

Annual Report
For the Year Ending December 31st, 2023.

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Mission Statement

Our Vision:

We strive to develop Jordan Commercial Bank to become a leader in providing banking services that fulfill its customers' needs, in line with the best banking practices.

Our Mission:

Our mission is to provide our corporate, retail, and investment clients with customized, high quality and competitively priced financial solutions. Through both our ever-increasing regularly enhanced range of cutting-edge banking solutions and our efficient distribution channels, we are committed to delivering world-class products and services that reward our stakeholders and customers, as well as our personnel.

Our Values:

- The Bank's employees are our greatest asset.
- The Bank's clients are our utmost priority.
- Transparency is the foundation of our credibility.
- A sense of responsibility is the guide to our customer service.
- Our commitment to continuous improvement.
- Our responsibility lies firmly with our society.

Board of Directors:

1. Mr. Michael Faiq Ibrahim Sayegh, Chairman (Non-Independent)
2. HE Mr. Ayman Haza' Barakat Al-Majali, Vice Chairman (Non-Independent)
3. Mr. Shareef Tawfiq Hamad Al-Rawashdeh, Board Member (Non-Independent)
4. The Social Security Corporation (first seat), Board Member, represented by:
 - a- Mr. Fadi Abdel Wahab Abdel Fattah Abu Ghosh, (Non-Independent)
(Since 08/09/2020 until 30/09/2023)
 - b- Mr. Yehya Mohammad Ashab Obeidat, (Non-Independent)
(As of 01/10/2023 Date of No Objection from Central Bank 11/10/2023)
- 5- The Social Security Corporation (second seat), Board Member, represented by:
 - a- Mr. Munis Omar Salim Abdel-Aal (Non-Independent)
(Since 10/11/2019 until 31/07/2023)
 - b- Mr. Rami Adam Titi (Non-Independent)
(As of 01/08/2023 Date of No Objection from Central Bank 16/08/2023)
- 6- First Jordan Investment Company, Board Member, represented by:
 - a. Mr. Saleh Muhammad Saleh "Zaid Al-Kilani" (Non-Independent)
- 7-Mr. Abdelnour Nayef Abdelnour Abdelnour, Board Member (Non-Independent)
- 8- Mr. Osama Omar Ali Hamad, Board Member (Independent)
- 9- Dr. Henry Tawfiq Ibrahim Azzam, Board Member (Independent)
- 10- Eng. Nasser Hussein Mohammad Saleh, Board Member (Independent)
- 11- Ms. Lina Najeeb Al-Bakheet Al-Dababneh, Board Member (Independent)

Chairman's Message

A. Chairman's Message

Dear Valued Shareholders of Jordan Commercial Bank,

It is my pleasure to present to you the 20th annual report of the Jordan Commercial Bank for the year 2023, in which the bank achieved good results despite the state of general instability prevailing in the region (which significantly increased with the beginning of the fourth quarter of 2023 due to Israel's war on the Gaza Strip), and its subsequent effects on the economic and living conditions at the societal level across all sectors. Additionally, the year 2023 witnessed significant changes in interest rates, as interest rates experienced consecutive increases, reaching their highest levels since 2001. The Federal Reserve raised interest rates several times to curb and stabilize inflation rates, which began to rise at the beginning of 2022 with the onset of recovery from the effects of COVID-19. The rate increased from 0% at the beginning of 2022 to 5% by the end of July 2023 (the highest rate/peak since 2001), and this rate remained stable until the end of 2023. In line with the Federal Reserve, the Central Bank of Jordan raised interest rates on its debt instruments, with the main interest rate increasing from 2.5% at the beginning of 2022 to 7.5% by the end of July 2023. Several Central Banks around the world, including the European Central Bank, raised interest rates during this period.

This increase in interest rates posed a challenge and put pressure on various economic and banking activities such as credit cards, housing, and consumer loans, and borrowing from banks in general. It also affected individuals' purchasing power and companies' ability to borrow and expand, raising concerns of an economic recession. This prompted central banks (upon stabilizing inflation rates) to abandon the progressive approach of raising interest rates and to stabilize them from the beginning of August 2023 until the end of 2023, with expectations of interest rate decreases in 2024.

Locally, in addition to the circumstances at the regional level and changes in interest rates, the Jordanian economy, represented by its key economic indicators, has been suffering from persistent vulnerabilities. These include low rates of GDP growth, high unemployment rates, an increase in the public debt-to-GDP ratio, as well as continued fiscal deficits, current account deficits, and trade imbalances.

Despite these circumstances, as previously mentioned, Jordan Commercial Bank achieved good results, whether on the financial side or the operational side, or in fulfilling its social responsibility.

From the financial side and regarding profitability levels, the Bank continued its' growth for the third consecutive year achieving net profit amounting to JD 11.5 million end of 2023 compared to JD 11.3 million for the year 2022 and JD 7.0 million for the year 2021 this is after the large decrease in 2020 as a result of Covid-19; noting that the growth in profitability was a result of the increase in operational income of the Bank. Gross income increased from JD 42.7 million for the year 2020 to JD 44.4 million, JD 51.4 million and 59.9 million for the years 2021, 2022 and 2023 respectively.

At the level of sources and uses of funds, customer deposits and margin balances increased from JD 935 million at the end of 2022 to JD 1008 million at the end of 2023, with a growth rate of 7.8%. Similarly, net loans and advances increased from JD 702 million to JD 732 million, with a growth rate of 4.4%, at the end of 2023 compared to the end of 2022.

With this growth in both deposits and loans for the year 2023 compared to 2022, Jordan Commercial Bank achieved better results than the banking sector in deposit and loan growth rates during 2023. Customer deposits at the bank increased by 7.8% for the year 2023 compared to 2022, while the whole banking sector saw a 3.9%

increase. Additionally, the growth rate of our total loans and advances reached 6.2% compared to 2.6% for the banking sector. This led to an increase in our market share in both deposits and loans.

Regarding shareholders' equity, there was also growth of 4.2% for 2023 compared to 2022, reaching JD 169 million at the end of 2023 compared to JD 162 million at the end of 2022.

Furthermore, numerous indicators of profitability, portfolio quality, and financial strength exhibited enhancements, coupled with the expansion of the bank's business results, sources, and uses of funds. There was a notable rise in the return on assets from 0.81% in 2022 to 0.84% in 2023. In relation to the return on shareholder's equity, while the net profit for the year 2023 rose marginally in comparison to that of 2022, the growth in shareholders' equity resulted in a slight decrease in the rate of return, amounting to 6.94% in 2023 as opposed to 7.33% in 2022.

Regarding the quality of the credit portfolio, the coverage ratio (which measures the bank's ability to cover its net non-performing debts from provisions) increased from 89% at the end of 2022 to 97% at the end of 2023.

As for the indicators of strength and financial position oversight, several indicators improved significantly, among the most prominent of which was the increase in the capital adequacy rate from 13.29% at the end of 2022 to 13.41% at the end of 2023 (which is higher than the minimum requirement set by regulatory authorities, which is 12%). Additionally, the bank's liquidity ratio increased from 114% at the end of 2022 to 130% in 2023, improving the bank's ability to meet its financial obligations and face any significant unexpected deposit withdrawals without disrupting its operations or affecting its liquidity. Furthermore, there was an improvement in the operating efficiency indicator, which decreased from 53.6% in 2022 to 51.2% by the end of 2023 (a decrease in this indicator is favorable), as it measures the ratio of operating expenses to income.

Dear Shareholders,

The positive financial results achieved by the bank were accompanied by several operational accomplishments in various aspects, as follows:

Services to Customers:

The Commercial Bank places great importance and care towards its customers. The bank's emphasis on customers stems from its strategy and philosophy, which considers its customers as the focal point and the main pillar of its banking operations. This interest comes in several forms. In addition to providing high-quality services, the bank continuously develops and enhances its services and delivery channels to meet the needs of its customers. Furthermore, the bank conducts research to identify the banking services required by customers, catering to their current and future needs. It implements the best and latest practices available in the banking sector, with a greater emphasis on digital services and their delivery methods.

The bank's focus is not only on serving its current customers and increasing their retention rate and transactions by offering a suite of banking services, but also on potential future customers. This has led the bank to also explore the needs and interests of the segments it seeks to attract, especially young individuals who have recently entered the job market.

While the bank prioritizes individual customers, it also places significant emphasis on other sectors, especially the corporate sector, to which it dedicates special care. Consequently, the bank has introduced new products tailored to this sector, in addition to continuing to offer products for individual customers. Moreover, the bank has been introducing and developing various products catering to different customer segments.

This focus has been reflected in the bank's financial results, with noticeable growth in the deposit balances for both individual and corporate sectors (especially large corporations), at higher rates compared to the banking sector. This has led to an increase in our market share of deposits in these sectors.

Deposits outperformed the banking sector in terms of core product growth (current and term deposits). Savings account balances declined at the end of 2023 compared to the beginning of the year, but not as much as the banking sector during the same period. As a result, our market share of savings accounts increased.

Branch Expansion:

With the aim of reaching the largest possible segment of the population and covering a greater number of areas, both densely populated areas with high economic activity and areas experiencing urban and economic growth, as well as areas where residents require banking services and face difficulty accessing them, the bank continued its expansion and branching plan aimed at achieving this goal. This was accomplished through the opening of new branches (traditional or express) or through the installation of ATMs.

In this regard, during the year 2023, the bank opened 3 new express branches in 3 governorates of the Kingdom (Ibn Sina University - the capital, New Zarqa, Irbid/Southern District). Meanwhile, the bank closed two of its branches due to their proximity to other branches of the bank. The accounts of the closed branches were merged with those of nearby branches. As a result, the bank's branch network reached a total of 35 branches covering various regions of the Kingdom.

Additionally, the bank continued to maintain its presence in various areas through a wide network of ATMs. Its ATM network reached 80 machines, including 45 external ATMs.

As part of the bank's commitment to projecting a modern image and a distinct identity, as well as enhancing positive brand perception among its customers, the bank continued to renovate and update several of its branches, with the goal of eventually modernizing all branches. Moreover, it also relocated and transferred several branches to better locations that provide the services needed by bank customers, closer to their central areas.

All of this is followed with a reminder that, while the bank's branch and ATM network has expanded, its primary concentration remains on delivering digital and electronic services, as well as various banking applications.

Human Resources:

The bank considers its human resources as the foundation for the integration and development of the banking process. Human resources are a critical component of banking operations, and the banking process cannot proceed without them. Therefore, the bank's focus and concentration are directed towards this resource.

In this regard, the bank has developed and continuously provides many services for its employees. It consistently studies the needs of its employees to offer them the best services and increase the benefits they receive. Examples include providing parking spaces for employees who do not have them and expanding the network of accredited doctors available to employees and their families. Additionally, the bank regularly reviews salaries and benefits offered to employees, comparing them with those in the banking sector and bridge any gaps. This is in line with the bank's human resources strategy of being one of the top choices for employment seekers.

To enhance the efficiency of its human resources, the bank has enriched and strengthened its existing staff by hiring experienced professionals from the banking sector across various departments and positions. However,

the bank ensures that qualified employees within its ranks are given priority for vacant positions, provided they possess the necessary qualifications. The bank pursues this through career development plans. Additionally, the bank does not overlook the recruitment of new graduates, offering them employment opportunities within the organization.

Consistent with its policy to improve the proficiency and productivity of its employees, the bank places significant importance on training and development. This is accomplished by utilizing the "Salalem" e-learning platform, renowned specialized training institutes, and the bank's training center. The average number of training courses completed per employee in 2023 was 14.6, which was accomplished via 310 training activities.

Internal Operations:

The bank acknowledges the significance of enhancing its internal operations since it has a direct impact on the final product and service supplied to customers in terms of accuracy, speed, and quality. Furthermore, this development has a considerable impact on future operating expenses and, thus, the bank's financial outcomes.

The bank has worked on developing and improving its internal operations and systems, with a focus on enhancing and updating the banking system, programs, and systems that contribute to providing electronic services and channels to customers. The bank has also supported its methodology and efforts in digital transformation, applying comprehensive automation to all its operations. This involved developing and implementing various systems, services, and processes, whether by external companies and service providers or internally by bank employees, with technical support provided to them.

Additionally, the bank has focused on cybersecurity to protect its customers and their data from theft and tampering. It is committed to implementing the directives of regulatory authorities in this regard, including guidelines such as the Central Bank's instructions for the General Data Protection Regulation (GDPR). Also, during 2023, the bank renewed its certification for compliance with the Payment Card Industry Data Security Standard (PCI-DSS), aiming to provide maximum protection and security for its customers regarding credit card transactions.

To maintain the continuity of its business development and alignment with the best banking practices, the bank consistently reviews its policies, procedures, job descriptions, and job requirements, modifying them as necessary. Additionally, the bank reviews its organizational structures at all levels, adjusting as needed to facilitate communication among employees and ensure the provision of banking services to customers efficiently.

Regulatory:

The bank places special emphasis on regulatory procedures practiced within it, which are the procedures that regulate and monitor the bank's operations according to sound banking principles, regulatory instructions, and auditing them, using appropriate tools. These procedures demonstrate the extent of the bank's compliance with the requirements of both internal and external regulatory authorities. The relevant authorities apply these procedures to work on preventing or detecting errors and implementing corrective actions, thereby avoiding violations and financial penalties resulting from these errors. This enhances the bank's positive reputation with both customers and entities having dealings with the bank, as well as regulatory authorities.

In addition, the bank conducts studies, analysis, and management of various risks it faces, assessing its susceptibility to these risks. Also, the bank evaluates the potential impacts of these risks or a combination them, under different scenarios, and identifies appropriate measures.

Also, the relevant regulatory departments within the bank study and monitor the functions of departments, providing suggestions aimed at improving operations. They also provide advice to senior management within the bank to enhance the efficiency of banking operations and the decision-making process.

Dear Shareholders,

The bank's pursuit to achieve financial results, operational achievements, and high growth rates in operations and business outcomes, ensuring competitiveness and market development, does not imply any hesitation or retreat from fulfilling its obligatory role towards society and its individuals. The bank considers this role as obligatory and prioritizes it among its responsibilities. The banking sector, including the Commercial Bank, plays a significant and influential role in society, as the benefits derived from this role extend to all members of society and the institutions operating within it.

In this regard, during 2023, the bank provided support and assistance to numerous charitable, social, cultural, and healthcare Centers that cater to the most vulnerable groups in need of care and attention. It also worked to meet the various requirements of these groups, including educational, healthcare, and cultural needs. Additionally, the bank provided financial support to various segments of the local community, as well as those in need outside Jordan, including contributions to our Gazaj brethren affected by the war. The bank has also engaged in numerous activities and initiatives directly related to the community, including blood donation campaigns, sponsorship of sporting events, and others. University students and recent graduates also found a place in the bank's spotlight and attention.

Sustainability:

With the increasing global focus on sustainability issues and the encouragement to adhere to sustainable development goals and conservation standards, it is important to incorporate them into various activities and sectors, whether for individuals, governments, or companies. It is essential that these measures be included in the policies and strategies of companies and institutions, aiming to conserve natural resources and achieve the well-being of individuals and society, without compromising the availability of future resources and the benefit of future generations. In line with this endeavor and recognizing its importance, the bank has implemented several measures to preserve the environment and its resources, aiming to achieve prosperity for individuals, society, and its employees. Among the bank's initiatives in this regard are reducing energy consumption, implementing solar energy projects, adopting modern designs for branches, focus on dealing with local suppliers, minimizing paper consumption, furniture recycling, supporting associations and Centers aimed at supporting vulnerable groups, and providing the best services to its employees based on efficiency, equality, and other principles.

During 2023, at the request of the Amman Financial Market, the bank prepared its first sustainability report for 2022, and it will continue to do so annually. This report outlines the bank's key activities, initiatives, and agreements it carried out in 2022 to fulfil its commitment to achieving sustainable development goals and adhering to global standards. Additionally, the report illustrates the bank's journey and significant milestones related to its focus on sustainability issues from 2004 until the end of 2022.

Dear Shareholders,

In conclusion, I cannot but express my sincere gratitude and appreciation to our esteemed clients for their invaluable trust in us. I also extend my heartfelt thanks to the Central Bank of Jordan and the Securities Commission for their advice and guidance, which have had a significant impact on the bank's progress and achievements. Furthermore, I would like to thank the members of the bank's Board of Directors for their cooperation, support, and advice they provided the bank and in assisting the management. I also extend my gratitude and appreciation to the bank's executive management and all its employees for their efforts that have contributed to the bank's outstanding results.

I pray to God Almighty that the bank achieves further progress and prosperity in the coming years, and that our beloved Jordan and its people enjoy security and safety, and may God protect our King and Crown Prince.

Peace, mercy, and blessings of God,

Michael Sayegh
Chairman of the Board of Directors

Executive Management:

Senior Executive Management		
	Title	Name
1.	Chief Executive Officer (CEO)	Caesar Hani Aziz Qulajen
2.	Deputy CEO	Alaa "Mohammad Salim" Abdulghani Qahef
3.	AGM, Head of Credit	Mohammad Ali Mohammad Al-Quran
4.	AGM, Head of Retail	Salim Nayef Salim Sawalha
5.	Chief Financial Officer, AGM Finance	Abdallah Mahfouz Theodore Kishkek
6.	AGM, Corporate & SMEs Banking	Wael "Mohammad Yousef" Aref Rabieh
7.	Executive Manager, Treasury, and Investment	Anas Maher Radi Ayesh
8.	Chief Information Officer	Antonio Antonios Antoun Abdel Massih *
9.	Executive Manager, Financial Institutions Department	Sami Nimer Salem Al-Nabulsi
10.	Legal Department Manager/BOD Secretary	Walid Khaled DaifAllah Al-Qheiw
11.	Corporate Communications Department Manager	Jamal Hussein Abtan Al -Raqqad
**Managers of supervisory departments		
1.	Compliance, AML & CFT Department Manager	Mahmoud Ibrahim Mahmoud Mahmoud
2.	The General Auditor	Ajoud Sharafaldeen Ali ALRousan
3.	Risk Department Manager	Nadia Fahed Fareed Kanan
*Investor Relations Department Officer		
-	Investor Relations Department Officer	Haitham Amin Khaleel Hammouri*

*Non – Senior Executive Management members

** Directors of regulatory departments

Heads of Departments:

Heads of Departments	
Name	Title
Ibrahim Omar Ibrahim Al-Alami	Collections Department Manager
Roba Jehad Atia Shehab	Retail Credit Department Manager
Ziad Ahmad Daoud Al-Ramahi	Strategic Planning Department Manager
Sajid Mahmoud Husni Abu Touq	Corporate Banking Department Manager
Salam Fawaz Suleman Muzher	Direct Sales Department Manager
Ibrahim Abdallah Mohammad Al-Harithi	Branches Department Manager (Starting from 21/09/2023)
Diaeddin Mohammad Ahmad Jaber	Branches Department Manager (Resigned 30/04/2023)
Alaa Saber Ahmad Shoubaki	Credit Remedial and Debts Recovery Department Manager
Lana Mohammad Shaban Abu Khadra	Central Operations Department Manager
Tariq Fadelallah Jubrail Qubain	Trade Finance Department Manager (Resigned 03/07/2023)
Maher Nayef Suluman Halasah	Administration Department Manager (Retired 10/06/2023)
Ehab Saliem Badawi El-Saheb	Administration Department Manager (Starting from 01/05/2023)
Mohammad Ahmad Mohammad Obeidat	Executive Manager Credit Review Department
Noura Waleed Mohammad Al-Jittan	Human Resources Planning and Development Department Manager
Hani Abdul-Rahman Mahmoud Darwish	Treasury Department Manager
Faten Karim Fawzi Asfour	Credit Control and Documentation Department Manager (starting from 03/07/2023)
Tariq Ali Husni AlZubeidi	SME's Banking Department Manager (starting from 03/07/2023)
Noor Abbas Mahmoud Irshaid	Liabilities and Cash Management Department Manager (starting from 03/05/2023)
Haitham Faisal Mohammad Al-Shamaileh	Operations Engineering Department Manager
Yaser Fawzi Yousef Goussous	Engineering Department Manager

Board of Directors Report

B. Board of Directors Report

Jordan Commercial Bank complies with the provisions of the Corporate Governance Code issued by the Central Bank of Jordan and the Corporate Governance Code for Shareholding Companies Listed in the Amman Stock Exchange for disclosures included in the Annual Report in accordance with the disclosure instructions and accounting standards. The Bank also complies with the provisions of the Corporate Governance Code for Shareholding Companies Listed in the Amman Stock Exchange for the year 2017 and the Corporate Governance Code for Companies, all required information has been included in the Annual Report. As such, The Bank is fully compliant with the disclosure of optimal corporate governance information. Disclosure information and the corporate governance report are as follows:

(1)/A: The Bank's Main Activities:

Providing comprehensive and integrated banking services to all sectors of Corporate, SMEs, Retail, Treasury and Investments with high quality and competitive rates that meet the various financial needs of customers as well as developing and creating its own products and services. The Bank also works to enhance its branch network presence and increase its customer base through strategic geographical expansion in various regions throughout the Kingdom.

(1)/B: The Bank's geographical locations and the number of employees in each of them:

1. The address of the Head Office: King Abdullah II St – 8th Circle – Al Rawnaq District – Building No. (384)
2. The total number of Bank employees reached (696) by 31/12/ 2023, divided as follows and according to geographical presence:

Jordan Branches			
Branch	No. of Employees	Branch	No. of Employees
Head Office	505	Al-Hashmi Al-Shamali	2
Main Branch	12	Jubaiha	7
Dahiyat Al Yasmeen	3	Al Fuheis	6
Dahiyat Al Nakheel - Express	3	Wasfi Al Tal St	6
Abu Al Sous - Express	2	Salt	5
Marj Al Hamam	4	Muadi	7
Sports City	5	Az Zarqa	7
Commercial Complex	5	Rusaifeh	4
Jabal Amman	5	Um Uthaina	12
Jabal Al Hussein	7	Madaba	8
Shaffa Badran – Express	2	Aqaba	7
Shmeisani	7	Al Karak	7
Radio & TV	6	Irbid	15
Marka	6	Hay Al Janoubi – Express	2
Tabarbour - Express	1	Hay Al Sharqi - Express	3
Al Abdali – Express	3	Ar Ramtha	8
Abdoun – Express	2	Mafraq	9
Ibn Sina – Express	1	New Zarqa	2
Total			696

- There are no branches outside Jordan.

- There are (35) branch reserve staff (both male and female).

The Mecca St. and Al-Husn branches have been closed.

New Express branches opened: New Zarqa - Express, Al-Hay Al-Janoubi – Express, and Ibn Sina – Express.

(1)/C: The Volume of the Bank’s Capital Investment:

The Bank’s capital investment amounted to JOD 25,179,768.

(2): Jordan Commercial Bank does not have any subsidiary companies.

(3)/A: The Names and Profiles of the Board Members

Names of present and resigned Board members during the year and their memberships on the boards of public shareholding companies, with confirmation that all Board Members of the Bank are nonexecutives:

**1- Mr. Michael Faiq Ibrahim Al Sayegh
Chairman (non-independent)
Date of Membership: 16/02/2004**

- Mr. Michael Al Sayegh was born on 01/01/1946.
- He received his BA in Public Administration and Political Science from the University of Jordan (1971).
- Mr. Sayegh is the Board Chairman of Sayegh Group since 1979, which includes under its umbrella many companies in various fields of lubricants, metal containers sponges, mattresses, filling spray bottles, real estate investments, banking services, and media. The Group provides the consumer with many and varied services, products, and goods. It employs 1,500 employees.
- Mr. Sayegh holds the Order of the Holy Sepulcher of Metropolitan Vindictus of the Greek Orthodox Patriarchate in 2002.
- Mr. Sayegh holds the King Hussein Medal for Distinguished Contributions of the First Class in 2007.

Mr. Sayegh is the board chairman, board member and honorary president of several companies, associations, and clubs, including:

- Chairman, Sayegh Group’s companies.
- Chairman, Arab Company for Paints Products – Palestine.
- Member, First Jordan Investment Company.
- Vice-Chairman, Arab Paints & Producers Association.

- Chairman, Medical Aid for Palestinians -MAP Jordan.
- Member, Trustees and founder of the Palestine International Foundation.
- Member, Al Jazeera Sudanese Jordanian Bank – Sudan.
- Vice Chairman of Brinsley Enterprises.
- Member of the Board of Trustees of Institute for Palestine Studies.
- Chairman, Yaffa Society for Social Development.
- Member, Aqaba Education Company.
- Member, Aqaba University of Technology.
- Vice Chairman, Trustees of Aqaba University of Technology.
- Vice Chairman, Aqaba Medical University.
- Member, University College of Technology.
- Member, Jerusalem Fund and Endowment.
- Member, Al-Quds Fund & Empowerment.
- Member, Al-Quds University, Abu Dis, Palestine.
- Honorary President, the Orthodox Club – Fuheis.
- Member, the Central Orthodox Council.
- Vice Chairman of the Orthodox Society.
- Member of Welfare Association – Taawon.
- Chairman of Arab International Investor Forum.

Mr. Micheal Al-Sayegh is the chairman/member of the following JCB's Board Committees:

- Chairman, Credit Facilities Committee
- Member, Corporate Governance Committee
- Member, Nominations and Remuneration Committee

2- H.E. Mr. Ayman Hazza Barakat Al Majali

Vice Chairman (Non-independent)

Date of Membership: 16/02/2004

- H.E Mr. Ayman Al Majali was born on 20/02/1949.
- He received his BA in History (1972)
- He started his career working at the Ministry of Foreign Affairs of Jordan.
- In 1993, he was appointed as Chief of Royal Protocol at the Royal Court.
- In 1999 he was appointed as Deputy Prime Minister, Minister of Youth and Sports and Minister of Information.
- In 2002, he became a board member at the Jordan Gulf Bank and was re-elected in 2004 as Vice Chairman of the Board at the Jordan Commercial Bank.
- In 2020, he was elected as a member in the House of Representatives of Jordan.
- He was Vice Chairman at First Insurance Company (2008 – 2023).

He was elected as a board member for the following companies: -

- Chairman, First Jordan Investment Company PLC.
- Chairman, Al Jazeera Sudanese Jordanian Bank.
- Chairman, Al Quds Ready Mix PLC.
- Chairman, International Company for Outsourcing Services (CrysTelCall).

HE Mr. Al-Majali is the chairman/member of the following JCB's Board Committees:

- Chairman, Debt Settlement Committee.
- Member, Audit Committee.

3- Mr. Shareef Tawfiq Hamad Al Rawashdeh
Board Member (Non-Independent)
Date of Membership: 28/6/2012

- Mr. Sharif Al-Rawashdeh was born on 1/8/1958.
- He obtained a Bachelor's degree in Economics from Yarmouk University in 1986.

Work Experience:

- He worked as an internal auditor at the Jordan Kuwait Bank (1987-1981).
- He worked as loans manager at Al Mashreq Bank, United Arab Emirates (1988-1987).
- He worked as group head of Retail Banking Services, Private Banking Services and the manager of the head office branch at the Saudi Investment Bank, Riyadh, Kingdom of Saudi Arabia from 1988 to 2010.
- A former member of the 16th Jordanian Parliament and member of Health Committee Environment and Energy Committee (2011-2010).
- Mr. Al-Rawashdeh holds the Certified Board Member Certificate by IFC/JIOD.

Mr. Sharif Al-Rawashdeh also holds the following positions:

- Chairman, Arab Jordanian Insurance Group since 28/07/2022.
- Chairman, Al Bilad Securities & Investment Co. since 2006 until 01/04/2019.
- Chairman, National Chlorine Industries Company Ltd. (from 04/2016 until 01/07/2020)
- Chairman, International Arabian Development & Investment Trading Co. since 2012 until 2015)
- Vice Chairman, Arab Jordanian Insurance Group since 2012 until 6/2016.
- Board member, Arab Jordanian Insurance Group. (from 29/07/2020 until 28/07/2022)
- Board member, Al Bilad Securities & Investment Co. since 01/04/2019.
- Board member, Al-Bilad Medical Services P.L.C from 2002 to April 2014
- Board member, of the Arab Aluminum Industry (ARAL) as of 04/30/2017.
- Board member, National Chlorine Industries Company P.L.C from April 2012 to October 2012
- Member of the Board of Trustees at Mutah University
- Chairman of Management Board of Directors at Canadian International Schools
- Chairman of Management Board at Mandala Beauty Clinic
- Member of Management Board at the Jordanian-Canadian Businessmen Association
- Member at Royal Jordanian Gliding Club
- Member of the Board of Trustees at Al-Albeit University since 27 Jun. 2022.

Mr. Sharif Al-Rawashdeh is the Chairman and member of the Bank's Board Committees:

- Chairman, Compliance Committee
- Member, Credit Facilities Committee.
- Member, Debt Settlement Committee.
- Member, IT Governance and Cyber Security committee.

4- Mr. Abdelnour Nayef Abdelnour
Board Member (Non-independent)
Date of Membership: 09/07/2020 personal capacity.

Note: Mr. Abdel Nour Abdel Nour was named a representative of the National Paints Factories Company Ltd. on 25/10/2015 until 09/07/2020.

- Mr. Abdelnour Abdelnour was born on 14/09/1972.
- He received his MBA/International Business from the University of Leeds, UK, (1997)
- He received BA in Business Administration and Accounting from the University of Jordan (1994).
- He holds the Certified Board Member Certificate from IFC/JIOD.

Mr. Abdelnour is currently working as:

- Acting General Manager of Princely Enterprise from 2010 until now.
- Partner, Tadribat for Skills Development Company
- Chairman, Bio Scan Radiology Center
- Member of Bio lab Medical Laboratories.
- Member, of the United Insurance Company from March 2022 until now
- Member, First Jordan Investment Company.

Mr. Abdelnour attended several courses, the most important of which are:

- Fintech Course Harvard Business School as attached.
- Strategic Planning in Banking, Euro money, London
- Certified Board Member from the World Bank
- Financial and administrative analysis and estimate budgets.
- Negotiation skills and time and crisis management
- Several courses at the Institute of Banking Studies on banking and corporate businesses

Mr. Abdelnour is a chairman/member of the following JCB's Board Committees:

- Chairman, Strategic Planning Committee
- Member, Risk Committee
- Member, Debt Settlement Committee
- Member, IT Governance and Cyber Security committee.

5- First Jordan Investment Company PLC.

Board Member (Non-Independent)

Date of Membership: 20/04/2011.

Represented by: Mr. Saleh Mohammad Saleh 'Zeid Kilani'

Noting that Mr. Saleh Muhammad Saleh "Zeid Kilani" was named as a representative of First Jordan Investment Company on 29/07/2018, and he was renamed as a representative of First Jordan Investment Company on 09/07/2020.

- Mr. Saleh 'Zaid Kilani' was born on 15/10/1966.
- He holds an MBA from the United States in 1989 and BA in Political Science and International Administration from the United States in 1988, He holds the Certified Board Member Certificate by IFC/JIOD.

Work Experience:

- Chief Commissioner Development Zones Commission (2008-2010).
- Commissioner for Investment and Economic Development Affairs Aqaba Special Economic Zone Authority (2005-2008).
- Former Chairman of the Dead Sea Development Company.
- Held several positions in both the public and private sectors.
- Member of the Board of Directors of Jordan Commercial Bank as a representative of the Social Security Corporation on 15/02/2010.
- Member of the Board of Directors of Jordan Commercial Bank in an independent on capacity 28/06/2012.
- Program Development & impact Advisor to Abdul Hameed Shoman Foundation (04/2013 -9/2020).
- Member of the Board of Directors of the Arab Jordanian Insurance Group Company, an independent as of 29/07/2020.
- Vice Chairman Al Bilad Securities & Investment Co. since 24/04/2022.

Mr. Kilani is the member of the following JCB's Board Committees:

- Member, Credit Facilities Committee.
- Member, Compliance Committee.
- Member, Strategic Planning Committee.
- Member, Debt Settlement Committee.
- Member, IT Governance and Cyber Security committee.

6- Social Security Corporation (First Seat) - Mr. Yahya Mohammad Obeidat
Board Member (Non-independent)
Date of Membership: 10/5/2004
Represented by: Mr. Yahya Mohammad Ashab Obeidat

(Current as of 01/10/2023 Date of No Objection Certificate from Central Bank 11/10/2023)

- Mr. Yahya was born on 9/04/1981.
- He is holding MBA degree in Financial Management from The University of Banking & Finance sciences, Jordan 2010 & Bachelor of Finance degree from Yarmouk University, Jordan 2003

Work Experience:

- Tourism Portfolio Section Head/ Project Finance Dep. Social Security Investment fund. 2018 – present.
- Sr. Financial Analyst/ Project Finance & Private Equity Dep. Social Security Investment Fund. 2010 – 2018.
- Financial Analyst/Project Finance & Private Equity Dep. Social Security Investment Fund.2008 – 2010.
- Financial Analyst/Treasury Dep. Social Security Investment Fund. 2005 – 2008

Board of Director Memberships:

- National Company for Investment in Infrastructure Projects Co. (from 16-8-2021 till 1-10-2023)
- Al daman for investment and agricultural industries Co. (from 16-9-2020 till 15-8-2021)
- Saraya al Aqaba for real estate development Co. (from 23-4-2017 till 15-9-2020)
- AL Daman for hotel transportation services Co. (from 10-10-2016 till 22-4-2017)

Mr. Yahya Mohammad Obeidat is a member of the committees emanating from the bank's board of directors, which are:

- Member, Audit Committee.
- Member, Strategic Planning Committee.

7- Social Security Corporation (2nd Seat) - Mr. Rami Adam Anaaz Titi
Board Member (Non-independent)
Date of Membership: 25/10/2015

Represented by:

Mr. Rami Adam Anaaz Titi

(Current as of 01/08/2023 Date of No Objection Certificate from Central Bank 16/08/2023)

- Mr. Rami Titi was born on 31/01/1979.
- He obtained a bachelor's degree in accounting from Irbid University in 2000.
- Received membership in the Arab Society of Certified Accountants in 2003.
- In addition to several professional certificates.

Work Experience:

- He has practical experience in the field of investment in the financial markets, where he held the position of Financial Director for the investment sector in Rashid Abdul Rahman Al-Rashed and Sons Company - Saudi Arabia, UAE, from 2010 until 4/2017.
- He held the position of Accounts Manager and Deputy Financial Director in the Investment Department - Rashid Abdul Rahman Al-Rashed and Sons Company - Saudi Arabia from 2005 until 2010.
- From 5/2017 to 11/2018, he held the position of financial analyst in the Portfolio Management Department - Equity Investment Directorate - Social Security Investment Fund.
- Since 12/2018 until now, he has held the position of Financial Analyst in the Contribution Support Directorate\ Corporate Affairs Section - Social Security Investment Fund.
- He held as a member of the Board of Directors of the Unified Launch Center Company LLC from 8/2022 - 8/2023.
- Mr. Rami Adam Titi is a member of the committees emanating from the bank's board of directors, which are:
 - Member, Facilitation Committee.
 - Member, Nominations and Remuneration Committee.

8- Social Security Corporation (First Seat) - Mr. Fadi A. A. Abu Ghoush
Board Member (Non-independent)
Date of Membership: 10/5/2004 Represented by:
Mr. Fadi A. A. Abu Ghoush Since 08/09/2020 until 30/09/2023

- Mr. Fadi Abu Ghoush was born on 5/03/1979.
- He received a bachelor degree in accounting from Al al-Bayt University in Jordan in 2001
- He is accredited as a Jordanian Certified Public Accountant (JCPA) in 2012 and a Certified Internal Auditor (CIA) in 2007
- Working Experiences:

- He works at the Social Security Investment Fund (SSIF) since 2005. He is currently the Director of the Internal Audit Unit.
- He Worked as an employee at the Islamic International Arab Bank during the years (2002-2005)
- He worked as an accountant at Al Sabbagh Drug Store Company during the year 2005.
- He worked as a financial Implementation officer at the Houston Limited Company in Amman in 2001.
- He is a part-time lecturer of several professional certificates (JCPA, CPA, ACCA, CMA, CIA) in addition to topics related to internal auditing, combating money laundering and fraud, internal control and corporate governance.
- Mr. Fadi A. A. Abu Ghoush is a member of the committees emanating from the bank's board of directors, which are:
 - Member of the Facilitation Committee.
 - Member of the Risk and Compliance Committee.
 - Member of the Strategic Planning Committee.

**9- Social Security Corporation (2nd Seat) HE Mr. Mo'nes Omar Saleem Abdel All
Board Membership (Non-Independent)
Date of Membership: 25/10/2015 Represented by:
Mr. Mo'nes Omar Saleem Abdel All Since 10/11/2019 until 31/07/2023**

- Mr. Mo'nes AbdelAll was born on 7/04/1982.
- Bachelor of Accounting from Yarmouk University in 2004
- Certified Management Accountant CMA, Dec, 2013
- Certified Public Accountant CPA Dec, 2018
- DiplFR, July 2019

Work Experience:

- Corporate Affairs Section –Section Head since July 1, 2020, to date
- Head of Investment Risk at Social Security Investment Fund (SSIF), Jan 2019 till June 30, 2020
- Head of settlement division and CFO deputy at SSIF from May 2006 till Dec 2018
- Bank al Etihad - ex BOD member – SSC delegate Nov,2017 till Nov 2019
- Jordan Press & Publishing Company “Addustour” – ex BOD member – SSC delegate April 2017 till Nov 2017
- CPA & CMA instructor

HE Mr. Mo'nes Omar Saleem Abdel All is a member of the following Bank's Board Committees:

- Member of Audit Committee
- Member of Nominations and Remuneration Committee

10- Mr. Henry Toufic Ibrahim Azzam

Board Member (Independent)

Date of Membership: 09/07/2020

Henry Azzam is currently Professor of Finance and Director, Master of Finance Program, Olayan School of Business (OSB), American University of Beirut.

- Mr. Henry Azzam was born on 01/01/1949.
- He joined the faculty of OSB in January 2014.
- He holds a Ph.D. in Financial Economics from University of Southern California, Los Angeles and BA and MA from the American University of Beirut.

Work Experience:

- He is the Chairman of the Board of Directors of Rasmala Investment Company (Dubai).
- He was Chairman and CEO of The Social Security Investment Fund of Jordan during the period August 2012 – September 2013.
- Prior to that, Henry Azzam from Nov. 2010 till July 31, 2012 Deutsche Bank's Chairman for the MENA region and from May 2007 till October 2010
- he was Deutsche Bank's CEO for the MENA region supervising a team of 250 employees operating in the bank's branches (in Dubai, Abu Dhabi, Riyadh, Doha, Bahrain, Cairo and Algeria).
- Before Joining Deutsche Bank, he was the CEO of Amwal Invest, an investment bank he founded in Amman in 2005 and had guided it through its first two years of operation.
- He was the Chairman of Dubai International Financial Exchange (now Nasdaq Dubai).
- Chairman of Mobilecom (now Orange mobile) , Amman (1998-2003).
- Before establishing Amwal Invest, Henry Azzam was the CEO of Jordinvest (2001 – 2004),
- Managing Director of Middle East Capital Group, Amman (1998-2001)
- AGM and Chief Economist of the Saudi National Commercial Bank, Jeddah Saudi Arabia (1990-1998)
- Vice President and Chief Economist of Gulf International Bank, Bahrain (1983-1990).
- He worked with the Arab Fund in Kuwait and the International Labour Organization in Geneva.
- He has five books the last one "The Emerging Middle East Financial Markets" published by Author House in the U.S. in September 2015.
- Previously Henry Azzam was a board member of Eqbal Investment Company (Amman), Arab Jordan Investment Bank (Amman), Royal Jordanian Airlines (Amman), Nuqul Group (Amman), Aramex (Dubai), Majid Al Futtaim Trust (Dubai), Arabtec (Dubai),
- He was a member of the International Advisory Board of the Saudi Stock Exchange (Tadawul).

Mr. Azzam is the chairman/member of the following JCB's Board Committees:

- Chairman, Risk Committee
- Member, Audit Committee
- Member, Corporate Governance Committee
- Member, Strategic Planning Committee
- Member, Nominations and Remuneration Committee
- Member, IT Governance and Cyber Security committee

11- Mr. Nasser Hussein Mohammad Saleh
Board Member (Independent)

Date of Membership: 09/07/2020

- Mr. Nasser Saleh was born on 4/12/1972.
- He holds a B.Sc. in Electrical Engineering from the University of Jordan in 1995.
- He was awarded the King Abdullah II Bin Al Hussein Medal of Distinguished Excellence in 2017 for MadfoatCom project.
- was awarded Sheikh Mohammad Bin Rashid Award, for the best service project category in the Arab World in Dubai in 2018.
- He was selected as an Endeavor Entrepreneur in 2014.
- He is a member of the American Entrepreneurs' Organization (EO) in Jordan.
- Member and founder of the Jordanian Entrepreneurship and Creativity Association
- He won EY Entrepreneur of The Year Award for 2013.
- He was also awarded the Queen Rania National Entrepreneurship Award in 2012.
- Mr. Nasser is the Chairman of Board of MadfoatCom for ePayments.
- He is the Chairman of the British Technology Board for developing expertise in the payment and cyber security solutions.
- He held several positions as Executive Vice President, Head of Information Technology and consultant in several Arab and foreign companies and banks (Accenture, Microsoft, eDATA, AlRajhi Bank, USAID...).

Eng. Nasser Saleh is also Chairman and Member of the committees emanating from the Board of Directors of the Bank:

- Chairman, IT Governance and Cyber Security committee.
- Chairman, Corporate Governance Committee.
- Member, Audit Committee.

12- Miss Lina Najib Al Bakhit Al Dababneh
Board Member (Independent)

Date of Membership: 18/ 04/ 2022

- Miss. Lina Al Bakhit Al Dababneh was born on 28/04/1963.
- She holds BA in Political Science & Public Administration American University of Beirut, Lebanon 1984.

