) 4890360

###### Tabarbour

Tel. +962 (6) 4603112/3  
Fax +962 (6) 5061694

###### Al Hashmi Al Shamali

Tel. +962 (6) 5807657  
Fax +962 (6) 4901302

###### Downtown

Tel. +962 (6) 5807656  
Fax +962 (6) 4645717

###### Middle East Circle

Tel. +962 (6) 5807655  
Fax +962 (6) 4777289

##### Jabal Al Hussein

Tel. +962 (6) 5807662  
Fax +962 (6) 5698069

##### Marj Al-Hamam

Tel. +962 (6) 5807670  
Fax +962 (6) 5716915

##### West Amman

###### Souq Um Uthaina

Tel. +962 (6) 5807668  
Fax +962 (6) 5523029

###### Al-Bayader

Tel. +962 (6) 5857791  
Fax +962 (6) 5819834

###### Sweifieh

Tel. +962 (6) 5865401  
Fax +962 (6) 5865402

###### Abdullah Ghosheh street

Tel. +962 (6) 5861408/9  
Fax +962 (6) 5817921

###### Mecca Street

Tel. +962 (6) 5807669  
Fax +962 (6) 5852512

###### Mecca Mall

Tel. +962 (6) 4603103

###### Wasfi Al-Tal Street

Tel. +962 (6) 5807664  
Fax +962 (6) 5682188



**Khilda**

Tel. +962 (6) 5807663  
+962 (6) 5341263

**Queen Rania Street**

Tel. +962 (6) 5807659  
Fax +962 (6) 5699742

**City Mall**

Tel. +962 (6) 5823154  
Fax +962 (6) 5825174

**Balqa****Deir Alla**

Tel. +962 (5) 3903467  
Fax +962 (5) 3573186

**Al Salt**

Tel. +962 (5) 3903465  
Fax +962 (5) 3555774

**Al-Balqa Applied University**

Tel. +962 (5) 3903470  
Fax +962 (5) 3532690

**Al Salt Gate**

Tel. +962 (5) 3903469  
Fax +962 (5) 3551440

**Fuheis**

Tel. +962 (6) 4603128  
Fax +962 (6) 4721702

**Jubaiha**

Tel. +962 (6) 5807665  
Fax +962 (6) 5354782

**Zarqa and the North****Zarqa -Main**

Tel. +962 (5) 3961603  
Fax +962 (5) 3996555

**New Zarqa**

Tel. +962 (5) 3903473  
Fax +962 (5) 3859110

**Free Zone**

Tel. +962 (5) 3826214  
Fax +962 (5) 3826200

**Rusaifa**

Tel. +962 (5) 3903464  
Fax +962 (5) 3746192

**Irbid**

Tel. +962 (2) 7242201  
Fax +962 (2) 7276146

**Arabella Mall - Irbid**

Tel. +962 (2) 7249252  
Fax +962 (2) 7249236

**Ramtha**

Tel. +962 (2) 7201651  
Fax +962 (2) 7382610

**Mafraq**

Tel. +962 (2) 7201650  
Fax +962 (2) 6230303

**Jerash**

Tel. +962 (2) 7201649  
Fax +962 (2) 6351893

**South****Tafila**

Tel. +962 (3) 2090998  
Fax +962 (3) 32241710

**Ma'an**

Tel. +962 (3) 2090995  
Fax +962 (3) 2132799

**Karak**

Tel. +962 (3) 2090997  
Fax +962 (3) 2351676

**Mu'ta**

Tel. +962 (3) 2090996  
Fax +962 (3) 2360377

**Aqaba**

Tel. +962 (3) 2022351  
Fax +962 (3) 2013520

**Corporate**

Tel. +962 (6) 4603124  
Fax +962 (6) 5699867

**Exclusive**

Tel. +962 (6) 5638800  
Fax +962 (6) 5624806

**Outside the Hashemite Kingdom of Jordan****Palestine and Cyprus****Palestine****Nablus**

Commercial Center Street,  
Aloul Building  
Tel. +972 (2) 2948861

**Al Shalala**

Hebron - Al Shalala Street  
Tel. +972 (2) 2948862

**Ramallah**

City Center - Al Zahraa Street,  
Audi Al Shami Building  
Tel. +972 (2) 2948863

**Bethlehem**

AlMahd Street- Katlu Building  
Tel. +972 (2) 2948864

**AlSalam**

Hebron-Al Salam Street opposite  
to Al Salam gas station  
Tel. +972 (2) 2948865