Working Experience:

- 36 years of banking experience with Jordanian banks in all areas of business sectors from 1985 until 2021.
- held the position of Business Sector Manager/Executive Vice President at Jordan Ahli Bank from 2018 until 07/31/2021.
- Director of the Treasury, Investment and Financial Institutions Department / Executive Vice President at the Jordan National Bank from 1998-2018.
- Petra Bank 1985-1989 Treasury & Investments.
- Held the position of Deputy Chairman of Ahli Microfinance Co. 2015-2022.
- Held the position of Chairman of Ahli Brokerage Co. 2010-2015

- Held the position of Board member of Ahli Microfinance Co. 2001 -2010
- Member of the Board of Directors at Modern Flour Mills & Macaroni Factory since 2004.
- Ms. Al Bakhit is chairman/ member of the following JCB's Board Committees:
- Chairman, Audit Committee
- Member, Risk Committee
- Member, Corporate Governance Committee
- Member, Strategic Planning Committee
- Member, Nominations and Remuneration Committee

13- Mr. Osama Omar Ali Hamad

Board Member (Independent)

Date of Membership: 11/06/2019

- Mr. Osama Hamad Was born on 21/9/1974.
- Master of International Banking and Finance Law from King's College London 2000
- International Practice Diploma in International Joint Ventures from the College of Law of England and Wales and the International Bar Association 2001 Bachelors of Law (LL.B) Amman University , Jordan 1996.

Work Experience:

- Founder and managing partner of Hamad & Associates Attorneys at Law and Legal Counsellors
- Leading Jordanian full practice with wide experience and emphasis on transactions, banking and finance, corporate and project finance, energy, private equity, mergers and acquisitions, public private partnerships, capital markets, joint ventures and investment funds in Jordan, the region and globally.

Mr. Hamad is Chairman & member of following committees of the bank:

- Chairman, Nominations and Remuneration Committee
- Member, Credit Facilities Committee
- Member, Compliance Committee

(3)/B: The Names and Profiles of Senior Management:

1. Mr. Caesar Hani Aziz Qulajen Chief Executive Officer (CEO)

- Appointment Date: 01/04/2015.
- Date of birth: 22/08/1964.

Education and Accreditation:

- MBA in Finance from the University of Dallas, Texas - USA in 1999.

Work Experience:

- Deputy CEO of The Housing Bank for Trade and Finance – (2012-2015).
- Assistant General Manager of The Housing Bank for Trade and Finance – (2008-2012).
- CEO of Ebram Company Investment Group, Kingdom of Saudi Arabia – (2006-2008).
- Assistant General Manager - Saudi Financial Group (Samba) – (2004-2006).
- Senior Manager - Arthur Andersen & Co. Saudi Arabia – (1999-2004).
- Social Security Corporation – (1989 – 1997).

2. Mr. Alaa “Mohammad Salim” Abdul-Ghani Qahef Deputy CEO

- Date of appointment: 01/07/2004.
- Date of birth: 17/03/1973.

Education and Accreditations:

- MBA from the German Jordanian University in (2012).

Work Experience:

- Director of Customer Services and Products - DHL International since (1995 – 2004).

3. Mr. Mohammad Ali Mohammad Al-Quran Assistant General Manager, Head of Credit

- Appointment date: 19/06/2007.
- Date of birth: 20/10/1971.

Education & Accreditations:

- Bachelor's degree in economics from Yarmouk University in (1995).

Work experiences:

- Industrial Development Bank – (2003-2004).
- Expert House for Consulting – (2002-2003).
- The Jordanian Loan Guarantee Corporation – (2000-2002).
- The Egyptian Land Bank – (1997-2000).
- Alarba International Company – (1996-1997).

4. Mr. Salim Nayef Salim Sawalha

Assistant General Manager, Head of Retail

- Appointment date: 01/03/2016.
- Date of birth: 20/09/1975.

Education & Accreditations:

- Bachelor's degree in economics from Yarmouk University in (1997).
- Double major MBA in Entrepreneurship and Marketing from California State University, East Bay in the United States of America (2001).
- Certified Management Accountant (2014).

Work experience:

- Country Manager - Visa International - Jordan, Iraq and Palestine – (2014-2016).
- Head of Branches - Bank Al Etihad – (2008-2014).
- Branch Manager - Wachovia Bank – (2007-2008).
- Branch Manager - Washington Mutual– (2004-2008).

5. Mr. Abdallah Mahfouz Theodore Kishek

Chief Financial Officer, Assistant General Manager Finance

- Appointment date: 14/06/2015.
- Date of birth: 05/08/1967.

Education & Accreditations:

- Bachelor's degree in Accounting from Walsh University - United States of America (1990).
- CPA Public Accountant (1991).

Work experience:

- Assistant General Manager / Finance at Bank Al-Etihad, Jordan – (2009-2015).
- Assistant General Manager / Finance at Bank Aljazira, Kingdom of Saudi Arabia – (2003-2009).
- Senior Manager Financial Advisory Services at Arthur Andersen, Saudi Arabia – (1993-2003).
- Accountant at Shredder Porter Engineering Company, America – (1992).

6. Mr. Wael “Mohammad Yousef” Aref Rabieh
Assistant General Manager, Corporate & SME’s Banking

- Appointment date: 24/08/2014.
- Date of birth: 07/11/1977.

Education & Accreditations:

- Bachelor’s degree in Accounting from Al-Zaytoonah University in (1999).
- Master’s degree in Banking and Financial Sciences from the Arab Academy for Financial Sciences (2004).

Work experience:

- Arab Banking Corporation – (2006-2014).
- Jordan Ahli Bank – (2004-2006).
- Bank of Jordan – (2000-2004).

7. Mr. Anas Maher Radi Ayesh
Executive Manager, Treasury, and Investment

- Date of appointment: 12/11/2017.
- Date of birth: 12/10/1979.

Education & Accreditations:

- Bachelor's degree in Economics, Financial and Banking sciences from Yarmouk University in (2001).

Work experience:

- Senior Manager, Head of Investment - Safwa Islamic Bank – (2011-2017).
- Director of Treasury Department - Arab Jordan Investment Bank (Qatar) – (2007-2011).
- Director of Treasury Department - Arab Jordan Investment Bank (Jordan) – (2006-2007).
- Treasury Officer - Societe Generale Bank (Jordan) – (2005-2006).
- Jordan Capital Bank (formerly the Export and Finance Bank) – (2001-2005).

8. Mr. Antonio Antonios Antoun Abdel Massih
Chief Information Officer

- Date of appointment: 02/01/2022.
- Date of Birth: 20/10/1974

Education & Accreditations:

- Bachelor's degree in Computer Science from Princess Sumaya University for Technology (1995).

Work experience:

- Director of the Information Technology Department - Societe Generale Bank of Jordan - (2021).
- Director of the Information Technology Department - Bank Audi (Jordan branches) - (2004 - 2021).
- Alia Company / Royal Jordanian Airlines - (2002 - 2004).
- Royal Jordanian - (1998 - 2002).
- British Bank of the Middle East HSBC - (1995 - 1998).

9. Mr. Sami Nimer Salem Al Nabulsi

Executive Manager, Financial Institutions Department

- Appointment Date: 10/20/2013.
- Date of birth: 20/12/1976.

Education & Accreditations:

- Master's degree in Banking and Finance from Sheffield Hallam University in 2001.
- Bachelor's degree in Economics from the University of Jordan in (1998).

Work experience:

- Director of Financial Institutions and Correspondent Banking Department - The Investment Bank – (2010-2013).
- Senior Relationship Manager - Arab Bank – (2003-2010).
- Senior Officer - Jordan National Bank – (2001 – 2003).

10. Mr. Walid Khaled DaifAllah Al-Qaheawi

Legal Department Manager/BOD Secretary

- Appointment date: 14/06/2016.
- Date of birth: 24/04/1974.

Education & Accreditations:

- Master's degree in International Business Law, Western Sydney University (2005).
- Diploma in Legal Language - Westmead Institute - Sydney - Australia in (2003).
- Bachelor's degree in Law from the University of Jordan in (1996).

Work experience:

- Senior Legal Adviser - Arab National Bank - Kingdom of Saudi Arabia (2013-2016).
- Part-time legal advisor - The Specialized Leasing Company – (2008-2013).
- Lead Attorney - The Housing Bank for Trade and Finance – (2005-2013).

- The company's lawyer and legal advisor - Amman Resources Group – (1999-2003).

**11. Mr. Mahmoud Ibrahim Mahmoud Mahmoud
Compliance & AML Department Manager**

- Appointment date: 26/05/2013.
- Date of birth: 10/08/1980.

Education & Accreditations:

- Bachelor's degree in Management and Accounting (B.com) from Mysore University - India in (2002).
- Master's degree in Accounting and Information Systems (MSC.AIS) from Kingston University - London in (2007).
- CICA Certified Internal Control Systems Auditor - Internal Oversight Organization - New Jersey - United States - year (2008).
- Certified Compliance Expert from the International Academy of Financial Management (Certified Compliance Professional) CCP – General – (2011).

Work experience:

- Compliance Officer - Bank of Jordan – (2009-2013).
- Audit Supervisor - Brothers Auditing Company - Members of INPECT – (2007-2009).
- Team Leader - Ibrahim Hamdan Office for Auditing and Consulting – (2002-2005).

**12. Mr. Ajoud Sharafaldeen Ali Al-Rousan
Internal Auditor**

- Appointment Date: 02/04/2017.
- Date of birth: 18/08/1969.

Education & Accreditations:

- Bachelor's degree in Accounting from the University of Aleppo / Syria in (1992).
- Master's degree in Financial Accounting from the Arab Academy for Banking and Financial Sciences in (1997).
- CPA Certified Auditor Certified by the Illinois State Board of Accountants – USA in (1999)
- Certified (CISA) Information Systems Auditor certified by the Information Systems Audit and Control Association - USA in (2001).

Work experience:

- Head of Internal Auditing - Standard Chartered Bank - Jordan – (2016-2017).
- Head of Internal Audit - Jordan Dubai Islamic Bank – (2009-2016).
- Director of Performance and Risk Review - Abu Dhabi Accountability Authority – (1997-2009).

- Budget Analyst - General Budget Department - Ministry of Finance – (1993-1997).

13. Ms. Nadia Fahed Fareed Kanan

Risk Department Manager

- Appointment Date: 09/25/2005.
- Date of Birth: 07/26/1977

Education & Accreditations:

- Bachelor's degree in Accounting from Jerash National University / year (2000).

Work experience:

- Jordan Telecom Company - (2002 - 2005).

14. Mr. Jamal Hussein Abtan Al -Raqqad

Corporate Communications Department Manager

- Appointment Date: 07/11/2004
- Date of Birth: 30/09/1969

Education & Accreditations:

- Bachelor's degree in sport and Political Science at Yarmouk University / year (1993).

Work Experience:

- The Royal Hashemite Court (1995 – 2001)
- Ministry of Youth (2001-2002)
- Olympic Committee (2003--2004)

The names of the board members and senior executive management who have resigned during the year:
- None.

(4) Name of Major Shareholders with Equity of 1% or More Compared to Previous Year and Final Beneficiary:

SN	Shareholder's Name	Nationality	Beneficiary	No. of Shares		Number of Pledged Shares	Percentage of Pledged Shares of Total Contribution	Pledging Agency	No. of Shares		Number of Pledged Shares	Percentage of Pledged Shares of Total Contribution	Pledging Agency
				as on 31/12/2022	Percentage %				as on 31/12/2020	Percentage %			
1	Al Saleh Investment Company Ltd.	Saudi	Reem Bint Nasser Mohammad Al-Saleh (25%) Norah Bint Nasser Mohammad Al-Saleh (25%) Maha Bint Nasser Mohammad Al-Saleh (25%) Sarah Bint Nasser Mohammad Al-Saleh (25%)	31,800,000	26.50%	N/A	N/A	N/A	31,800,000	26.50%	N/A	N/A	N/A
2	Social Security Corporation	Jordanian	Itself	23,808,021	19.84%	N/A	N/A	N/A	23,808,021	19.84%	N/A	N/A	N/A
3	First Jordan Investment Co.	Jordanian	A. Micheal Fayeq Ibrahim Sayegh (29.481%) B. Nazi Tawfiq Nakhleh Copti (10.292%) C. Jordan Commercial Bank (9.968%) D. Faris Micheal Fayeq Sayegh (9.333%) E. Faiq Michael Fayeq Sayegh (7.024%) F. Social Security Corporation (1.900%) G - Faten Michel Fayek Al-Sayegh (1.527%)	14,320,302	11.93%	1,199,998	8.38%	Arab Jordan Investment Bank (AJIB)	14,351,514	11.96%	1,199,998	8.36%	Arab Jordan Investment Bank (AJIB)
4	Micheal Fayeq Ibrahim Sayegh	Jordanian	Himself	13,583,652	11.32%	12,600,000	92.76%	Capital Bank of Jordan	12,329,132	11.11%	12,600,000	94.53%	Capital Bank of Jordan
5	Nazi Tawfiq Nakhleh Copti	Jordanian	Herself	7,514,596	6.26%	7,400,000	98.48%	Capital Bank of Jordan	7,514,596	6.26%	7,400,000	98.48%	Capital Bank of Jordan
6	Faris Michael Fayeq Al Sayegh	Jordanian	Himself	7,500,000	6.25%	5,200,000	69.33%	Capital Bank of Jordan	7,500,000	6.25%	5,200,000	69.33%	Capital Bank of Jordan
7	Faten Michael Fayeq Sayegh	Jordanian	Herself	7,490,000	6.24%	None	None	N/A	7,490,000	6.24%	N/A	N/A	None
8	Faiq Michael Fayeq Sayegh	Jordanian	Himself	7,459,149	6.22%	7,250,000	97.20%	Capital Bank of Jordan	7,459,149	6.22%	7,250,000	97.20%	Capital Bank of Jordan

(5): The Bank's Competitive Position by Business Segment:

Description	2023	2022
Market Share/Facilities	2.45%	2.37%
Market Share/Deposits	2.21%	2.13%
Market Share/Assets	2.22%	2.25%

- Jordan Commercial Bank's credit ratings issued by Capital Intelligence:

Credit Rating	b+	Foreign currency sovereign risk rating (short term)	B
Outlook for Credit rating	Stable	Foreign currency sovereign risk rating (long term)	B+
Financial strength rating	bb-	The future state of foreign currency risk outlook	Positive
Support rating	Moderate	Business environment risks	b+

(6): There is no dependence on specific suppliers or major domestic or external customers who constitute 10% or more of the total purchases and / or sales or revenues.

(7): Governmental protection or privileges extended to Jordan Commercial Bank or any of its banking products according to laws and regulations:

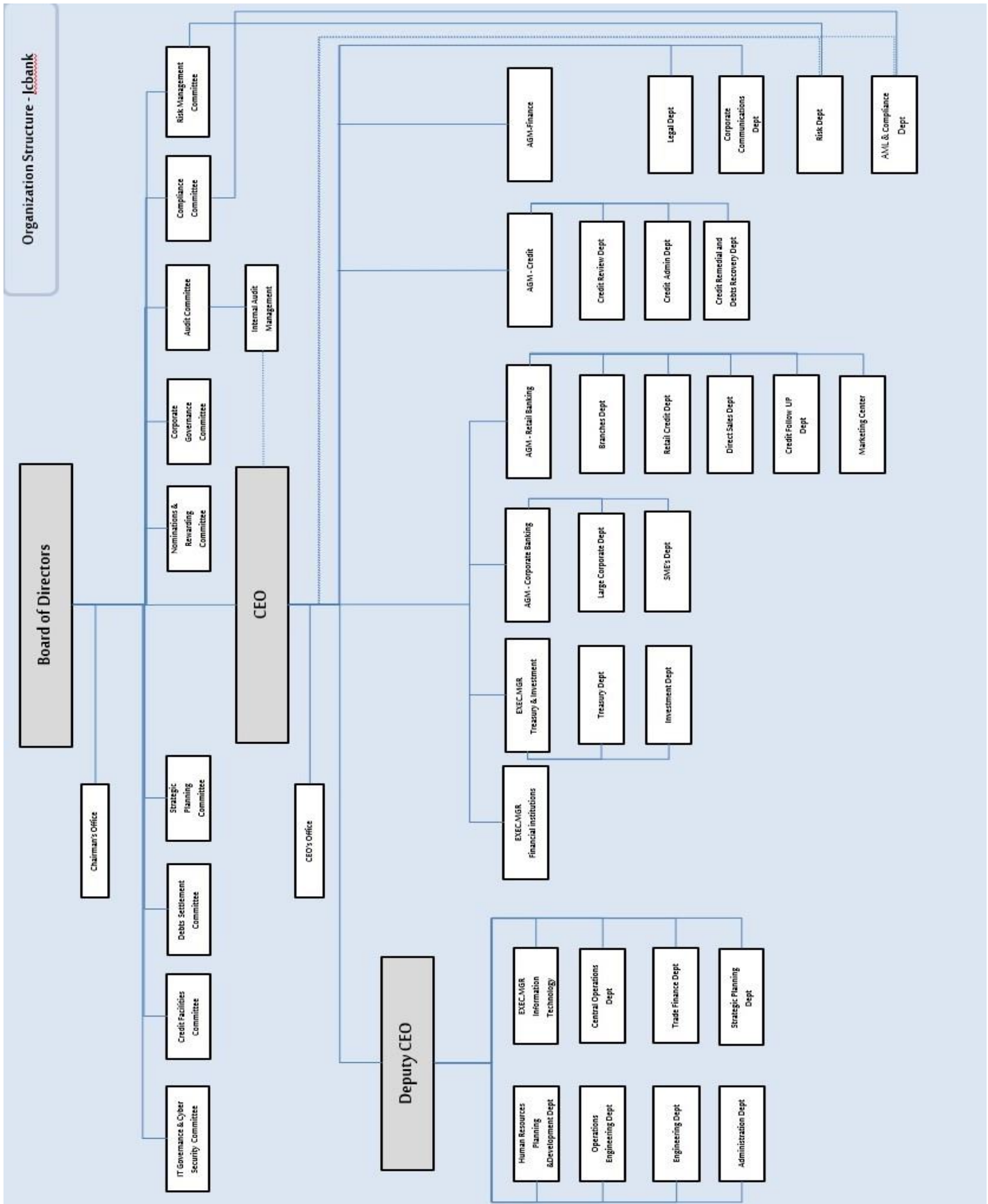
- There is no governmental protection or privileges extended to Jordan Commercial Bank or any of its banking products according to laws and regulations.
- There are no patents or franchise rights that Jordan Commercial Bank obtained from any local or international organizations.

(8): Decisions issued by the government, international organizations, or others that have a financial impact on the bank, its products, or its competitiveness:

- There are no decisions issued by the government, international organizations, or others that have a financial impact on the bank, its products, or its competitiveness.
- International Quality Standards:
 - As part of enhancing security levels and protection for the bank's systems, a set of operations, controls, and security solutions to comply with cybersecurity requirements were continued to be implemented in 2023. These efforts aim to improve the security and protection systems while also mitigating cyber risks in light of increasing cyber-attacks.
 - Completing the deployment of the COBIT project to meet the Central Bank of Jordan's IT governance criteria. This is to guarantee that IT resources are used optimally and that risks are managed effectively.
 - Renewal of the compliance certificate for PCI-DSS global card security standards, increasing the levels of protection on card systems.
 - Meeting the requirements of the bank's Information Security Management System 27001.
 - Meeting the compliance requirements for the Swift CSP system.

- Meeting the compliance requirements for the Central Bank's guidelines for customer data protection GDBR.
- Implementation of the international standard ISO 22301 for business continuity management.

(9): The organizational structure of the Bank, the number of employees, their qualifications, and the training programs attended by the employees:



(B) Number of Bank Employees & Their Qualifications

Numbers as of 31/12/2023

Academic Qualifications	Number		Number		Total	%
	Males	%	Females	%		
PhD	0	0.0	0	0.00	0	0.0
Master's Degree	38	5.46	21	3.02	59	8.48
Higher Diploma	2	0.29	0	0.00	2	0.29
Bachelor's Degree	292	41.95	200	28.74	492	70.69
2-Year Diploma	16	2.30	27	3.88	43	6.18
1-Year Diploma	0	0.0	8	1.15	8	1.15
High School (Tawjihi) (Pass)	21	3.02	7	1.00	28	4.02
Below High School (Tawjihi)	64	9.19	0	0.00	64	9.19
Total:	433	62.21	263	37.79	696	100.00

C- Qualification and Training Programs for Bank Employees:

To increase the return on investment in human capital as the main pillar in business success and due to the importance of the training process, the Bank continued to provide training and development opportunities to meet the needs of employees and work requirements through the bank's electronic training platform and other platforms, which resulted in the provision of 10132 (Duplicate) training opportunities in various training topics that include keeping pace with developments in the banking field, regulations and instructions, in addition to developing administrative and behavioral skills. The Bank continued to implement the comprehensive program for new employees, where the program completed 133 employees during the year, in addition to implementing career development programs for those assigned to higher positions in the public administration and branches, which includes specialized courses to develop their skills and knowledge.

In addition to participating in the training programs implemented by the Institute of Banking Studies, with (32) physical and virtual training courses and with the participation of (132) male and female employees. The following is a summary of the number of participants in the training courses and the number of courses indicated by the entity in which the courses were held for the year 2023 compared to the year 2022:

Internal and External Courses From 01/01/2023 till 31/12/2023								
Location of Training Courses	No. of Courses		No. of Participants		Males		Females	
	2022	2023	2022	2023	2022	2023	2022	2023
Institute of Banking Studies	35	32	175	132	120	71	55	61
Training institutes (courses, conferences, seminars) within Jordan	132	147	328	910	230	548	98	362
Internal training courses (Training & Development Center)	115 Duplicate	128 Duplicate	4928 Duplicate	9087 Duplicate	2946	5085	1982	4002
Training courses (outside Jordan)	5	3	6	3	6	2	0	1
Conferences & Seminars outside Jordan / In Jordan Senior Management	1	0	1	0	1	0	0	0

(10): Risks the Bank is Exposed To:

The risks to which the bank is exposed include the following:

- **Credit risk:** Credit risk is one of the most significant risks that a bank faces, as it represents the risks that arise from the possibility of non-payment of credit facilities or any other type of financial asset on time, resulting in a financial loss or potential loss that affects the bank's profits, as a result of the borrowing customer's or the other party's (Counterparty) inability to complete the contractual terms in full on the dates specified.
- **Market risk:** It is the risk of incurring losses because of market price movements on the balance sheet and off-balance sheet positions, including risks associated with interest rate instruments, equity, market risk, foreign exchange rate risk, and commodity prices in the bank.
- **Liquidity risk:** These are the risks associated with the bank's inability to satisfy its obligations when they fall due, particularly withdrawal requests on deposits. This forces the bank to resort to borrowing to cover its cash needs, which affects its profits.
- **Operational risk:** The risk of loss resulting from the failure or inadequacy of internal processes, people, or systems, or from an external event source, such as legal risks and risks related to regulatory authorities.

- **Compliance risk:** the risk of legal or regulatory penalties, financial losses, or reputational risks arising from the bank's non-compliance with and violations of applicable laws, legislation, instructions, charters, and banking, professional, and ethical regulations issued by local and international supervisory authorities, including the bank's internal procedures and policies, codes of conduct, standards, as well as banking best practices.
- **Information security risks:** risks that are defined as losses or negative consequences that a bank may face because of internal or external attacks that threaten its bank information, whether electronic or paper based.

(11): The Bank's Achievements during the Fiscal Year

Business Sector

❖ Corporate Sector:

The corporate sector contributes significantly and effectively to generating revenues and profits for banks, as well as deposit attraction and facility provision. The corporate sector, in its various forms (large corporations, small and medium-sized businesses, and micro-enterprises), is regarded as the primary driver of the national economy. It contributes the largest share of the GDP and employs a large number of the workforce. Although the corporate sector ranks second in terms of depositors, it is considered the sector that most utilizes these deposits through granting facilities.

Regarding the commercial bank, the bank has given this sector care and attention, ensuring the provision of services and products needed by its clients.

One of the most notable achievements of the corporate sector during the year 2023:

- The direct credit portfolio grew by approximately 15%, reflecting the bank's policy aimed at maximizing returns on assets.
- The growth rate in customer deposits and current and savings accounts was about 13.5% compared to 2022.
- Attracting and granting facilities to several leading companies in the market and within several diverse vital economic sectors contributed to improving the quality of the credit portfolio for the sector.
- Granting facilities within low-cost financing programs, while continuing the bank's prudent policy of exiting high-cost funding sources, and seeking lower-cost funding sources, including through current accounts and savings accounts, and increasing the customer base on a broader scale.
- To deepen the partnership with customers and enable them to manage their businesses more efficiently, the Liabilities and Cash Management Department launched several projects to develop and update the bank's systems for customers as part of the bank's digital transformation strategy, and diversification in customer channels, in addition to introducing many new services to meet their needs more comprehensively.
- The department signed partnership agreements with several service providers to expand the scope of cash management services provided by the bank to its customers, and to enhance the bank's competitive advantage against other banks operating in the Kingdom.

❖ Retail Sector:

Retail Banking plays a fundamental role in increasing the bank's customer base, reducing credit risks, and increasing profits by attracting deposits from individual customers and low-cost savings accounts, and deploying them in the form of various credit products such as personal, real estate, vehicle loans, and credit cards, targeting different sectors and segments of society.

Retail Banking is also regarded as one of the most adaptable in terms of satisfying consumer needs through the introduction of new and innovative banking products. Additionally, it continuously strives for digital

transformation through the development and updating of electronic services provided to customers, keeping pace with the technological advancements in the local and global banking market alike.

Furthermore, Retail Banking has enabled the bank to advance in implementing its strategy towards branch expansion. Three new branches were opened during the year 2023: New Zarqa Express, Al-Hay Al-Janoubi Express / Irbid, and a traditional branch at Ibn Sina University. This brings the total number of Jordan Commercial Bank branches to 35, spread across most regions of the Kingdom. Additionally, two new external ATMs were installed, bringing the total number of external ATMs to 44.

By the end of 2023, the individual sector had increased its deposit portfolio by 4.7% compared to 2022. However, the loan portfolio decreased by -4.41% from the previous year. This was due to the continuous increase in interest rates, in addition to new instructions from the Central Bank to reduce the repayment period of personal loans from 10 years to 8 years, which had a negative impact on customers' debt burden. Furthermore, the collection rate for past-due loans and credit card payments climbed by 3% over last year.

The culture of digital transformation and the availability of many electronic banking services contributed significantly to a large increase in the number of users of the mobile banking application, achieving a growth of 30% compared to the previous year. There was also a 4% growth in the use of ATMs and a 25% increase in the use of the instant cash deposit feature at ATMs compared to the previous year. This positively contributed to reducing the number of financial transactions conducted through branches by 21% compared to 2022.

Of the most significant achievements of the departments and centers affiliated with Retail Banking during the year 2023 are the following:

- **Branch Support Center**
 - Branch openings: New Zarqa Express, Al-Hay Al-Janoubi Express /Irbid, and a branch at Ibn Sina University Express within the university campus.
 - Branch closures: Enhanced branch network efficiency through the closure of the Al-Hussein Street branch and merging its operations with the Irbid branch, and the closure of the Mecca Street branch and merging its operations with the Um Uthaina branch.
 - Branch upgrade: Marka branch.
 - Branch relocations and extended working hours: The relocation of the Irbid branch to a new location with a modern design and extended working hours to include Saturdays.
 - Conducting training courses for all branch employees on various topics and at all job levels aimed at increasing knowledge and expertise.

- **Electronic Services Center / Call Center Unit**
 - Launching the updated version of the mobile banking application in its new design, along with the development of new services and a set of enhancements to the existing services. The most important improvements include:
 - ✓ Paying a group of bills in one payment (Multi Bill Payment)
 - ✓ Providing the Dark Mode feature
 - ✓ Including all CliQ service features within the service itself, such as (subscription management, subscriber data modification, beneficiary management).
 - ✓ Improving security controls for (registration, forgotten password, phone number modification).
 - ✓ Enabling automatic face recognition for login on iOS devices (Auto Capturing Face Recognition).
 - Introducing additional services to Retail Banking customers via the Call Center unit, the most significant of which are:
 - ✓ Requesting checkbooks and issuing bank certificates without the need for the client to visit the branch.

- ✓ Updating the data of Retail Banking customers for Jordanians and residents in Jordan and classifying their financial transaction risks as low.
- ✓ Launching the new 360 Call Center unit system project, which displays customer information on one screen for the Call Center unit employee instead of switching between different systems to obtain information, thereby speeding up response time to the customer.
- ✓ Launching the new IVR system, which allows Call Center employees to automatically identify customers before receiving their calls by entering the last 4 digits of the direct debit card along with the PIN as an alternative to security questions.

- **Retail Facilities Department**

- Launching the Retail Loans Origination System (LOS) for personal loans and credit cards.
- Launching the Customer Retention Policy (Retention Procedures) aiming to maintain existing customers and reduce Buy-Out loans.
- Launching a 70% campaign on the identity for car loans in cooperation with an Insurance Company.
- Adding a new segment to the car loans program to finance public vehicles (free edition) for customers under the umbrella an Insurance Company.

- **Product Development:**

- Launching new cards for Corporate Banking clients.
- Modifying and launching the Deposit Certificates product in Jordanian Dinar and US Dollar.
- Introducing an electronic and text messaging service for credit card PINs, replacing traditional postal mail.
- Launching multiple campaigns for personal loans, credit cards, and savings accounts products.

- **Marketing:**

- Contribution and participation in sponsorship and corporate social responsibility programs through:
 - ✓ Launching several marketing campaigns that include all bank products and services to enhance the bank's brand image and increase brand awareness.
 - ✓ Participation in the activities of Jubilee School and Middle East University.
 - ✓ Launching special campaigns during Ramadan and Mother's Day (visiting nursing homes).
 - ✓ Sponsoring the charity Iftar for the American Community School to support underprivileged students.
 - ✓ Launching an awareness campaign on World Cancer Day.
 - ✓ Sponsoring the youth football league for Westminster School.
 - ✓ Sponsoring the Arab Banks Union Forum on "Governance, Compliance, and Risks".
 - ✓ Sponsoring the Jordanian Packaging Exhibition JOPOEX 3.
 - ✓ Producing videos for national and special occasions such as Independence Day, the Crown Prince's wedding "Celebrating Al Hussein", and Eid Al-Adha.
 - ✓ Participating in national tourism events and festivals (Jerash Festival).
 - ✓ Launching a blood donation campaign.
 - ✓ Launching a donation campaign "For You, Gaza".

❖ Treasury and Investment Sector:

The Jordan Commercial Bank's Treasury and Investment manages assets and liabilities, financial market investments, commercial transactions, and treasury sales. It also controls the bank's general finance and liquidity requirements, such as operational and strategic liquidity, as well as access to capital markets.

Treasury and Investment considered one of the main pillars of success for any bank, and in the case of the Commercial Bank, this sector has played a crucial role in achieving the bank's financial goals and dealing professionally with the challenges of the volatile financial markets that occurred during 2023. The financial sectors faced increasing pressures due to fluctuations in interest rates at both the local and global levels, requiring effective strategies to maintain performance stability and achieve the desired returns.

To achieve the financial objectives, the Treasury and Investment department must efficiently manage assets and liabilities, which necessitates improving internal processes and implementing contemporary techniques to assure the safety and efficacy of financial operations. It must also improve coordination with other departments within the bank in order to achieve greater overall performance.

The fluctuations in interest rates, especially the sharp increase during 2022 and 2023, posed a significant challenge to the banking sector, necessitating proactive measures by the Treasury and Investment Department to mitigate negative impacts. It must improve risk management and analyze the effects of interest rate hikes on current and future investments.

Enhancing portfolio diversity and improving asset quality are crucial steps to improve resilience amidst interest rate fluctuations. Furthermore, the Treasury and Investment department must be aware of local and worldwide economic and political trends in order to make informed judgments.

Achieving sustainable profits from the Treasury and Investment department requires careful monitoring of the cost of funds to maintain the bank's profit margin and enhance shareholder funds. This requires obtaining current financial market information and thoroughly analyzing it in order to identify opportunities and challenges that may affect overall investment returns.

One of the most essential factors contributing to the bank's effectiveness in hedging against interest rate swings is maintaining a balance between assets and liabilities. It is critical to achieving investment returns while keeping fund costs under control. This necessitates revising investment plans to correspond with the bank's goals and changes in the economic environment.

The Treasury and Investment team provides lending and borrowing services in the cash market through a specialized team with strong relationships across a wide network of global banks. This enables them to provide financing and accept deposits for their clients from financial institutions and banks, tailored to meet the clients' needs.

The Foreign Exchange Trading Desk at Jordan Commercial Bank provides individuals and companies with the opportunity to trade in foreign exchange markets and hedge with financial derivatives. Additionally, they offer support in managing the risks associated with the rapid fluctuations in these markets at competitive rates. This is facilitated through a network of global brokers that the bank deals within these markets. The Treasury and Investment department also provides investment services such as cash dealing, margin trading, custody services, investment management, financial consultancy, issue management, trust services, and safekeeping.

The Treasury and Investment team will continue to pursue a vision of digital transformation and provide modern technical services that match consumer expectations. They began the digital transformation process by providing modern technical services that respond to client goals, meet their requirements and preferences, and make banking services more convenient while protecting their privacy. They will also work

to improve overall performance and meet financial targets for 2024 by improving internal operations, integrating departments, and implementing flexible investment strategies that keep up with economic and financial fluctuations, resulting in sustainable growth and efficient problem solving.

❖ Financial Institutions Department:

In order to enhance the global presence of Jordan Commercial Bank, the Financial Institutions Department has established new banking accounts with banks of high global ratings. Through these accounts, efficient cross-border banking transactions are conducted to reaffirm our commitment to providing seamless financial services to our diverse clientele.

The Financial Institutions Department has succeeded in increasing commission revenues from operations related to external trade financing. This was achieved by focusing on enhancing cooperation and increasing our participation with correspondent banks, in line with our commitment to innovation and excellence in providing the best banking services to both our clients and correspondents alike.

Support Sector:

❖ Human Resources Planning and Development Department:

The Human Resources Planning and Development Department is committed to its strategic role related to workforce planning, attracting qualified personnel through an equal opportunity selection and recruitment policy. It also focuses on the qualification, development, and advancement of employees, providing them with opportunities for advancement to fill vacant administrative and supervisory positions through the application of succession and promotion plans, and adopting the principle of competence and priority in filling these vacancies. In this context, 47 employees were promoted to higher positions, contributing to the achievement of employees' goals and the operational plans of the departments, which in turn reflects the achievement of the bank's strategic goals.

In order to increase and ensure the effectiveness of communication channels between the bank and its employees, several programs, projects, and campaigns have been activated and adopted. To keep up with the digital transformation in various fields, and in line with the bank's strategy and human resources, the employee services application was activated on mobile devices, allowing employees to access their information and many important benefits through their phones. Additionally, a special event for employees and their children called "Back to School" was organized, featuring various activities for employees and their children. During the year, the bank also held a blood donation campaign in collaboration with the blood bank, in which many employees participated. Furthermore, various scholarships were made available to employees interested in pursuing a master's degree, as well as the children of employees who excelled in the General Secondary Education Certificate, to study at local universities. Additionally, surveys were conducted among employees to gather their opinions on various services, such as a survey on proposed improvements to medical treatment benefits, a survey on employee loan department services and the bank clinic, and insurance for employees' children, among other surveys directly related to employee satisfaction.

The Department of Human Resources Planning and Development has worked with numerous workstations to ensure that they meet the Ministry of Labor and the Social Security Corporation's occupational safety and health criteria. This includes responding to all observations and working with all providers and suppliers to ensure compliance with applicable regulations and laws. This includes specialized training and awareness for employees, certification for supervisors, and other relevant issues. To increase the return on investment in human capital as a cornerstone of business success and recognizing the importance of training, the bank has continued to provide training and development opportunities to meet the needs of employees and work requirements through the bank's own e-training platform and training using various training platforms. This has resulted in the provision of 10,132 training opportunities in various training topics, including the latest developments in the banking sector, regulations, and instructions, as well as the development of managerial and behavioral skills.

The bank continued to implement the comprehensive program for new employees, completing the program for 133 employees during the year. Additionally, it executed job development programs for employees in higher positions in the general administration and branches, including specialized courses to enhance their skills and knowledge.

Furthermore, the bank participated in training programs conducted by the Institute of Banking Studies both physically and electronically, with a total of 32 training courses and the participation of 132 employees.

The following is a summary of the number of participants in the training courses and the number of courses conducted, categorized by the entity where the courses were held, for the year 2023 compared to 2022:

Internal and external training courses during								
01/01 – 31/12/2023								
Training Location	No. of Courses		No. of Participants		Male		Female	
	2023	2022	2023	2022	2023	2022	2023	2022
Institute of Banking Studies	32	35	132	175	71	120	61	55
Training institutes (courses, conferences, seminars, professional certifications) inside Jordan.	147	132	910	328	548	230	362	98
Internal training courses (Training center)	128	115	9087 (Duplicate)	4928 (Duplicate)	5085 (Duplicate)	2946 (Duplicate)	4002 (Duplicate)	1982 (Duplicate)
Training Courses (Outside Jordan)	3	5	3	6	2	6	1	0
Conferences and seminars Outside Jordan / Inside Jordan - Senior Management	0	1	0	1	0	1	0	0

❖ Engineering Department:

The Engineering Department is considered one of the important departments in the bank, playing a key role in providing engineering and logistical support to the Head Office employees as well as the bank's branches across Amman and other governorates. The Engineering Department, through its staff, aims to secure a suitable working environment for all employees in their workplaces. It also strives to reflect a modern and positive image through the projects and works it carried out during 2023, including but not limited to:

- Providing engineering support for bank buildings and branches through pre-prepared programs related to periodic and emergency maintenance to maintain the durability of the buildings and bank facilities.
- Overseen the construction of a group of new bank branches or relocated branches, in addition to Tejari Express branches whereby The Engineering Department supervised their complete implementation, including the Al Karak Branch, the new Irbid Branch, the Ibn Sina University Branch, and the Jabal Amman Branch. Additionally, parking spaces for bank employees were established on the land adjacent to the Head Office Building.
- Equipping new ATM sites, including the Ibn Sina, the Mecca Street, and the Jordan Street, as well as updating the following ATMs: Sameh Mall in Sahab, Al Saroo, and the Marj Al-Hamam.
- Continuing to monitor the solar power generation project in the Abu Alanda area linked to the Head Office Building, which achieved a 75% financial savings in electricity expenses.
- Completing the necessary designs and obtaining approval from the electricity company for the energy generation project - Phase Two - for bank branches.
- Establishing the Occupational Health and Safety Department and implementing the requirements of the Social Security Corporation for forming an occupational health and safety committee, including the charter and the committee's duties and responsibilities.

❖ Administrative Department:

The Administrative Department provides all administrative services related to the various workstations in the bank and to the employees working in them (Head Office and branches). The department also works on monitoring the bank's expenses with the aim of rationalizing them, which contributes to enhancing the bank's profitability. Some of the key tasks carried out by the department during 2023 include:

- Meeting all administrative and procurement requirements for various workstations in the bank and its employees through direct and continuous communication with them, aiming to create a comfortable and safe working environment for all employees.
- Providing logistical support and supplying equipment and supplies for the operation and accommodation of new and temporary branches during 2023 (Zarqa Express / Hay Al-Janoubi Express / Ibn Sina University Branch / Zarqa after renovation / Marka after renovation / Jabal Amman after renovation / Karak Temporary branch), in addition to the closure, relocation, and merger of branches (Al-Hussein Street with the Irbid Branch, Mecca Street with the Um Uthaina Branch).
- Monitoring operational and capital expenditures to rationalize them by optimizing the bank's resources, recycling furniture, negotiating with suppliers and property owners (leased by the bank) for discounts and preferential prices. The department also approved new suppliers during 2023, in addition to existing ones, noting that the new suppliers are local suppliers.

- Managing all contracts and agreements for leasing branches and bank ATMs in a way that achieves the bank's plan for branching and expansion.
- Meeting the needs of branch employees / Head Office / central operations / training center with all safety and occupational health requirements, cleaning, and sterilizing water sources, in addition to maintaining a decent appearance, cleanliness, and security for all buildings of bank departments and branches through specialized companies to provide a safe working environment and preserve the safety of employees and bank customers.
- Activating an emergency plan to continue the bank's operations during exceptional weather conditions and snowstorms by keeping shifts running 24 hours a day to protect the bank's properties and the rights of its customers.
- Leasing a plot of land as a parking lot to accommodate more employee vehicles.

Administrative Department Corporate Social Responsibility Activities:

- Purchasing Ramadan food parcels during the blessed month of Ramadan 2023 and distributing them to those in need through charitable organizations and under privileged families, in addition to distributing (heaters + blankets) during the winter season 2022-2023 to the local community and some bank employees.
- Donating large quantities of computer devices and accessories to the Talal Abu-Ghazaleh Computing Center for Rehabilitation.
- Renewing the memorandum of understanding (Green Footprints initiative) and continuing the bank's role in it in cooperation with the Princess Alia Foundation and the Ministry of Education, by purchasing A4 paper with the revenue from the sale of wastepaper and donating it to benefit schools of the Ministry of Education.

❖ Operations Engineering Department:

The process of reengineering operations (which is regarded as one of the bank's main tasks) entails evaluating banking operations and rebuilding them within a methodical framework in accordance with best banking practices. This provides faster and higher-quality service delivery, lower costs, and compliance with all banking regulations. Among the highlights of the Process Engineering Department's efforts for 2023 are:

- Preparation and modification of policies and work procedure manuals to meet the requirements of relevant business units and central bank requirements.
- Issuing circulars, instructions, and forms related to bank products, services, and units, as well as preparing memoranda of understanding and service level agreements.
- Modifying the organizational structures of several branches and business units to align with actual operational needs, regulatory requirements, and best banking practices.
- Modifying job descriptions for some positions in several business units to ensure they meet job requirements and achieve the principles of dual control and separation of duties, avoiding duplication and interference in the tasks and responsibilities of different positions.
- Redesigning several process paths related to existing/new product and service development projects and new system launch projects to improve operational efficiency and quality and reduce standard times to the required limits.
- Modifying authorization charts for various bank procedures and activities.
- Meeting the requirements of various business units in the bank, as well as the Central Bank and other regulatory requirements, regarding systems, reports, regulatory data, and periodic reports.

- Managing the inspection and application process of automation projects and system updates and development projects at the bank.
- Managing the granting and reviewing process of authorization and matrices for all bank systems, ensuring the activation and development of control tools for authorities, systems, and granted financial limits.

❖ IT Department:

The Information Technology Department continued to develop and improve its various services by supporting and assisting business sectors and offering innovative technical solutions at the hardware, server, system, and network levels, while maintaining the highest levels of security and protection to support and achieve the bank's goals and aspirations. This included:

- Completed of the project to provide availability to the air conditioning and power supply devices in the main server room to ensure the continuous operation of servers, networking, security, and protection devices.
- Worked on preparing and operating new branches for the Jordan Commercial Bank:
 - Ibn Sina Express Branch.
 - New Zarqa Express Branch.
 - Al-Hay Al-Janoubi Express Branch.
- Worked on updating all technical devices for existing branches of the Jordan Commercial Bank:
 - Irbid Branch.
 - Marka Branch.
 - Jabal Amman Branch.
 - Zarqa Branch.
- Updated the backup system for server and system data with higher capacity and including high-level security and protection for backups, as well as implementing an email backup system on cloud computing.
- Completed the updating the Data Center system.
- Updated data leakage prevention systems for email, now on cloud computing, to enhance the bank's security system and meet the Central Bank's requirements and best practices in data security and protection.
- Worked with the Cyber Incident Response Unit at the Central Bank of Jordan to implement the Infrastructure Protection System against Electronic Attacks (PDNS Security) as the first bank in the banking sector.
- As part of enhancing the security levels for the bank's systems, the Information Technology Department continued its work on the COBIT project during the year 2023 to make it compliant with the requirements of the Central Bank of Jordan in the field of Information Technology Governance and to ensure the optimal use and effective management of information technology resources. Additionally, the department renewed its compliance certificate for the PCI-DSS 3.2.1 global card security and obtained the compliance certificate for the Customer Security Program (Swift CSP).
- Launched the new version of mobile banking with added new services and general improvements to the application.
- Implemented the New Template Currency on all ATMs related to the new cash categories to allow ATMs to accept and dispense the new currency denominations to customers.
- Submitted the FATCA Report and declaration to relevant authorities within the specified period.
- Implemented a new Middleware user interface where several APIs were developed to serve various systems, including the Civil Status System for retrieving customer information from the Civil Status Department, allowing transfers from outside the bank, to bank customers and non-bank customers, and linking internal bank systems with external entities.
- Implemented a new project for customer service related to all types of loans.

- Completion of implementing several projects for corporate internet banking to facilitate their transfer and financial transactions.

❖ Central Operations Department:

The Central Operations Department serves as the executive tool for all of the bank's operations and activities. It works to execute all transactions begun by branches and various bank departments as quickly and accurately as possible, hence improving the client experience and adhering to internal instructions and regulatory standards. Some of the key activities carried out by the department during 2023 include:

- Centralization and automation of internal operations, and the launch of a cash transfer service from bank customers to bank branches.
- Active participation in projects for launching new products and services, automation projects, and system updates. Implementation of the Loan Origination System for individual loans and cards system.
- Addressing the requirements and observations of the Central Bank and other regulatory authorities by implementing best banking practices. Implementation of the Central Bank's initiative to reduce loan interest rates to 12% and freeze rates until the beginning of August 2024.
- Updated and developed systems for the purpose of improving operational execution and reducing operational errors, including linking the civil remittance system to the banking system through the application of API on the Robotic system, and implementing the new version of the ECC JOPACC clearing system.

❖ Strategic Planning Department:

The Strategic Planning Department, guided by the directions of senior management and the Strategic Planning Committee in the bank, in cooperation and coordination with all relevant entities, prepares the bank's strategic plan. It identifies the goals that ensure the achievement of the management's vision and directions by evaluating and analyzing the internal and external environment in which the bank operates. Through the analysis of the internal environment, the department assesses the bank's internal capabilities, works on enhancing or providing them, identifies weaknesses, and addresses them. Through external analysis, it identifies and evaluates market opportunities, as seizing and utilizing these opportunities is fundamental to achieving future growth. This is done by offering new services and products and excelling in providing existing products and services to customers, enabling the bank to establish a competitive position in the banking market.

When developing the strategic plan for the bank, organic growth opportunities are identified, along with non-organic growth options, and those that align with the bank's directions are selected. The department also uses reports and meetings to monitor the implementation of strategic directives and choices, and it makes suggestions to relevant parties for necessary actions.

During the year 2023, the bank also prepared a sustainability report in collaboration between the Strategic Planning Department and relevant departments in the bank. This was done in consultation with senior management and based on global sustainability reporting standards. The bank recognized the importance of sustainability issues and their impact on the well-being of society and individuals, as well as their role in

preserving our natural resources. This initiative was also in compliance with the regulatory requirements in Jordan to prepare a sustainability report for the year 2022. The report demonstrated the bank's commitment to sustainable development goals and the inclusion of many of these goals in the bank's operations and policies. The report was published on the bank's website.

Regulatory Departments:

❖ Risk Department:

The Risk Department implements the best methods and practices aimed at identifying all risks (current and anticipated) through monitoring, management and developing appropriate solutions to mitigate them. One of the key achievements during 2023 was:

- The bank obtained the following certificates:
 - ISO 22301 certificate for implementing the best international standards for business continuity management.
 - PCI certificate for payment card security.
 - Compliance certificate for SWIFT CSP requirements.
 - ISO 27001 certificate in the field of information security.
- Implementing the Internal Capital Adequacy Assessment Process (ICAAP) to calculate the necessary capital to face all the risks the bank is exposed to.
- Implementing and developing Stress Testing.
- Evaluating enterprise risks to ensure they encompass all the key risks the bank may face, establishing necessary control measures, ensuring the adequacy and effectiveness of control measures in managing these risks.
- Developing and updating Risk Appetite levels in the bank, preparing the appropriate reporting system for these levels, and continuously monitoring them to identify deviations including their impact on capital burden calculations.
- Examination of the liquidity emergency plan through assuming certain scenarios and in coordination with the relevant entities in the bank.
- Conducting a comprehensive examination of the Business Continuity Plan and related plans.
- Assessing information security risks and cyber risks at the bank level.
- Identifying weaknesses, assessing risks, and evaluating system resilience against external or internal attacks.
- Applying governance instructions for information technology regarding risk management and information security management (COBIT 5).
- Supervising the application of cyber risk adaptation instructions issued by the Central Bank of Jordan.
- Supervising the application of ATM device instructions issued by the Central Bank of Jordan.
- Supervising the application of BENCHMARKS on all bank systems.
- Monitoring the security event log for all bank systems (24/7).
- Applying Central Bank instructions regarding large exposures, credit limits, and those related to treasury and investment departments, and financial institutions.
- Continuously disseminating a risk culture at all levels in the bank, for all types of risks, business continuity plans, and information security.
- Updating and developing policies for all types of risks in line with international and local best practices and the instructions of the Central Bank of Jordan.

❖ Compliance Department:

The Compliance Department plays a crucial and essential role in monitoring and tracking the bank's adherence to compliance standards to avoid non-compliance risks in banking transactions as well as regulatory infractions. This is accomplished by a variety of tasks, including:

- Periodic disclosures, where the department monitors the adherence of the relevant parties within the bank in meeting the regulatory disclosure requirements within sufficient timeframe.
- Implementing instructions for dealing with customers fairly and transparently, addressing customer complaints, and establishing procedures to reduce their recurrence in the future. The complaints handling system is defined as the institution's response to any fault or failure in providing services to customers. The bank has a unit responsible for managing and processing customer complaints, receiving complaints from customers through various communication channels, processing them, and enhancing customer trust and satisfaction. Regular reports are submitted to the Board of Directors and the Central Bank of Jordan in this regard.
- Communicating with customers, focusing on telephone communication as it is the most common and used method by bank customers, followed by communication through the call center.
- Compliance with the US Tax Law (FATCA), where the plan was implemented according to the registration policy with the US Tax Authority's website, establishing a dedicated department, holding meetings, and following up with relevant parties to proceed with reporting procedures.
- To develop the bank's compliance function, the department evaluated and accepted the compliance monitoring policy, as well as the anti-money laundering and counter-terrorism financing policies. Work has also been done on the GOAML reporting system, with the bank implementing an integrated system in 2020 to improve compliance monitoring and combat money laundering and terrorism funding.
- Institutional control, requirements for the Corporate Governance Instructions issued by the Central Bank of Jordan have been identified, and our Corporate Governance Manual has been aligned accordingly. The bank has also met the requirements of the Information Technology Governance Instructions and applied them within the framework of COBIT 2019, as well as the Corporate Governance Instructions for listed joint-stock companies issued by the Securities Commission.
- Developing the human resources framework, which includes equipping the department with experienced and specialized professionals, as well as training current bank employees to the highest international standards. Several members of the department's staff hold various professional certificates.

❖ Internal Audit Department:

The Internal Audit Department is considered one of the important control departments in the bank, as internal auditing is an important source of information that helps the bank's management identify and efficiently manage risks.

To enhance the control environment in the bank, the Internal Audit Department implements value-added programs and activities that help the bank achieve its objectives. It also provides advisory and independent assurance services to improve governance, risk management, and control processes in the bank.

The Audit Committee, a subcommittee of the Board of Directors, supervises the internal audit activity, defines its responsibilities and tasks with relevant parties, as it is part of its duties. The Chief Auditor manages the

internal audit activity and supervises its work in accordance with the standards and principles issued by the Institute of Internal Auditors (IIA).

Corporate Communications:

Jordan Commercial Bank is regarded as one of the most prominent banking institutions in the development of the banking industry and the national economy as a whole.

The role of effective corporate communication in banks and the banking industry:

- Building sustainable relationships that have a clear impact on local development.
- Supporting official bodies and national institutions has a good impact on the benefit index and the local community, as well as contributing to the development of strong foundations with key entities.
- Continuous interaction, communication, and participation in local community events, highlighting the bank's role and image.
- Adopting many social programs and extending support and aid to all regions of the country.
- Supporting cooperative and charitable associations in impoverished areas, distributing charity packages during the holy month of Ramadan and throughout the year to under privileged families.
- Supporting the use of websites and visual, audio, and written media to cover bank news and events.
- Throughout the year, the bank's social responsibility includes ensuring donations to various charitable, community service, educational, and health initiatives, supporting the environmental sector, cultural activities, and arts, and donating to the elderly, orphans, and people with special needs, as well as supporting sports activities and local and national teams to encourage community groups, particularly youth.

(12): There is no financial impact of any non-recurring transactions that occurred during the financial year which are not within the bank's main activities.

(13): Chronological order of realized profits (losses), dividends, shareholders' net equity, and share price for the years 2019 - 2023 (JD):

Description	2023	2022	2021	2020	2019
Profit for the year	11,484,784	11,340,183	7,004,775	513,503	5,313,066
Shareholders' equity	168,908,981	162,116,116	147,171,725	139,466,787	139,198,774
Cash dividends (proposed)	6,000,000	6,000,000	-	-	-
Dividend payout ratio (proposed)	5.0%	5.0%	-	-	-
Bonus issue (proposed)	-	-	-	-	-
Bonus issue ratio (proposed)	-	-	-	-	-
Closing price/share	1.01	1.00	1.03	0.69	0.79

- Shareholders shall be given priority to subscribe to new shares in an IPO.

(14): Financial Position and Operating Results:

Summary of Key Financial Indicators:	Rounded to nearest million (JD)				
	2023	2022	2021	2020	2019
Main Items of the Income Statement					
Net interest income	48.3	41.2	35.8	33.5	31.0
Net interest and commission	51.8	45.3	40.0	37.8	36.8
Gross income	59.9	51.4	44.4	42.7	42.5
Profit before tax	16.9	18.0	12.5	6.7	12.8
Profit for the year	11.5	11.3	7.0	0.5	5.3
Earnings (Loss) per share/JD	0.096	0.095	0.058	0.004	0.044
Main Items of the Balance Sheet					
Total assets	1,377.7	1,364.1	1,444.9	1,352.0	1,386.6
Shareholders' equity	168.9	162.1	147.2	139.5	139.2
Direct credit facilities, Net	732.4	701.9	773.9	713.9	669.0
Financial Assets	394.9	417.4	396.1	312.9	289.7
Cash and Balances with Banks	137.0	117.7	144.8	176.2	107.9
Customer deposits	967.5	896.8	969.4	935.7	836.7
Cash margins	40.2	37.8	40.8	41.8	56.6
Banks' deposits	48.4	82.1	111.3	102.7	87.4
Key Financial Ratios:					
Return on assets ratio	0.84%	0.81%	0.50%	0.04%	0.38%
Return on equity ratio	6.94%	7.33%	4.89%	0.37%	3.68%
Capital adequacy	13.41%	13.29%	11.78%	11.43%	11.16%
Direct credit facilities, Net / customers' deposits	75.70%	78.26%	79.83%	76.30%	79.96%
Net non-performing loans (not covered by provisions) / Direct credit facilities, Net	97.03%	89.14%	81.71%	83.66%	68.00%
Coverage ratio for non-performing loans	130.04%	114.06%	109.97%	117.75%	108.51%
Statutory liquidity ratio	0.84%	0.81%	0.50%	0.04%	0.38%

(15): Important future developments and strategic plan:

➤ **General Strategic Objectives for 2024**

- Achieving growth in assets contributes to moving the bank from the 3rd Tier, to be one of the top banks within 2nd Tier the Jordanian banking sector, and in line with the directions and proposals of senior management.
- Enhancing the shiny image of the bank's name and reputation among customers and presenting it as a bank with its own distinctive identity and image.
- Continuing the digital transformation and focusing on this direction in the coming years.

➤ **The Main Pillars of the Strategy:**

To achieve the overall strategy of the bank, focus is placed on the following pillars:

- **Financial Pillar:**
 - Building a strong financial position, achieving sustainable growth in operating profits and activities, ensuring an elevation in the bank's rating and category within the banking sector.
 - Improving the bank's performance measurement indicators, especially profitability indicators and growth "within the category of similar banks" or within the "banking sector" in general.
 - Improving the quality of the loan and deposit portfolio to ensure improved returns, reduced costs, and increased margin rates.

- **Banking Services Pillar:**
 - Focus on digital services, and services tailored to target sectors and demographics through appropriate channels, while continuing to provide services through traditional methods.
 - Targeting demographics that need banking services and providing them with the necessary banking services (financial inclusion).
 - Continuation of the bank's strategic branching plan in densely populated areas with economic activity, with a focus on express branches.

- **Human Resources Pillar:**
 - Prioritizing human resources, and providing them with the necessary banking competencies, to enhance customer service performance and improve the quality of providing products and services.
 - Supporting employees and providing them with appropriate perks, benefits, and services, to enhance job satisfaction rates thereby making the bank one of the "preferred employers."

- **Business Pillar:**
 - Continuing to develop the technology system, integrating the bank's strategies with digital transformation strategies and mechanisms, and providing the necessary infrastructure for this transformation.
 - Work on automating services, systems, and activities to achieve comprehensive automation of all services and activities in the bank.
 - Continuously reviewing, updating, and documenting the bank's policies and procedures, in accordance with best practices applied in the banking market.

➤ **Operational Objectives Aligned with the 2024 Strategic Plan:**

- Continuing to implement the branching and expansion plan to cover various regions of the Kingdom by opening traditional branches, Tejari Express branches, or ATMs.
- Continuing to update and develop the existing branches according to a modern banking vision, by studying the locations of the existing branches and the services they provide, their suitability for the bank's customers, and the proximity of these branches to economic and population activity, while working to change them if they are not compatible.
- Studying customers' needs for services and products, or developing existing products to meet these needs, with a focus on electronic services and increasing their demand.
- Identifying the bank's target demographic and working to attract them (by appropriate means) in accordance with the bank's policies and strategic directions (for deposits and facilities).
- Working to raise the quality of the loan portfolio by focusing on bankable facilities and reducing non-performing debts, as well as improving the quality of the deposit portfolio by focusing on good, stable, low-cost deposits.
- Developing the technology system, continuing to automate programs and systems, in addition to developing the administrative information system.

- Monitoring the requirements of existing and new regulatory authorities and ensuring compliance with them.
- Taking measures to ensure the continuation of the bank's operations, focusing efforts on maintaining the bank's employees and customers in various circumstances.
- Monitoring and managing the risks the bank faces that are associated with the banking operation, whether existing or expected to occur.
- Monitoring conditions and changes that affect the banking and economic environment (locally and globally), especially regarding interest rate movements, to take advantage of potential opportunities and reduce anticipated challenges.
- Working to enhance the positive brand image of the bank and presenting it as a bank that provides all banking services within a distinctive modern image and vision for it.

(16): The auditor's fees including sales tax amounted to JD 130,326.

(17)/A: Number of Securities Owned by Board Members, and Names and Shares of Companies Controlled by Them in Comparison with the previous year:

	Name	Nationality	No. of Securities		Companies Controlled by Them		
			31/12/2023	31/12/2022		2023	2022
1	Michael Faiq Ibrahim Sayegh Chairman	Jordanian	13,583,652	13,329,132	Terzon Management Consulting Company	10,000	10,000
2	Ayman Haza' Barakat Al-Majali Vice Chairman	Jordanian	1,144,546	1,144,546	N/A		
	Social Security Corporation Board Member Two seats represented by: Yehya Mohammad Oshub Obaidat (from 1/10/2023) Rami Adam Anaz Al Titi (from 1/08/2023) Munis Omar Salim Abdel-Aal (until 31/07/2023) Fadi Abdel Wahab Al Fatah Abu Ghosh (until 30/09/2023)	Jordanian	23,808,021	23,808,021	N/A		
3		Jordanian	-	-			
4		Jordanian	-	-			
5	First Jordan Investment Co. Board Member Represented by Saleh Mohammad Saleh "Zeid Al Kilani"	Jordanian	14,320,302	14,351,514	N/A		
		Jordanian	11,999	11,999			
6	Shareef Tawfiq Hamd Al- Rawashdeh Board Member	Jordanian	1,073,754	1,073,754	N/A		
7	Osama Omar Ali Hamad Board Member	Jordanian	10,000	10,000	N/A		

8	Henry Tawfiq Ibrahim Azzam Board Member	Jordanian	10,000	10,000	N/A
9	Abdelnour Nayef Abdelnour Abdelnour Board Member	Jordanian	10,000	10,000	N/A
10	Nasser Hussein Mohammed Saleh Board Member	Jordanian	10,000	10,000	N/A
11	Lina Najib al Bakeit Al Dababneh Board Member	Jordanian	10,000	10,000	N/A

(17)/B: Number of Securities Owned by executive management members:

	Name	Title	Nationality	No. of Securities as of 31/12/2023	Companies Controlled by Them
1	Caesar Hani Aziz Qulajen	Chief Executive Officer (CEO)	Jordanian	0	N/A
2	Alaa "Mohammad Salim" Abdulghani Qahef	Deputy CEO	Jordanian	0	N/A
4	Mohammad Ali Mohammad Al-Quran	AGM Credit	Jordanian	0	N/A
5	Salim Nayef Salim Sawalha	AGM, Retail Banking and Branches	Jordanian	0	N/A
3	Abdallah Mahfouz Theodore Kishkek	Chief Financial Officer, AGM Finance	Jordanian	0	N/A
6	Wael "Mohammad Yousef" Aref Rabieh	AGM, Corporate Banking	Jordanian	0	N/A
7	Anas Maher Radhi Ayeshe	Executive Manager, Treasury and Investment	Jordanian	0	N/A
8	Antonio Antonios Antoun Abdel Massih	Chief Information Officer	Jordanian	0	N/A
9	Sami Nimr Salem Al-Nabulsi	Executive Manager, Financial Institutions Department	Jordanian	0	N/A
10	Walid Khaled DeifAllah Al-Qhewi	Head of Legal Department/BOD Secretary	Jordanian	0	N/A
11	Jamal Hussein Abtan Al -Raqqad	Corporate Communications Department Executive Manager	Jordanian	0	N/A
12	Mahmoud Ibrahim Mahmoud Mahmoud	Compliance, AML & CFT Department Manager	Jordanian	0	N/A
13	Ajoud Sharaf Al-Deen Ali AlRousan	The General Auditor	Jordanian	0	N/A
14	Nadia Fahed Fareed Kanaan	Risk Department Manager	Jordanian	0	N/A

(17)/C: Number of Securities Owned by Relatives of Board Members, and Relatives of Senior Executives:

	Name	Relationship	Nationality	No. of Securities as of 31/12/2022	No. of Securities as of 31/12/2023	Companies Controlled by Them
1	Nazi Tawfik Nakhleh Al-kobti	Chairman's Wife	Jordanian	7,514,596	7,514,596	N/A

(17)/D: Number of securities owned by relatives of Senior Executives and companies controlled by any of them compared to the previous year: N/A

(18)/A: Remunerations and Benefits of the BOD Members (01/01/2023 - 31/12/2023):

BOD Members	Transportation allowance for Board members	Transportation allowance for Board committee members	BOD Members' annual bonus	Travel, training and other expenses	Total
Micheal Sayegh	32,000	3,500	5,000	-	40,500
HE Ayman Al-Majali	32,000	2,400	5,000	-	39,400
Social Security Corporation (2 Seats)	64,000	7,600	10,000	-	81,600
First Jordan Investment Co.	32,000	3,600	5,000	-	40,600
Sharif Al-Rawashdeh	32,000	5,200	5,000	-	42,200
Abdelnour Abdelnour	32,000	3,300	5,000	-	40,300
HE Mohannad Shehadeh (until 1/2022)	32,000	2,700	5,000	-	39,700
Osama Hamad	32,000	8,900	5,000	-	45,900
Henry Azzam	32,000	6,700	5,000	-	43,700
Naser Al Saleh	32,000	7,800	4,444	-	44,244
Lina Najib Al Dababneh (as of 18/4/2022)	32,000	3,500	5,000	-	40,500
Total	352,000	51,700	54,444	-	458,144

(18)/B: Salaries, Remunerations and Benefits of the Senior Executive Management Members (01/01/2023 - 31/12/2023):

Senior Executive Management	Salaries	Bonus	Transportation allowance for committees	Travel, training and other expenses	Total
Caesar Qulajen	483,887	304,054	-	321	788,262
Walid Qheiw - BOD secretary	79,369	20,362	800	-	100,531
Mohammed Al-Quran	136,289	24,480	100	-	160,870
Salim Sawalha	139,142	-	-	1,319	140,461
Anas Ayesh	93,346	5,267	-	-	98,613
Abdallah Kishek	237,033	-	-	484	237,517
Ala'a Qahef	157,937	28,346	-	-	186,283
Mahmoud Mahmoud	65,042	7,350	1,200	-	73,592
Ajoud AlRousan	143,337	25,739	-	-	169,076
Nadia Kanan	61,360	11,025	200	2,010	74,595
Wael Rabieh	127,751	7,222	-	-	134,973
Sami Al Nabulsi	67,056	3,789	-	-	70,845
Jamal Al-Raqqad	104,178	12,450	-	-	116,628
Antonio Abdel Massih	115,296	13,000	-	-	128,296
Total:	2,011,024	463,084	2,300	4,134	2,480,542

Total BOD Members & Senior Executive Management:	2,363,024	514,784	56,744	4,134	2,938,686
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(19): Bank's Donations and Support during 2023:

Domain	Donation Value/JOD
Education	12,800
Sports	3,500
Health	25,000
Arts & Cultural Initiatives	8,400
Social Fields and Charities	335,200
Environment	2,500
Supporting National Institutions	407,883
Poverty	58,990
Special Needs	1,400
Total	855,673

(20): Contracts, projects and engagements entered in and between the Bank and the Chairman of the Board, members of the Board, the Director General or any employees of the Bank or their relatives:

	SN	Member's Name	Direct Facilities (Credit Limits) as at 31/12/2023	Direct Facilities (Credit Balances) as at 31/12/2023	Indirect Facilities (Credit Limits) as at 31/12/2023	Indirect Facilities (Credit Balances) as at 31/12/2023
As Associated Parties	1	Micheal Sayegh	11,965,971	12,610,306	500,000	217,717
	2	Sharif Al-Rawashdeh	6,245,062	3,953,336	500,000	1,151,125
	3	HE Ayman Al-Majali	10,274,991	8,941,533	1,700,000	1,720,386
	4	Abdelnour Nayef Abdelnour	1,265,457	1,306,113	-	12,000
	5	First Jordan Investment Co.	6,925,308	6,912,376	-	172,500
	6	Social Security Corporation	71,668	71,668	-	-
As Individuals	1	Osama Omar Ali Hamad	-	364,161	-	-
	2	Henry Tawfiq Azzam	-	-	-	-

(21)/A: Bank's Contribution to Environmental Protection:

- The Bank's support for projects and programs to develop the environmental sector.
- The Bank donated to the "Million Trees" program in Palestine and the "Green Caravan" in Jordan, and the bank's continued keenness to donate and support the Arab League for the Protection of Nature.

(21)/B: Bank's Contribution to Community Service (Corporate Social Responsibility):

- The vital role of corporate communication and its importance in building sustainable relationships that also have a clear impact on local development.
- Supporting official and national institutions, which reflects positively on the benefit of the local community, which also contributes to building solid foundations with the relevant authorities.
- Interaction, continuous communication, participation in local community activities, and highlighting the bank's role and image.
- Adopting many social initiatives and providing support and assistance to all regions of the Kingdom.
- Supporting cooperative and charitable societies in areas of poverty pockets and distributing charity packages in the holy month of Ramadan and throughout the year to needy families.
- The role of websites and visual, audio, and written media in covering the bank's news and events.
- Throughout the year and out of its social commitment, Jordan Commercial Bank was keen to donate to various charitable initiatives and community, educational and health service, and to support cultural activities and arts fields, as well as donating to the elderly, orphans, and people with special needs, in addition to supporting sports activities and local and national teams to encourage segments of society, especially young people.

Audited Annual Financial Statements

JORDAN COMMERCIAL BANK
AMMAN – HASHEMITE KINGDOM OF JORDAN
(PUBLIC LIMITED SHAREHOLDING COMPANY)
FINANCIAL STATEMENTS
31 DECEMBER 2023

JORDAN COMMERCIAL BANK
(PUBLIC LIMITED SHAREHOLDING COMPANY)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	<u>Notes</u>	31 December 2023 JD	31 December 2022 JD
<u>ASSETS</u>			
Cash and balances at central bank of Jordan	4	68,319,687	71,440,168
Balances and deposits at banks and financial institutions, net	5	68,716,784	46,289,112
Direct credit facilities, net	6	732,427,089	701,854,386
Financial assets at fair value through statement of income	7	1,372,783	1,551,339
Financial assets at fair value through statement of other comprehensive income	8	50,322,563	49,490,315
Financial assets at amortized cost, net	9	343,210,421	366,316,269
Property and equipment, net	10	22,321,642	22,006,151
Intangible assets, net	11	2,858,126	2,228,329
Right of use assets	12	6,041,037	5,835,715
Deferred tax assets	18/d	10,551,901	9,505,024
Other assets	13	71,537,058	87,586,431
Total Assets		<u>1,377,679,091</u>	<u>1,364,103,239</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>LIABILITIES</u>			
Banks' and financial institutions' deposits	14	48,428,024	82,143,414
Customers' deposits	15	967,495,655	896,800,727
Cash margins	16	40,213,578	37,774,075
Borrowed funds	17	91,667,450	145,321,349
Provision for income tax	18/a	5,303,391	5,417,035
Sundry provisions	19	1,237,500	881,359
Deferred tax liabilities	18/d	698,411	1,720,245
Lease liabilities	12	5,800,708	5,624,770
Other liabilities	20	47,925,393	26,304,149
Total Liabilities		<u>1,208,770,110</u>	<u>1,201,987,123</u>
<u>SHAREHOLDERS' EQUITY</u>			
Authorized and paid in capital	21	120,000,000	120,000,000
Statutory reserve	22	20,705,562	19,011,405
Fair value reserve, net	23	3,924,952	2,621,695
Retained earnings	24	24,278,467	20,483,016
Total Shareholders' Equity		<u>168,908,981</u>	<u>162,116,116</u>
Total Liabilities and Shareholders' Equity		<u>1,377,679,091</u>	<u>1,364,103,239</u>

Chairman of Board of Directors

General Manager

The accompanying notes from 1 to 46 form part of these financial statements and should be read with them

JORDAN COMMERCIAL BANK
(PUBLIC LIMITED SHAREHOLDING COMPANY)
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 JD	2022 JD
Interest income	25	92,184,587	76,708,965
<u>Less: interest expense</u>	26	<u>(43,928,075)</u>	<u>(35,482,447)</u>
Net interest income		48,256,512	41,226,518
Net commission income	27	<u>3,532,099</u>	<u>4,034,064</u>
Net interest and commission income		51,788,611	45,260,582
Foreign exchange income, net	28	1,305,936	1,022,684
Loss from financial assets at fair value through statement of income	29	(131,409)	(63,838)
Dividends from financial assets at fair value through statement of other comprehensive income	8	281,263	134,149
Gain from sale of financial assets at amortized cost	9	649,440	-
Other income	30	<u>6,038,805</u>	<u>5,051,081</u>
Gross income		<u>59,932,646</u>	<u>51,404,658</u>
Employees' expenses	31	15,468,703	14,214,511
Depreciation and amortization	10,11,12	3,909,562	3,469,171
Provision for expected credit losses, net	32	11,618,848	6,304,273
Sundry provisions	19	664,842	32,812
Provision (recovery from) assets seized by the Bank against due debts	13	23,089	(516,343)
Other expenses	33	<u>11,306,036</u>	<u>9,868,312</u>
Total expenses		<u>42,991,080</u>	<u>33,372,736</u>
Profit for the year before income tax		16,941,566	18,031,922
Income tax for the year	18/b	<u>(5,456,782)</u>	<u>(6,691,739)</u>
Profit for the year		<u>11,484,784</u>	<u>11,340,183</u>
Earnings per share for the year attributable to the Bank's shareholders		JD/Fils	JD/Fils
Basic and diluted	34	<u>0/096</u>	<u>0/095</u>

Chairman of Board of Directors

General Manager

The accompanying notes from 1 to 46 form part of these financial statements and should be read with them

JORDAN COMMERCIAL BANK
(PUBLIC LIMITED SHAREHOLDING COMPANY)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u>	<u>2022</u>
		JD	JD
Profit for the year		11,484,784	11,340,183
<u>Other comprehensive income items:</u>			
Items that will not be transferred subsequently to the income statement			
Net change in fair value reserve of financial assets through other comprehensive income after tax	23	<u>1,308,081</u>	<u>3,604,208</u>
Total comprehensive income for the year		<u>12,792,865</u>	<u>14,944,391</u>

The accompanying notes from 1 to 46 form part of these financial statements and should be read with them

JORDAN COMMERCIAL BANK
(PUBLIC LIMITED SHAREHOLDING COMPANY)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Authorized and paid in capital JD	Reserves			Total Shareholders' equity JD
		Statutory JD	Fair value, net JD	Retained earnings JD	
For the year ended 31 December 2023					
Balance at the beginning of the year	120,000,000	19,011,405	2,621,695	20,483,016	162,116,116
Profit for the year	-	-	-	11,484,784	11,484,784
Other comprehensive income items	-	-	1,308,081	-	1,308,081
Total comprehensive income for the year	-	-	1,308,081	11,484,784	12,792,865
Fair value reserve released from sale of financial assets at fair value through statement of other comprehensive income	-	-	(4,824)	4,824	-
Dividends distributed to shareholders *	-	-	-	(6,000,000)	(6,000,000)
Transferred to statutory reserve	-	1,694,157	-	(1,694,157)	-
Balance as at 31 December 2023	120,000,000	20,705,562	3,924,952	24,278,467	168,908,981
For the year ended 31 December 2022					
Balance at the beginning of the year	120,000,000	17,208,213	(973,100)	10,936,612	147,171,725
Profit for the year	-	-	-	11,340,183	11,340,183
Other comprehensive income items	-	-	3,604,208	-	3,604,208
Total comprehensive income for the year	-	-	3,604,208	11,340,183	14,944,391
Fair value reserve released from sale of financial assets at fair value through statement of other comprehensive income	-	-	(9,413)	9,413	-
Transferred to statutory reserve	-	1,803,192	-	(1,803,192)	-
Balance as at 31 December 2022	120,000,000	19,011,405	2,621,695	20,483,016	162,116,116

- According to the instructions of Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 10,551,901 restricted against deferred tax assets as at 31 December 2023 (9,505,024 as at 31 December 2022).
- According to the instructions of Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 3,924,952 restricted against the credit balance of the fair value of financial assets reserve as at 31 December 2023 (credit balance of JD 2,621,695 as at 31 December 2022) (including JD 311,112 against the implementation of International Financial Reporting Standard No (9)).
- According to the instructions of Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 531,676 restricted against the unrealized gain of financial assets through income statement as at 31 December 2023 (JD 673,668 as at 31 December 2022).
- * The Bank's General Assembly approved in its meeting held on 13 April 2023 the recommendation of the Board of Directors to distribute 5% of the capital as cash dividends to the shareholders, which is equivalent to JD 6 million for the year 2022.

The accompanying notes from 1 to 46 form part of these financial statements and should be read with them

JORDAN COMMERCIAL BANK
(PUBLIC LIMITED SHAREHOLDING COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 JD	2022 JD
<u>Operating Activities</u>			
Profit for the year before income tax		16,941,566	18,031,922
Adjustments:			
Depreciation and amortization of property and equipment and intangible assets	10,11	2,827,111	2,624,252
Provision for expected credit losses	32	11,618,848	6,304,273
Sundry provisions	19	664,842	32,812
Loss from valuation of financial assets at fair value through statement of income	29	141,992	67,213
Provision (recovery from) assets seized by the bank against due debts	13	23,089	(516,343)
Gain from sale of property and equipment	30	(196)	(369)
Amortization of right of use assets	12	1,082,451	844,919
Interest expense on lease liabilities	12	159,335	120,158
Dividends from financial assets at fair value through other statement of comprehensive income	8	(281,263)	(134,149)
Dividends from financial assets at fair value through statement of income	29	(2,700)	(3,375)
Effect of exchange rate fluctuations on cash and cash equivalents		(350,981)	353,788
Gain from sale of financial assets at amortized cost	9	(649,440)	-
Income from prior year income tax adjustments		(276,494)	-
Cash flows from operating activities before changes in net assets		31,898,160	27,725,101
(Increase) decrease in direct credit facilities		(42,360,452)	65,542,146
Decrease in financial assets at fair value through statement of income		36,564	159,658
Decrease in other assets		16,107,944	3,212,518
Decrease in banks and financial institutions deposits for more than three months		(25,000,000)	(17,000,000)
Increase (decrease) in customers' deposits		70,694,928	(72,588,167)
Increase (decrease) in cash margins		2,439,503	(3,055,052)
Increase in restricted balances at central bank of Jordan		(5,000,000)	-
Increase (decrease) in other liabilities		21,715,878	(89,393)
Net cash flows from operating activities before income tax and provisions paid		70,532,525	3,906,811
Income tax paid	18/a	(6,391,949)	(4,191,193)
Sundry provisions paid	19	(308,701)	(34,502)
Net cash flows from (used in) operating activities		63,831,875	(318,884)
<u>Investing Activities</u>			
Decrease (increase) in financial assets at amortized cost		17,162,654	(3,641,298)
Increase in financial assets at fair value through statement of other comprehensive income		(494,861)	(11,740,174)
Dividends from financial assets at fair value through statement of other comprehensive income		281,263	134,149
Dividends from financial assets at fair value through statement of income		2,700	3,375
Purchases of property and equipment and advances on purchases of property and equipment	10	(2,659,033)	(2,277,948)
Purchases of intangible assets and advances on purchases of intangible assets	11	(1,129,769)	(463,650)
Proceeds from sale of property and equipment		16,599	7,728
Proceeds from sale of financial assets at amortized cost	9	6,586,610	-
Net cash flows from (used in) investing activities		19,766,163	(17,977,818)
<u>Financing Activities</u>			
(Decrease) increase in borrowed funds		(53,653,899)	4,837,612
Dividends distributions paid		(6,000,000)	-
Lease liabilities paid	12	(1,271,170)	(1,107,402)
Net cash flows (used in) from financing activities		(60,925,069)	3,730,210
Effect of exchange rate fluctuations on cash and cash equivalents		350,981	(353,788)
Net increase (decrease) in cash and cash equivalents		23,023,950	(14,920,280)
Cash and cash equivalents at the beginning of the year		60,586,278	75,506,558
Cash and cash equivalents at the end of the year	35	83,610,228	60,586,278

The accompanying notes from 1 to 46 form part of these financial statements and should be read with them

(1) General

Jordan Commercial Bank (the “Bank”) was established as a Jordanian Public Limited Shareholding Company under registration number of (113) on 3 May 1977 in accordance with the Jordanian Companies Law No. (12) for the year 1964 with paid in capital of JD 5 million divided into 5 million shares at par value of one Jordanian Dinar per share. The Bank's Head Office address is Amman, P.O. Box 9989, Amman 11191 - The Hashemite Kingdom of Jordan.

During the year 1993, Al Mashrek Bank (Jordan branches) was merged into Jordan and Gulf Bank. Consequently, Jordan and Gulf Bank replaced Al Mashrek Bank (Jordan branches) in terms of its rights and obligations.

At the beginning of the year 2004, the Bank was restructured after taking the necessary measures specified by the concerned legal parties and on 28 June 2004, procedures relating to changing the Bank's name from Jordan and Gulf Bank to Jordan Commercial Bank were completed.

The Bank's capital was increased gradually, and the last increase was during 2017, where the General Assembly in its extraordinary meeting held on 30 April 2017, resolved to approve the increase in the Bank's capital by 7.125 million JD/share, so that the authorized and paid in capital would become 120 million JD/share, the increase was through capitalizing part of the retained earnings and distributing the capitalized amount to shareholders as stock dividends. The procedures for the capital increase were completed on 7 June 2017.

The Bank is engaged in Banking and related financial operations through its branches totalling (35) inside Jordan.

Jordan Commercial Bank shares are listed and being traded on Amman Stock Exchange.

The financial statements have been approved by the Bank's Board of Directors in their meeting held on 8 February 2024 and are subject to the approval of the General Assembly of Shareholders.

(2) Basis of Preparation of the Financial Statements

The accompanying financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and their related interpretations issued by IASB committee as adopted by Central Bank of Jordan.

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

- A. Expected credit losses provision is recorded in accordance with IFRS (9) and in accordance with the Central Bank of Jordan instructions, whichever is more conservative. The material differences are as follows:
- Debt instruments issued by the government of Jordan or guaranteed by the government, in addition to any other credit exposures with the government of Jordan or guaranteed by it, are excluded from the calculation of expected credit losses. Accordingly, no expected credit losses calculated on any of these exposures.
 - When calculating the expected credit losses against credit exposures, the results of the calculation in accordance with the International Financial Reporting Standard No. (9) are compared with the results of the calculation in accordance with instructions of the Central Bank of Jordan (No. 47/2009) dated 10 December 2009, for each stage individually, and whichever is more conservative is recorded. In addition, the Central Bank of Jordan sometimes requests recording specific provisions against certain facilities, according to what the Central Bank sees as risks related to customers.
- B. Interest, fees, and commission income are suspended on non-performing credit facilities granted to customers in accordance with the instructions of the Central Bank of Jordan.
- C. Assets seized by the Bank against due debts are shown in the statement of financial position among other assets at the value as at the date it had been passed on to the Bank or its fair value, whichever is lower. The assets are revalued individually at the date of the financial statements and any impairment is recorded in the statement of income. Gains are not recorded as income as these gains are recorded later in the statement of comprehensive income without exceeding the impairment value. As requested at the beginning of 2015, a provision is recorded for assets seized against debts that have been seized for more than 4 years in accordance with Central Bank of Jordan instructions (No. 15/1/4076) dated 27 March 2014 and (No. 10/1/2510) dated 14 February 2017. The Central Bank of Jordan issued a circular (No. 10/1/13967) on 25 October 2018; approving an extension of circular (No.10/1/16607) dated 17 December 2017 that confirmed the extension of a provision to be recorded until the end of 2020. Furthermore, according to Central Bank's circular (No. 10/1/16239) dated 21 November 2019, a provision for seized assets will commence as per circular (No.10/3/13246) dated 2 September 2021 approving an extension of circular (No. 10/1/13967) dated 21 November 2019 at a rate of 5% of the total book value of these assets starting from the year 2022. And according to circular (No. 10/3/16234) dated 10 October 2022, the Central Bank of Jordan has decided to repeal item No. 2 from circulation (No. 10/1/4076) dated 27 March 2014 which is related to the deduction of breached seized assets provisions, and maintaining the recorded provisions, while releasing the recorded provisions against disposed seized assets.

- D. The Central Bank has agreed in its letter dated 20 February 2020 to recant a 5-year provision for a specific customer under the condition of classifying the related credit facility as non-performing and suspending its interest and commission in accordance with the instructions of the Central Bank of Jordan.
- The financial statements are prepared on the historical cost basis except for financial assets at fair value through the statement of income and financial assets at fair value through other comprehensive income, which have been measured at fair value at the date of the financial statements. Moreover, financial assets and liabilities that have been hedged for changes in fair value are stated at fair value.
 - The financial statements are presented in Jordanian Dinar (JD) being the functional currency of the Bank.

(2-1) Changes in Accounting Policies

The accounting policies adopted in the preparation of the financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2022, except for the adoption of the following new standards effective 1 January 2023:

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation, and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, 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. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach),
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

This standard is not applicable to the Bank.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective from 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Bank's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments are effective from 1 January 2023. and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Bank's financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognized for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments are effective from 1 January 2023. and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Bank's financial statements.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD’s BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity’s exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no impact on the Bank’s financial statements as the Bank is not in scope of the Pillar Two model rules as its revenue is less than EUR 750 million/year.

(2-2) Material Accounting Policies

Segment Information

Business sectors represent a group of assets and operations that jointly provide products or services subject to risks and returns different from those of other business sectors which are measured in accordance with the reports sent to the operations management and decision makers in the Bank.

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

Direct Credit Facilities

Direct credit facilities are financial assets with fixed or determinable payments which are provided basically by the Bank or have been acquired and has no market price in the active markets. which are measured at amortized cost.

A provision for the impairment in direct credit facilities is recognized through the calculation of the expected credit loss in accordance with International Financial Reporting Standard (9) as adopted by Central bank of Jordan.