**Jenin**

Haifa Street / AlBareeq Street  
Tel. +972 (2) 2948866

**Tulkarm**

University Street,  
AlBareeq Building  
Tel. +972 (2) 2948868

**Beit Sahour**

President Mahmoud Abbas  
Street / Micheal Kamsieh Street  
Tel. +972 (2) 2948867

**AlMasyoun**

Naji Al Ali Street,  
Ahli bank Building  
Tel. +972 (2) 2948869

**Betonia**

Athens Street - Totah Building  
Tel. +972 (2) 2948870

**Cyprus****Limassol**

Pecora Tower 2nd Floor

## Automated Teller Machines Locations (ATM)

### Amman

Safeway Airport  
 Amman Mall  
 Al-Kiswani Station  
 Al-Ahlia Building - Ahli Bank  
 Safeway Shmeisani  
 Marka (Dvld)  
 Manaseer station Marka  
 Sheraton Hotel  
 Manaseer - Al Quds Street  
 Al Jameaa Street  
 Cosmo 7th Circle  
 Safeway - University of Jordan  
 Marriott Amman Hotel  
 Corner Supermarket  
 Maxim Mall  
 Safeway Wholesale Market  
 Isra University  
 King Hussein Cancer Center  
 Al-Mukhtar Mall  
 ATM Shop  
 Landmark Hotel  
 Ministry of Industry and Trade  
 Shafa Badran  
 Children Museum  
 Manaseer Station - Airport Road  
 Safeway Marj Al Hamam  
 Jopetrol station - Medina Str.  
 Safeway Shafa Badran  
 Medical City  
 Umniah Building  
 Orthodox Club  
 Avenue Mall  
 Istiklal Mall  
 Galleria Mall  
 Manaseer Station - Cultural Centre  
 Izmir Mall - Al Hashemi  
 Ahwar Mall - Tabarbour  
 Sweifieh Village  
 Medical City Street  
 The Main Branch  
 Al Thaqafa Street Branch  
 Al Bayader Branch  
 Sweifieh Branch

Abdullah Ghosheh St. Branch  
 Jabal Amman Branch  
 City Mall Branch  
 Abdoun Branch  
 Taj Mall Branch  
 Marj Al-Hamam Branch  
 Jabal Al-Hussein Branch  
 Wadi Saqra Street Branch  
 Jubeiha Branch  
 Downtown Branch  
 Italian Hospital Building  
 Al Hurriah Street Branch  
 Middle East Circle  
 Sahab Branch  
 Khuraybet Al-Souq Branch  
 Hashmi Shamali Branch  
 Marka Branch  
 Tabarbour Branch  
 Mecca Mall Branch  
 Ibn Khaldoun Branch  
 Mecca Street Branch  
 Khalda Branch  
 Queen Rania Al-Abdullah St. Branch  
 Wasfi Al-Tal Street Branch  
 Souq Umm Atinah Branch  
 Al-Yasmeen Branch  
 Abdali Branch - Boulevard  
 Abu Alanda Complex

### ATM Mobile

### Balqa

Manaseer Station - Al Sarw Street  
 Salt Branch  
 Salt Gate Branch  
 Al-Balqa Applied University Branch  
 Deir Alla Branch  
 Fuheis Branch  
 Total Station - Akroush

### Zarqa and the North

Zarqa Safeway  
 Khalid Markets  
 Zarqa Branch  
 New Zarqa  
 Rusaifa Branch  
 Ramtha Branch  
 Mafraq Branch  
 Jerash Branch  
 Safeway Irbid  
 ATM of Kafr Asad Irbid  
 Manaseer Al-Hosn  
 Irbid City Center  
 Al-Hashemi Street Branch / Irbid  
 Arabella Mall Branch  
 Irbid Branch  
 Al-Ahlia Jarash  
 Al-Rjoub Station - Irbid

### South

Carrefour Madaba  
 Madaba Branch  
 Dead Sea Spa Hotel  
 Marriott dead sea  
 Tafila Branch  
 Tafila Commercial Complex  
 Ma'an Commercial Complex  
 Ma'an Branch  
 Manaseer Station - Karak  
 Karak Branch  
 Marriott Petra  
 Mu'ta Branch  
 Aqaba Free Zone  
 Shuweikh Mall  
 Aqaba Branch  
 Ayla - Aqaba  
 Aqaba Downtown