Interest and commission earned on non-performing granted credit facilities are suspended in accordance with the instructions of the Central Bank of Jordan and in accordance with the instructions.

When direct credit facilities are uncollectible they are written off against the provision account. Any surplus in the provision is reversed through the statement of income. and subsequent recoveries of amounts previously written off are credited to revenue.

Recognition of Revenues and Expenses

Recognition of Interest Income

According to IFRS (9), interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at FVTPL recorded at amortized cost. Interest income on interest bearing financial assets is 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 considering any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Bank 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 statement of financial position with an increase or reduction in interest income. The adjustment is subsequently amortized through interest and similar income in the statement of comprehensive income.

Interest and Similar Incomes and Expenses

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 considers all 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 Bank 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 at accrual basis.

Fees and Commission Income

Fees income can be divided into the following two categories:

1. Fees income earned from services that are provided over a certain period.

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

2. 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 Guarantees, Letters of Credit and Unutilized Loan Commitments

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

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

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

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer. Similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements. The nominal contractual value of financial guarantees, letters of credit and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded on in the statement of financial position.

The Bank 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.

Financial Assets at Amortized Cost

Are the assets that the Bank's management intends to hold for the purpose of collecting the contractual cash flows which represents the cash flows that are solely payments of principal and interest on the outstanding principal.

Financial assets are recorded at cost upon purchase plus acquisition expenses. Moreover, the issue premium\ discount is amortized using the effective interest associated with the decline in value of these investments leading to the inability to recover the investment or parts thereof are deducted. any impairment is registered in the statement of income and should be presented subsequently at amortized cost less any impairment losses.

The amount of impairment loss recognised at amortized cost is the expected credit loss of the financial assets at amortized cost.

Financial Assets at Fair Value through Other Comprehensive Income

These financial assets represent the investments in equity instruments held for the long term.

These financial assets are recognized at fair value plus transaction costs at purchase date and are subsequently measured at fair value in the statement of comprehensive income and within owner's equity including the changes in fair value resulting from translation of non-monetary assets stated in foreign currency. Gain or loss from the sale of these investments or part of them should be recognized in the statement of comprehensive income and within owner's equity and the balance of the revaluation reserve for these assets should be transferred directly to the retained earnings not to the statement of income.

No impairment testing is required for these assets. Unless classified debt instrument as financial assets at fair value through other comprehensive income. in that case. the impairment is calculated through the expected credit loss model.

Dividends are recorded in the statement of income.

Upon initial recognition, the Bank 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 profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Bank 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.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Bank commits to purchase or sell the asset.

Impairment in Financial Assets

Overview of the Expected credit loss

The Bank 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 (12mECL).

The 12mECL 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 classifies its financial assets into the categories Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1: When financial assets are first recognized, the Bank 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 Bank 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 (default). 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.

Modified Loans

The Bank sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, (rather than taking possession or to otherwise enforce collection of collateral.) The Bank considers a loan forbore when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Bank would not have agreed to them if the borrower had been financially healthy. (Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department). Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. (Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms). It is the Bank's policy to monitor forbore loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forbore asset until it is collected or written off.

When restructuring a loan or modifying its terms without cancellation, the Bank reassesses whether there is a substantial increase in credit risks. The Bank also reassess its classification.

Rent Contracts

The Bank evaluates the contracts when they are effective, to determine whether the contract is a lease or contains a rent. That is, if the contract transfers the right to control the use of the definite asset for a period of time in exchange for payments.

The Bank applies a unified approach to recognize and measure all leases, except short-term leases and low-value asset leases. The Bank recognizes lease obligations for rental payments and right-of-use assets representing the right to use leased assets.

Right-of-use assets

The Bank 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 Bank 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 Bank 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 Bank and payments of penalties for terminating a lease, if the lease term reflects the Bank 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.

Short-term rental contracts and low-value assets

The Bank applies the exemption related to the recognition of short-term lease contracts on some short-term lease contracts, i.e.: lease contracts that last for 12 months or less from the start date and do not include an asset purchase option. The Bank also applies the exemption for leasing contracts for low-value assets to some leasing contracts for assets that are considered low-value. The payments for short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term.

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.

	<u>%</u>
Buildings	2
Machines and office equipment	10-15
Decorations	15
Vehicles	15
Computers	20

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

Intangible Assets

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

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

Intangible assets resulting from the Bank's operations are not capitalized. They are rather recorded in the statement of income in the same period.

Any indications of impairment in the value of intangible assets as at the 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 definite useful economic lives at cost net of accumulated amortization. Intangible assets are amortized over their useful lives using the straight-line method using a 20% rate.

Provisions

Provisions are recognized when the Bank has an obligation as at the date of the 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 end of service indemnity is established by the Bank to fare any legal or contractual obligations at the end of employees' services and is calculated based on the service terms as at the financial statements date.

Income Taxes

Income tax expenses represent current and deferred taxes.

Income tax expense is measured based on taxable income. Taxable income differs from income reported in the 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 based on the enacted tax rates according to the prevailing laws, regulations, and instructions of countries where the Bank 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 financial statements and their respective tax bases. Deferred taxes are calculated based on 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.

Deferred tax assets and liabilities are reviewed as at the date of the 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.

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 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 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 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 by the Bank Against Due Debts

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 financial statements, seized assets are revalued individually (fair value less selling cost); any decline in fair value is recognized in the 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 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 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 recoded 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 recoded as interest revenue amortized over the life of the contract using the effective interest rate method.

The Calculation of Expected Credit Losses

The Bank calculates expected credit losses based on the weighted average of three scenarios to measure the expected cash deficit, after discounting an approximate rate of effective interest rates. The cash deficit is the difference between the Bank's cash flows in accordance with the contract and the expected cash flows.

PD The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period.

EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

worse scenario). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will be remediated and the value of collateral or the amount that might be received for selling the asset.

With the exception of credit cards and other revolving facilities, the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanism of the ECL method is summarized below:

Stage 1: The 12mECL is calculated as 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. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the four scenarios, as explained above.

Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument.

The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For financial assets which are considered credit-impaired, the Bank recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100% and with higher LGD than the first two stages.

Loan commitments
and letter of credit

When estimating LTECLs for undrawn loan commitments, the Bank estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the four scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

Financial guarantee
contracts

The Bank's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the statement of income, and the ECL provision. For this purpose, the Bank estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure.

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 financial statements using the exchange rate prevailing at the date of the financial statement announced by the Central Bank of Jordan.

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.

Gains or losses resulting from foreign currency translation are recorded in the statement of income.

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.

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 income statement. Foreign currency exchange differences for equity instruments are recorded in the fair value reserve in the shareholders' equity in the statement of financial position.

Fair Value

The Bank measures financial instruments is at fair value at each financial statement date.

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 considers 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 based on 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 income statement.

Cash and Cash Equivalent

Cash and cash equivalents comprise cash and balances at central bank of Jordan and balances with Banks and financial institutions maturing within three months, less balances due to Banks and financial institutions maturing within three months and restricted balances.

(3) Use of estimates

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

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

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

Impairment of seized property

Impairment in value of properties possessed is recognized based on recent real estate valuations by qualified independent evaluators for calculating the asset impairment, which is reviewed periodically.

Useful lives of tangible assets and intangible assets

The Bank estimates the productive life of properties, machines, equipment, and intangible assets for the purposes of calculating depreciation and amortization, taking into account the expected use of the assets. Management reviews the residual values and productive lifespans annually, and future depreciation and amortization expense is adjusted if management believes that the productive lifespans differ from previous estimates.

Income tax

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

Litigations provision

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

Provision of expected credit losses

Expected credit loss is measured as a 12-months expected credit loss for assets classified as stage 1, or as a lifetime expected credit loss for stage 2 or stage 3 classified assets.

Significant increase in credit risk

The asset moves from stage one to the stage two or stage three in case there is a significant increase in credit risk since initial recognition based on CBJ instructions and IFRS (9). Credit risk is evaluated whether it increases significantly for any of the assets through current and future quantitative and qualitative information used by the Bank's management related to assessing whether the credit risk of any asset has increased significantly that result in a change in the classification within the three stages (1, 2 and 3), the expected credit loss is measured as a 12-months expected credit loss for stage 1 assets or lifetime credit losses over the life of the assets classified as stage 2 or 3 shown in detail in note (38).

Re-Division of Portfolios and Movements Between Portfolios

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

Models and Assumptions Used

The Bank uses various models and assumptions in measuring the fair value of financial assets as well as in assessing the expected credit loss described in note (38). The judgment is applied when determining the best models for each type of asset as well as for the assumptions used in those models, which include assumptions regarding the main drivers of credit risk.

a. Classification and Measurement of Financial Assets and Liabilities

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

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

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

b. Fair Value Measurement

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

Key Sources of Uncertainty Estimates

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

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

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

Probability of Default

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

Loss Given Default

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

Fair value measurement and valuation procedures

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

Risk management

In light of the importance of managing the various risks surrounding the Bank's business activities that it is exposed to or may be exposed to in the future, the Bank has continued its work by following a risk management strategy in line with the directives of the Board of Directors, executive management, legislation and laws issued by the Central Bank of Jordan, where best practices have been applied and the latest means and methods used in risk management.

The risk management process includes identifying, measuring, evaluating and monitoring financial and non-financial risks that can negatively affect the overall performance of the Bank, the Risk Department is responsible for managing risks (credit, operational, market, liquidity and information security) within the framework of the Bank's organizational structure and the risk department evaluates and controls risks and recommends mitigating them and submitting the necessary reports to executive management and Risk and Compliance Committee and independently of other Bank departments that perform other Banking activities.

The Bank's risk management provides independent oversight and support that aims to establish and spread the concept of risk management as a whole on all levels of management and helps proactively in realizing potential losses and sets out the plan and procedures to take to confront these risks in the event of their occurrence.

The executive management is responsible for defining the main principles of risks and the level of risks that can be accepted, as well as an optimal distribution of them according to the various activities and segment of the Bank where executive management exercises its role in ensuring that the Bank manages various risks and adopts policies and procedures governing risk management in the Bank.

The Bank management also gives great importance to the requirements of Basel and best international practices for risk management, as it is considered as a framework to enhance the Bank's ability to improve the control environment and confront various types of risks.

Acceptable risks level (risk appetite)

The Bank's philosophy in determining the level of acceptable risks is the method by which the Bank has determined the levels of acceptable risks with, given that capital planning is the basis for determining the levels of acceptable risks.

The bottom-up approach methodology was used to determine acceptable levels of risk through the concerned departments within the Bank from the bottom of the organizational structure and then raise it to the top organizational structure for each of the risks (credit, concentrations, liquidity, interest rates, reputation, strategy, operation, market, governance Institutionalism, compliance, capital structure).

The objectives of risk appetite

The Bank aims to determine the acceptable levels of risk to the following:

- 1- Knowing the acceptable level of risk for each type of risk to which the Bank is exposed.
- 2- Protecting the Bank from risks that it might face and negatively affect its business.
- 3- Achieving strategic goals.
- 4- Ensuring that acceptable proportions of capital adequacy are maintained.
- 5- Control risks and work to reduce them.
- 6- Determining the capital needed to face all kinds of risks (economic capital).
- 7- Developing measures to monitor the acceptable level of risks in addition to the capital, asset quality, liquidity, and fluctuation in profits.

Stress testing

In accordance with the instructions issued by the Central Bank related to stress testing, the Bank has prepared a methodology for applying these stress tests and adopting a policy and work procedures by the Risk Committee from the Board of Directors where stress tests are an integral and essential part of the institutional governance and risk management system of the Bank as it has an impact on decision-making at the appropriate administrative level, including strategic decisions of the Board of Directors and Executive Management. To ensure this, the Board of Directors and Executive Management must have a key role in these tests, including setting test goals, defining scenarios, evaluating results, and defining measures to take based on the results of these. The tests at various levels are considered:

- A key tool to understand the Bank's risk matrix and its ability to withstand shocks and the high risks it may face.
- It is considered an important part of the capital planning process through the internal evaluation process of the capital adequacy (ICAPP) and improving the Bank's management of its capital.

- It helps the Bank in estimating the size of future capital that must be available in the coming years, in accordance with its strategy.
- An important part in the process of identifying, measuring, and controlling liquidity risk, in order to assess the Bank's liquidity and the adequacy of liquidity shock mitigators and improve the Bank's liquidity.

The mechanism by which stress situations are chosen

Scenarios of stressful situations are chosen to cover all the risks which the Bank is exposed to in accordance with the instructions issued by the Central Bank of Jordan, and a different set of scenarios are applied that range from the least influential to the most influential but are possible to occur are selected and identified by the Bank according to the different risks which it is exposed is such as (size, type, repetition and importance) in coordination with the various department where these tests aim to assess the Bank's financial position and adequacy, where necessary reports are prepared and applied to stress tests and present them to the Risk Committee from the Board of Directors, which in turn approves assumptions and scenarios used and discuss the results of the tests and approve the measures to be taken based on these results. The impact of stress testing on different financial assets is measured, whether at the level of the facilities or investment portfolio, as follows:

Measuring the impact of stress testing on the Bank's credit portfolio in terms of the increase of non-performing loans as a result of several factors, including the concentration in credit granting, the decline of economic sectors as a result of financial crises, the quality of the credit portfolio, the decrease in the value of guarantees provided and other factors. The impact of these scenarios is assessed for these risks on the income statement and the capital adequacy.

Measuring the impact of stress testing on the Bank's investments in terms of low liquidity of the markets invested in and a decrease in the value of investments due to financial and economic crises. The impact of scenarios for these risks is assessed on the income statement and the capital adequacy.

Measuring the impact of stress testing on the Bank's assets and liabilities in the event of changing the Dinar exchange rates against foreign currencies.

Measuring the impact of stress testing on the Bank's liquidity as a result of several factors, including the loss of our deposits with correspondent Banks, the concentration of Bank customer deposits and Bank deposits with us, extensive withdrawals of deposits, change of the Dinar exchange rates against foreign currencies and other factors. The impact of the scenarios of these risks is assessed based on statutory and liquidity ratios and based on a maturity scale.

Measuring the impact of stress testing on the operating risks of the Bank's operations. The impact of scenarios on these risks is assessed on the capital adequacy.

Governance of stress testing

- Stress tests are an integral and essential part of corporate governance with the Bank by enhancing the Bank's ability to identify and control its risks and its major role in providing both the Board and Executive Management with indicators on the amount of capital required to meet the resultant losses on shocks or changes that affect the Bank's financial position and solvency.

Board of Directors' responsibility:

- Ensuring that there is an effective framework for stress testing to assess the Bank's ability to withstand shocks and face high risks, as the Board has the ultimate responsibility for the stress testing program, and the adoption of work policies in this regard.
- Ensure that the Risk Department conducts stress tests on a regular basis, and that the Board has a key role in approving the assumptions and scenarios used, analyzing the results of the tests, and adopting the procedures to be taken based on these results.

Senior executive management responsibility:

- Implementing and monitoring the stress testing program, and in accordance with the methodology approved by the Board of Directors, which was originally based on the specific stress tests according to the instructions of the Central Bank of Jordan.
- Ensure that a qualified personal is available in the Risk Management Department to conduct stress tests and that the department has the appropriate tools and means for that.
- Ensuring that an appropriate number of possible scenarios related to the Bank's business are available, provided that these scenarios are understood and documented.
- Use the results of stress testing in setting and determining the degree of risk tolerance of the Bank and in the process of planning for capital and liquidity.
- Setting the appropriate remedial procedures based on the results of the tests carried out by the Executive Management and submitting them to the Risk and Compliance Committee and presenting them to the Board of Directors.

Responsibility of the Internal Audit department:

- The Internal Audit Department is responsible for reviewing and evaluating the framework of stress testing, at least annually, and for evaluating and reviewing results to be submitted to the Board of Directors.

Risk Department responsibility:

- 1- Designing a program of stress testing and using models and methodologies to test its impact on the Bank, so that it covers the following aspects and is not limited to them:
 - Stress testing includes scenarios that range from least to most severe.
 - Covering all complex financial products, if any.
 - It considers potential changes in market conditions that may negatively affect the Bank's exposure to concentration risk.
 - Including stress tests to some scenarios related to reputational risks, by reflecting the results of risks that affect the Bank's reputation, which may be reflected on the Bank's liquidity and liquid assets through customers withdrawing their deposits.
 - The tests used are consistent with the degree of risk tolerance that the Bank has set for itself, so that the chosen scenarios are commensurate with the size, nature and complexity of the Bank's business and the risks associated with it.
 - The stress testing program includes quantitative and qualitative methods to improve the comprehensiveness of these tests and make them supportive and complementary to the models and methods of risk management used in the Bank.
 - It includes different types of tests, such as the simple sensitivity analysis based on changes in one risk factor and between scenarios based on statistical methods that take into account the relationships between the causes of systemic risks in times of crisis, knowing that the part related to these scenarios is determined by the Central Bank of Jordan on an annual basis.
- 2- Organizing an appropriate line of communication between the various parties concerned to take their views on the shocks and potential stressful situations if they occur with the aim of identifying assumptions and scenarios that are appropriate to the internal and external risks that the Bank may be exposed to so that all the parties involved with the Bank participate in this line of communication when determining these tests annually.
- 3- Submitting the results of the tests to the Basel Committee, an internal evaluation of the capital adequacy, and then to the Risk and Compliance Committee from the Bank's Board of Directors annually.

The Bank's application for defaulting and the defaulting mechanism

The Bank follows and applies the instructions of the Central Bank of Jordan (the regulatory body) related to the International Financial Reporting Standard No. (9) to classify credit facilities in three stages.

1. The Bank's application to default:

The instructions of the Central Bank of Jordan regarding the classification of defaulting loans and the suspension of interest are applied according to the requirements of IFRS (9). As for provisioning, instructions No. (47/2009) and (13/2018) related to the International Financial Reporting Standard (9) are adopted. The most conservative and severe results are taken, except in special cases and with prior approval by the Central Bank of Jordan.

2. The defaulting mechanism:

The Bank follows up with a client before their default with the aim of not reaching the point of classifying the facilities granted to them. In case the classification is made, a provision is recorded against this loan in accordance with the adopted standards, among the mechanisms used to treat default by the Bank as following:

- 1- Debt scheduling according to the scheduling principles as per the instructions of the Central Bank of Jordan.
- 2- Taking legal measures to collect what is owed to the Bank.

Definition of default:

The definition of default used in the measurement of expected credit losses and the assessment to determine movement between stages will be consistent with the definition of default used for internal credit risk management purposes, IFRS 9 does not define default, but contains a rebuttable presumption that default has occurred when an exposure is greater than 90 days past due.

The weighted probabilities are measured according to the best estimate and related to historical probability and current situations. The weighted scenarios are evaluated every three months. All scenarios are applied to all portfolios exposed to expected credit losses during the years 2022 and 2023.

- The Bank uses 3 scenarios to reach a probable value when to estimate the expected credit losses as follows:
 - 1- Main scenario (Baseline) weighted 50%
 - 2- Best scenario (V shape) weighted 25%
 - 3- Worst case scenario 1 (U shape) weighted 25%

The internal credit rating system of the Bank and its mechanism:

The Bank has implemented a credit risk rating system based on Standard and Poor's (S&P) classification models to measure the credit risk of large companies, small and medium-sized companies which would positively reflect on the quality of the credit portfolio and help in making appropriate credit decisions as the following is extracting through the system:

Obligor Risk Rating (ORR) is divided into measuring the activity standards (qualitative) and the financial standards (quantitative) by:

Qualitative standards:

- 1- Measuring the risks of the countries in which the client practices their activity
- 2- Measuring the risks of the economic sectors that represent the client's activities
- 3- Measuring the client's competitive position in detail

Quantitative standards:

- 4- Measuring the client's financial risks by assessing cash flows, receivables, capital structure, and others.

Classification models include (modifier's) quality rates that enhance credit rating accuracy as follows:

- 1- The impact of the various activities of the client
- 2- The capital structure
- 3- Approved financing policy
- 4- Liquidity assessment
- 5- Management and governance

Clients are classified on the system to ten levels, where the classification grades are distributed from (1) high quality clients (few risks) to (10) high risk customers.

As a result of assessing the client's credit rating through the system, the probability of default (PD) is determined.

The approved mechanism for calculating expected credit losses on financial instruments:

1- The basic components of calculating the credit loss of financial instruments:

- * Clients' staging
- * Probability of default ratio stage 1 (12-month projected credit losses) and stage 2 (expected credit losses over the life of the financial instrument).
- * Loss given default (LGD).
- * Exposure at default (EAD).

2- Criteria for classifying client according to the stages:

The criterion for classifying the stages is one of the important parameters used to determine the expected credit losses according to the International Financial Reporting Standard No. (9), where financial instruments were classified into three stages in addition to a statement of the credit limitations for the transfer of the financial instrument / exposures between the stages according to the instructions issued by the Central Bank of Jordan No. (13/2018).

3- Probability of default – PD

Corporate portfolio

Based on the probability of default resulting from the analysis of all quantitative and qualitative data of the client through the credit rating system as this is done through the approved models of the company (S&P) and based on historical data, a future probability of default is calculated and linking it to the macroeconomic indicators.

Individual portfolio

Individual risk is measured at the level of each product separately (personal loans / housing loans / credit cards / car loans) through the evaluation of the product Roll Rate Approach, through customer behavior records and their commitment to pay on the historical agreed upon times to link them to all variables of macroeconomic factors to determine the future probability of default.

Debt portfolio and money market

The default probability of debt instruments classified under the amortized cost portfolio (AC) and other comprehensive income statement (OCI) is calculated on an individual basis based on the probability of default according to external classification.

Debt instruments issued by the Jordanian government, or guaranteed by it, and current accounts are excluded from calculating the expected credit losses.

4- Loss Given Default - LGD

The percentage of loss is measured on the assumption of default, based on the present value of the guarantees provided by the client based on historical ratios of financial recoveries and converting the guarantees into cash as a result of implementation of the guarantees due to default, taking into account the time dimension and credit dilution, which includes the part covered and not covered by the guarantees according to the requirements of the Central Bank of Jordan.

5- Exposure at Default – EAD

It is defined as the size of the indebtedness to which the Bank may be exposed to the possibility of non-payment if the customer defaults as follows:

- It is the current balance in relation to direct and indirect facilities.
- In the case of ceilings, the value of the amount exposed to default: it is the used balance in addition to a percentage of the unutilized ceiling (direct and indirect) based on a historical study of the extent of utilization of these ceilings.

Governance of implementing the requirements of IFRS (9):

The Bank is adherent to the instructions of institutional governance, including the instructions of the Central Bank of Jordan and the best international practices that were included in the Basel Committee in this regard in a manner that achieves the rule of implementation of the International Financial Reporting Standard. The following are the responsibilities of the Board of Directors, the Executive Management, the concerned committees, and departments to ensure the appropriateness of applying the financial reporting standard:

Board Responsibilities:

- Approving the policies, assumptions and models used for the application of the standard.
- Approving the expected credit losses in the Bank's financial statements.
- Ensuring proper application of the standard by defining the roles of committees, departments and work units in the Bank and ensuring complementarity of work among them and providing the appropriate infrastructure.
- Overseeing, through the committees of the Board, the Executive Management to develop the necessary systems to provide adequate information in an accurate and safe matter so that it provides the accurate capability of the Bank to record through the participation of all relevant business units in the Bank and under the supervision of the Bank's Board of Directors and its related committees.
- Approving of amendments that could affect the business model, the Bank's strategy, measurement and evaluation methodologies for the credit process, pricing and guarantees mechanism for credit products or assets that fall within the standard.
- Ensuring that the Bank manages its credit risk within the appropriate best practices, including effective control systems within the credit process that includes a clear determination of the amount of provisions required for all of its risks.
- Ensuring that the supervisory units in the Bank, specifically risk management, manage the internal audit of all necessary processes to verify the validity and integrity of the methodologies and systems used within the framework of the application of IFRS (9) and work to provide the necessary support for these control units.

Executive Management Responsibilities:

- Providing the appropriate infrastructure and providing recommendations regarding required changes or improvements that help to implement the standard in an accurate and comprehensive manner that includes qualified personnel and an adequate database in terms of accuracy and comprehensiveness.
- Reviewing the policies, work procedures, regulations and any other relevant standards and explaining their suitability for implementing the standard.
- Distributing tasks and responsibilities and ensuring the participation of all relevant business units in the proper application of the standard.
- Monitoring the periodic reports related to the results of calculating and applying the standard and determine the impact of the application of the standard on the financial position of the Bank.
- Applying corrective measures approved by the Board of Directors.
- Reflecting the impact of the application of the standard on the Bank's strategy and pricing policy.
- It is responsible for any exceptions of the results of the system outputs, the specific procedures, and the documented forms of the calculation process.
- Reviewing the staging rules process and make the necessary recommendations.
- View the calculation of expected credit losses and recommend their approval.
- Recommend any exception or amendment to the results of calculating the expected credit losses required and in accordance with clear and documented justifications.

Risks and Compliance Committee Responsibilities:

- Reviewing the framework and assumptions for calculating expected credit losses and recommend their approval.
- Supervising the efficiency and effectiveness of the process of calculating the expected credit losses.

Responsibilities of the Audit Committee:

- Ensuring that the methodologies and systems used in the application of IFRS (9) have been verified.
- Monitoring the compliance with the framework for calculating expected credit losses in accordance with IFRS (9) and ensuring that the internal audit fulfills its duty in this regard.
- Reviewing the financial statements after implementing the standard, in particular verifying the implementation of the instructions of the Central Bank of Jordan regarding the adequacy of provisions and expressing an opinion on the Bank's non-operating loans before submitting them to the Board of Directors.
- Reviewing the observations in the Central Bank's reports and the external auditor's reports and following up on the measures taken in their regard.
- Reviewing the accounting issues that have a material impact on the Bank's financial statements and ensure the accuracy of the accounting and control procedures and its safety and adherence to them.

- Ensuring through the Internal Audit Department that all financial instruments/ credit exposures have been measured for expected credit losses.

Compliance Department Responsibilities:

Ensuring compliance with applicable laws and instructions related to preparing the financial statements and applying the required standard and disclosures.

Risk Department Responsibilities

- Calculating the expected credit losses.
- Reviewing the models and assumptions used for calculating the provision and recommending any required adjustments.
- Evaluating the credit rating systems, their parameters, and results.
- Preparing periodic, qualitative and detailed quantitative disclosures required by the Central Bank of Jordan for the purposes of complying with the requirements of the standard.
- Reviewing the transferring process between the different stages and comparing it with the policy of transferring requirements between stages and reviewing these limitations periodically.

Finance Department Responsibilities:

- Participating with departments in developing and building the business model, including the classification of the Bank's financial assets in accordance with the principles of IFRS (9).
- Make the necessary accounting adjustments and restrictions after approving the results and verifying that all financial instruments have been accounted for.
- Reviewing the necessary disclosures in cooperation with the relevant departments of the Bank in accordance with the requirements of the standard and the instructions of the Central Bank.

The following are the most prominent determinants used to measure the significant change in credit risk:

- There is a decrease or a decline in the actual internal credit rating of the borrower according to the internal evaluation system applied by the Bank compared to the degree of the internal rating of the borrower at the time of granting.
- The presence of unpaid dues on a client or borrower account exceeding a certain period.
- Knowing that the borrower faces difficulties affecting the cash flow
- Violating debt covenants or conditions in a manner that affects the obligation to repay.
- The market value of collaterals declines significantly.
- The possibility of a borrower entering Bankruptcy procedures.

Macroeconomic Factors, Forward Looking Information (FLI) and Multiple Scenarios

JORDAN COMMERCIAL BANK
(PUBLIC LIMITED SHAREHOLDING COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
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The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions, The estimation and application of forward-looking information will require significant judgment from the bank's management.

PD, Loss Given Default (LGD) and Exposure at Default (EAD) inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio, each macroeconomic scenario used in our expected credit loss calculation will have forecasts of the relevant macroeconomic variables.

Each macroeconomic scenario used in calculating the expected credit losses is linked to changing macroeconomic factors.

Our estimates are used to calculate expected credit losses for stage 1 and stage 2 using discounted weighted scenarios that include future macroeconomic information for the next three years.

- The Bank uses the following macroeconomic indicators when performing futuristic forecasts for the countries that it operates in:
 - 1- Gross Domestic Product
 - 2- Unemployment rate
 - 3- Stock market index price
 - 4- Inflation rate

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(4) Cash and Balances at Central Bank of Jordan

The details of this item are as below:

	31 December 2023	31 December 2022
	JD	JD
Cash in vaults	22,945,295	29,003,994
Balances at central bank of Jordan:		
Current and call accounts	12,283,680	11,513,203
Statutory cash reserve	33,090,712	30,922,971
Total balances at central bank of Jordan *	45,374,392	42,436,174
Total cash and balances at central bank of Jordan	<u>68,319,687</u>	<u>71,440,168</u>

- Total statutory cash reserve is JD 33,090,712 as at 31 December 2023 (JD 30,922,971 as at 31 December 2022).
- Total restricted cash balances are JD 38,090,712 as at 31 December 2023 (JD 30,922,971 as at 31 December 2022).
- There are no balances maturing within a period of more than three months as at 31 December 2023 and 2022.
- There are no certificates of deposits as at 31 December 2023 and 31 December 2022.

* Set out below is the movement in the balances at central bank of Jordan for the year ended 31 December 2023 and 2022:

Item	Stage 1	Stage 2	Stage 3	Total	
				31 December 2023	31 December 2022
	JD	JD	JD	JD	JD
Total balance at the beginning of the year	42,436,174	-	-	42,436,174	65,876,967
Changes resulting from adjustments	2,938,218	-	-	2,938,218	(23,440,793)
Total balance at the end of the year	<u>45,374,392</u>	<u>-</u>	<u>-</u>	<u>45,374,392</u>	<u>42,436,174</u>

- There are no transfers between the stages (stage 1, stage 2, and stage 3) or any written off balances for the year ended 31 December 2023 and 2022.

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(5) Balances and Deposits at Banks and Financial Institutions, Net

Item	Banks and Financial Institutions					
	Local		Foreign		Total	
	31 December	31 December	31 December	31 December	31 December	31 December
	2023	2022	2023	2022	2023	2022
	JD	JD	JD	JD	JD	JD
Current and call accounts	-	29,671	9,736,311	8,822,862	9,736,311	8,852,533
Deposits maturing within a period of less than one year	26,138,000	7,407,100	32,844,254	29,891	58,982,254	7,436,991
Deposits maturing within a period of more than one year	-	-	-	30,000,000	-	30,000,000
Total	26,138,000	7,436,771	42,580,565	38,852,753	68,718,565	46,289,524
<u>Less: Expected credit loss provision *</u>	<u>(1,278)</u>	<u>(402)</u>	<u>(503)</u>	<u>(10)</u>	<u>(1,781)</u>	<u>(412)</u>
	26,136,722	7,436,369	42,580,062	38,852,743	68,716,784	46,289,112

- The non-interest-bearing balances and deposits at banks and financial institutions amounted to JD 9,736,311 as at 31 December 2023 and (JD 8,852,533 as at 31 December 2022).
- Balances and deposits at banks and financial institutions that mature more than three months are JD 30,000,000 as at 31 December 2023 (JD 30,000,000 as at 31 December 2022).
- There are no restricted balances as at 31 December 2023 and 2022.

Set out below is the classification of gross balances and deposits at banks and financial institutions according to the Bank's internal credit rating as at 31 December 2023 and 2022:

Item	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
-5	68,718,565	-	-	68,718,565	46,289,524
Total	68,718,565	-	-	68,718,565	46,289,524

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Set out below is the movement in the balances and deposits at banks and financial institutions for the year ended 31 December 2023 and 2022:

Item	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	46,289,524	-	-	46,289,524	54,109,001
New balances and deposits during the year	15,181,975	-	-	15,181,975	5,280,100
Settled balances and deposits	(2,336,490)	-	-	(2,336,490)	(13,032,587)
Changes resulting from adjustments	9,583,556	-	-	9,583,556	(66,990)
Balance at the end of the year	<u>68,718,565</u>	<u>-</u>	<u>-</u>	<u>68,718,565</u>	<u>46,289,524</u>

There were no transfers between the stages (stage 1 stage 2, and stage 3) or any written of balances for the year ended 31 December 2023 and 2022.

* Set out below is the movement in the provision for expected credit losses (ECL) for balances and deposits at banks and financial institutions during the year ended 31 December 2023 and 2022:

Item	2023				2022
	Stage 1	Stage 2	Stage3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	412	-	-	412	2,865
ECL for new balances during the year	1,077	-	-	1,077	287
Recoveries from ECL related to repaid balances	(115)	-	-	(115)	(2,233)
Changes resulting from adjustments	407	-	-	407	(507)
Balance at the end of the year	<u>1,781</u>	<u>-</u>	<u>-</u>	<u>1,781</u>	<u>412</u>

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(6) Direct Credit Facilities, Net

Set out below are the details of this item:

	31 December 2023	31 December 2022
	JD	JD
Individuals (retail):		
Overdraft accounts	769,411	617,809
Loans and promissory notes *	185,042,272	192,034,774
Credit Cards	6,535,516	6,516,177
Real Estate Loans	101,555,641	103,677,524
Companies:		
A - Large:		
Overdraft accounts	82,453,705	75,306,699
Loans and promissory notes *	365,895,832	309,368,859
B- SMEs:		
Overdraft accounts	15,496,576	13,831,126
Loans and promissory notes *	40,679,607	42,573,080
Government and Public Sector	20,488,783	26,911,335
Total	818,917,343	770,837,383
(Less): Provision for expected credit losses **	(63,314,138)	(52,030,738)
Interest in suspense	(23,176,116)	(16,952,259)
Net direct credit facilities	<u>732,427,089</u>	<u>701,854,386</u>

* Net after deducting interest and commissions received in advance amounted to JD 174,861 as at 31 December 2023 (JD 415,570 as at 31 December 2022).

- Credit facilities classified as stage 3 amounted to JD 88,426,795 representing 10.80% of total direct credit facilities as at 31 December 2023 (JD 75,322,001 representing 9.77% of total direct credit facilities as at 31 December 2022).
- Credit facilities classified as stage 3, net of interest and commissions in suspense amounted to JD 65,250,679 representing 8.20% of total direct credit facilities balance as at 31 December 2023 (JD 58,369,742 representing 7.74% of total credit facilities as at 31 December 2022).
- Direct credit facilities include facilities guaranteed by the Government of Jordan amounted to JD 11,250,000 as at 31 December 2023 (JD 18,750,000 as at 31 December 2022).

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Set out below is the movement in the direct credit facilities collectively during the year ended 31 December 2023 and 2022:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	542,331,996	153,183,386	75,322,001	770,837,383	861,552,695
New credit facilities during the year	73,769,678	962,115	219,158	74,950,951	65,519,721
Fully settled credit facilities during the year	(39,656,510)	(9,397,975)	(628,789)	(49,683,274)	(117,642,809)
Transferred to stage 1	30,536,726	(29,098,964)	(1,437,762)	-	-
Transferred to stage 2	(46,739,930)	48,437,646	(1,697,716)	-	-
Transferred to stage 3	(3,914,400)	(13,129,697)	17,044,097	-	-
Changes resulting from adjustments	26,819,837	(3,613,360)	547,104	23,753,581	(7,614,331)
Written-off facilities *	-	-	(941,298)	(941,298)	(1,088,652)
Credit facilities transferred to off statement of financial position regulatory accounts	-	-	-	-	(29,889,241)
Balance at the end of the year	<u>583,147,397</u>	<u>147,343,151</u>	<u>88,426,795</u>	<u>818,917,343</u>	<u>770,837,383</u>

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** Set out below is the movement in the provision for expected credit losses collectively and individually during the year ended 31 December 2023 and 2022:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	1,971,064	3,814,323	46,245,351	52,030,738	63,793,141
New credit facilities during the year	250,312	55,097	102,645	408,054	215,635
Fully settled credit facilities during the year	(102,368)	(27,810)	(253,532)	(383,710)	(1,717,280)
Transferred to stage 1	343,451	(331,598)	(11,853)	-	-
Transferred to stage 2	(594,262)	683,293	(89,031)	-	-
Transferred to stage 3	(21,179)	(602,121)	623,300	-	-
Effect on provision resulting from reclassification among the three stages	-	563,571	5,505,967	6,069,538	5,514,593
Changes resulting from adjustments	422,432	2,314,403	2,957,032	5,693,867	2,494,319
Written-off facilities *	-	-	(504,349)	(504,349)	(126,642)
Expected credit losses provision transferred to off statement of financial position regulatory accounts **	-	-	-	-	(18,143,028)
Balance at the end of the year	<u>2,269,450</u>	<u>6,469,158</u>	<u>54,575,530</u>	<u>63,314,138</u>	<u>52,030,738</u>

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Set out below is the movement in the provision for expected credit losses during the year ended 31 December 2023 and 2022:

	Retail	Real estate	Corporate	SME's	Government and public	Total
<u>For the year ended 31 December 2023</u>	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	14,369,317	3,409,049	28,044,907	6,180,871	26,594	52,030,738
ECL for new facilities during the year	257,065	12,580	109,761	28,648	-	408,054
Recoveries from ECL related to fully settled facilities	(336,324)	(20,398)	(16,185)	(10,803)	-	(383,710)
Transferred to stage 1	(33,862)	(2,224)	(231,424)	(4,480)	-	(271,990)
Transferred to stage 2	(162,917)	(49,707)	(47,353)	9,551	-	(250,426)
Transferred to stage 3	196,779	51,931	278,777	(5,071)	-	522,416
Effect on provision resulting from reclassification among the three stages	2,209,516	847,636	2,759,190	253,196	-	6,069,538
Changes resulting from adjustments	302,190	(276,838)	4,850,776	823,482	(5,743)	5,693,867
Written-off facilities *	(64,616)	(7,641)	-	(432,092)	-	(504,349)
Balance at the end of the year	<u>16,737,148</u>	<u>3,964,388</u>	<u>35,748,449</u>	<u>6,843,302</u>	<u>20,851</u>	<u>63,314,138</u>
Re-allocation:						
Provision on an individual basis	<u>16,737,148</u>	<u>3,964,388</u>	<u>35,748,449</u>	<u>6,843,302</u>	<u>20,851</u>	<u>63,314,138</u>
Total	<u>16,737,148</u>	<u>3,964,388</u>	<u>35,748,449</u>	<u>6,843,302</u>	<u>20,851</u>	<u>63,314,138</u>

* During the year 2023 direct credit facilities amounted to JD 941,298 were written-off, with interest in suspense of JD 436,949 and the provision against them JD 504,349 according to the Board of Directors' decision.

** During the year 2023, no direct credit facilities were transferred to regulatory accounts off the statement of financial position (JD 29,889,241 and a provision of JD 18,143,028 with total interest in suspense 11,746,213 according with the Board of Directors' decision as at 31 December 2022).

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- Direct credit facilities of JD 165,994,550 with interest in suspense of JD 103,636,764 and a provision against them of JD 62,357,786 as at 31 December 2023, were listed in regulatory accounts off the statement of financial position according to the Board of Directors' decisions as these accounts are fully covered at the date of the financial statements.
- The provisions disclosed above are calculated on an individual customer basis.
- The amounts of provisions that are no longer required due to the settlements or repayments of debts transferred against other debts is JD 5,704,145 as at 31 December 2023 (JD 7,849,565 as at 31 December 2022).

	Retail	Real estate	Corporate	SME's	Government and public	Total
<u>For the year ended 31 December 2022</u>	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	12,664,216	3,277,734	42,930,898	4,851,941	68,352	63,793,141
ECL for new facilities during the year	176,354	13,022	9,948	16,311	-	215,635
Recoveries from ECL related to fully settled facilities	(500,935)	(494,557)	(557,898)	(126,013)	(37,877)	(1,717,280)
Transferred to stage 1	(39,956)	(7,597)	(286,387)	(28,983)	-	(362,923)
Transferred to stage 2	(144,831)	8,749	446,346	15,376	-	325,640
Transferred to stage 3	184,787	(1,152)	(159,959)	13,607	-	37,283
Effect on provision resulting from reclassification among the three stages	1,536,407	54,720	2,054,647	1,868,819	-	5,514,593
Changes resulting from adjustments	860,779	563,480	1,043,781	30,160	(3,881)	2,494,319
Provisions transferred to off statement of financial position regulatory accounts **	(316,570)	-	(17,366,111)	(460,347)	-	(18,143,028)
Written-off facilities	(50,934)	(5,350)	(70,358)	-	-	(126,642)
Balance at the end of the year	<u>14,369,317</u>	<u>3,409,049</u>	<u>28,044,907</u>	<u>6,180,871</u>	<u>26,594</u>	<u>52,030,738</u>
Re-allocation:						
Provision on an individual basis	<u>14,369,317</u>	<u>3,409,049</u>	<u>28,044,907</u>	<u>6,180,871</u>	<u>26,594</u>	<u>52,030,738</u>
Total	<u>14,369,317</u>	<u>3,409,049</u>	<u>28,044,907</u>	<u>6,180,871</u>	<u>26,594</u>	<u>52,030,738</u>

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- Set out below is the classification of total facilities granted to corporate according to the Bank's internal credit ratings as at 31 December 2023 and 2022:

Item	2023			2022	
	Stage 1 JD	Stage 2 JD	Stage 3 JD	Total JD	Total JD
-2	6,089	-	-	6,089	-
3	829,372	-	-	829,372	-
-3	4,808	-	-	4,808	8,203
+4	78,700,253	8,130,486	754,636	87,585,375	74,190,286
4	1,625,818	538,418	3,594,193	5,758,429	6,329,712
-4	6,439,197	3,187,285	2,150,966	11,777,448	18,081,026
5	123,768,439	39,455,165	4,069,505	167,293,109	108,857,267
-5	31,913,282	26,102,589	22,282	58,038,153	48,567,579
+6	25,237,700	35,795,245	3,722,529	64,755,474	63,184,988
6	7,069,057	6,307,021	2,326,901	15,702,979	22,726,878
-6	8,369,070	-	2,146,673	10,515,743	17,036,410
+7	-	135,493	-	135,493	178,706
7	-	-	2,964,776	2,964,776	3,130,272
10	-	-	22,675,548	22,675,548	22,661,038
Not rated	756,782	-	-	756,782	138,246
Total	284,719,867	119,651,702	44,428,009	448,799,578	385,090,611

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- Set out below is the movement in the corporate facilities during the year ended 31 December 2023 and 2022:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	221,292,351	127,719,026	36,079,234	385,090,611	425,401,005
New facilities during the year	43,376,272	21	-	43,376,293	20,641,416
Fully settled facilities during the year	(13,678,325)	(7,850,461)	(20,974)	(21,549,760)	(49,972,840)
Transferred to stage 1	23,033,054	(23,000,890)	(32,164)	-	-
Transferred to stage 2	(33,217,436)	33,217,436	-	-	-
Transferred to stage 3	(186,457)	(7,109,526)	7,295,983	-	-
Changes resulting from adjustments	44,100,408	(3,323,904)	1,105,930	41,882,434	18,344,566
Credit facilities transferred to off statement of financial position regulatory accounts	-	-	-	-	(28,363,822)
Written-off credit facilities	-	-	-	-	(959,714)
Balance at the end of the year	<u>284,719,867</u>	<u>119,651,702</u>	<u>44,428,009</u>	<u>448,799,578</u>	<u>385,090,611</u>

- Set out below is the movement in the provision for expected credit losses for corporate facilities during the year ended 31 December 2023 and 2022:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	913,865	2,860,836	24,270,206	28,044,907	42,930,898
ECL for new facilities during the year	109,761	-	-	109,761	9,948
Fully settled facilities during the year	(10,370)	(798)	(5,017)	(16,185)	(557,898)
Transferred to stage 1	308,150	(308,004)	(146)	-	-
Transferred to stage 2	(539,187)	539,187	-	-	-
Transferred to stage 3	(387)	(278,536)	278,923	-	-
Effect on provision resulting from reclassification among the three stages for the year	-	(39,517)	2,798,707	2,759,190	2,054,647
Changes resulting from adjustments	246,557	2,245,466	2,358,753	4,850,776	1,043,781
Provisions transferred to off statement of financial position regulatory accounts	-	-	-	-	(17,366,111)
Written-off facilities	-	-	-	-	(70,358)
Balance at the end of the year	<u>1,028,389</u>	<u>5,018,634</u>	<u>29,701,426</u>	<u>35,748,449</u>	<u>28,044,907</u>

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- Set out below is the classification of total facilities granted to SME's according to the Bank's internal credit rating as at 31 December 2023 and 2022:

Item	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
+3	155	-	538	693	138,027
3	-	156	-	156	156
-3	3,954	-	-	3,954	4,228
+4	8,986,023	2,256,057	1,987,432	13,229,512	9,598,099
4	6,081,497	378,387	773,982	7,233,866	3,533,763
-4	2,807,521	429,690	38,653	3,275,864	5,821,990
5	8,202,133	1,478,515	430,850	10,111,498	14,142,561
-5	3,254,797	110,188	850,410	4,215,395	6,850,208
+6	3,095,137	841,422	406,862	4,343,421	5,156,216
6	181,108	317,280	151,014	649,402	772,831
-6	2,902,964	1,387,831	1,170,395	5,461,190	2,257,939
+7	-	445,216	1,584,365	2,029,581	1,819,494
7	-	507,814	14,344	522,158	592,510
-7	-	141,951	263,838	405,789	142,495
9	-	-	-	-	10,525
10	-	-	5,037,294	5,037,294	5,472,581
Not rated	(51,094)	-	-	(51,094)	399,620
Total	35,464,195	8,294,507	12,709,977	56,468,679	56,713,243

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- Set out below is the movement in the credit facilities granted to SMEs during the year ended 31 December 2023 and 2022:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	35,401,504	7,802,117	13,509,622	56,713,243	60,612,266
New facilities during the year	5,117,986	260,041	3,228	5,381,255	4,313,285
Fully settled facilities during the year	(3,470,262)	(342,335)	(11,653)	(3,824,250)	(3,445,788)
Transferred to stage 1	2,208,939	(2,159,290)	(49,649)	-	-
Transferred to stage 2	(2,809,413)	3,920,996	(1,111,583)	-	-
Transferred to stage 3	(744,936)	(903,328)	1,648,264	-	-
Changes resulting from adjustments	(239,623)	(283,694)	(457,346)	(980,663)	(3,549,721)
Credit facilities transferred to off statement of financial position regulatory accounts	-	-	-	-	(1,165,325)
Written-off facilities	-	-	(820,906)	(820,906)	(51,474)
Balance at the end of the year	<u>35,464,195</u>	<u>8,294,507</u>	<u>12,709,977</u>	<u>56,468,679</u>	<u>56,713,243</u>

- Set out below is the movement in the provision for expected credit losses for SMEs facilities during the year ended 31 December 2023 and 2022:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	66,539	139,809	5,974,523	6,180,871	4,851,941
ECL on new facilities granted during the year	26,574	314	1,760	28,648	16,311
Recoveries from ECL related to fully settled facilities	(4,741)	(83)	(5,979)	(10,803)	(126,013)
Transfer to stage 1	4,613	(4,545)	(68)	-	-
Transfer to stage 2	(4,544)	32,265	(27,721)	-	-
Transfer to stage 3	(4,549)	(18,169)	22,718	-	-
Effect on provision resulting from reclassification among the three stages for the year	-	(904)	254,100	253,196	1,868,819
Changes resulting from adjustments	70,586	28,777	724,119	823,482	30,160
Provisions transferred to off statement of financial position regulatory accounts	-	-	-	-	(460,347)
Written-off facilities	-	-	(432,092)	(432,092)	-
Balance at the end of the year	<u>154,478</u>	<u>177,464</u>	<u>6,511,360</u>	<u>6,843,302</u>	<u>6,180,871</u>

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- Set out below is the distribution of total facilities granted to individuals according to the Bank's internal credit rating as at 31 December 2023 and 2022:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Credit cards	4,674,668	238,353	879,958	5,792,979	5,792,087
Overdraft account	352,567	13,419	403,425	769,411	617,809
Car loans	9,626,698	1,291,784	957,712	11,876,194	11,359,117
Personal loans	144,212,668	8,843,493	20,109,917	173,166,078	180,675,657
	<u>158,866,601</u>	<u>10,387,049</u>	<u>22,351,012</u>	<u>191,604,662</u>	<u>198,444,670</u>

- Set out below is the movement in the credit facilities granted to individuals during the year ended 31 December 2023 and 2022:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	173,380,969	6,414,700	18,649,001	198,444,670	211,783,242
New facilities granted during the year	19,003,258	606,625	215,930	19,825,813	21,232,699
Settled facilities during the year	(17,282,291)	(367,236)	(373,241)	(18,022,768)	(27,195,532)
Transferred to stage 1	3,621,178	(2,332,667)	(1,288,511)	-	-
Transferred to stage 2	(7,721,876)	8,191,296	(469,420)	-	-
Transferred to stage 3	(2,702,546)	(1,708,098)	4,410,644	-	-
Changes resulting from adjustments	(9,432,091)	(417,571)	1,303,987	(8,545,675)	(6,944,976)
Credit facilities transferred to off statement of financial position regulatory accounts	-	-	-	-	(360,094)
Written-off facilities	-	-	(97,378)	(97,378)	(70,669)
Balance at the end of the year	<u>158,866,601</u>	<u>10,387,049</u>	<u>22,351,012</u>	<u>191,604,662</u>	<u>198,444,670</u>

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- Set out below is the movement in the provision for expected credit losses for individuals facilities during the year ended 31 December 2023 and 2022:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	897,294	643,473	12,828,550	14,369,317	12,664,216
ECL for new facilities granted during the year	101,919	54,261	100,885	257,065	176,354
Recoveries from ECL related to settled facilities	(84,998)	(24,285)	(227,041)	(336,324)	(500,935)
Transferred to stage 1	29,051	(17,415)	(11,636)	-	-
Transferred to stage 2	(46,822)	102,368	(55,546)	-	-
Transferred to stage 3	(16,091)	(247,870)	263,961	-	-
Effect on provision resulting from reclassification among the three stages for the year	-	604,192	1,605,324	2,209,516	1,536,407
Changes resulting from adjustments	63,992	14,206	223,992	302,190	860,779
Provisions transferred to off statement of financial position regulatory accounts	-	-	-	-	(316,570)
Written-off facilities	-	-	(64,616)	(64,616)	(50,934)
Balance at the end of the year	<u>944,345</u>	<u>1,128,930</u>	<u>14,663,873</u>	<u>16,737,148</u>	<u>14,369,317</u>

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- Set out below is the classification of total real estate loans according to the Bank's internal credit rating as at 31 December 2023 and 2022:

Item	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
2	179,107	-	-	179,107	176,249
-3	-	-	-	-	1
+4	3,188,606	509,526	716,278	4,414,410	16,710,397
4	770,009	-	5,740	775,749	878,813
-4	884,092	123,878	206,951	1,214,921	1,589,146
5	21,308,496	3,554,875	-	24,863,371	12,569,306
-5	6,422,195	-	451,157	6,873,352	1,173,221
+6	840,505	1,261,720	1,064,074	3,166,299	3,188,203
6	9,080,538	25,229	-	9,105,767	11,351,236
-6	881,311	-	-	881,311	859,437
+7	-	-	1,609,932	1,609,932	1,530,457
7	-	20,935	-	20,935	27,342
-7	-	154,549	-	154,549	-
8	-	-	164,236	164,236	58,710
9	-	-	205,108	205,108	68,889
10	-	-	4,102,611	4,102,611	5,510,814
Not rated	40,053,146	3,359,179	411,658	43,823,983	47,985,303
Total	83,608,005	9,009,891	8,937,745	101,555,641	103,677,524

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- Set out below is the movement in the real estate loans during the year ended 31 December 2023 and 2022:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	85,345,885	11,247,542	7,084,097	103,677,524	120,038,373
New facilities during the year	6,272,160	95,426	-	6,367,586	19,332,309
Settled facilities during the year	(5,225,632)	(837,942)	(222,921)	(6,286,495)	(28,384,501)
Transferred to stage 1	1,673,555	(1,606,117)	(67,438)	-	-
Transferred to stage 2	(2,991,205)	3,107,918	(116,713)	-	-
Transferred to stage 3	(280,461)	(3,408,745)	3,689,206	-	-
Changes resulting from adjustments	(1,186,297)	411,809	(1,405,472)	(2,179,960)	(7,301,862)
Written-off facilities	-	-	(23,014)	(23,014)	(6,795)
Balance at the end of the year	<u>83,608,005</u>	<u>9,009,891</u>	<u>8,937,745</u>	<u>101,555,641</u>	<u>103,677,524</u>

- Set out below is the movement in the provision for credit loss for real estate loans during the year ended 31 December 2023 and 2022:

	31 December 2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at beginning of the year	66,772	170,205	3,172,072	3,409,049	3,277,734
ECL for new facilities during the year	12,058	522	-	12,580	13,022
Recoveries from ECL related to settled facilities during the year	(2,259)	(2,644)	(15,495)	(20,398)	(494,557)
Transferred to stage 1	1,637	(1,634)	(3)	-	-
Transferred to stage 2	(3,709)	9,473	(5,764)	-	-
Transferred to stage 3	(152)	(57,546)	57,698	-	-
Effect on provision resulting from reclassification among the three stages for the year	-	(200)	847,836	847,636	54,720
Changes resulting from adjustments	47,040	25,954	(349,832)	(276,838)	563,480
Written-off facilities	-	-	(7,641)	(7,641)	(5,350)
Balance at the end of the year	<u>121,387</u>	<u>144,130</u>	<u>3,698,871</u>	<u>3,964,388</u>	<u>3,409,049</u>

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- Set out below is the distribution of total credit facilities according to the Bank's internal credit rating for the government and public sector as at 31 December 2023 and 2022:

Item	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
+4	6,911,250	-	-	6,911,250	5,000,000
4	312,433	-	-	312,433	312,433
5	11,250,000	-	-	11,250,000	18,750,000
+6	2,015,044	-	-	2,015,044	2,848,854
Not rated	<u>2</u>	<u>2</u>	<u>52</u>	<u>56</u>	<u>48</u>
Total	<u>20,488,729</u>	<u>2</u>	<u>52</u>	<u>20,488,783</u>	<u>26,911,335</u>

- Set out below is the movement in the credit facilities for the government and public sector during the year ended 31 December 2023 and 2022:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at beginning of the year	26,911,287	1	47	26,911,335	43,717,809
New facilities during the year	2	2	-	4	12
Fully settled facilities	-	(1)	-	(1)	(8,644,148)
Changes resulting from adjustments	<u>(6,422,560)</u>	<u>-</u>	<u>5</u>	<u>(6,422,555)</u>	<u>(8,162,338)</u>
Balance at the end of the year	<u>20,488,729</u>	<u>2</u>	<u>52</u>	<u>20,488,783</u>	<u>26,911,335</u>

- Set out below is the movement in the provision for expected credit loss for the government credit facilities during the year ended 31 December 2023 and 2022:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	26,594	-	-	26,594	68,352
ECL for new facilities during the year	-	-	-	-	-
Recoveries from ECL related to settled facilities	-	-	-	-	(37,877)
Changes resulting from adjustments	<u>(5,743)</u>	<u>-</u>	<u>-</u>	<u>(5,743)</u>	<u>(3,881)</u>
Balance at the end of the year	<u>20,851</u>	<u>-</u>	<u>-</u>	<u>20,851</u>	<u>26,594</u>

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Interest in suspense

The movement in interest in suspense during the year is as follows:

For the year ended 31 December 2023

	<u>Individuals</u>	<u>Real estate loans</u>	<u>Companies</u>		<u>Government</u>	<u>Total</u>
			<u>Corporate</u>	<u>Small and medium</u>		
			JD	JD		
Balance at the beginning of the year	4,004,947	1,778,328	8,099,619	3,069,365	-	16,952,259
<u>Add:</u> Interest in suspense for the year	2,142,415	765,680	3,193,142	1,181,723	-	7,282,960
<u>Less:</u> Interest transferred to revenues	(377,413)	(42,966)	(95,163)	(106,612)	-	(622,154)
Interests in suspense written-off	(32,762)	(15,373)	-	(388,814)	-	(436,949)
Balance at the end of the year	<u>5,737,187</u>	<u>2,485,669</u>	<u>11,197,598</u>	<u>3,755,662</u>	<u>-</u>	<u>23,176,116</u>

For the year ended 31 December 2022

	<u>Individuals</u>	<u>Real estate loans</u>	<u>Companies</u>		<u>Government</u>	<u>Total</u>
			<u>Corporate</u>	<u>Small and medium</u>		
			JD	JD		
Balance at the beginning of the year	2,746,786	1,446,419	16,592,779	3,069,771	-	23,855,755
<u>Add:</u> Interest in suspense for the year	1,601,925	632,109	3,734,581	1,144,441	-	7,113,056
<u>Less:</u> Interest transferred to revenues	(280,505)	(298,755)	(340,674)	(388,395)	-	(1,308,329)
Interest in suspense written-off	(19,735)	(1,445)	(889,356)	(51,474)	-	(962,010)
Interest in suspense transferred to off statement of financial position regulatory accounts	(43,524)	-	(10,997,711)	(704,978)	-	(11,746,213)
Balance at the end of the year	<u>4,004,947</u>	<u>1,778,328</u>	<u>8,099,619</u>	<u>3,069,365</u>	<u>-</u>	<u>16,952,259</u>

(7) Financial Assets at Fair Value Through Statement of Income

Set out below are the details of this item:

	31 December 2023	31 December 2022
	JD	JD
Quoted shares in active markets	<u>1,372,783</u>	<u>1,551,339</u>

(8) Financial Assets at Fair Value Through Other Comprehensive Income

Set out below are the details of this item:

	31 December 2023	31 December 2022
	JD	JD
Quoted shares in active markets *	32,236,542	32,465,081
Unquoted shares in active markets	<u>18,086,021</u>	<u>17,025,234</u>
	<u>50,322,563</u>	<u>49,490,315</u>

- The realized gains from sale of shares at fair value through statement of other comprehensive income amounted to JD 4,824 for the year ended 31 December 2023 recorded in retained earnings within shareholders' equity (JD 9,413 for the year ended 31 December 2022).
- Cash dividends for the above investments amounted to JD 281,263 for the year ended 31 December 2023 (JD 134,149 for the year ended 31 December 2022).
- * A memorandum of understanding was signed during December 2022 to sell Jordan Commercial Bank's shares in National Bank – Palestine. Sale agreement execution and transfer of shares ownership procedures have not been finalized as final approvals from the regulatory authorities were not obtained up to the date of financial statements preparation as at 31 December 2023.

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(9) Financial Assets at Amortized Cost, Net

Set out below are the details of this item:

	31 December 2023	31 December 2022
	JD	JD
Treasury bonds and bills	339,473,730	362,573,553
Companies' bonds and debentures	4,193,093	4,192,932
	<u>343,666,823</u>	<u>366,766,485</u>
<u>Less:</u> Provision for expected credit losses *	(379,308)	(373,284)
Interest in suspense	(77,094)	(76,932)
Financial assets at amortized cost, net	<u>343,210,421</u>	<u>366,316,269</u>
Fixed Income	<u>343,210,421</u>	<u>366,316,269</u>
Total	<u>343,210,421</u>	<u>366,316,269</u>

- Set out below is the classification of financial assets at amortized cost according to the Bank's internal risk rating as at 31 December 2023 and 2022:

Classification	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
-5	342,309,729	-	1,357,094	343,666,823	366,766,485
Total	<u>342,309,729</u>	<u>-</u>	<u>1,357,094</u>	<u>343,666,823</u>	<u>366,766,485</u>

- Set out below is the movement in the financial assets at amortized cost during the year ended 31 December 2023 and 2022:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	365,409,553	-	1,356,932	366,766,485	363,353,603
New investments during the year	75,413,737	-	-	75,413,737	137,906,190
Matured/sold investments	(98,565,993)	-	(76,932)	(98,642,925)	(134,497,231)
Changes resulting from adjustments	52,432	-	77,094	129,526	3,923
Balance at the end of the year	<u>342,309,729</u>	<u>-</u>	<u>1,357,094</u>	<u>343,666,823</u>	<u>366,766,485</u>

- During the year 2023, the Bank sold treasury bonds with a book value of JD 5,937,170 for JD 6,586,610, resulting in gain of JD 649,440 from the sale of these bonds.

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* Set out below is the movement in the expected credit loss provision for financial assets at amortized cost during the year ended 31 December 2023 and 2022:

	2023			2022	
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	17,181	-	356,103	373,284	639,101
Recoveries from ECL related to matured investment	-	-	-	-	(229,092)
Changes resulting from adjustments	6,024	-	-	6,024	(36,725)
Balance at the end of the year	<u>23,205</u>	<u>-</u>	<u>356,103</u>	<u>379,308</u>	<u>373,284</u>

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(10) Property and Equipment, Net

Set out below are the details of this item:

	Land	Buildings	Machines and office equipment	Decorations	Vehicles	Computers	Payments for property and equipment	Total
<u>2023</u>	JD	JD	JD	JD	JD	JD	JD	JD
<u>Cost:</u>								
Balance at the beginning of the year	2,893,110	14,446,561	10,533,640	6,210,679	319,010	6,127,770	2,053,238	42,584,008
Additions	-	-	116,349	46,948	-	225,348	2,270,388	2,659,033
Disposals	-	-	(536,405)	(670,429)	(9,379)	(982,362)	-	(2,198,575)
Transferred from payments for acquisition of property and equipment	250,000	-	829,277	1,224,457	-	905,107	(3,208,841)	-
Balance at the end of the year	<u>3,143,110</u>	<u>14,446,561</u>	<u>10,942,861</u>	<u>6,811,655</u>	<u>309,631</u>	<u>6,275,863</u>	<u>1,114,785</u>	<u>43,044,466</u>
<u>Accumulated Depreciation:</u>								
Balance at the beginning of the year	-	3,253,629	8,187,654	4,705,987	286,611	4,143,976	-	20,577,857
Depreciation for the year	-	278,729	672,933	612,221	10,640	752,616	-	2,327,139
Disposals	-	-	(532,334)	(664,801)	(9,376)	(975,661)	-	(2,182,172)
Balance at the end of the year	-	<u>3,532,358</u>	<u>8,328,253</u>	<u>4,653,407</u>	<u>287,875</u>	<u>3,920,931</u>	-	<u>20,722,824</u>
Net book value of property and equipment at the end of the year	<u>3,143,110</u>	<u>10,914,203</u>	<u>2,614,608</u>	<u>2,158,248</u>	<u>21,756</u>	<u>2,354,932</u>	<u>1,114,785</u>	<u>22,321,642</u>
Depreciation rate %	-	2	10-15	15	15	20	-	

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	Land	Buildings	Machines and office equipment	Decorations	Vehicles	Computers	Payments for property and equipment	Total
<u>2023</u>	JD	JD	JD	JD	JD	JD	JD	JD
<u>2022</u>								
Cost:								
Balance at the beginning of the year	2,893,110	14,446,561	10,475,917	7,052,676	319,010	6,262,927	1,032,196	42,482,397
Additions	-	-	28,949	44,208	-	457,246	1,747,545	2,277,948
Disposals	-	-	(313,589)	(997,001)	-	(865,747)	-	(2,176,337)
Transfer from payments for acquisition of property and equipment	-	-	342,363	110,796	-	273,344	(726,503)	-
Balance at the end of the year	<u>2,893,110</u>	<u>14,446,561</u>	<u>10,533,640</u>	<u>6,210,679</u>	<u>319,010</u>	<u>6,127,770</u>	<u>2,053,238</u>	<u>42,584,008</u>
Accumulated Depreciation:								
Balance at the beginning of the year	-	2,974,900	7,757,215	5,202,007	264,195	4,426,236	-	20,624,553
Depreciation for the year	-	278,729	737,835	500,684	22,416	582,618	-	2,122,282
Disposals	-	-	(307,396)	(996,704)	-	(864,878)	-	(2,168,978)
Balance at the end of the year	-	<u>3,253,629</u>	<u>8,187,654</u>	<u>4,705,987</u>	<u>286,611</u>	<u>4,143,976</u>	-	<u>20,577,857</u>
Net book value of property and equipment at the end of the year	<u>2,893,110</u>	<u>11,192,932</u>	<u>2,345,986</u>	<u>1,504,692</u>	<u>32,399</u>	<u>1,983,794</u>	<u>2,053,238</u>	<u>22,006,151</u>
Depreciation rate %	-	2	10-15	15	15	20	-	

- Fully depreciated property and equipment amounted to JD 11,441,054 as at 31 December 2023 (JD 11,748,054 as at 31 December 2022).

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(11) Intangible Assets, Net

Set out below is the movement in this item during the year:

	<u>Computers and Software Programs</u>	
	<u>2023</u>	<u>2022</u>
	JD	JD
Balance at the beginning of the year	2,228,329	2,266,649
Additions during the year	763,526	544,932
Advance payments on purchases of intangible assets	366,243	(81,282)
Amortization for the year	(499,972)	(501,970)
Balance at the end of the year	<u>2,858,126</u>	<u>2,228,329</u>
Annual amortization percentage %	<u>20%</u>	<u>20%</u>

(12) Right of Use Assets / Lease Liabilities

The Bank leases several assets such as lands and buildings with an average lease term of 8 years. Set out below is the movement in the right of use assets / lease liabilities during the year:

	<u>2023</u>		<u>2022</u>	
	<u>Right of use</u>	<u>Lease liabilities</u>	<u>Right of use</u>	<u>Lease liabilities</u>
	JD	JD	JD	JD
Balance at the beginning of the year	5,835,715	5,624,770	5,429,733	5,361,113
Additions during the year	1,337,090	1,337,090	630,731	630,731
<u>Less: Depreciation during the year</u>	(1,082,451)	-	(844,919)	-
Terminated contracts	(49,317)	(49,317)	(69,680)	(69,680)
Paid lease liabilities	-	(1,271,170)	-	(1,107,402)
Interest for the year	-	159,335	-	120,158
Adjustments due to recalculation of lease liabilities	-	-	689,850	689,850
Balance at the end of the year	<u>6,041,037</u>	<u>5,800,708</u>	<u>5,835,715</u>	<u>5,624,770</u>

Set out below are the details of lease liabilities:

	<u>2023</u>	<u>2022</u>
	JD	JD
Less than one year	1,089,352	772,448
One to five years	2,155,557	2,494,328
More than five years	2,555,799	2,357,994
	<u>5,800,708</u>	<u>5,624,770</u>

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(13) Other Assets

Set out below are the details of this item:

	<u>2023</u>	<u>2022</u>
	JD	JD
Assets seized by the Bank against due debts - net **	46,083,302	55,682,898
Accrued interest and revenue	16,310,943	16,054,519
Purchased withdrawals and letters of credit - net*	2,966,630	2,402,958
Prepaid expenses	1,411,130	1,340,439
Receivables from assets sold on installments	-	6,553,941
Refundable deposits	1,101,033	1,426,392
Clearing cheques	9,420	142,751
Others	3,654,600	3,982,533
	<u>71,537,058</u>	<u>87,586,431</u>

* Set out below are the classification of purchased withdrawals and letters of credit based on the Bank's internal credit rating as at 31 December 2023 and 2022:

Classification	<u>2023</u>				<u>2022</u>
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
-5	2,990,000	-	-	2,990,000	-
-6	-	-	-	-	2,507,988
Total	<u>2,990,000</u>	<u>-</u>	<u>-</u>	<u>2,990,000</u>	<u>2,507,988</u>

- Set out below is the movement in the purchased withdrawals and letters of credit:

	<u>2023</u>				<u>2022</u>
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	2,507,988	-	-	2,507,988	2,507,988
Paid balances	(2,507,988)	-	-	(2,507,988)	-
New exposures	2,990,000	-	-	2,990,000	-
Balance at the end of the year	<u>2,990,000</u>	<u>-</u>	<u>-</u>	<u>2,990,000</u>	<u>2,507,988</u>

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- Set out below is the movement in the expected credit losses provision of purchased withdrawals and letters of credit during the year ended 31 December 2023 and 2022:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	105,030	-	-	105,030	197,359
Settled balances	(105,030)	-	-	(105,030)	-
New exposures	23,370	-	-	23,370	-
Changes resulting from adjustments	-	-	-	-	(92,329)
Balance at the end of the year	<u>23,370</u>	<u>-</u>	<u>-</u>	<u>23,370</u>	<u>105,030</u>

- There were no transfers between stages (1, 2 and 3) or written-off balances during the year ended 31 December 2023.

** Set out below is the movement in the assets seized by the Bank against due debts during the year ended 31 December 2023 and 2022:

	2023			2022	
	Seized properties	Seized properties sold on installments	Seized shares	Total	Total
	JD	JD	JD	JD	JD
Balance at beginning of the year - net	54,031,623	1,651,275	-	55,682,898	63,485,568
Additions during the year	5,154,712	-	575,697	5,730,409	4,349,556
Disposals during the year - net	(14,130,005)	(1,068,524)	(108,387)	(15,306,916)	(12,668,569)
Sold properties on installments	(926,505)	926,505	-	-	-
(Losses) gains on valuation of seized shares	-	-	(142,211)	(142,211)	1,312,378
(Impairment) recovery effect for the year	(22,574)	(60,090)	201,786	119,122	(796,035)
Balance at the end of the year - net	<u>44,107,251</u>	<u>1,449,166</u>	<u>526,885</u>	<u>46,083,302</u>	<u>55,682,898</u>

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- Set out below is the movement in the impairment loss and breached assets seized by the Bank against due debts during the year:

	2023			2022	
	Seized properties	Seized properties sold on instalments	Seized shares	Total	Total
	JD	JD	JD	JD	JD
Balance at beginning of the year	6,654,329	92,411	1,680,545	8,427,285	7,730,859
Provision during the year	40,005	68,193	-	108,198	1,609,216
Released from provision during the year	(17,431)	(8,103)	(201,786)	(227,320)	(813,181)
Properties sold on instalments	(102,089)	102,089	-	-	-
Utilized from provision	(910,925)	(107,914)	-	(1,018,839)	(99,609)
Balance at end of the year	<u>5,663,889</u>	<u>146,676</u>	<u>1,478,759</u>	<u>7,289,324</u>	<u>8,427,285</u>

- * According to the instructions of Central Bank of Jordan of properties and shares seized by the Bank against past-due customer debts should be disposed off within two years from their acquisition date. For exceptional cases, the Central Bank of Jordan may extend this period for a maximum of two additional consecutive years.

(14) Banks and Financial Institutions Deposits

Set out below are the details of this item:

	2023			2022		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Current and call accounts	-	2,315,024	2,315,024	-	3,143,414	3,143,414
Term deposits	<u>16,113,000</u>	<u>30,000,000</u>	<u>46,113,000</u>	<u>49,000,000</u>	<u>30,000,000</u>	<u>79,000,000</u>
	<u>16,113,000</u>	<u>32,315,024</u>	<u>48,428,024</u>	<u>49,000,000</u>	<u>33,143,414</u>	<u>82,143,414</u>

- The banks and financial institutions deposits maturing within a period of more than three months are amounted to JD 30,000,000 as at 31 December 2023 (JD 55,000,000 as at 31 December 2022).

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(15) Customers' Deposits

Set out below are the details of this item:

	<u>31 December 2023</u>				<u>Total</u>
		<u>Companies</u>		<u>Government and public sector</u>	
	<u>Retail</u>	<u>Corporate</u>	<u>SME</u>	<u>sector</u>	
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Current and call accounts	34,746,380	43,550,414	34,468,710	12,767,989	125,533,493
Savings deposits	195,807,541	150,448	1,593,306	584,869	198,136,164
Certificates of deposit	34,986,846	-	26,000	-	35,012,846
Term deposits, and at notice	395,250,217	55,139,961	83,380,636	75,042,338	608,813,152
	<u>660,790,984</u>	<u>98,840,823</u>	<u>119,468,652</u>	<u>88,395,196</u>	<u>967,495,655</u>
	<u>31 December 2022</u>				<u>Total</u>
		<u>Companies</u>		<u>Government and public sector</u>	
	<u>Retail</u>	<u>Corporate</u>	<u>SME</u>	<u>sector</u>	
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Current and call accounts	37,894,037	36,285,033	37,357,012	6,909,082	118,445,164
Savings deposits	202,108,902	114,447	1,255,897	39,581	203,518,827
Certificates of deposit	30,827,851	-	30,000	-	30,857,851
Term deposits, and at notice	360,263,719	47,364,250	81,910,743	54,440,173	543,978,885
	<u>631,094,509</u>	<u>83,763,730</u>	<u>120,553,652</u>	<u>61,388,836</u>	<u>896,800,727</u>

- The Government of Jordan and the public sector's deposits amounted to JD 88,395,196 representing 9.14% of total deposits as at 31 December 2023 (JD 61,388,836 representing 6.85% of total deposits as at 31 December 2022).
- Non-interest-bearing deposits amounted to JD 122,827,540, representing 12.70% of total deposits as at 31 December 2023 (JD 115,201,322 representing 12.85 % of total deposits as at 31 December 2022).
- Reserved deposits (restricted withdrawals) amounted to JD 3,557,903 representing 0.37% of total deposits as at 31 December 2023 (JD 3,169,873 representing 0.35% of total deposits as at 31 December 2022).
- Dormant deposits amounted to JD 9,313,965 representing 0.96% of total deposits as at 31 December 2023 (JD 10,191,907 representing 1.14% of total deposits as at 31 December 2022).

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(16) Cash Margins

Set out below are the details of this item:

	31 December 2023	31 December 2022
	<u>JD</u>	<u>JD</u>
Cash margins on direct credit facilities	25,557,457	24,040,855
Cash margins on indirect credit facilities	14,528,358	13,614,750
Marginal cash deals	<u>127,763</u>	<u>118,470</u>
	<u>40,213,578</u>	<u>37,774,075</u>

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(17) Borrowed Funds

Set out below are the details of this item:

<u>31 December 2023</u>	<u>Loan amount</u>	<u>Utilized</u>	<u>Repayment method</u>	<u>Guarantees</u>	<u>Interest rate</u>
	<u>JD</u>	<u>JD</u>			<u>%</u>
World Bank loan	2,000,000	800,000	20 years, including a 5-year grace period; to be settled in semi-annual installments.	-	7.11
Arab Monetary Fund loan	2,100,000	189,000	10 years, including a 3-year grace period; to be settled in semi-annual installments.	-	2,5
Advances from the Central Bank of Jordan	36,439,751	36,439,751	Various installments.	-	1-0
Jordan Mortgage Refinance Company	10,000,000	10,000,000	Bullet payment dated 5/2/2024	Transfer of property mortgage	8.65
Jordan Mortgage Refinance Company	10,000,000	10,000,000	Bullet payment dated 16/08/2028	Transfer of property mortgage	5.1
Jordan Mortgage Refinance Company	10,000,000	10,000,000	Bullet payment dated 26/9/2024	Transfer of property mortgage	4.55
International Fund for Agricultural Development	750,000	613,940	18 years, including a 3-year grace period; to be settled in semi-annual installments	-	5.18
International Fund for Agricultural Development	617,000	617,000	15 years, including a 2-years grace period to be settled in semi-annual installments	-	5.36
European Investment Bank	23,007,759	<u>23,007,759</u>	7 years, including 2 years grace period to be settled in semi-annual installments	-	6.9
		<u>91,667,450</u>			

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<u>31 December 2022</u>	<u>Amount</u>	<u>Utilized</u>	<u>Repayment method</u>	<u>Guarantees</u>	<u>Interest Rate</u>
	JD	JD			%
World Bank loan	2,000,000	1,000,000	20 years, including a 5-year grace period; to be settled in semi-annual installments.	-	5.64
Arab Monetary Fund loan	2,100,000	483,000	10 years, including a 3-year grace period; to be settled in semi-annual installments.	-	2.5
Advances from the Central Bank of Jordan	35,252,608	35,252,608	Various installments.	-	1-0
Jordan Mortgage Refinance Company	10,000,000	10,000,000	Bullet payment dated 5/2/2024	Transfer of property mortgage	7.30
Jordan Mortgage Refinance Company	10,000,000	10,000,000	Bullet payment dated 16/08/2028	Transfer of property mortgage	5.1
Jordan Mortgage Refinance Company	10,000,000	10,000,000	Bullet payment dated 26/9/2024	Transfer of property mortgage	4.55
International Fund for Agricultural Development	750,000	667,262	18 years, including a 3-year grace period; to be settled in semi-annual installments	-	3.42
European Investment Bank	23,007,759	23,007,759	7 years, including 2 years grace period to be settled in semi-annual installments	-	6
The Central Bank of Jordan against mortgaged bonds	54,910,720	<u>54,910,720</u>	Varied between 02-01 to 16-05-2023	Bonds mortgage	6-4.5
		<u>145,321,349</u>			

Total re-loaned funds are amounted to JD 39,179,628 as at 31 December 2023 (JD 37,447,669 as at 31 December 2022) with an interest rate ranged between 2% and 12% as at 31 December 2023 (2% and 11% as at 31 December 2022).

(18) Income Tax

a. Income tax provision

Set out below is the movement in the provision for income tax during the year ended as at 31 December 2023 and 2022:

	31 December 2023	31 December 2022
	JD	JD
Balance at the beginning of the year	5,417,035	3,126,294
Income tax incurred on current year profits	6,512,113	6,481,934
Prior year income tax adjustments	(233,808)	-
Income tax paid	(6,391,949)	(4,191,193)
Balance at the end of the year	<u>5,303,391</u>	<u>5,417,035</u>

b. Income tax expense

Set out below is the income tax expense shown in the statement of income:

	2023	2022
	JD	JD
Income tax incurred on current year profits	6,512,113	6,481,934
Prior year income tax expense	42,686	-
Impact of deferred tax assets	(1,046,877)	221,017
Impact of deferred tax liabilities	(51,140)	(11,212)
	<u>5,456,782</u>	<u>6,691,739</u>

c. Tax status

- The Bank has reached a final settlement with the Income and Sales Tax Department until the end of year 2018.
- Regarding the years 2019, 2020, 2021 and 2022, the income tax returns were submitted within the legal period, but it has not been reviewed by the Income and Sales Tax Department up to the date of financial statements.
- In the opinion of the management and the Bank's tax consultant, no liabilities in excess of the provision booked and the advance payments made by the Bank will arise as at the date of the financial statements.

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d. Deferred tax assets / liabilities

Set out below are the details of this item:

	2023			31 December		
				2023	2022	
	Balance at the beginning of the year	Additions	Released	Balance at the end of the year	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	
a. <u>Deferred Tax Assets</u>						
Provision for debts before the year 2000	222,387	-	8,970	213,417	81,098	84,507
Provision for impairment on seized properties	4,979,888	108,198	671,470	4,416,616	1,678,314	1,892,357
Provision for properties seized for more than four years	1,766,851	-	372,903	1,393,948	529,700	671,403
Provision for breached seized shares	1,680,545	-	201,786	1,478,759	561,928	638,607
Impairment loss on shares seized against debts	342,120	142,211	11,113	473,218	179,823	130,005
Provision for lawsuits against the Bank	266,000	663,071	306,571	622,500	236,550	101,080
Provision for end-of-service indemnity	359	1,771	2,130	-	-	136
Provision and expenses for suspended legal fees	3,779,111	980,960	109,990	4,650,081	1,767,031	1,436,062
Other provisions	2,679,383	-	1,226,278	1,453,105	552,180	1,018,166
Provision for employees' bonuses	700,000	1,236,461	1,036,461	900,000	342,000	266,000
Provision for expected credit losses	7,743,515	2,995,909	211,587	10,527,837	4,000,578	2,942,536
Deferred losses against sold seized properties	-	1,067,429	-	1,067,429	405,623	-
Accumulated tax losses	2,493,580	-	823,764	1,669,816	217,076	324,165
	<u>26,653,739</u>	<u>7,196,010</u>	<u>4,983,023</u>	<u>28,866,726</u>	<u>10,551,901</u>	<u>9,505,024</u>
b. <u>Deferred tax Liabilities</u>						
Unrealized gains on the shares at fair value through statement of income	298,422	(141,992)	(7,413)	163,843	62,260	113,400
Fair value reserve *	4,228,540	338,969	6,406	4,561,103	636,151	1,606,845
	<u>4,526,962</u>	<u>196,977</u>	<u>(1,007)</u>	<u>4,724,946</u>	<u>698,411</u>	<u>1,720,245</u>

* Deferred tax liabilities resulting from valuation gain of financial assets at fair value through other comprehensive income appear within the valuation reserve for financial assets at fair value in changes in Shareholders' equity statement.

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- Set out below is the movement in the deferred tax assets/ liabilities during the year ended 31 December 2023 and 2022:

	31 December		31 December	
	2023	2022	2023	2022
	Assets	Assets	Liabilities	Liabilities
	JD	JD	JD	JD
Balance at the beginning of the year	9,505,024	10,322,457	1,720,245	124,612
Additions during the year	2,734,485	1,385,383	200,437	1,581,304
Disposals during the year	(1,687,608)	(2,202,816)	(1,222,271)	14,329
Balance at the end of the year	<u>10,551,901</u>	<u>9,505,024</u>	<u>698,411</u>	<u>1,720,245</u>

- Deferred tax assets for income generated inside Jordan have been calculated using a tax rate of 38%, and 13% for income generated outside Jordan as at 31 December 2023 and 2022 in accordance with the income tax rate for Banks as per the Income Tax Law No (34) for the year 2014 and its amendments, effective beginning on 1 January 2019.

e. Summary of reconciliation between accounting income and taxable income:

	2023	2022
	JD	JD
Accounting income	16,941,566	18,031,922
<u>Add: Non-deductible tax expenses</u>	7,589,425	4,778,553
<u>Less: Non-taxable income</u>	(7,458,886)	(5,813,025)
Adjusted taxable income	<u>17,072,105</u>	<u>16,997,450</u>
<u>Income tax rate</u>	38%	38%
<u>Effective income tax rate</u>	38%	36%

(19) Sundry Provisions

Set out below are the details of this item:

	Balance at the beginning of the year	Expense for the year	Paid during the year	Balance at the end of the year
	JD	JD	JD	JD
<u>31 December 2023</u>				
Provision for lawsuits against the Bank	266,000	663,071	(306,571)	622,500
Provision for end-of-service indemnity	359	1,771	(2,130)	-
Other provisions	615,000	-	-	615,000
	<u>881,359</u>	<u>664,842</u>	<u>(308,701)</u>	<u>1,237,500</u>

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	Balance at the beginning of the year	Expense for the year	Paid during the year	Balance at the end of the year
<u>31 December 2022</u>	JD	JD	JD	JD
Provision for lawsuits against the Bank	267,690	32,812	(34,502)	266,000
Provision for end-of-service indemnity	359	-	-	359
Other provisions	615,000	-	-	615,000
	<u>883,049</u>	<u>32,812</u>	<u>(34,502)</u>	<u>881,359</u>

(20) Other Liabilities

Set out below are the details of this item:

	31 December 2023	31 December 2022
	JD	JD
Accrued unpaid interests	7,138,127	6,834,576
Refundable and various deposits	29,649,698	7,993,862
Acceptable checks	2,824,431	3,511,426
Accrued unpaid expenses	1,645,807	1,415,502
Expected credit losses on indirect facilities and un-utilized limits**	1,384,768	1,479,402
Transactions in transit among branches	2,092,742	1,140,161
Received amounts on the sale of seized properties*	1,058,339	1,069,621
Income tax and social security deposits	412,659	336,017
Safe deposits boxes	102,474	105,508
Shareholders' deposits	82,879	14,033
Board of Directors' remunerations	55,000	55,000
Others	1,478,469	2,349,041
	<u>47,925,393</u>	<u>26,304,149</u>

* Set out below is the movement in this item during the year ended as at 31 December 2023 and 2022:

	31 December 2023	31 December 2022
	JD	JD
Balance at the beginning of the year	1,069,621	1,005,237
Received amounts	870,204	252,384
Disposals	(881,486)	(188,000)
Balance at the end of the year	<u>1,058,339</u>	<u>1,069,621</u>

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- Set out below is the movement in the indirect facilities and unutilized limits during the year ended as at 31 December 2023 and 2022:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	260,398,853	20,398,162	6,175,136	286,972,151	245,992,514
New exposures during the year	31,274,544	61,804	528	31,336,876	65,025,011
Matured exposures during the year	(19,440,014)	(7,498,980)	(246,135)	(27,185,129)	(28,507,663)
Transferred to stage 1	9,525,338	(9,464,638)	(60,700)	-	-
Transferred to stage 2	(4,256,519)	4,283,494	(26,975)	-	-
Transferred to stage 3	(497)	(104,347)	104,844	-	-
Changes resulting from adjustments	(8,902,047)	1,762,973	(870,749)	(8,009,823)	4,462,289
Balance at the end of the year	<u>268,599,658</u>	<u>9,438,468</u>	<u>5,075,949</u>	<u>283,114,075</u>	<u>286,972,151</u>

** Set out below is the movement in the expected credit losses provision for indirect facilities and unutilized limits during the year ended as at 31 December 2023 and 2022:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	637,620	41,403	800,379	1,479,402	1,321,797
New exposures during the year	54,827	134	95	55,056	263,887
Matured exposures during the year	(21,377)	(9,169)	(39,374)	(69,920)	(80,703)
Transferred to stage 1	28,607	(28,591)	(16)	-	-
Transferred to stage 2	(7,999)	8,124	(125)	-	-
Transferred to stage 3	(21)	(1,791)	1,812	-	-
Effect on provision due to reclassification between the three stages	-	10,005	2,886	12,891	186,418
Changes resulting from adjustments	(115,939)	(636)	23,914	(92,661)	(211,997)
Balance at the end of the year	<u>575,718</u>	<u>19,479</u>	<u>789,571</u>	<u>1,384,768</u>	<u>1,479,402</u>

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- Set out below is the classification of the letters of guarantee according to the Bank's credit rating as at 31 December 2023 and 2022:

Classification	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
1	-	-	-	-	618,670
+2	16,360	-	-	16,360	16,360
2	2,500	-	-	2,500	2,500
+3	30,000	2,000	-	32,000	34,500
3	299,445	1,500	-	300,945	87,044
-3	327,652	-	-	327,652	137,380
+4	24,111,720	210,863	170,180	24,492,763	30,300,839
4	7,343,383	37,666	592,000	7,973,049	8,939,954
-4	7,468,331	200,000	31,800	7,700,131	8,448,575
5	39,986,611	4,177,756	512,294	44,676,661	36,740,471
-5	10,613,905	25,000	11,500	10,650,405	6,538,628
+6	8,972,214	844,745	-	9,816,959	12,627,534
6	20,786,978	1,102,730	77,239	21,966,947	21,144,888
-6	313,200	51,500	3,314	368,014	7,076,565
+7	-	96,000	10,000	106,000	173,500
7	-	51,300	500	51,800	24,800
Not rated	11,837,923	-	3,665,247	15,503,170	13,785,244
Total	<u>132,110,222</u>	<u>6,801,060</u>	<u>5,074,074</u>	<u>143,985,356</u>	<u>146,697,452</u>

- Set out below is the movement in the letters of guarantee during the year ended on 31 December 2023 and 2022:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	132,441,283	8,101,792	6,154,377	146,697,452	114,466,099
New exposures during the year	7,259,018	40,000	-	7,299,018	34,723,139
Matured exposures	(5,332,613)	(643,600)	(227,216)	(6,203,429)	(1,999,212)
Transferred to stage 1	2,878,231	(2,818,231)	(60,000)	-	-
Transferred to stage 2	(2,668,256)	2,692,556	(24,300)	-	-
Transferred to stage 3	-	(103,847)	103,847	-	-
Changes resulting from adjustments	<u>(2,467,441)</u>	<u>(467,610)</u>	<u>(872,634)</u>	<u>(3,807,685)</u>	<u>(492,574)</u>
Balance at the end of the year	<u>132,110,222</u>	<u>6,801,060</u>	<u>5,074,074</u>	<u>143,985,356</u>	<u>146,697,452</u>

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- Set out below is the movement in the expected credit losses provision on letter of guarantee during the year ended as at 31 December 2023 and 2022:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	410,339	26,598	798,336	1,235,273	994,236
ECL on new facilities during the year	3,638	38	-	3,676	226,502
Recovered from ECL on settled facilities during the year	(6,743)	(6,216)	(37,460)	(50,419)	(21,476)
Transferred to stage 1	3,675	(3,662)	(13)	-	-
Transferred to stage 2	(4,531)	4,656	(125)	-	-
Transferred to stage 3	-	(1,791)	1,791	-	-
Effect on the provision due to reclassification between the three stages during the year	-	(9,268)	2,866	(6,402)	199,166
Changes resulting from adjustments	(104,486)	1,644	23,877	(78,965)	(163,155)
Balance at the end of the year	<u>301,892</u>	<u>11,999</u>	<u>789,272</u>	<u>1,103,163</u>	<u>1,235,273</u>

- Set out below is the classification of letters of credit and acceptances according to the Bank's internal credit rating as at 31 December 2023 and 2022:

Classification	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
+4	9,753,077	-	-	9,753,077	13,328,940
4	-	-	-	-	13,466
-4	188,786	-	-	188,786	-
5	1,480,445	-	-	1,480,445	-
-5	1,925,033	-	-	1,925,033	10,375,771
+6	1,699,450	421,114	-	2,120,564	801,486
6	56,785	-	-	56,785	3,084,372
-6	-	-	-	-	672,934
+7	-	-	-	-	11,699
Not rated	1,033,784	-	-	1,033,784	351,593
Total	<u>16,137,360</u>	<u>421,114</u>	<u>-</u>	<u>16,558,474</u>	<u>28,640,261</u>

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- Set out below is the movement in the letters of credit and acceptances during the year ended as at 31 December 2023 and 2022:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	26,865,488	1,774,773	-	28,640,261	24,183,712
New exposures during the year	2,891,748	-	-	2,891,748	12,532,008
Matured exposures during the year	(5,768,478)	(1,697,137)	-	(7,465,615)	(8,562,990)
Transferred to stage 1	122,774	(122,774)	-	-	-
Transferred to stage 2	(421,114)	421,114	-	-	-
Changes resulting from adjustments	(7,553,058)	45,138	-	(7,507,920)	487,531
Balance at the end of the year	<u>16,137,360</u>	<u>421,114</u>	<u>-</u>	<u>16,558,474</u>	<u>28,640,261</u>

- Set out below is the movement in the expected credit losses provision for letters of credit and acceptances during the year ended as at 31 December 2023 and 2022:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	6,070	109	-	6,179	10,255
ECL on new facilities during the year	5,166	-	-	5,166	3,014
Recovered from ECL on settled facilities during the year	(937)	(109)	-	(1,046)	(6,770)
Transferred to stage 2	(559)	559	-	-	-
Effect on the provision resulting from the reclassification between the three stages during the year	-	(375)	-	(375)	-
Changes resulting from adjustments	(1,563)	-	-	(1,563)	(320)
Balance at the end of the year	<u>8,177</u>	<u>184</u>	<u>-</u>	<u>8,361</u>	<u>6,179</u>

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- Set out below is the classification of un-utilized facilities limits according to the Bank's internal credit rating as at 31 December 2023 and 2022:

Classification	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
-2	1,993,911	-	-	1,993,911	-
+3	2,950	10,000	-	12,950	12,903
3	2,428,740	-	-	2,428,740	-
-3	814,816	-	-	814,816	1,798
+4	30,786,743	733,857	-	31,520,600	30,667,651
4	4,987,814	3,064	-	4,990,878	2,131,892
-4	4,816,245	156,708	-	4,972,953	8,298,569
5	39,029,025	55,917	-	39,084,942	40,594,411
-5	11,835,351	-	-	11,835,351	7,772,874
+6	9,167,758	785,312	-	9,953,070	9,610,898
6	2,637,195	415,545	-	3,052,740	1,028,550
-6	441,689	-	-	441,689	1,800,194
Not rated	11,409,839	55,891	1,875	11,467,605	9,714,698
Total	120,352,076	2,216,294	1,875	122,570,245	111,634,438

- Set out below is the movement in the un-utilized facilities limits during the year ended as at 31 December 2023 and 2022:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	101,092,082	10,521,597	20,759	111,634,438	107,342,703
New exposures during the year	21,123,778	21,804	528	21,146,110	17,769,864
Matured exposures during the year	(8,338,923)	(5,158,243)	(18,919)	(13,516,085)	(17,945,461)
Transferred to stage 1	6,524,333	(6,523,633)	(700)	-	-
Transferred to stage 2	(1,167,149)	1,169,824	(2,675)	-	-
Transferred to stage 3	(497)	(500)	997	-	-
Changes resulting from adjustments	1,118,452	2,185,445	1,885	3,305,782	4,467,332
Balance at the end of the year	120,352,076	2,216,294	1,875	122,570,245	111,634,438

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- Set out below is the movement in the expected credit losses provision on un-utilized facilities limits during the year ended 31 December 2023 and 2022:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	221,211	14,696	2,043	237,950	317,306
ECL on new facilities during the year	46,023	96	95	46,214	34,371
Recovered from ECL on settled facilities during the year	(13,697)	(2,844)	(1,914)	(18,455)	(52,457)
Transferred to stage 1	24,932	(24,929)	(3)	-	-
Transferred to stage 2	(2,909)	2,909	-	-	-
Transferred to stage 3	(21)	-	21	-	-
Effect on provision due to reclassification between the three stages during the year	-	19,648	20	19,668	(12,748)
Changes resulting from adjustments	(9,890)	(2,280)	37	(12,133)	(48,522)
Balance at the end of the year	<u>265,649</u>	<u>7,296</u>	<u>299</u>	<u>273,244</u>	<u>237,950</u>

(21) Authorized and Paid in Capital

The Bank's authorized and paid in capital is JD 120 million divided into 120 million shares (1JD/share) as at 31 December 2023 (31 December 2022: JD 120 million).

(22) Statutory Reserve

This account represents the accumulated amount of the appropriations from income before tax at 10% during the year and previous years according to the Banks Law and Jordanian Companies Law. This amount is not distributable to the shareholders.

(23) Fair Value Reserve, Net

Set out below is the movement in this account for the year:

	31 December 2023 JD	31 December 2022 JD
Balance at the beginning of the year	2,621,695	(973,100)
Unrealized gains	1,308,081	3,604,208
Released from sale of financial assets at fair value through statement of other comprehensive income	(4,824)	(9,413)
Balance at the end of the year	<u>3,924,952</u>	<u>2,621,695</u>

- Fair value reserve balance includes JD 311,112 as at 31 December 2023 and 2022 against implementation of International Financial Reporting Standard No. (9).

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(24) Retained Earnings

Set out below is the movement in this account for the year:

	31 December 2023	31 December 2022
	JD	JD
Balance at the beginning of the year	20,483,016	10,936,612
Profit for the year	11,484,784	11,340,183
Dividends distributed to shareholders *	(6,000,000)	-
Transferred to statutory reserves	(1,694,157)	(1,803,192)
Realized gains from sale of financial assets at fair value through statement of other comprehensive income	4,824	9,413
Balance at the end of the year	<u>24,278,467</u>	<u>20,483,016</u>

- According to instructions of the Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 10,551,901 restricted against deferred tax assets as at 31 December 2023 (9,505,024 as at 31 December 2022).
- According to instructions of the Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 3,924,952 restricted against the credit balance of the fair value of financial assets reserve as at 31 December 2023 (credit balance of JD 2,621,695 as at 31 December 2022) (including JD 311,112 against the implementation of International Financial Reporting Standard No (9)).
- According to the instructions of Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 531,676 restricted against the unrealized gain of financial assets through income statement as at 31 December 2023 (JD 673,668 as at 31 December 2022).
- * The Bank's General Assembly approved in its meeting held on 13 April 2023 the recommendation of the Board of Directors to distribute 5% of the capital as cash dividends to the shareholders, which is equivalent to JD 6 million for the year 2022.
- Subsequent to the financial statements date, the Board of Directors decided to recommend to the Bank's General Assembly to distribute to the shareholders an amount representing 5% of the capital as cash dividends, which is equivalent to JD 6 million to shareholders for the year 2023, noting that these distributions are subject to the approval of the Central Bank of Jordan and the General Assembly of Shareholders.

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(25) Interest Income

Set out below are the details of this item:

	<u>2023</u>	<u>2022</u>
	JD	JD
Direct credit facilities:		
Individuals (retail)		
Overdraft accounts	65,604	40,442
Loans and promissory notes	21,867,167	16,325,852
Credit cards	917,009	1,030,451
Real-estate loans	11,138,151	9,222,223
Companies		
Corporate		
Overdraft accounts	6,008,810	4,074,315
Loans and promissory notes	26,915,947	21,225,766
Small and medium entities		
Overdraft accounts	1,550,979	1,218,548
Loans and promissory notes	2,690,652	3,700,273
Government and public sector	1,705,101	2,024,458
Balances at central bank of Jordan	207,618	420,589
Balances and deposits at Banks and financial institutions	1,351,089	522,152
Financial assets at amortized cost	17,766,460	16,903,896
	<u>92,184,587</u>	<u>76,708,965</u>

(26) Interest Expense

Set out below are the details of this item:

	<u>2023</u>	<u>2022</u>
	JD	JD
Banks and financial institutions deposits	2,676,687	3,288,545
Customers' deposits:		
Current and call accounts	532,642	143,481
Saving accounts	1,868,051	1,867,105
Certificates of deposit	1,621,118	1,277,515
Term deposits, and at notice	31,317,252	22,143,709
Cash margins	837,142	683,771
Borrowed funds	4,208,604	4,595,305
Lease liabilities interest expense (note 12)	159,335	120,158
Deposit Insurance Corporation fees	707,244	1,362,858
	<u>43,928,075</u>	<u>35,482,447</u>

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(27) Net Commission Income

Set out below are the details of this item:

	<u>2023</u>	<u>2022</u>
	JD	JD
Direct credit facilities commissions	1,104,414	1,422,615
Indirect credit facilities commissions	2,427,685	2,611,449
	<u>3,532,099</u>	<u>4,034,064</u>

(28) Foreign Exchange Income, Net

Set out below are the details of this item:

	<u>2023</u>	<u>2022</u>
	JD	JD
Resulted from trading/transactions	940,382	657,416
Resulted from valuation	350,981	353,788
Margin trading accounts	14,573	11,480
	<u>1,305,936</u>	<u>1,022,684</u>

(29) Losses from Financial Assets at Fair Value Through Statement of Income

Set out below are the details of this item:

	<u>Realized gains</u>	<u>Unrealized (losses)</u>	<u>Dividends</u>	<u>Total</u>
	JD	JD	JD	JD
<u>2023-</u>				
Quoted shares in financial markets	7,883	(141,992)	2,700	(131,409)
	<u>7,883</u>	<u>(141,992)</u>	<u>2,700</u>	<u>(131,409)</u>
<u>2022-</u>				
Quoted shares in financial markets	-	(67,213)	3,375	(63,838)
	<u>-</u>	<u>(67,213)</u>	<u>3,375</u>	<u>(63,838)</u>

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(30) Other Income

Set out below are the details of this item:

	<u>2023</u>	<u>2022</u>
	JD	JD
Recovery of debts previously written-off *	2,431,607	2,011,572
Income from account services	712,165	769,573
Income from reversal of sundry provisions	1,200,000	617,000
Income from transfers	602,252	591,758
Gain from sale of seized properties	-	385,803
Income from cheques	217,189	287,565
Safe boxes rent	76,320	69,153
Telecommunication income	37,919	26,804
Returns on seized properties	87,416	17,009
Insurance income	10,851	16,583
Gain from sale of property and equipment	196	369
Others	662,890	257,892
	<u>6,038,805</u>	<u>5,051,081</u>

* This item represents amounts recovered from written - off debts and suspended interest taken during the previous years off-the statement of financial position but recovered during the year ended as at 31 December 2023 and 2022.

(31) Employees Expenses

Set out below are the details of this item:

	<u>2023</u>	<u>2022</u>
	JD	JD
Salaries, allowances, and employees' benefits	13,202,695	12,053,546
Bank's contribution in social security	1,446,887	1,374,173
Bank's contribution in saving fund	11,695	12,623
Medical expenses	575,906	513,457
Staff training expenses	97,311	134,717
Per diems	69,270	85,636
Employees' life insurance expenses	48,447	32,306
Others	16,492	8,053
	<u>15,468,703</u>	<u>14,214,511</u>

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(32) Provision for Expected Credit Losses, Net

Set out below are the details of this item:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balances and deposits at banks and financial intuitions	1,369	-	-	1,369	(2,453)
Direct credit facilities	570,376	2,905,261	8,312,112	11,787,749	6,507,267
Debt instruments within financial assets at amortized cost	6,024	-	-	6,024	(265,817)
Letter of guarantees	(107,591)	(13,802)	(10,717)	(132,110)	241,037
Unutilized credit facilities limits	22,436	14,620	(1,762)	35,294	(79,356)
Letters of credit and acceptances	2,666	(484)	-	2,182	(4,076)
Purchased withdrawals and credits	(81,660)	-	-	(81,660)	(92,329)
Total	413,620	2,905,595	8,299,633	11,618,848	6,304,273

(33) Other Expenses

Set out below are the details of this item:

	2023	2022
	JD	JD
Programs and computers maintenance	1,698,026	1,532,627
Legal and lawyer fees	1,041,479	619,119
Advertisements	852,829	887,000
Water, electricity and telecommunication and swift expenses	900,697	1,115,595
Donations and social responsibility	855,673	206,522
Insurance expenses	829,328	894,985
Subscriptions	825,489	883,189
Vehicles maintenance and repair expenses	714,988	664,932
Professional and consultancy fees	503,938	348,952
Credit cards expenses - net	502,045	238,774
Cleaning and security services	485,054	550,245
Fees, licenses, and taxes	469,522	486,930
Board of Directors' transportation and attendance of meeting allowances	406,975	381,067
Stationery and publications	365,610	373,936
Rent	179,379	164,415
Losses from the sale of seized assets against debts	168,681	-
Cash transportation fees	166,762	177,904
Hospitality	76,987	55,560
Board of Directors' remunerations	55,000	55,000
Collection incentives	35,154	84,926
Others	172,420	146,634
	11,306,036	9,868,312

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(34) Earnings Per Share for the Bank's Shareholders – Basic and Diluted

Set out below are the details of this item:

	<u>2023</u>	<u>2022</u>
Profit for the year (JD)	<u>11,484,784</u>	<u>11,340,183</u>
Weighted average number of shares (share)	<u>120,000,000</u>	<u>120,000,000</u>
Earnings per share for the Banks' shareholders – basic and diluted	<u>0/096</u>	<u>0/095</u>

(35) Cash and Cash Equivalent

Set out below are the details of this item:

	<u>2023</u>	<u>2022</u>
	JD	JD
Balances at central bank of Jordan due within three months	68,319,687	71,440,168
<u>Add:</u> Balances at banks and financial institutions due within three months	38,718,565	16,289,524
<u>Less:</u> Banks' and financial institutions' deposits due within three months	(18,428,024)	(27,143,414)
<u>Less:</u> Restricted withdrawal balances	(5,000,000)	-
Total	<u>83,610,228</u>	<u>60,586,278</u>

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(36) Transactions with Related Parties

The Bank entered into transactions with the members of the Board of Directors and related parties and companies represented by the members of the Board of Directors and executive management within the normal Banking practice and according to the normal interest rates and trading commissions. All the credit facilities granted to related parties are considered as performing facilities. The provision for expected credit losses on those facilities was calculated in accordance with IFRS (9) requirements.

Financial statements include transactions and balances with related parties as follows:

	BOD members	Companies represented by the BOD members	Executive management	Others	Total	
					2023	2022
					JD	JD
<u>On- Statement of Financial Position</u>						
<u>Items:</u>						
Deposits with us	27,806,000	1,665,726	362,311	30,652,004	60,486,041	40,427,044
Direct credit facilities	3,288,418	18,836,418	1,714,994	5,378,028	29,217,858	26,507,675
Deposits with others	-	-	-	30,000,000	30,000,000	30,000,000
Cash margins	-	527,546	-	-	527,546	586,849
<u>Off- Statement of Financial Position</u>						
<u>Items:</u>						
Letters of guarantee	5,000	1,631,880	-	354,500	1,991,380	2,143,424
Letters of credit	-	813,223	-	-	813,223	426,818
					Total	
					2023	2022
					JD	JD
<u>Income statement items:</u>						
Interest and commission income *	63,329	1,510,097	122,261	751,709	2,447,396	1,987,210
Interest and commission expense **	1,431,200	6,184	9,579	937,200	2,384,163	1,477,408

* Credit interest rate ranges from 2% to 21%.

** Debit interest rate ranges from 0% to 7 %.

Executive management remunerations and salaries

Executive management and Board of Directors' transportation allowance, meetings attendance allowance, salaries, and remunerations for the Bank amount to JD 2,938,686 for the year 2023 (JD 2,619,737 for the year 2022).

(37) Fair Value of Financial Assets and Financial Liabilities not Shown at Fair Value in the 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 2023 and 2022.

(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 Governance Committee, at the Board of Directors' level, decides on 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 Committee and the Credit Facilities' Committee.

(38/a) Credit Risk

The Bank's operations involve the Bank's exposure to many risks 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 a balances relationship among risk, return and liquidity. Credit management at the Bank is conducted by several committees from higher management and executive management. Moreover, credit facilities ceiling that can be granted to one client (individual or corporate) or related parties are specified in compliance 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 standing 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 guarantees from customers for the cases requiring that according to each customer's risk level and extension of additional facilities.

The Bank's credit risk management policy includes the following:

1. 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.

2. Determining the risk mitigation methods:

The Bank's risk management activity depends on several methods to mitigate risk as follows:

- Collaterals and their convertibility to 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.

3. Mitigating the assets and liabilities' risk concentration:

The Bank works effectively 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 Jordan.

4. 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.

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The Bank mitigates the assets and liabilities concentration risk through distributing its activities to various sectors and geographic areas inside and outside Jordan. 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, collaterals, and other risk mitigations):

	31 December	
	2023	2022
	JD	JD
Items within the financial statements		
Balances at central bank of Jordan	45,374,392	42,436,174
Balances and deposits at banks and financial institutions	68,716,784	46,289,112
<u>Credit Facilities:</u>		
Individual	169,130,327	180,070,406
Real-estate loans	95,105,584	98,490,147
Companies		
Corporate	401,853,531	348,946,085
Small and medium companies	45,869,715	47,463,007
Government and public sector	20,467,932	26,884,741
Bonds and Treasury Bills:		
Financial assets measured at amortized cost	343,210,421	366,316,269
Other assets	2,966,630	2,402,958
Total	<u>1,192,695,316</u>	<u>1,159,298,899</u>
Off-statement of financial position items		
Letters of guarantee	142,882,193	145,462,179
Letters of credit and acceptances	16,550,113	28,634,082
Un-utilized facilities limits	122,297,001	111,396,488
Total	<u>281,729,307</u>	<u>285,492,749</u>

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Set out below is the distribution of the fair value of collaterals against total credit exposures within stage (1) and (2) as at 31 December 2023:

Items	Collaterals' fair value							Total collaterals value	Net exposure after collaterals	Expected credit losses
	Total exposure value	Cash margins	Traded shares	Acceptable LGs	Real estates	Cars and mechanics	Others			
	JD	JD	JD	JD	JD	JD	JD			
Credit exposures within the statement of financial position items										
Balances at central bank of Jordan	45,374,392	-	-	-	-	-	-	-	45,374,392	-
Balances and deposits at banks and financial institution	68,718,565	-	-	-	-	-	-	-	68,718,565	1,781
Credit facilities:										
Individuals	169,253,650	4,033,197	189,602	-	7,576,641	8,708,468	-	20,507,908	148,745,742	2,073,275
Real estate loans	92,617,896	340,790	510,196	-	65,171,018	355,956	266,380	66,644,340	25,973,556	265,517
Corporate	404,371,569	7,407,595	20,262,735	-	77,752,360	650,750	6,211,686	112,285,126	292,086,443	6,047,023
SMEs	43,758,702	6,198,731	-	-	17,417,147	733,490	6,278,040	30,627,408	13,131,294	331,942
Government and public sector	20,488,731	-	-	-	-	-	11,250,000	11,250,000	9,238,731	20,851
Financial assets at amortized cost	342,309,729	-	-	-	-	-	339,473,730	339,473,730	2,835,999	23,205
Other assets	2,990,000	-	-	-	-	-	-	-	2,990,000	23,370
Total exposures within the statement of financial position items										
	<u>1,189,883,234</u>	<u>17,980,313</u>	<u>20,962,533</u>	<u>-</u>	<u>167,917,166</u>	<u>10,448,664</u>	<u>363,479,836</u>	<u>580,788,512</u>	<u>609,094,722</u>	<u>8,786,964</u>
Letters of guarantee	138,911,282	12,005,004	298,555	-	8,915,020	162,577	75,730	21,456,886	117,454,396	313,891
Letters of credit	16,558,474	349,748	-	-	286,200	-	3,701	639,649	15,918,825	8,361
Unutilized credit limits	122,568,370	1,576,441	1,366,386	-	6,596,923	118,064	419,354	10,077,168	112,491,202	272,945
Total exposures related to off-statement of financial position items										
	<u>278,038,126</u>	<u>13,931,193</u>	<u>1,664,941</u>	<u>-</u>	<u>15,798,143</u>	<u>280,641</u>	<u>498,785</u>	<u>32,173,703</u>	<u>245,864,423</u>	<u>595,197</u>
Grand total	<u><u>1,467,921,360</u></u>	<u><u>31,911,506</u></u>	<u><u>22,627,474</u></u>	<u><u>-</u></u>	<u><u>183,715,309</u></u>	<u><u>10,729,305</u></u>	<u><u>363,978,621</u></u>	<u><u>612,962,215</u></u>	<u><u>854,959,145</u></u>	<u><u>9,382,161</u></u>

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Set out below is the fair value of the collaterals against total credit exposures in stage (3) as at 31 December 2023:

Items	Collaterals' fair value							Total collaterals value	Net exposure after collaterals	Expected credit losses
	Total exposure value	Cash margins	Traded shares	Acceptable LGs	Real estates	Cars and mechanics	Others			
	JD	JD	JD	JD	JD	JD	JD			
Credit exposures within the statement of financial position items										
Balances at central bank of Jordan	-	-	-	-	-	-	-	-	-	-
Balances and deposits at banks and financial institution	-	-	-	-	-	-	-	-	-	-
Credit facilities:										
Individuals	22,351,012	-	-	-	290,548	613,654	-	904,202	21,446,810	14,663,873
Real Estate Loans	8,937,745	-	-	-	2,928,265	22,356	-	2,950,621	5,987,124	3,698,871
Corporate	44,428,009	-	-	-	2,197,966	307,918	-	2,505,884	41,922,125	29,701,426
SMEs	12,709,977	590,127	-	-	1,326,522	64,671	328,410	2,309,730	10,400,247	6,511,360
Government and public sector	52	-	-	-	-	-	-	-	52	-
Financial assets at amortized cost	1,357,094	-	-	-	-	-	-	-	1,357,094	356,103
Other assets	-	-	-	-	-	-	-	-	-	-
Total exposures within the statement of financial position items										
	89,783,889	590,127	-	-	6,743,301	1,008,599	328,410	8,670,437	81,113,452	54,931,633
Letters of guarantee	5,074,074	524,161	-	-	345,327	1,700	1,600	872,788	4,201,286	789,272
Letters of credit	-	-	-	-	-	-	-	-	-	-
Unutilized credit limits	1,875	-	-	-	-	169	-	169	1,706	299
Total exposures related to off-statement of financial position items										
	5,075,949	524,161	-	-	345,327	1,869	1,600	872,957	4,202,992	789,571
Grand total	94,859,838	1,114,288	-	-	7,088,628	1,010,468	330,010	9,543,394	85,316,444	55,721,204

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The disclosures below are prepared in two phases (The first phase of the total credit exposure and the second of the expected credit losses) as at 31 December 2023:

A. Total re-classified credit exposures:

Item	Stage 2		Stage 3		Total reclassified exposures	Percentage of reclassified exposures
	Total exposure	Reclassified exposures	Total exposure	Reclassified exposures		
	value	exposures	value	exposures		
	JD	JD	JD	JD	JD	%
Balances at central bank of Jordan	-	-	-	-	-	-
Balances and deposits at banks and financial institution	-	-	-	-	-	-
Direct credit facilities	147,343,151	48,437,646	88,426,795	17,044,097	65,481,743	8
Financial assets at amortized cost	-	-	1,357,094	-	-	-
Other assets	-	-	-	-	-	-
Total exposures within statement of financial position	<u>147,343,151</u>	<u>48,437,646</u>	<u>89,783,889</u>	<u>17,044,097</u>	<u>65,481,743</u>	
Letters of guarantee	6,801,060	2,692,556	5,074,074	103,847	2,796,403	1,9
Letters of credit and acceptances	421,114	421,114	-	-	421,114	2,5
Unutilized credit limits	2,216,294	1,169,824	1,875	997	1,170,821	0,96
Grand total	<u>156,781,619</u>	<u>52,721,140</u>	<u>94,859,838</u>	<u>17,148,941</u>	<u>69,870,081</u>	

B. Expected credit losses of reclassified exposures:

	Reclassified exposures			ECL on reclassified exposures		
	Total exposures reclassified from Stage 2	Total exposures reclassified from Stage 3	Total reclassified exposure	Stage 2	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balances at central bank of Jordan	-	-	-	-	-	-
Balances and deposits at banks and financial institution	-	-	-	-	-	-
Direct credit facilities	48,437,646	17,044,097	65,481,743	683,293	623,300	1,306,593
Financial assets at amortized cost	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total for the Year	<u>48,437,646</u>	<u>17,044,097</u>	<u>65,481,743</u>	<u>683,293</u>	<u>623,300</u>	<u>1,306,593</u>
Letters of guarantee	2,692,556	103,847	2,796,403	4,656	1,791	6,447
Letters of credit and acceptances	421,114	-	421,114	559	-	559
Unutilized credit limits	1,169,824	997	1,170,821	2,909	21	2,930
Grand total	<u>52,721,140</u>	<u>17,148,941</u>	<u>69,870,081</u>	<u>691,417</u>	<u>625,112</u>	<u>1,316,529</u>

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Collaterals against credit facilities are as the followings:

- Real estate mortgages
- Financial assets mortgages such as equity shares
- Banks guarantees
- Cash margins
- Government guarantees
- Cars and machinery

The Bank's Management monitors the collaterals market value periodically and in case the value of the collaterals declines, the Bank requests additional collaterals in order to cover the deficit. Additionally, the Bank regularly revaluates collaterals held against nonperforming facilities.

Rescheduled loans:

Rescheduled loans classified previously as non-performing credit facilities and was classified as watchlist loans according to proper scheduling. Total rescheduled loans as at 31 December are amounted to JD 11,312,679 (as at 31 December 2022: JD 1,120,491).

Restructured loans:

Restructuring means to rearrange facilities instalments or increasing their duration or postpone some instalments or increase the grace period...etc. Total restructured loans during the year 2023 are amounted to JD 120,227,458 (as at 31 December 2022: JD 130,957,111).

Bonds and debentures:

The table below shows the classification of bonds and debentures according to external rating agencies before considering its related provisions and interest in suspense:

As at 31 December 2023			
Rating grade	Rating institution	Within financial assets measured at amortized cost JD	Total JD
Unclassified	-	4,193,093	4,193,093
Governmental	Governmental guarantee and bonds	339,473,730	339,473,730
		<u>343,666,823</u>	<u>343,666,823</u>

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As at 31 December 2022

Rating grade	Rating institution	Within financial assets	
		measured at amortized cost	Total
		JD	JD
Unclassified	-	4,192,932	4,192,932
Governmental	Governmental guarantee and bonds	362,573,553	362,573,553
		<u>366,766,485</u>	<u>366,766,485</u>

(38/b) Market risks:

Market risks are the risks of losses that may result from exposures on-and off statement of financial position from changes in market prices, including interest rate risks, equity instruments prices, foreign currency exchange rates, and Bank's services prices.

Within the Bank's investment policy approved by the Board of Directors, market risks should be monitored through the following:

- Monitor money market instruments.
- Monitor the investment in capital market (fixed income instruments).
- Monitor the equity instruments (shares and investments funds).
- Monitor the foreign currencies centres.
- Liquidity.
- Interest rate sensitivity.
- Shares prices sensitivity analysis.

Interest rate risks

Interest rate risk is defined as risks that may result from interest rate fluctuations lower and/or higher that affect all assets and liabilities that (incur/pay) interest.

The Bank's interest risk management is based on achieving the principle of matching assets and liabilities that are sensitive to interest rates fluctuations, matching the maturities of them, and maintaining an appropriate interest margin rate between the money expenditures and money issuance to achieve the best return.

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Sensitivity analysis

Interest rate risks:

31 December 2023

<u>Currency</u>	<u>Change increase in interest rate</u>	<u>Sensitivity of interest revenue (income statement)</u>	<u>Sensitivity of shareholders' equity</u>
	%	JD	JD
US Dollar	1	44,096	-
Euro	1	(1,460)	-
Sterling Pounds	1	(817)	-
Other currencies	1	5,866	-

<u>Currency</u>	<u>Change (decrease) in interest rate</u>	<u>Sensitivity of interest revenue (income statement)</u>	<u>Sensitivity of shareholders' equity</u>
	%	JD	JD
US Dollar	1	(44,096)	-
Euro	1	1,460	-
Sterling Pounds	1	817	-
Other currencies	1	(5,866)	-

31 December 2022

<u>Currency</u>	<u>Change increase in interest rate</u>	<u>Sensitivity of interest revenue (income statement)</u>	<u>Sensitivity of shareholders' equity</u>
	%	JD	JD
US Dollar	1	(46,984)	-
Euro	1	(7,470)	-
Sterling Pounds	1	103	-
Other currencies	1	(3,226)	-

<u>Currency</u>	<u>Change (decrease) in interest rate</u>	<u>Sensitivity of interest revenue (income statement)</u>	<u>Sensitivity of shareholders' equity</u>
	%	JD	JD
US Dollar	1	46,984	-
Euro	1	7,470	-

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Sterling Pounds	1	(103)	-
Other currencies	1	3,226	-

Currency risk:

Exchange rate risk

The risks arising from the change in the exchange rate of one currency against another, as a result of deviation from the expected movements in foreign exchange currencies markets.

31 December 2023

<u>Currency</u>	<u>Change in currency exchange rate</u>	<u>Sensitivity of interest revenue (income statement)</u>	<u>Sensitivity of shareholders' equity</u>
	%	JD	JD
US Dollar	5	220,481	-
Euro	5	(7,300)	-
Sterling Pounds	5	(4,087)	-
Other currencies	5	29,329	-

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<u>Currency</u>	<u>Change in currency exchange rate</u>	<u>Sensitivity of interest revenue (income statement)</u>	<u>Sensitivity of shareholders' equity</u>
	%	JD	JD
US Dollar	5	(234,920)	-
Euro	5	(37,351)	-
Sterling Pounds	5	517	-
Other currencies	5	(16,131)	-

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 which report to the executive management to ensure that they are within the accepted limit. The Bank also follows a hedging policy to reduce foreign exchange risk using derivatives if needed.

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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.

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Indicator	Change in prices	Effect on income statement	Effect on shareholders
	%	JD	JD
Amman Stock Exchange, Khartoum market, and Palestine Securities Exchange	5	68,639	1,611,827
Amman Stock Exchange, Khartoum market, and Palestine Securities Exchange	(5)	(68,639)	(1,611,827)

31 December 2022

Indicator	Change in prices	Effect on income statement	Effect on shareholders
	%	JD	JD
Amman Stock Exchange, Khartoum market, and Palestine Securities Exchange	5	77,567	1,623,254
Amman Stock Exchange, Khartoum market, and Palestine Securities Exchange	(5)	(77,567)	(1,623,254)

- Shares prices risk

The Board of Directors adopts a specific policy in diversifying investments of the shares based on geographic and sectors 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 Banks 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 study the gaps in the related interest rate or by using advanced hedging tools.

Classification is done according to interest re-pricing or maturity whichever is closer.

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Interest rate sensitivity

	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
31 December 2023								
Assets								
Cash and balances at central bank of Jordan	-	-	-	-	-	-	68,319,687	68,319,687
Balances and deposits at banks and financial institutions	28,594,464	386,009	-	30,000,000	-	-	9,736,311	68,716,784
Direct credit facilities, net	59,320,736	66,697,179	62,103,327	97,503,738	211,994,498	234,807,611	-	732,427,089
Financial assets at fair value through the income statement	-	-	-	-	-	-	1,372,783	1,372,783
Financial assets at fair value through statement of other comprehensive income	-	-	-	-	-	-	50,322,563	50,322,563
Financial assets at amortized cost, net	6,554,993	-	33,379,327	28,770,470	120,960,166	153,545,465	-	343,210,421
Property and equipment, net	-	-	-	-	-	-	22,321,642	22,321,642
Intangible assets, net	-	-	-	-	-	-	2,858,126	2,858,126
Deferred tax assets	-	-	-	-	-	-	10,551,901	10,551,901
Right of use asset	-	-	-	-	-	-	6,041,037	6,041,037
Other assets	-	2,966,630	-	-	-	-	68,570,428	71,537,058
Total assets	94,470,193	70,049,818	95,482,654	156,274,208	332,954,664	388,353,076	240,094,478	1,377,679,091
Liabilities								
Banks and financial institution deposits	16,113,000	-	-	30,000,000	-	-	2,315,024	48,428,024
Customers' deposits	267,329,843	148,730,338	156,494,158	198,319,877	71,545,899	2,248,000	122,827,540	967,495,655
Cash margins	25,119,490	8,540,596	-	5,959,492	437,000	157,000	-	40,213,578
Borrowed funds	138,344	10,651,373	32,352	11,301,161	9,035,344	50,764,120	9,744,756	91,667,450
Income tax provision	-	-	-	-	-	-	5,303,391	5,303,391
Deferred tax liabilities	-	-	-	-	-	-	698,411	698,411
Sundry provisions	-	-	-	-	-	-	1,237,500	1,237,500
Lease liabilities	56,100	138,000	235,068	660,184	2,155,557	2,555,799	-	5,800,708
Other liabilities	-	-	-	-	-	-	47,925,393	47,925,393
Total Liabilities	308,756,777	168,060,307	156,761,578	246,240,714	83,173,800	55,724,919	190,052,015	1,208,770,110
Interest rate sensitivity gap	(214,286,584)	(98,010,489)	(61,278,924)	(89,966,506)	249,780,864	332,628,157	50,042,463	168,908,981
31 December 2022								
Total Assets	51,467,517	66,084,032	102,636,215	111,853,751	321,379,107	454,589,570	256,093,047	1,364,103,239
Total Liabilities	338,637,573	158,030,630	165,095,465	193,869,197	140,475,311	39,052,067	166,826,880	1,201,987,123
Interest rate sensitivity gap	(287,170,056)	(91,946,598)	(62,459,250)	(82,015,446)	180,903,796	415,537,503	89,266,167	162,116,116

Set out below is the foreign currency risk concentration:

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	USD	Euro	Sterling Pounds	Others	Total
	JD	JD	JD	JD	JD
<u>31 December 2023</u>					
<u>Assets</u>					
Cash and balances at central bank of Jordan	15,888,886	2,271,681	326,685	229,738	18,716,990
Balances and deposits at banks and financial institutions	16,829,670	16,851,079	1,628,025	3,408,010	38,716,784
Direct credit facilities, net	67,438,192	31	-	-	67,438,223
Financial assets at fair value through other comprehensive income	25,540,475	53,570	-	-	25,594,045
Financial assets measured at amortized cost	100,743,481	-	-	-	100,743,481
Other assets	1,655,043	21,886	2,121	74,652	1,753,702
Total Assets	228,095,747	19,198,247	1,956,831	3,712,400	252,963,225
<u>Liabilities and shareholders' equity</u>					
Banks and financial institutions deposits	1,997,170	5,796,514	-	37,306	7,830,990
Customers' deposits	162,973,076	12,179,406	1,745,431	3,063,962	179,961,875
Cash margins	5,857,378	1,294,798	277,239	-	7,429,415
Borrowed funds	23,007,759	-	-	-	23,007,759
Other liabilities	25,472,205	63,800	15,893	24,546	25,576,444
Shareholders' equity	4,378,539	9,734	-	-	4,388,273
Total liabilities and shareholders' equity	223,686,127	19,344,252	2,038,563	3,125,814	248,194,756
Net concentration on - statement of financial position	4,409,620	(146,005)	(81,732)	586,586	4,768,469
Contingent liabilities off - statement of financial position	13,843,999	9,322,574	-	81,635	23,248,208
<u>31 December 2022</u>					
Total Assets	178,662,524	16,180,926	2,381,109	3,120,198	200,344,757
Total Liabilities	183,360,917	16,927,943	2,370,769	2,797,576	205,457,205
Net concentration on - statement of financial position	(4,698,393)	(747,017)	10,340	322,622	(5,112,448)
Contingent liabilities off - statement of financial position	33,784,781	12,524,795	-	78,914	46,388,490

c. Liquidity risk

The risk of the Bank's inability to finance the increase in assets or to meet its obligations upon maturity without incurring unacceptable losses, which may occur due to the Bank's inability to liquidate and liquefy assets or obtain financing to meet liquidity needs.

The Bank's liquidity management policy aims to achieve the following:

- Enhance the pourability of liquidity at the lowest costs possible. Through managing liquidity,
- The Bank seeks to maintain reliable and stable funding sources at a reasonable cost rate.

The Bank follows certain methods to measure liquidity risks that are in line with the instructions and regulations issued by the Central Bank and the Basel Committee through different financial ratios, legal liquidity ratio and liquidity coverage ratio in addition to maturities of assets and liabilities through the preparation of the maturity ladder and the preparation of stressful conditions tests.

Fund sources:

The Bank diversifies its funding sources to achieve financial flexibility and to lower funding costs.

The existence of the Bank in most of the cities of the Hashemite Kingdom of Jordan enables the Bank to diversify its funding sources and not to rely on one geographic area as a source of funding.

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- Set out below is the distribution of liabilities (undiscounted) based on the remaining period until maturity as at 31 December 2023:

Liabilities	Up to 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
Banks and financial institutions' deposits	18,428,024	-	-	30,000,000	-	-	-	48,428,024
Customers' deposits	311,857,099	168,662,494	172,660,307	210,720,021	101,347,734	2,248,000	-	967,495,655
Cash margins	2,010,678	4,021,357	6,032,039	8,042,715	20,106,789	-	-	40,213,578
Borrowed funds	194,520	10,768,872	511,312	12,399,845	15,641,399	52,151,502	-	91,667,450
Sundry provisions	-	-	-	1,237,500	-	-	-	1,237,500
Income tax provision	2,575,118	-	2,728,273	-	-	-	-	5,303,391
Deferred tax liabilities	698,411	-	-	-	-	-	-	698,411
Lease liabilities	56,100	138,000	235,068	660,184	2,155,557	2,555,799	-	5,800,708
Other liabilities	8,033,714	26,204,129	3,089,281	5,537,463	4,524,257	536,549	-	47,925,393
Total liabilities	343,853,664	209,794,852	185,256,280	268,597,728	143,775,736	57,491,850	-	1,208,770,110
Total assets according to expected maturities	94,470,229	94,772,407	97,114,172	160,093,526	344,371,831	388,353,073	198,503,853	1,377,679,091

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- Set out below is the distribution of liabilities (undiscounted) based on the remaining period until maturity as at 31 December 2022:

Liabilities:	Up to 1 month	1 to 3 months	from 3 to 6 months	From 6 months to 1	From 1 to 3	Over 3 years	Without maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Banks and financial institutions' deposits	27,143,414	-	25,000,000	-	30,000,000	-	-	82,143,414
Customers' deposits	306,666,662	155,945,272	138,570,348	194,084,415	100,185,580	1,348,450	-	896,800,727
Cash margins	1,888,704	3,777,408	5,666,111	7,554,815	18,887,037	-	-	37,774,075
Borrowed funds	25,163,058	14,550,462	17,473,062	6,263,454	37,981,029	43,890,284	-	145,321,349
Sundry provisions	-	-	-	881,359	-	-	-	881,359
Income tax provision	1,720,183	-	3,696,852	-	-	-	-	5,417,035
Deferred tax liabilities	1,720,245	-	-	-	-	-	-	1,720,245
Lease liabilities	62,500	214,365	222,138	524,568	1,816,076	2,785,123	-	5,624,770
Other liabilities	9,258,107	2,837,602	3,916,461	3,870,806	6,421,173	-	-	26,304,149
Total liabilities	<u>373,622,873</u>	<u>177,325,109</u>	<u>194,544,972</u>	<u>213,179,417</u>	<u>195,290,895</u>	<u>48,023,857</u>	<u>-</u>	<u>1,201,987,123</u>
Total assets according to expected maturities	<u>75,374,647</u>	<u>79,184,740</u>	<u>104,244,413</u>	<u>115,812,581</u>	<u>332,614,067</u>	<u>454,589,571</u>	<u>202,283,220</u>	<u>1,364,103,239</u>

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In order to comply with the instructions of the regulatory authorities, the Bank maintains part of its customers' deposits at the central Banks as a restricted cash reserve that cannot be utilized unless under specified regulations. In addition, the liquidity ratios are reserved at levels higher than the minimum imposed by the central bank of Jordan.

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 statement of financial position until the contractual maturity date regardless of the actual maturities reflected by historical events relating to maintaining deposits and the availability of liquidity.

Off- statement of financial position items:

<u>31 December 2023</u>	<u>Up to 1 year</u>	<u>1-5 years</u>	<u>Total</u>
	JD	JD	JD
Letters of guarantee	143,985,356	-	143,985,356
Letters of credit and acceptances	15,858,094	-	15,858,094
Enhanced incoming letter of credit	700,380	-	700,380
Unutilized direct facilities	68,030,338	-	68,030,338
Total	<u>228,574,168</u>	<u>-</u>	<u>228,574,168</u>

<u>31 December 2022</u>			
Letters of guarantee	146,697,452	-	146,697,452
Letters of credit and acceptances	28,640,261	-	28,640,261
Unutilized direct facilities	59,666,050	-	59,666,050
Total	<u>235,003,763</u>	<u>-</u>	<u>235,003,763</u>

(39) Bank's Segment Information

a. Information on the key business segments

The Bank is organized for managerial purposes, into four major sectors, which are measured according to reports used by the General Manager and key decision makers at the Bank, through the following major sectors:

- Individual accounts: includes following up on individual customers deposits, and granting them credit facilities, credit cards and
- Corporate accounts: includes following up on deposits, credit facilities, and Banking services related to corporations.
- Treasury: This segment includes providing dealing services and managing the Banks' funds.
- Others: This segment includes the activities which do not meet the definition of the Banks above business segments.

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The following table represents information on the Bank's sectors according to activities:

	Individuals	Corporate	Treasury	Others	Total	
					2023	2022
					JD	JD
Gross income for the year	21,591,933	32,060,675	6,128,330	151,708	59,932,646	51,404,658
<u>Less: Expected credit losses</u>	<u>(2,382,747)</u>	<u>(9,310,368)</u>	<u>74,267</u>	<u>-</u>	<u>(11,618,848)</u>	<u>(6,304,273)</u>
Segment results	19,209,186	22,750,307	6,202,597	151,708	48,313,798	45,100,385
<u>Less: Distributed segment expenses</u>	<u>(18,410,581)</u>	<u>(9,205,290)</u>	<u>(3,008,855)</u>	<u>(747,506)</u>	<u>(31,372,232)</u>	<u>(27,068,463)</u>
Income before tax	798,605	13,545,017	3,193,742	(595,798)	16,941,566	18,031,922
<u>Less: Income tax for the year</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,456,782)</u>	<u>(5,456,782)</u>	<u>(6,691,739)</u>
Income for the year	<u>798,605</u>	<u>13,545,017</u>	<u>3,193,742</u>	<u>(6,052,580)</u>	<u>11,484,784</u>	<u>11,340,183</u>
Capital expenditures	-	-	-	3,788,802	3,788,802	2,741,598
Depreciation and amortization	-	-	-	3,909,562	3,909,562	3,469,171
Total Assets	<u>250,983,681</u>	<u>549,404,619</u>	<u>483,305,918</u>	<u>93,984,873</u>	<u>1,377,679,091</u>	<u>1,364,103,239</u>
Total Liabilities	<u>695,318,686</u>	<u>390,175,379</u>	<u>78,085,129</u>	<u>45,190,916</u>	<u>1,208,770,110</u>	<u>1,201,987,123</u>

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b. Geographical distribution information

This sector represents the geographical distribution of the Banks operation. The Bank operates mainly in Jordan.

The following table shows the distribution of the Bank's income, assets, and capital expenditures by geographical area:

	Inside Jordan		Outside Jordan		Total	
	2023	2022	2023	2022	2023	2022
	JD	JD	JD	JD	JD	JD
Gross income	62,128,545	52,586,362	(2,195,899)	(1,181,704)	59,932,646	51,404,658
Capital expenditures	3,788,802	2,741,598	-	-	3,788,802	2,741,598

	Inside Jordan		Outside Jordan		Total	
	2023	2022	2023	2022	2023	2022
	JD	JD	JD	JD	JD	JD
Bank's Assets	1,308,987,040	1,284,429,148	68,692,051	79,674,091	1,377,679,091	1,364,103,239

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Credit Exposures Distribution

Internal Credit ratings	Category classification according to (47/2009)	Total exposure	ECL	PD	EAD	LGD
		JD	JD	%	JD	%
Performing loans						
+2	Performing	16,360	-	-	8,180	20
2	Performing	181,607	-	0-0,001	180,358	0-20.8
-2	Performing	2,000,000	270	0,001-0,001	1,541,401	20
+3	Performing	45,155	26	0,085-0	20,479	0-26
3	Performing	3,559,213	196	0,003-0	2,557,306	0-26
-3	Performing	1,151,230	293	0,070-0	595,326	0-21
+4	Performing	174,674,047	187,881	0,469-0	143,224,985	0-28
4	Performing	22,319,244	10,153	0,539-0	16,604,163	0-28
-4	Performing	26,800,604	12,556	0,242-0	20,862,965	0-28
5	Performing	293,754,484	1,171,333	0,402-0	256,240,503	0-28
-5	Performing	551,595,056	3,126,686	0,858-0	543,263,793	0-28
+6	Performing	90,988,758	1,472,643	0,663-0	80,673,671	0-26
6	Performing	47,979,466	537,509	0,562-0,003	36,104,906	0-26
-6	Performing	14,347,565	563,425	0,740-0	13,996,169	0-26
+7	Performing	676,709	35,011	0,941-0,722	628,709	0-26
7	Performing	580,050	23,056	0,941-0,228	554,401	0-20,8
-7	Performing	296,500	3,998	0,941-0,039	296,500	0-8.190
Not rated	Performing	236,955,312	2,237,125	0,899-0	223,658,260	0-28
Total performing loans		1,467,921,360	9,382,161		1,341,012,075	
Non-performing loans						
+3	Non-performing	538	517	100	406	26
+4	Non-performing	3,628,526	1,755,033	100	3,131,839	0-65
4	Non-performing	4,987,984	1,854,412	100	4,103,559	0-75
-4	Non-performing	2,429,558	2,167,643	100	2,197,496	0-75
5	Non-performing	5,017,064	3,429,702	100	3,679,495	0-100
-5	Non-performing	2,693,185	959,383	100	2,514,303	0-75
+6	Non-performing	5,193,505	3,466,273	100	3,885,111	0-75
6	Non-performing	2,555,154	1,725,906	100	2,192,047	13,489-65
-6	Non-performing	3,320,382	1,475,013	100	2,825,946	97,032-30.723
+7	Non-performing	3,204,297	1,327,530	100	2,926,624	0-50
7	Non-performing	2,979,620	2,459,617	100	2,459,785	32.5-75
-7	Non-performing	263,838	32,499	100	235,974	29.085-7.463
Not rated	Non-performing	58,586,187	35,067,676	100	38,841,048	0-100
Total non-performing loans		94,859,838	55,721,204		68,993,633	

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Credit risk exposures categorized by economical distribution:

	2023										
	Financial	Industrial	Trading	Real estate	Construction	Agricultural	Shares	Individual	Government and public sector	Others	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central bank of Jordan	45,374,392	-	-	-	-	-	-	-	-	-	45,374,392
Balances and deposits at banks and financial institutions	68,716,784	-	-	-	-	-	-	-	-	-	68,716,784
Direct credit facilities	57,407,506	103,435,166	149,709,026	95,105,584	28,533,109	4,133,322	3,222,957	169,130,327	20,467,932	101,282,160	732,427,089
Financial assets at amortized cost	3,736,691	-	-	-	-	-	-	-	339,473,730	-	343,210,421
Other assets	-	-	2,966,630	-	-	-	-	-	-	-	2,966,630
Total	175,235,373	103,435,166	152,675,656	95,105,584	28,533,109	4,133,322	3,222,957	169,130,327	359,941,662	101,282,160	1,192,695,316
Letters of guarantee	12,923,498	6,568,329	10,826,429	18,979,561	-	342,600	7,839,922	12,435,016	-	72,966,838	142,882,193
Letters of credit and acceptances	-	1,912,886	10,220,053	132,808	-	-	-	307,439	-	3,976,927	16,550,113
Other liabilities	7,482,107	9,884,574	26,559,321	15,060,012	-	128,929	1,519,859	21,297,351	-	40,364,848	122,297,001
Total	195,640,978	121,800,955	200,281,459	129,277,965	28,533,109	4,604,851	12,582,738	203,170,133	359,941,662	218,590,773	1,474,424,623

Credit risk exposures categorized by economic sector and stages according to IFRS (9) as at 31 December 2023:

	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Financial	194,653,511	-	987,467	195,640,978
Industrial	89,266,485	31,141,916	1,392,554	121,800,955
Trading	124,973,553	73,404,093	1,903,813	200,281,459
Real estates	113,425,344	11,896,963	3,955,658	129,277,965
Construction	21,029,372	7,480,553	23,184	28,533,109
Agricultural	1,066,442	3,533,711	4,698	4,604,851
Shares	11,455,233	326,786	800,719	12,582,738
Individual	190,667,760	10,036,596	2,465,777	203,170,133
Government and public sector	359,941,608	2	52	359,941,662
Others	201,766,909	12,472,362	4,351,502	218,590,773
Total	1,308,246,217	150,292,982	15,885,424	1,474,424,623

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Credit risk exposures categorized by geographical distribution:

	2023							Total	
	Inside Jordan	Middle			Asia	Africa	America		Others
		East	Europe						
JD	JD	JD	JD	JD	JD	JD	JD		
Balances at central bank of Jordan	45,374,392	-	-	-	-	-	-	45,374,392	
Balances and deposits at Banks and financial institutions	26,136,722	31,014,703	6,477,842	31,544	33,251	4,414,918	607,804	68,716,784	
Direct credit facilities									
Individual	169,130,327	-	-	-	-	-	-	169,130,327	
Real-estate loans	95,105,584	-	-	-	-	-	-	95,105,584	
Corporate	401,853,531	-	-	-	-	-	-	401,853,531	
Small and medium companies	45,869,715	-	-	-	-	-	-	45,869,715	
Government and public sector	20,467,932	-	-	-	-	-	-	20,467,932	
Financial assets at amortized cost	343,210,421	-	-	-	-	-	-	343,210,421	
Other assets	2,966,630	-	-	-	-	-	-	2,966,630	
Total	1,150,115,254	31,014,703	6,477,842	31,544	33,251	4,414,918	607,804	1,192,695,316	
Letters of guarantee	142,882,193	-	-	-	-	-	-	142,882,193	
Letters of credit and acceptances	9,949,741	1,878,586	38,986	4,580,356	-	11,699	90,745	16,550,113	
Other liabilities	122,297,001	-	-	-	-	-	-	122,297,001	
Total	1,425,244,189	32,893,289	6,516,828	4,611,900	33,251	4,426,617	698,549	1,474,424,623	

c. Credit exposure categorized by geographical distribution and stages in accordance with IFRS (9) as at 31 December 2023:

	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Inside Jordan	1,259,486,713	149,872,052	15,885,424	1,425,244,189
Middle east	32,472,359	420,930	-	32,893,289
Europe	6,516,828	-	-	6,516,828
Asia	4,611,900	-	-	4,611,900
Africa	33,251	-	-	33,251
America	4,426,617	-	-	4,426,617
Others	698,549	-	-	698,549
Total	1,308,246,217	150,292,982	15,885,424	1,474,424,623

(40) Capital Management

a. Description of Capital

Capital is categorized into various categories, such as paid in capital, economic capital, and regulatory capital. Moreover, regulatory capital is defined, according to the banks Law, as the total value of the items determined by the Central Bank of Jordan for control purposes to meet the requirements of the capital adequacy ratio prescribed in the Central Bank of Jordan instructions.

- Furthermore, regulatory capital consists of two parts: (1) primary capital (Tier 1) made up of paid-in capital, declared reserves (including statutory reserve, voluntary reserve, share premium, and treasury share premium), and retained earnings after excluding restricted amounts and non-controlling interests net of loss for the year (if any), costs of the acquisition of treasury shares, deferred provisions approved by the Central Bank of Jordan, restructuring balance and goodwill Support capital; and
- (2) additional paid-in capital (Tier 2) which consists of foreign currencies translation differences, general Banking risks reserve, instruments with debt-equity shared characteristics, support debts and 45% of the financial assets' valuation reserve, if positive, and is deducted in full, if negative.
- A third part of capital (Tier 3) might be formed in case the capital adequacy ratio goes below 12% due to factoring capital adequacy ratio into market risks.
- Investments in the capitals of banks, insurance companies and other financial institutions are deducted.

b. The requirements of the regulatory parties concerning capital and the manner in which they are met.

Instructions of the Central Bank of Jordan require that paid-in capital not to be less than JD 100 million and shareholders' equity-to-assets ratio not to be less than 6%. Moreover, the Central Bank of Jordan instructions require that the ratio of regulatory capital to assets weighted by risks and market risks (capital adequacy ratio) be not less than 12% which the Bank considers meeting. Furthermore, the Bank increased its paid-in capital during the year 2017 to become JD/share 120,000,000 as at 31 December 2017, whereby the capital increase procedures were completed on 7 June 2017.

The Bank complies with Article (62) of the Banks Law, which requires the Bank to appropriate 10% of its annual pre-tax profits in Jordan and continue to do so until the reserve equals the Bank's paid-in capital. This meets the requirements of the statutory reserve prescribed by the Companies Law.

The Bank complies with Article (41) of the Banks Law, which requires adherence to the limits set by the Central Bank of Jordan relating to:

1. The percentage of risks relating to its assets and assets weighted by risks, elements of capital, reserves, and contra accounts.
2. The ratio of total loans to permitted regulatory capital granted by the Bank to one person, its affiliates, or to related stakeholders.
3. Ratio of total loans granted to the major ten customers of the Bank to total loans extended by the Bank.

C. Method of achieving capital management goals.

The Bank considers the compatibility of the size of its capital with the size, nature, and complexity of the risk the Bank is exposed to in a manner that does not contradict the prevailing regulations and instructions. This is reflected in its strategic plans and annual budgets.

When entering investments, the impact on capital adequacy ratio is considered. Moreover, capital and its adequacy are monitored periodically as capital adequacy ratio is monitored at the Bank level every quarter. Furthermore, capital adequacy is reviewed by internal audit, and capital ratios are monitored monthly. Such ratios are financial leverage, shareholders' equity to assets, shareholders' equity to customers' deposits, internal growth of capital, provisions, and free capital. This should achieve the appropriate financial leverage, and consequently, the targeted return on shareholders' equity not less than 10% as prescribed by the Bank's strategy.

No dividends are paid to shareholders out of the regulatory capital if such payment leads to non-adherence to the minimum capital requirement.

The Bank concentrates on the internal growth of capital and can resort to public subscriptions to meet expansionary needs and future plans, or the requirements of the regulatory bodies according to specified studies.

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Capital Adequacy

Capital adequacy ratio is calculated according to the Central Bank of Jordan instructions based on Basel Committee resolutions III:

	31 December 2023	31 December 2022
	JD	JD
<u>Primary capital items:</u>		
Authorized and paid-in capital	120,000,000	120,000,000
Retained earnings	24,278,467	20,483,016
Other comprehensive income items		
Fair value reserve - net	3,924,952	2,621,695
Statutory reserve	20,705,562	19,011,405
Total primary capital before regulatory amendments	168,908,981	162,116,116
<u>Less:</u>		
Intangible assets - net	(2,858,126)	(2,228,329)
Deferred tax assets - net	(9,853,490)	(7,784,779)
Dividends to be distributed	(6,000,000)	(6,000,000)
Deferred provisions with the approval of the central bank	(2,284,975)	(2,190,711)
Investing in the capital of banks and financial companies outside the scope of consolidation, in which the Bank owns more than 10%	(9,115,662)	(9,515,671)
Total regulatory amendments	(30,112,253)	(27,719,490)
Net primary capital	138,796,728	134,396,626
Secondary capital items:		
Provision required against credit facilities in stage 1	2,893,524	2,731,308
Total secondary capital	141,690,252	137,127,934
Assets weighted by risks-continuous operations		
Credit risk	951,143,470	936,899,224
Market risk	7,807,240	8,548,090
Operational risk	97,342,911	86,591,351
Total assets weighted by risks	1,056,293,621	1,032,038,665
Regulatory capital adequacy ratio	13.41%	13.29%
Primary capital ratio	13.14%	13.02%

Liquidity Coverage Ratio (LCR):

	31 December 2023	31 December 2022
	JD	JD
Total high quality liquid assets after adjustments	374,703	406,272
Net cash outflow	125,872	144,633
Liquidity coverage ratio (LCR)	297.7%	280.9%
Liquidity coverage ratio according to the average end of each month	288.4%	319.4%

(41) Accounts managed by the Bank on behalf of its customers

There is no investment portfolio managed by the Bank on behalf of its clients.

JORDAN COMMERCIAL BANK
(PUBLIC LIMITED SHAREHOLDING COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

(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:

<u>31 December 2023</u>	<u>Up to one year JD</u>	<u>More than one year JD</u>	<u>Total JD</u>
Assets:			
Cash and balances at central bank of Jordan	68,319,687	-	68,319,687
Balances and deposits at banks and financial institutions, net	68,716,784	-	68,716,784
Direct credit facilities, net	285,624,980	446,802,109	732,427,089
Financial Assets fair valued through statement of income	1,372,783	-	1,372,783
Financial assets at fair value through statement of other comprehensive income	23,906,901	26,415,662	50,322,563
Financial assets measured at amortized cost, net	68,704,790	274,505,631	343,210,421
Properties, equipment, net	-	22,321,642	22,321,642
Intangible assets, net	-	2,858,126	2,858,126
Right-of-use assets	-	6,041,037	6,041,037
Deferred tax assets	-	10,551,901	10,551,901
Other assets	60,119,893	11,417,165	71,537,058
Total Assets	576,765,818	800,913,273	1,377,679,091
Liabilities:			
Banks and financial institutions deposits	48,428,024	-	48,428,024
Customers deposits	863,899,921	103,595,734	967,495,655
Cash margins	20,106,789	20,106,789	40,213,578
Borrowed funds	23,874,549	67,792,901	91,667,450
Provision for income tax	5,303,391	-	5,303,391
Sundry provisions	1,237,500	-	1,237,500
Deferred tax liabilities	698,411	-	698,411
Lease liabilities	1,089,352	4,711,356	5,800,708
Other liabilities	42,864,587	5,060,806	47,925,393
Total Liabilities	1,007,502,524	201,267,586	1,208,770,110
Net Assets	(430,736,706)	599,645,687	168,908,981

JORDAN COMMERCIAL BANK
(PUBLIC LIMITED SHAREHOLDING COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

<u>31 December 2022</u>	<u>Up to one year JD</u>	<u>More than one year JD</u>	<u>Total JD</u>
Assets:			
Cash and balances at central bank of Jordan	71,440,168	-	71,440,168
Balances and deposits at banks and financial institutions, net	16,289,112	30,000,000	46,289,112
Direct credit facilities, net	244,546,449	457,307,937	701,854,386
Financial Assets fair valued through statement of income	1,551,339	-	1,551,339
Financial assets at fair value through statement of other comprehensive income	23,906,901	25,583,414	49,490,315
Financial assets measured at amortized cost, net	77,655,529	288,660,740	366,316,269
Properties, equipment, net	-	22,006,151	22,006,151
Intangible assets, net	-	2,228,329	2,228,329
Right-of-use assets	-	5,835,715	5,835,715
Deferred tax assets	-	9,505,024	9,505,024
Other assets	76,351,471	11,234,960	87,586,431
Total Assets	<u>511,740,969</u>	<u>852,362,270</u>	<u>1,364,103,239</u>
Liabilities:			
Banks and financial institutions deposits	52,143,414	30,000,000	82,143,414
Customers deposits	795,266,697	101,534,030	896,800,727
Cash margins	18,887,038	18,887,037	37,774,075
Borrowed funds	63,450,036	81,871,313	145,321,349
Provision for income tax	5,417,035	-	5,417,035
Sundry provisions	881,359	-	881,359
Deferred tax liabilities	1,720,245	-	1,720,245
Lease liabilities	1,023,571	4,601,199	5,624,770
Other liabilities	19,882,976	6,421,173	26,304,149
Total Liabilities	<u>958,672,371</u>	<u>243,314,752</u>	<u>1,201,987,123</u>
Net Assets	<u>(446,931,402)</u>	<u>609,047,518</u>	<u>162,116,116</u>

JORDAN COMMERCIAL BANK
(PUBLIC LIMITED SHAREHOLDING COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

(43) 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 asset and financial liability are determined (valuation techniques & key inputs):

Financial assets / financial liabilities	Fair value		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship between unobservable inputs and fair value
	2023	2022				
	JD	JD				
<u>Financial assets at fair value through the income statement</u>						
Quoted shares	<u>1,372,783</u>	<u>1,551,339</u>	Level 1	Quoted shares	Not applicable	Not applicable
	<u>1,372,783</u>	<u>1,551,339</u>				
<u>Financial assets at fair value through other comprehensive income</u>						
Quoted shares	32,236,542	32,465,081	Level 1 & Level 2	Quoted rates in financial market Through equity method and latest available financial information	Not applicable	Not applicable
Unquoted shares	<u>18,086,021</u>	<u>17,025,234</u>	Level 3		Not applicable	Not applicable
	<u>50,322,563</u>	<u>49,490,315</u>				

There are no transfers between level 1 and level 2 during the year 2023.

JORDAN COMMERCIAL BANK
(PUBLIC LIMITED SHAREHOLDING COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

B. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis:

Except for what is detailed in the following table, we believe that the carrying amounts of financial assets and financial liabilities recognized in the Bank's financial statements approximate their fair values, this is because the Bank's management believes that the book value of the items shown below is approximately equivalent to their fair values, either because of their short-term maturity or that their interest rates are repriced during the year.

	2023		2022		Fair value Hierarchy
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
<u>Financial assets not measured at fair value</u>					
Deposits at central bank of Jordan	45,374,392	45,374,392	42,436,174	42,436,174	Level 2
Balances and deposits at Banks and financial institutions	68,716,784	69,668,289	46,289,112	46,914,940	Level 2
Loans and advances	732,427,089	744,478,772	701,854,386	714,352,390	Level 2
Financial assets at amortized cost	343,210,421	346,517,906	366,316,269	369,246,685	Level 2
Total financial assets not measured at fair value	<u>1,189,728,686</u>	<u>1,206,039,359</u>	<u>1,156,895,941</u>	<u>1,172,950,189</u>	
<u>Financial liabilities not measured at fair value</u>					
Banks and financial institutions deposits	48,428,024	51,930,109	82,143,414	86,186,134	Level 2
Customer deposits	967,495,655	970,581,616	896,800,727	898,968,976	Level 2
Cash margins	40,213,578	40,507,340	37,774,075	38,002,112	Level 2
Borrowed funds	91,667,450	91,923,772	145,321,349	145,716,923	Level 2
Financial liabilities not measured at fair value	<u>1,147,804,707</u>	<u>1,154,942,837</u>	<u>1,162,039,565</u>	<u>1,168,874,145</u>	

For the items listed above, the fair value of the financial assets and liabilities classified as level two and three has been determined in accordance with generally accepted pricing models that reflect the credit risk of counterparties.

(44) Commitments and Contingent Liabilities (off-Statement of Financial Position)

a. Set out below are the details of this item:

	31 December 2023	31 December 2022
	<u>JD</u>	<u>JD</u>
Letters of credit	5,361,560	13,830,321
Enhanced incoming letters of credit	700,380	-
Acceptances	10,496,534	14,809,940
Letters of guarantee:		
Payment	23,530,804	32,696,770
Performance	47,344,093	46,362,086
Others	73,110,459	67,638,596
Unutilized direct credit facilities limits	68,030,338	59,666,050
Total	<u>228,574,168</u>	<u>235,003,763</u>

(45) Lawsuits Against the Bank

Lawsuits raised against the Bank are amounted to JD 17,980,216 as at 31 December 2023 (31 December 2022: JD 2,821,848). In the opinion of the Bank's management and the legal advisor, no further liabilities exceeding the provision of JD 622,500 is required as at 31 December 2023 (31 December 2022 JD 266,000).

(46) New International Financial Reporting Standards and its explanations and issued amendments and not implemented yet

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Bank's financial statements are disclosed below. The Bank intends to adopt these standards, if applicable, when they become effective.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied Retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted, and that fact must be disclosed.

The amendments are not expected to have a material impact on the Bank's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, 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
- That a 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
- 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

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Bank is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

The amendments are not expected to have a material impact on the Bank's financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on the Bank's financial statements.

Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT

**To the Shareholders of Jordan Commercial Bank – Public Limited Shareholding Company
Amman – Jordan**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jordan Commercial Bank (the Bank), which comprise the statement of financial position as at 31 December 2023, income statement, statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the Central Bank of Jordan.

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 Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' *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 financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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 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 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 financial statements.

1. Adequacy of expected credit losses provision for credit facilities	
Note (6) to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>This matter was considered as a key audit matter in the audit, as the calculation of expected credit loss provision for credit facilities requires management to exercise assumptions and to use significant judgements to determine when and how much to record as impairment loss.</p> <p>The expected credit losses provision for credit facilities is calculated based on the Bank's provisions and impairment policy which complies with the requirements of IFRS (9) as adopted by the Central Bank of Jordan.</p> <p>Credit facilities form a major portion of the Bank's assets, there is a risk that inaccurate expected credit losses provision is calculated, 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) as adopted by Central Bank of Jordan, this matter was considered a key audit matter.</p> <p>The Bank's gross credit facilities was amounted to JD 819 million and the related expected credit losses provision was amounted to JD 63 million as at 31 December 2023.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Gained an understanding of the Bank's credit facilities portfolio in addition to the key credit processes comprising granting and booking and testing the operating effectiveness of key controls over these processes. • Read the Bank's expected credit losses policy and compared it with the requirements of the International Financial Reporting Standards as well as relevant regulatory guidelines and pronouncements. • Assessed the Bank's expected credit losses and its underlying methodology model, and in particular focusing on its alignment with the requirements of IFRS (9) as adopted by Central Bank of Jordan and related instructions. • Tested a sample of facilities on an individual basis to evaluate the following: <ul style="list-style-type: none"> - Appropriateness of the Bank's staging. - Appropriateness of determining Exposure at Default, including the consideration of repayments in the cash flows and the resulted arithmetical calculations

	<ul style="list-style-type: none"> - Appropriateness of the Probability of Default, Exposure at Default and Loss Given Default used for different stages. - Appropriateness of the internal rating and the objectivity, competence and independence of the experts involved in this process. - Accuracy and appropriateness of expected credit losses calculation. - For exposures moved between stages we have checked the appropriateness of the Bank's determination of significant increase in credit risk and the resultant basis for classification of exposures into different stages. We also checked the timely identification of exposures with a significant increase in credit risks. <ul style="list-style-type: none"> • For exposures determined to be individually impaired we re-performed the expected credit losses calculation we also obtained an understanding of the latest developments in the counterparty's situation of the latest developments in relation to future cash flows, any and rescheduling or restructuring agreements. • For forward looking assumptions used by the Bank in the expected credit losses calculation, we held discussions with management and corroborated the assumptions using publicly available information. <p>We assessed the financial statements disclosures to ensure compliance with IFRS (9). The accounting policies, judgments and critical accounting estimates, disclosures of credit facilities and credit risk management are disclosed in notes (2), (3), (6) and (38) to the financial statements.</p>
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Other information included in the annual report

Other information consists of the information included in the Bank's Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Bank's Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.



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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

Ernst & Young – Jordan

Ali Hasan Samara
License No. 503

Amman – Jordan
19 February 2024

ERNST & YOUNG
Amman - Jordan

(21)/E: Board of Directors' Declarations:

(1): The Board of Directors of Jordan Commercial Bank declares, to the best of its knowledge and belief, that there are no material matters that may affect the continuity of the Bank during the next fiscal year. The Board also acknowledges that they have not received and payments in cash or benefits in cash or in-kind other than what has been disclosed in the Remuneration and Benefits Table.

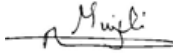
(2): The Board of Directors of the Jordan Commercial Bank acknowledges its responsibility for preparing financial statements, providing an effective control system in the bank, and for the adequacy of internal control systems.

(The signatures of the following members of the Board of Directors include all the above-mentioned acknowledgments No. 1 and 2)

Chairman
Michael Sayegh



Vice Chairman
Ayman Al-Majali



Board Member
Sharif Al-Rawashdeh



Board Member
First Jordan Investment Company
Represented by Saleh Al Kilani



Board Member
Henry Azzam




Board Member
Social Security Corporation
(First Seat)
Represented by Yehya Obeidat



Board Member
Nasser Saleh



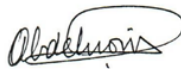
Board Member
Osama Hamad



Board Member
Lina Al-Dababneh



Board Member
Abdelnour Abdelnour



Board Member
Social Security Corporation
(Second Seat)
Represented by Rami Titi

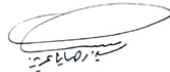


(3): We, the undersigned, acknowledge the validity, accuracy and completeness of the information and data contained in the annual report and the provision of internal control and control systems.

Chairman
Micheal Sayegh



General Manager
Caesar Qulajen



Finance Manager
Abdallah Kishek



**Corporate Governance Manual Information
Management,
Associated Technology, and Governance Report**

Corporate Governance Manual

Jordan Commercial Bank recognizes that, to maintain the integrity of the banking system as a whole and to comply with international standards for sound banking practices, it must adhere to the highest standards in the field of information and associated technology. The bank must manage resources, projects, and services in a way that allows it to conduct business and achieve its strategic objectives effectively and efficiently, in compliance with the laws and legislation issued by the regulatory authorities, as well as the application of policies, instructions and procedures issued by the Board of Directors and the Executive Management. This reflects positively on the quality of the bank's products and services and on its decision-making mechanisms.

Corporate governance is founded on several fundamental concepts, the most essential of which is the separation of Board of Directors and General Manager responsibilities (Chief Executive Officer). In addition, the Chairman of the Board of Directors must be a non-executive member, as well as the necessity for organizational and administrative structures in which tasks and powers are dispersed with complete definition and clarity. Effective control frameworks must also exist in a defined and transparent manner. It also requires treating all stakeholders with fairness, transparency, and disclosure that allows them to evaluate the bank's position and financial performance, and that the bank's Board of Directors and senior executive management possess the appropriate academic and practical qualifications, integrity, honesty, and good reputation.

Good corporate governance establishes the relationship between shareholders, the Board of Directors, the executive management, and parties related to the bank (banks, depositors, regulatory authorities), and holds the executive management accountable to the Board of Directors on the one hand, and the Board of Directors accountable to the shareholders and related parties on the other.

This manual and its corporate governance policies have been prepared by Jordan Commercial Bank as an affirmation of its own identity and to confirm the independence of the members of the Board of Directors, the non-conflict of interests, and their effective ability to choose executive management capable of managing the bank's affairs in accordance with the best local and international standards and practices in corporate governance.

Part I: Definitions, Aspects, and Importance of Corporate Governance

First: Definitions:

Non-Executive Board Member:	A member who is not a full-time managing officer or employee at the Bank and does not receive a salary from it.
Authorized Person:	A person who is authorized to access internal information by virtue of his position or function at the Bank, including the Chairman and Members of the Board of Directors, Financial Director, Internal Auditor, External Auditor, representatives of legal entities, Board Secretary and relatives of the aforementioned parties.
Cumulative Voting:	A system of voting for electing members of the Bank's Board of Directors, which allows shareholders to vote proportionately to the number of shares they hold. Each shareholder is entitled to only one

vote per share. This allows a shareholder to cast all of their votes for a single candidate or divide them among several candidates.

Governance Report:	A report outlining the Bank's corporate governance applications and practices, and it is incorporated into the Annual Report of the Bank and is signed by the Chairman of the Board.
Relatives:	Father, mother, brother, sister, spouse, and offspring.
Corporate Governance	The system that governs and manages the bank, aimed at defining its institutional objectives and achieving them, managing the bank's operations securely, protecting depositors' interests, complying with due responsibility towards investment account holders, shareholders, and other stakeholders, and adhering to prevailing legislation and internal bank policies.
Stakeholders	Any party with an interest in the bank, such as depositors, investment account holders, shareholders, employees, creditors, customers, or relevant regulatory authorities.
Independent member:	A board member of the bank who is not a major shareholder, and who is not under the control of any of them, and who possesses the qualifications or financial and banking expertise as outlined in Chapter Three / Section Two (Paragraph D).
Senior Executive Management:	This includes the bank's General Manager or Regional Manager, Deputy General Manager or Deputy Regional Manager, Assistant General Manager or Assistant Regional Manager, Financial Manager, Operations Manager, Facilities Manager, Treasury (Investment) Manager, Risk Management Manager, Internal Audit Manager, Compliance Manager, in addition to any bank employee holding the same job title and possessing executive authority parallel to any of the aforementioned authorities and/or directly reporting functionally to the General Manager.
Suitability:	Individuals nominated for membership on the bank's board of directors and senior executive management must meet specific requirements for honesty, integrity, reputation, competence, and qualifications, as outlined in the corporate governance instructions.
Consulting Agreement:	The agreement or contract between the consultant and the bank, whereby temporary consulting services are provided, or under an annual contract.
External Auditor:	Includes the audit office, the partners in the audit office, and the members of the audit team.
Auditing Firm	The office through which the audit team practices the profession, registered with the Companies Control Department at the Ministry of

Industry, Trade, and Supply as a civil company licensed to practice the profession in accordance with prevailing legislation.

Auditing Partner: A licensed partner in the audit office in charge of the auditing task and the report issued on its behalf. The partner has the experience, academic qualifications, and professional certifications required to sign the audit report.

Audit Team: Team members conducting audit procedures under the supervision of the partner responsible for auditing; this does not include non-audit services team members outside the scope of audit services.

Second: Corporate Governance:

It is the set of relationships between the Bank's Board of Directors, the Executive Management, Shareholders, and other parties that have an interest in the bank. It defines the mechanism through which it clarifies the institution's objectives and means to achieve those goals and monitor their achievement. Therefore, sound corporate governance provides both the Board of Directors and the Executive Management with appropriate incentives to reach the goals that are of interest to the Bank, and facilitate the creation of an effective monitoring process, and thus help the Bank use its resources efficiently.

In addition, it is the system that shows the manner in which authorities are exercised and decisions are made. It is how the Bank manages its operations securely, protects the interests of depositors, adheres to the due responsibility towards shareholders and other stakeholders, as well as regulate the Bank's compliance with the internal legislation and policies of the bank.

Third: Aspects of Corporate Governance:

1. Internal factors:

Corporate Governance is represented in the effective interaction between the shareholders, the Board of Directors, the Executive Management of the bank and other relevant parties. Proper Corporate Governance facilitates the Bank's ability to define and achieve the objectives set forth by the Board of Directors and the strategies developed by Executive Management to reach those objectives.

2. External factors:

External factors include the following: -

- Compliance with laws, legislations and instructions that protect the rights of shareholders and other related parties, such as depositors and other creditors of the Bank.
- Availability of the appropriate control environment provided by the regulatory authorities.
- Availability of capital market infrastructure that increases the ability of shareholders to hold the Bank's management accountable.
- Adherence to accounting standards related to the accurate and timely presentation of financial statements, as well as setting the proper methodology of disclosure.
- The presence of a third party monitoring the Bank's performance, such as the financial market, the Central Bank, international rating agencies, professional and commercial associations, and others.

- The availability of an appropriate legal, legislative and supervisory environment that clarifies the rights of the Bank's stakeholders.

Corporate Governance requires the provision of both the internal and external environment, knowing that the availability of one does not necessarily mean the availability of the other. In both cases, the following elements are the guiding principles for achieving good institutional control:

- Fair Treatment:

Small shareholders and related parties are treated fairly, and their interests are taken into consideration.

- Transparency:

The Bank discloses to stakeholders, the financial and organizational information and the remuneration of the Executive Management in a manner that enables shareholders and depositors to evaluate the bank's performance in accordance with the instructions of the Central Bank of Jordan issued under the Banking Law. The Bank also stays up to date with changes that occur in international financial reporting practices and the scope of transparency required by institutions. The Bank is committed to providing quality information about all its activities to the supervisory authorities, shareholders, depositors, other banks, and the general public in general through various types of reports and communication tools.

- Accountability:

The Executive Management is obligated to answer any inquiry when it is held accountable by the Board of Directors regarding the implementation of plans and the implementation of the policies established by it to ensure the preservation of the Bank's assets and the soundness of its financial position.

- Responsibility:

The Bank's organizational structure, approved by the Board of Directors, defines channels of communication and limits of responsibilities. The structure of power approved by the Board of Directors also indicates and clarifies the limits of responsibility.

The Board of Directors supervises the Executive Management while the Executive Management is responsible for the Bank's day-to-day business. The Board is committed to setting clear limits of responsibility and accountability and requiring all administrative levels in the Bank to adhere to them. The BOD will ensure that the organizational structure clearly reflects the lines of responsibility and authority, so as to include several levels of control. In addition, the Board shall ensure that the Senior Executive Management undertakes its responsibilities pertaining to the management of the Bank's day-to-day operations, contributes to implementing corporate governance and delegates authorities to personnel, creates an effective administrative environment promoting accountability, and performs tasks in various business areas and activities in line with the policies and procedures approved by the Board. The Board shall adopt appropriate regulatory guidelines that enable it to hold the Senior Executive Management accountable.

Fourth: The Importance of Corporate Governance for a Bank:

1. The Jordanian banking sector, which includes the Jordan Commercial Bank, is one of the most important components of the Jordanian economy, and this sector is universally subject to regulation

and auditing. It uses the government's financial security networks; therefore, it is fundamental to have a robust corporate governance system at the Bank.

2. The most important source of funds entering the bank comes from the money of others, especially depositors. In light of the intensity of competition in the Jordanian capital market, the existence of sound corporate governance in the bank will maximize the bank's share in the market.
3. In order to maintain the integrity and strength of the Bank's financial position, the members of the Board of Directors play an effective and important role in the corporate governance of the bank through their supervisory role, as well as, providing a good risk management system that allows alignment between returns and risks within the limits permitted by the Bank's position and strategy and through compliance with laws and instructions at all administrative levels.
4. Corporate Governance enhances the bank's performance by providing a mechanism to link the interests of shareholders and other relevant bodies in the Bank.

Part II: Standards Pertaining to the Board of Directors

First: Board of Directors and Board Meeting Structure:

- The number of members of the Board of Directors will not be less than (11) unless the bank is owned by a single shareholder, in which case the minimum number of board members will be seven members, and not more than (13 members) with practical and professional experience and specialized skills. The chairman or any board member may not hold a board member position as well as any executive position or any other position that involves the daily management of the bank or any consultancy position in the bank.
- The number of independent members is not less than four (4).
- Members are elected according to the cumulative vote by the General Assembly of the Bank through a secret ballot.
- The Jordan Commercial Bank shall ensure diversity and skill in the expertise of the Board members, providing a wide range of insights and perspectives that align with the bank's size, nature of activities, and strategy. Board members are required to reside in the Hashemite Kingdom of Jordan on a permanent basis.
- The bank ensures that women are represented on the board and in senior management.
- The Board of Directors is responsible for creating committees that are in charge of following up and monitoring the workflow at the Bank as well as submitting subsequent reports. The Board determines the responsibilities, tasks, and powers of these committees upon their formation and establishes a special charter for each committee.
- The positions of the Chairman of the Board and the General Manager (or CEO) are not combined. The Chairman of the Board or any of the Board members or major shareholders has no relationship with the General manager, up to the third degree. The General Manager (CEO) must assume the following duties:
 - Developing the bank's strategic direction.
 - Implementing the bank's strategies and policies.
 - Implementing the decisions of the Board of Directors.
 - Provide guidance to implement short- and long-term business plans.
 - Communicating the vision, mission, and strategy of the bank to the employees.
 - Informing the Board of all important aspects of the bank's operations.
 - Managing the day-to-day operations of the bank.
 - Adoption of a detailed description of the tasks of each organizational unit (except for control departments, where their approval is required from the competent committee), to be reviewed by all bank employees according to their specialization.

- The Board of Directors holds its meetings upon a written invitation from the Chairman, or Vice President in the event of his absence, or upon a written request submitted to the Chairman of the Board of Directors by at least a quarter of its members and in the presence of most of its members. Board Members must allocate sufficient time to carry out their duties and their responsibilities, including prior preparation for Board Meetings of no less than six (6) meetings during the year. The Bank is obligated to hold a Board Meeting within a period that does not exceed two months.
- Board members may attend board and committee meetings through any means of visual telecommunication, provided that the chairman of the board and the secretary approve the minutes of the board meeting and its legal quorum. The chairman of the committee and the secretary are responsible for the minutes of the committee meeting and its legal quorum.
- The quorum for any committee meeting shall not be less than (3) members, including the committee chairman, except for the Facilities Committee. Furthermore, it is not permissible to appoint an alternate member in the absence of the original member during any committee meeting.

The Chairman of the Board shall consult with the other members and the General Manager when preparing a specific agenda of topics to be presented to the Board. The agenda will be presented to the Board of Directors and sent with relevant documents to the members in advance prior to the meeting. The meetings of the Board of Directors and the committees emanating from it shall be recorded in official minutes that outline the actions taken and decisions made by the Board and respective Board Committees.

The minutes will be construed as legal evidence of the decisions made during the meetings by the Board of Directors and Committees to prevent the occurrence of any confusion. Accuracy is considered when writing these minutes, with precise recording of any votes that took place during the meetings and attaching any documents or referring to any documents that were referred to during the meetings and recording any reservations that were raised by any member. The Bank ensures to keep all these minutes appropriately. As for topics that are pertaining to Palestine, the Palestinian Monetary Authority must be provided with the results of the decisions of the minutes within one month from the date of the meeting.

Each Board Member selected serves 4 years in a term, with the option to renew (there is no maximum number of terms a member may serve), given that the re-appointment process is based on an assessment of the continuity of the board member's ability to perform the necessary tasks assigned and to maintain an adequate amount of objectivity in performing an assignment.

Second: Duties and Responsibilities of the Board of Directors:

In accordance with the Bank's statute, relevant laws and legislation, and the Central Bank's instructions, the Board of Directors must exercise its roles and responsibilities, which include the following:

1. The Board will define the strategic objectives of the Bank, direct the Executive Management to prepare a strategy to achieve these goals, and adopt policies, plans, and procedures to oversee and monitor the performance of the Bank.
2. The Board will select the Executive Management team that can manage the Bank's affairs efficiently and effectively.

3. The Board will supervise the higher Executive Management and follow up on its performance and ensure the safety of the Bank's financial conditions and its solvency. It shall adopt appropriate policies, plans, and procedures to supervise and control the Bank's performance.
4. The Board will adopt a policy to monitor and review the performance of the Executive Management by setting key performance indicators (KPIs) to define, measure and monitor performance and progress towards achieving corporate goals.
5. The board is responsible for ensuring that the bank's credit policy includes an assessment of the quality of corporate governance for its clients from public joint-stock companies, whereby client risks are evaluated based on strengths and weaknesses according to their level of corporate governance.
6. The Board will ensure that comprehensive policies, plans and work procedures are developed for all Bank activities, and they meet the relevant laws and regulations. Ensure that they have been circulated to all administrative levels and are reviewed regularly. Moreover, it shall monitor policy implementation and verify the validity of adopted procedures in this regard.
7. The Board shall identify the corporate values of the Bank and draw clear lines of responsibility and accountability for all the Bank's activities, adopting an organizational structure that outlines the hierarchical organization including Board committees and the Executive Management.
8. The Board shall ensure that no member of the Board or Executive Management or any of the Bank's employee obtains a personal gain at the expense of the Bank's best interests.
9. The Board shall verify the accuracy of the information provided to the regulatory authorities.
10. The board is responsible for implementing the Central Bank's requirements, as well as the requirements of other regulatory and supervisory authorities relevant to its operations, while keeping stakeholders' interests in mind. It ensures that the bank is managed in accordance with its internal policies and legislation, and that effective supervision is always available over the bank's activities, including those delegated to external entities.
11. The Board shall approve the internal regulations and instructions of the Bank, and identify the authorities, duties and means of communication among all management levels, which guarantee administrative and financial control over the Bank's activities.
12. Ensuring the independence of the external auditor initially and throughout.
13. Adoption of the tasks and responsibilities of the Compliance Management Department.
14. Ensure the Risk Management Department's independence by granting the department the necessary authority to obtain information from other bank departments and collaborate with other committees to carry out its tasks.
15. The Board shall adopt and oversee the implementation of a risk management strategy that articulates the acceptable risk appetite levels and ensures that the Bank is not exposed to high risks. It shall be familiar with the Bank's operational work environment and its associated risks, ensuring that there are risk management tools and infrastructure in place at the Bank to identify, measure, control and monitor all types of risks faced by the Bank.
16. The Board shall approve the Bank's Risk Appetite document.
17. The Board shall ensure that there are adequate and reliable management information systems (MIS) in place covering all the Bank's activities.
18. The Board shall develop a policy that includes the Bank's responsibility for environmental and social protection (Environmental and Social Policy), which includes the bank's disclosures in its annual report and/or within its sustainability report on initiatives undertaken by the Bank in this regard, including:
 - Social initiatives in environmental protection, health, and education.
 - Social initiatives to combat poverty and unemployment.
 - Encouraging micro and small-scale financing.
 - Participation in initiatives with added economic value to the community.
19. The Board shall take adequate measures to ensure a clear separation between the authorities of major shareholders and the Executive Management, employing appropriate mechanisms to limit any influences

- by major shareholders. The Senior Executive Management shall derive its authority solely from the Board of Directors and shall operate within the framework of the delegation granted to it by the Board.
20. The Board shall determine the banking operations that require its approval. However, in doing so, it shall seek to limit the scope of such operations so as to maintain its supervisory role. The Board shall not grant executive powers, including the power to extend credit, to a single member of the Board, including the Chairman.
 21. The Board shall specify the roles of its Secretary, terminate their services, and determine their remuneration, with duties including the following:
 - Attend all Board Meetings and record all deliberations, proposals, objections, reservations and voting on draft resolutions of the Board accurately.
 - Setting the dates of Board Meetings in coordination with the Chairman.
 - Ensuring that Board Members sign meeting minutes and resolutions.
 - Following up on the implementation of Board resolutions and the discussion of topics postponed at previous meetings.
 - Keeping records and documents of Board meetings.
 - Taking the necessary measures to ensure that all resolutions to be issued by the Board are in line with the laws and regulations, including those issued by the Central Bank.
 - Preparing for the General Assembly meetings and working in cooperation with Board Committees.
 - Providing the Central Bank with a copy of the declaration of suitability signed by each Board Member.
 22. Members of the Board and its committees shall communicate with the Executive Management and the Board's Secretary to facilitate the performance of the tasks assigned to them, including the outsourcing of certain tasks, as needed, at the expense of the Bank and in coordination with the Chairman. No Board member may influence the decisions of the Executive Management in any way except through deliberations that take place in the meetings of the Board or Board Committees.
 23. The Board shall approve and review, at least once a year, the succession plans of the Executive Management, which set out the necessary qualifications and requirements of these positions.
 24. The Board shall approve the organizational structure of the Bank, ensuring that it clearly reflects the lines of responsibility and authority, in accordance with the provisions specified in the executive management's tasks within the organizational structure.
 25. The Board shall ensure that the Senior Executive Management undertakes its responsibilities in relation to the management of the Bank's day-to-day operations and that it contributes to the application of corporate governance within the Bank. It shall also ensure that the Senior Executive Management delegates powers to employees, creates an effective management environment that promotes accountability, and performs tasks in the various areas and activities in a manner consistent with the policies and procedures approved by the Board. Moreover, the Board shall adopt suitable regulatory controls that enable it to call the Executive Management to account.
 26. The Board is responsible for establishing a policy to ensure the suitability of senior executive management members of the bank. This policy should specify the minimum standards, requirements, and conditions that senior executives must meet. The board should review this policy on a regular basis and implement appropriate procedures and systems to ensure that all members of senior executive management meet and maintain the suitability standards.
 27. Verifying that the General Manager possesses integrity, technical competence, and banking experience.
 28. The Audit Department is in charge of drafting the Internal Audit Charter and obtaining board approval based on the Audit Committee's recommendations. The Internal Audit Charter should outline the Internal Audit Department's responsibilities, authorities, and methodologies.
 29. The Board shall approve the appointment of the General Manager, Chief Auditor, Risk Manager, and Compliance Manager, as well as accept their resignations or terminate their services, subject to the Central

Bank's approval and the recommendation of the relevant committee. The Central Bank reserves the right to summon any bank executive and investigate the reasons for resignation or termination of services.

30. The Board shall approve the appointment of executive management, accept resignations or terminate services, and ensure the availability of the required expertise and skills, based on the Nominations and Remuneration Committee's recommendations.
31. The Board shall ensure the independence of the Compliance Department, adopt its tasks, and ensure that it continues to be staffed with sufficient and trained staff.
32. The Board shall lay out the necessary procedures ensuring that all shareholders, including non-Jordanians, exercise their rights and that they are treated in a fair and equal manner without discrimination.
33. The Board shall regulate the Bank's financial, accounting and administrative affairs in accordance with the relevant internal regulations.
34. The Board shall appoint a liaison officer to follow up on the implementation of corporate governance with the Jordan Securities Commission.
35. The Board shall approve the Bank's disclosure and transparency policy and follow up on the implementation thereof in accordance with the requirements of the regulatory authorities and applicable legislation.
36. The Board shall approve the succession policy as well as the HR and training policies at the Bank.
37. The Board shall establish a mechanism that allows shareholders who own at least 5% of the Bank's subscribed shares to add items to the agenda of the Bank's ordinary General Assembly meeting, prior to sending it, in its final form, to the shareholders. It shall provide the Jordan Securities Commission with this mechanism.
38. The Board shall approve the risk management policy to handle the risks to which the Bank may be exposed.
39. The Board shall approve the governance report and incorporate it into the Bank's annual report.
40. The Board may appoint an advisor if deemed necessary and for clear and specific justifications, provided that the advisor's tasks align with the nature of the advisor's work and do not include any supervisory or executive responsibilities. This should happen within a certain time frame and without jeopardizing the board's supervisory mission over the bank's operations in accordance with its legislative duties, which include banking regulations. This appointment requires a non-objection from the Central Bank.
41. The board must exercise due diligence when deliberating on any matters related to the bank's operations. This entails considering sound principles to reach decisions that ensure the highest professional standards are met when carrying out its duties.
42. Taking the necessary steps to improve internal auditing effectiveness by prioritizing and integrating auditing activities into the bank's overall framework. Ensure and reinforce internal auditors' independence by granting them appropriate status within the bank's organizational hierarchy and ensuring they have the necessary knowledge, skills, and competence to perform their duties. Guaranteeing their right to access all records and information, as well as communicate with any bank administrator, so that they can complete their assigned tasks and prepare their reports without interference.
43. The Board evaluates the CEO's performance annually using the system developed by the Nomination and Remuneration Committee and approves the system, which defines key performance indicators as outlined in the Nomination and Remuneration Committee's tasks.
44. The Board shall approve the corporate governance report and its inclusion in the bank's annual report.
45. The Board shall inform the Central Bank of any significant information that may adversely affect the suitability of members of the Senior Executive Management.
46. In addition to the Board of Directors' tasks and responsibilities for Information Management and Technology, as outlined in the attached Information Technology Governance Guide.
47. Each Board Member shall, at minimum:
 - o Have knowledge of the legislation and principles pertaining to the banking activities and the Bank's operational environment and keep pace with all developments therein as well as external developments related to its business, including requirements for appointment in Senior Executive Management positions.

- Attend Board meetings and Board Committee meetings as required, as well as the General Assembly meetings.
- Not disclose the Bank's confidential information or use such information for their own benefit or for the benefit of others.
- Put the Bank's interest first in all dealings with any other company in which they have a personal interest; avoid exploiting the Bank's commercial business opportunities for their own benefit; avoid conflict of interest and disclose to the Board, in detail, any potential conflict of interest that may arise; and not attend, or participate in the decisions made at, a meeting discussing subjects that may involve a suspected conflict of interest. Such disclosure shall be recorded in the minutes of the Board meeting; and
- Devote sufficient time to perform their duties as a Board member.

Third: Role of the Chairman of the Board

The Chairman of the Board shall undertake the following responsibilities, as a minimum requirement:

1. Build a constructive relationship between the Board and the Executive Management.
2. During Board Meetings, encourage member to express their opinions on issues discussed in general and those with opposing viewpoints, encourage discussions, and voting on such issues.
3. Deliberate on strategic and important issues extensively during Board meetings.
4. Ensure that the Bank upholds high corporate governance standards.
5. Make sure that all Board Members receive and sign minutes of previous meetings as well as receive detailed meeting agendas and any additional information about the topics that will be discussed during the Board meetings prior to the meeting through the Board's secretary.
6. Ensure that there is a charter that describes and organizes the work of the Board.
7. Ensure that each Board member is provided, upon election, with the relevant banking laws, the Central Bank instructions related to the Board's functions, and the corporate governance instructions for banks in addition to a booklet describing the rights, responsibilities and duties of Board members as well as the tasks and duties of the Board's Secretary.
8. Ensure that each Board member is provided with sufficient information about the Bank's business upon appointment or at request.
9. Hold discussions with any new member with the assistance of the legal advisor / head of legal department and the bank secretary regarding the Board's duties, especially concerning legal and regulatory requirements to clarify the tasks, authorities, and other matters related to membership, including the tenure, meeting schedules, committee duties, remuneration, and the possibility of obtaining independent specialized technical advice when necessary.
10. Send an invitation to the Central Bank to attend General Assembly Meetings, with sufficient advance notice to appoint a representative.
11. Provide the Central Bank with the minutes of the General Assembly Meetings within a period not exceeding five business days from the date of approval by the company's auditor or their representative.
12. Ensure that the Central Bank is informed of any significant information that may adversely affect the suitability of Board Members as well as the suitability of the legal representative.
13. Make sure that Board Members receive ongoing training and development, and that new Board Members are provided with an Orientation Program that considers their banking knowledge. This program should consider the member's banking background and cover, at minimum, the following topics:
 - The bank's organizational structure, corporate governance, and code of professional conduct.
 - Corporate objectives, the bank's strategic plan, and its adopted policies.
 - The financial status of the bank.
 - The bank's risk structure and its risk management framework.

Fourth: Executive Management Responsibilities:

- Implementing and managing the bank's activities in accordance with the board's approved strategies/policies, as well as the systems, risk management, operations, and controls necessary to manage all types of risks the bank is exposed to, ensuring that they do not exceed the Board's acceptable and approved risk levels, and complying with all applicable legislation and internal bank policies.
- Verifying the existence of comprehensive work procedures for all bank activities that are consistent with applicable legislation and board-approved strategies/policies, with these procedures endorsed by the General Manager or Regional Manager of the bank's foreign branch (except for regulatory departments, which require endorsement from the relevant committee), and ensuring their implementation.
- Preparation of financial statements.
- Preparing the bank's overall organizational structure and obtaining board approval, as well as preparing sub-organizational structures for all operational units and obtaining General or Regional manager approval. This excludes sub-organizational structures specific to local bank supervisory departments, which are approved by the board based on the relevant committee's recommendations. These structures should clearly define the administrative hierarchy and reflect lines of responsibility and authority in a detailed and transparent way. At a minimum, the overall organizational structure should include:
 - The board and its committees.
 - The executive management and its committees.
 - Separate departments for risk management, compliance, internal audit, and internal Shariah audit in a manner that enables them to perform their duties independently, including refraining from engaging in executive functions, and ensuring they have a direct reporting line to the relevant committee and an indirect reporting line to the CEO.
 - Units that do not participate in executive activities, such as credit review staff and the middle office.
 - Subsidiaries and external branches (if any).
- Prepare an annual budget and have it approved by the Board and submit periodic performance reports to the Board showing deviations in actual performance from the estimated and the reasons behind them.
- Refrain from engaging in any practices that may affect the independence and objectivity of the supervisory departments, as cooperation between these departments and various bank units and the executive management is required to carry out their responsibilities. They must inform senior executive management of any significant issues requiring immediate action for resolution once identified by any of these departments. However, this does not prevent these departments from informing the relevant committee about such issues.
- Provide the regulatory authority, external auditing, internal auditing, and any relevant entities, within their specified timeframes, with the necessary information and disclosures required to perform their duties effectively.

- Ensure that appropriate control measures exist for each activity or process and keep approval and execution procedures separate on an administrative and operational level.

Fifth: Shareholders and Their Role in Corporate Governance

Legal sovereignty and supreme authority are vested in the shareholders who convene through the General Assembly to review and deliberate on the Bank's matters. It should be noted that the interest of shareholders is not limited to just monitoring the prices of shares and receiving dividends, but it goes beyond that to monitoring the Bank's performance through financial statements and continuously communicate with the Bank's Management to stay abreast of the latest developments. Shareholders also attend General Assembly meetings, participate in voting on decisions, and discuss all aspects of the Bank's business and outcomes with Board members. Moreover, shareholders play a key supervisory role in monitoring the performance of Board Members and in obtaining the information that enables them to exercise their rights to the fullest.

Sixth: Stakeholder Rights

- The Board shall develop a specific mechanism to guarantee communication with stakeholders by disclosing and providing relevant information to stakeholders about the Bank's activities through:
 1. General Assembly meetings
 2. Annual Report
 3. Quarterly reports containing financial information in addition to the Board's report on the Bank's stock trading and financial position during the year
 4. The Bank's website
 5. Shareholder Relations Division
- The Bank shall ensure that a part of the Bank's website is designated to clarify shareholders' rights and encourage shareholders to attend and vote at the General Assembly meetings. Also, information on General Assembly meetings, including the full text of the invitation and meeting minutes shall be published on the website in a manner that does not conflict with the law or regulations of banking confidentiality.
- Ensure that stakeholders receive timely financial and non-financial information.
- Ensure that the bank's annual report includes a statement indicating the Board's responsibility for the accuracy and sufficiency of the bank's financial data and the information contained in that report, as well as the sufficiency of internal control and oversight systems.

First: Suitability

The Board and Nominations and Remuneration Committee shall be responsible for ensuring that the Board Members and Senior Executive Management exhibit the highest level of credibility, integrity, competence, qualifications, and expertise and that they can devote sufficient time and commitment to serving the Bank effectively in line with the Jordan Commercial Bank's Suitability Policy, which outlines the conditions that must be met by each of them.

The Senior Executive Management includes the Bank's General Manager, Regional Manager, Deputy General Manager, Deputy Regional Manager, Assistant General Manager or the Assistant Regional Manager, Chief Financial Officer, Operations Manager, Facilities Manager, Treasury (Investment) Manager, Risk Manager, Internal Audit Manager, and Compliance Manager. It also includes any Bank employee possessing an executive authority corresponding to the authorities of any of the aforementioned persons and directly reporting to the General Manager.

Second: Qualifications of Board Members

The Chairman and every member of the Board must meet certain requirements in terms of professional experience, personal traits and solvency as well as have the following expertise, qualifications and competencies:

A. Experience and Qualifications:

- Independent judgment and ability to participate in taking sound decisions.
- Knowledge of financial statements and acceptable understanding of financial percentages used in measuring performance.
- Reasonable expertise or skills in the areas of accounting, finance, banking or any other banking expertise.
- Commitment to learning the Bank's operations, fulfilling contribution requirements and dedicating sufficient time and effort to serving the Bank.
- Readiness to resign from the Board of Directors in case of any change in professional responsibilities.
- Understanding and knowledge of the best international practices in the area of management and their applications to the rapidly evolving business environments.
- Short- and long-term crisis management abilities.
- Knowledge of global markets.
- Ability to provide strategic direction and demonstrate clear futuristic vision.

B. Board Membership Requirements

The Board of Directors adopts a suitable policy that includes the criteria, requirements, and conditions that must be met by the candidate member. The policy is reviewed whenever necessary, within adequate procedures and systems to ensure that members meet the suitability criteria and continue to do so. Those who hold the position of Chairman or member of the Bank's Board of Directors must meet the following conditions:

- Is not less than 25 years of age.
- Is not a Board Member, General Manager, Regional Manager, or employee of another bank inside Jordan unless it is a subsidiary of the Bank.
- Is not a lawyer, legal counsel or auditor of the Bank, or a consultant for any other Bank inside Jordan.
- Has a minimum of a University Degree in Economics, Finance, Accounting, Business Administration, or other relevant fields. The Nominations and Remuneration Committee may consider adding other specializations

(such as Law and Information Technology) if combined with relevant banking experience, or activities related to it, in a manner that considers diversity of skills and experiences, providing a wide range of insights and perspectives that align with the bank's size, nature of business, and strategy.

- Is not an employee of the government or any public institution unless he/she is a representative of the institution.
- Has a minimum of five years of experience in banking, finance, economics, or other fields related to banking activities.
- Not to have any relationship, including up to the third degree of kinship with the Bank's General Manager, and up to the first degree with any other member of the Senior Executive Management.

C. Diligence and Loyalty

Members of the Bank's Board of Directors shall undertake their responsibilities in a diligent and loyal manner, as follows:

1. Honesty

The Board member's relationship with the Bank shall be one based on honesty, whereby that member, like any other Bank employee, shall communicate any relevant information prior to conducting any deal or commercial transaction with the Bank.

2. Loyalty

In the case of a conflict of interest between a Board Member dealing with the Bank and the Bank itself, the Board Member shall be required to fulfill the same requirements that he/she would have been required to fulfill if he/she had no relationship with the Bank. To that end, the Board Member shall undertake his/her role honestly, be mindful of the Bank's interests, avoid conflict of interest, and refrain from abusing his/her position or using any information accessible to him/her as a Board member for personal gain. The Board member shall advise the Board of any potential conflict of interest and refrain from voting on any resolutions related to this subject.

3. Diligence

Board members shall perform all the duties stipulated in the applicable laws and regulations and seek to obtain all necessary information to ensure that all decisions taken are in the interest of the Bank.

To fulfill the desired level of diligence, Board members must be knowledgeable of and familiar with the Bank's activities as well as the markets and sectors it serves. They shall attend Board meetings and properly prepare for them beforehand, especially in relation to the decisions to be taken, as well as honestly undertake assigned duties. Moreover, they shall look for any warning indicators, follow up on important matters with the Bank's Management, obtain objective advice when necessary, and comply with the provisions of various laws pertaining to the Bank.

D. Independence

1. The Board must exercise effective leadership that is independent of the Bank's Management, as there are no executive members within the board. The number of independent Board Members shall not be less than four (4).

The most significant relationships that may affect a member's independence in the Bank is the existence of conflict between memberships in different boards of directors, an advisory relationship with entities related to the Bank, a direct or indirect business relationship between the member and the Bank, or the forging of any new relationship with the Bank that has been created and developed as a result of that person's membership on the Board.

2. To guarantee a Board Member's independence, he/she shall regularly disclose in writing any personal interest that may exist in any transaction or contract with the Bank for himself/herself, his/her spouse or relative up to the third degree if any of the aforementioned persons has an influential stake in a company to which such transaction or contract is related. No Board Member may participate in any meeting where said transaction or contract is discussed. The impact of other activities on that person's independence as a member of the Bank's Board shall be assessed.

An independent member is defined as a member of the bank's board of directors who is not a major shareholder, is not under the control of any major shareholder, and possesses the following qualifications or experience in finance or banking:

1. To be a natural person.
2. The Board Member has not been an employee of the Bank, or any subsidiary, or a consultant for the Bank or any of its subsidiaries in the past three years preceding his/her election.
3. The Board Member is not related, up to the second degree, to any other Board Member or a member of the board of directors of any subsidiary of the Bank, or to any major shareholder of the Bank.
4. The Board Member is not related, up to the second degree, to any member of the Bank's Executive Management or the executive management of any of its subsidiaries.
5. Not to be a partner or employee of the bank's external auditor and not to have been a partner or employee during the three years preceding his nomination.
6. The Board Member is not a major shareholder, or a representative or an affiliate of a major shareholder of the Bank, or his involvement with an allied contribution constitutes the amount of contribution of a major shareholder and is not a major shareholder in the Bank's group of owners.
7. Not to have served as a member of the Bank's Board of Directors or any of its subsidiaries, or as a member of their Board of Directors, for more than eight consecutive years. If any independent member loses their independence for this reason, the bank, after the member's departure and for a period of at least four years (Cooling-off Period), if there are sufficient justifications, may apply to the Central Bank for Non-Objection to consider him as an independent member.
8. Not to be, nor their spouse, a first-degree relative of the candidate, or a member of the Board of Directors, owner, major shareholder, or a Senior Executive in a company where the credit granted by the Bank to them exceeds (5%) of the Bank's regulatory capital. Also, not to act as a guarantor for credit from the Bank exceeding the same percentage. The Central Bank may consider certain cases related to individuals who are candidates and have memberships in public joint-stock companies.

9. The Board Member, or any of his/her relatives, must not have a direct or indirect interest in the contracts, projects and engagements made with the Bank, or any sister or affiliate company thereof, and whose value equals or exceeds JD 50,000 (fifty thousand Jordanian Dinars).
10. The Board Member must not own 5% or more of the Bank's subscribed shares, or of any sister or affiliate company thereof.
11. The Board Member must not be a relative of any of the Bank's shareholders who own 5% or more of the Bank's subscribed shares.
12. The Board Member possesses extensive experience and qualifications in finance or banking.

E. Knowledge

Board Members shall be knowledgeable of banking operations, risks to which the Bank may be exposed, and financial statements reflecting the Bank's financial position. In addition, they shall be familiar with the laws, legislation and instructions with which the Bank must comply, stay abreast of new developments in the financial services sector, attend Board Meetings and Board Committee Meetings, and review the reports and recommendations presented by the Bank's Executive Management, internal auditor, external auditor and regulatory authorities.

F. Code of Professional Conduct

- The executive management prepares the bank's Code of Professional Conduct, which is approved by the Board and disseminated to all managers in the Bank. They also develop the skills and professional behavior of the Bank's employees to align with the latest ethical standards and professional codes of conduct.
- The Board has approved and issued a Code of Professional Conduct, which the Senior Executive Management circulates at all administrative levels and ensures that the Bank's personnel adhere to the contents thereof. This includes, for example but not limited to, a ban on the use of inside information by executive officers for personal gains; rules and procedures regulating transactions with relevant related parties; and situations that may give rise to a conflict of interest.
- The Board of Directors adopts a Code of Professional Conduct to ensure the bank conducts its business with the highest integrity, including at a minimum, cases that may result in conflicts of interest, and ensures it has been disseminated to all levels of management in the bank.
- The Board is committed to ensuring that the Senior Executive Management exercises its functions with the highest integrity, avoids conflicts of interest, and implements policies and procedures objectively.
- The Board is committed to adopting controls for the transfer of information between different departments, preventing its exploitation for personal gain.

Third: Evaluation of Executive Officers' Performance:

1. The Board has devised a system to evaluate its performance and the performance of its members. This system includes the following:

- Setting specific objectives and defining the role of the Board in achieving these objectives in a measurable way.
 - Setting KPIs that may be derived from strategic plans and objectives and using them to measure the performance of the Board.
 - Ensuring regular communication between the Board and shareholders.
 - Holding regular meetings between the Board and the Senior Executive Management.
 - Reviewing the role of a Board Member in Board meetings and comparing his/her performance to other members. Feedback shall be obtained from the concerned Board Member to improve the evaluation process.
 - The extent of the member's development of knowledge in banking operations through participation in training programs.
2. The Board shall approve a system for measuring the performance of the Bank's Executive Management. This system shall include the following:

- Giving appropriate weighted measures of performance in abiding by the risk management framework and implementation of internal controls and regulatory requirements.
- Not to consider total income or profit as the sole measure of performance, but to take into account other elements to measure the performance of Senior Executives, such as the risks associated with core operations, the achievement of each department's objectives and its annual plans, as well as measuring customer satisfaction and others wherever applicable.
- The Bank must obtain the approval of the Board when appointing/transferring/promoting/assigning or accepting the resignation or terminating the services of any of the Senior Executive Management members in the Bank.

Fourth: Remuneration and Compensation for Board Members

The Bank's regulations shall determine the way by which Board Members are remunerated. Such remuneration and compensation shall be in the form of meeting attendance allowance, transportation allowance, in-kind benefits, and specific percentage of profits, and as set forth in the Board Member Suitability Policy approved by the Bank.

Part IV: Control Systems

First: Selection of Management Members and Their Oversight Role:

1. Selection of Management

The Board of Directors shall approve the appointment of a General Manager for the Bank or any of the members of the Bank's Senior Executive Management, provided that the following requirements are fulfilled (bearing in mind that the Central Bank shall be entitled to object to such appointment):

- Must be of good conduct and reputation.
- Must not be a member of the board of directors of any other bank unless it is a subsidiary of the Bank.

- Must be fully dedicated to managing the Bank’s activities.
- Must exhibit the banking expertise and competency required to carry out the Bank’s activities.
- Has a minimum of a University Degree in Economics, Finance, Accounting, Business Administration or relevant fields.
- Has at least five years of experience in banking or similar fields (most of which are in the field the job application is for). The General Manager and Regional Manager must possess at least 10 years of banking experience.
- Not to be a major shareholder and not to have any connection with the Chairman of the Board, any member of the Board, or any major shareholder in the bank, including kinship up to the third degree in the case of the General Manager and up to the first degree in the case of any other senior executive management member.

Other requirements stipulated in the Executive Management Suitability Policy shall be observed.

2. Management’s Oversight Role

The Bank’s Executive Management, through different departments and divisions of the Bank, shall furnish the Board of Directors with periodical reports, information and data, as needed, to ensure that the Board performs its oversight role on the Bank’s operations and evaluates current and potential risks so as to manage them in an efficient and effective manner.

3. External Communications

The Board shall provide related parties with accurate and timely information to enable them to monitor the Board and Executive Management and hold them accountable for the way of managing the Bank’s assets. This shall be done through the reports requested by the Central Bank and the periodic financial reports issued to shareholders and through the disclosure of the following in accordance with the applicable Disclosure Policy:

1. Names of the members of the Board of Directors and Executive Management
2. Organizational Structure and Corporate Governance Manual
3. Incentives and remuneration of members of the Board and Executive Management
4. Nature and size of operations with affiliate companies and related entities
5. Key risks facing the Bank and its Risk Management Policy

4. Planning

The Board of Directors is assigned important duties, particularly the mapping of the Bank’s general strategies and approval of work policies. This is done through participation in and approval of long-term strategic plans, annual work plan, and estimated budgets. Accordingly, the Board shall undertake the following:

- Provide a planning mechanism and appropriate work plans and ensure that these are properly implemented and monitor their outcomes.
- Measure the achievement of the Bank’s goals and objectives by developing its systems.
- Identify the Bank’s strengths, weaknesses and opportunities as well as the threats facing it.
- Ensure the availability of a competent management team.

- Verify the Management's compliance with capital adequacy ratios, liquidity ratios and availability of sources of funds, including capital, in a manner that ensures the achievement of the Bank's planned goals and objectives.

5. Policies

Since the Board of Directors is the primary body responsible for managing the risks to which the Bank may be exposed, the Bank maintains the policies mentioned below, which cover all the Bank's activities. The Executive Management ensures that these policies are in place, reviews them periodically and works on issuing unavailable policies:

- a) Credit Policy
- b) Investment Policy
- c) Fund Sources Management/Asset and Liabilities Management Policy
- d) Code of Business Conduct adopted by the Jordan Commercial Bank
- e) Personnel Affairs Policy
- f) Other policies:
 - Risk Management Policy/s
 - Compliance Control Policy
 - Anti-Money Laundering and Terrorism Financing Policy
 - Policy on Compliance with the requirements of the Foreign Account Tax Compliance Act (FATCA)
 - Policy on Fair and Transparent Dealing with Customers

And other approved policies.

Second: Internal Control Systems

The Board shall monitor the work of Senior Executive Management with the aim of verifying the effectiveness and efficiency of operations, credibility of financial reports and compliance with applicable laws, legislation and instructions. The Senior Management shall implement the following fundamental principles of internal control systems:

- Providing a regulatory environment reflected by the existence of an organizational structure that clearly outlines communication and responsibility channels.
- Establishing an independent department for risk management, supported by a risk management policy for identifying and assessing the risks to which the Bank may be exposed and determining the economic capital required to address such risks.
- Providing controls and a mechanism for the separation of responsibilities, including the separation of the responsibilities of "risk-takers" and "risk controllers".
- Observing the principle of dual control when developing regulatory controls.
- Setting work procedures allowing decision makers to have timely access to information so as to expedite activation of the contingency plan, where necessary.
- Revisiting the internal control system approved by the Board of Directors periodically by both the internal auditor and external auditor to assess its efficiency and ensure that it is in accord with applicable laws, regulations, and directives.
- Observing the independence of Risks, Internal Audit and Compliance departments and divisions.
- Providing financial and accounting systems that can demonstrate the actual financial position of the Bank and provide the information necessary for sound decision-making in a manner enabling the preparation of periodic and annual financial statements and in accord with International Financial Reporting Standards (IFRS).
- Ensuring efficiency and integrity in relation to the IT management by devising effective internal controls.
- Providing the necessary security, safety, and protection requirements for the Bank.

The following are the key themes of administrative control:

1. Internal Audit

Internal audit is an important source of information and assists the Bank's Management in identifying and efficiently managing risks.

- A. The Audit Department undertakes, at minimum, the following responsibilities:
- Verifying the availability of, and compliance with, adequate internal control systems at the level of the Bank and its subsidiaries.
 - Verifying compliance with the Bank's internal policies, international standards and relevant legislation.
 - Auditing financial and administrative matters to ensure accurate, reliable and timely financial and administrative information.
 - Reviewing compliance with the Corporate Governance Manual, and annually reviewing the policies and charters related to it, preparing a separate report, and submitting it to the Audit Committee and provide a copy to the Corporate Governance Committee.
 - Developing the internal audit charter and obtaining its approval from the Board based on the recommendation of the Audit Committee, specifying the internal audit department's duties, authorities, and work methodology.
 - Developing an audit plan covering the bank's activities, including those of other oversight departments and activities outsourced to external parties, based on the risk level of these activities, and obtaining approval from the Audit Committee.
 - Auditing financial and administrative matters.
 - Monitoring violations and observations in reports from the oversight body and the external auditor, ensuring they are addressed, and verifying the presence of appropriate controls by the executive management to prevent their recurrence.
 - Ensuring the availability of necessary procedures for receiving, processing, and retaining bank customer complaints, as well as observations related to the accounting system, internal control, audit operations, and submitting periodic reports on them.
 - Maintaining audit reports and documents for an agreed upon period in accordance with the applicable legislation, in an organized and secure manner, and making them available for review by the oversight body and the external auditor.
 - Reviewing the soundness and comprehensiveness of the stress testing scenarios in line with the methodologies adopted by the Board.
 - Verifying the accuracy of the procedures adopted for the internal capital adequacy assessment process (ICAAP).
- B. The Board commits to place the internal audit department under the direct supervision of the Audit Committee and submit its reports directly to the Audit Committee with a copy to the General Manager. The General Manager, with the consent of the Audit Committee Chairman may allocate assurance or advisory responsibilities to the internal audit department, as long as this assignment does not jeopardize the department's independence.
- C. The Board shall ensure and promote the independence of internal auditors and that internal auditors are well-positioned in the Bank's organizational structure and that they are qualified to carry out their tasks. The Board shall also ensure that internal auditors have the right to access all records and information and contact any employee of the Bank to properly carry out their tasks and prepare their reports without external interference.
- D. The Board shall take the necessary measures to enhance the effectiveness of the internal audit by recognizing the importance of the audit process and following up on the correction of audit notes.
- E. The Internal Audit Department shall be subject to direct supervision by the Audit Committee where:
- It shall report directly to the Board's Audit Committee.
 - The internal auditor and Audit Committee shall review the reports prepared by the external auditor and the Central Bank and follow up on the measures taken in relation thereto.
 - Both the internal auditor and external auditor shall cooperate and deliberate to enhance the efficiency of internal controls.

- F. The Bank shall not assign any executive tasks or responsibilities to internal auditing personnel.
- G. Internal audit assignments are prioritized on risk assessment.
- H. It shall be responsible for reviewing the Bank's financial reporting, ensuring that significant financial, administrative, and operating information is accurate, reliable, and timely.
- I. It shall ensure the commitment to the implementation of all the Bank's internal policies, directives and procedures issued by the regulatory authorities, as well as procedures and laws.
- J. Conduct at least one annual review to ensure that all transactions involving related parties are in conformity with applicable laws, the bank's internal policies, and established procedures. The internal audit department should submit its reports and recommendations on this matter to the Audit Committee, which will notify the Central Bank immediately if any applicable laws or internal regulations are violated.
- K. The performance of internal audit department employees is evaluated by the Internal Audit Manager in line with the performance evaluation policy adopted by the board.

2. External Audit

- The Bank has an external audit policy approved by the Board, which is revised as needed. The policy includes, at a minimum, the following:
 - The mechanism for nominating and appointing the auditing office.
 - The mechanism for determining the fees of the auditing office.
 - Periodic rotation of the auditing office and teams.
 - Requirements for the independence of the external auditor as stipulated in paragraph (d) of this article at a minimum.
 - The tasks of the auditing office and team.
 - The relationship of the Auditing Committee with the auditing office and team.
 - Additional services beyond the scope of auditing services that the auditing office can be tasked with.
 - Criteria for selecting the auditing office and the responsible partner.
- The General Assembly shall elect an external auditor that is licensed to perform external audits in accordance with approved international audit standards, professional standards and principles, and applicable legislation.
- The external auditor shall furnish the Internal Audit Committee with a copy of its report and shall meet with the said Committee at least once a year, without the presence of the Executive Management.
- The external auditor shall attend the Bank's General Assembly meetings.
- The external auditor shall audit the Bank's accounts as per international standards and recognized professional rules, and examine the Bank's administrative, financial, and internal control systems to ensure efficiency of the same as well as the credibility and fairness of financial statements issued by the Bank's accounting and information systems. The external auditor shall also report any breaches of the law or any financial or administrative matters that may negatively impact on the Bank's position to the competent authorities.
- The bank is committed to regular rotation of the external auditor every seven years at most, and the external auditor shall not be changed during the contract period except after obtaining the Central Bank's approval and based on substantial reasons.
- The former firm cannot be re-elected for at least three years after its previous election by the bank.
- The Audit Committee shall verify the independence of the external auditor on an annual basis.
- Upon the appointment of the external auditor, the Bank shall make sure that it is not a founder, shareholder, member of the Board of Directors, or a partner of, or an employee working for, any Board member.
- The external auditor cannot be a partner with any members of the bank's board/senior executive management or any members of the board of directors/board of trustees or any members of the senior executive management of any of the bank's subsidiaries.
- There should be no relationship up to the second degree of kinship between the responsible partner or any member of the audit team and any member of the board, any member of the board of trustees, any member of the senior executive management of the bank, or any of its subsidiaries.

- The external auditor is not allowed to own, deal in, or speculate in the shares of the bank or any of its subsidiaries, directly or indirectly.
- The external auditor is not allowed to combine audit work on the bank's accounts with any additional services outside the scope of audit services assigned by the firm.
- Upon the appointment of the external auditor, the Bank shall make sure that the former is registered with the Jordan Securities Commission.
- The external auditor is not allowed to work permanently in any technical, administrative, or consulting capacity at the bank or any of its subsidiaries during the audit engagement.
- Upon the appointment of the external auditor, the Bank shall make sure that the former acts independently as per international audit standards.
- The Bank shall ensure that the assigned auditor performs its duties in an impartial manner without any intervention by the Board or the Senior Executive Management.
- The Bank shall not appoint any employee of the external auditor's firm at the Bank's Senior Executive Management, until after one year at least has elapsed from the date of ceasing to conduct any audit works for the Bank.
- The external auditor shall perform the tasks assigned in an independent and impartial manner.
- The external auditor shall examine the Bank's administrative and financial systems as well as internal control systems, expressing an opinion on their efficiency and verifying that they are suitable for safeguarding the Bank's funds and ensure seamless operations.
- The external auditor shall verify the Bank's ownership of assets and the legality of the Bank's obligations.
- The external auditor shall attend the Bank's General Assembly meetings.
- The external auditor shall respond to shareholders' questions and queries in respect of financial statements and final accounts during the General Assembly meetings.
- The external auditor shall express an opinion regarding the fairness of the Bank's financial statements and request amendment should their fairness be compromised.
- The external auditor shall report any breaches of the applicable legislation or any financial or administrative matters that may negatively impact the Bank's position to the competent authorities.
- The Central Bank may meet with the external auditor for supervisory purposes and, if necessary, review the audit work documents.
- The Board shall take appropriate action to address any weaknesses in the internal control and oversight systems, or any other points raised by the external auditor.

3. Risk Management

The Risk Management Department shall undertake the following roles and responsibilities:

1. Submit its reports to the Board through the Risk Management Committee and provide a copy to the General Manager, including information about the actual risk profile of all bank activities compared to the risk appetite document. Monitor the rectification of negative deviations, and the executive management may request special reports as needed from the bank's risk management.
2. Develop a risk management policy/policies covering all bank operations, establishing clear scales and limits for each type of risk. Ensure that all employees, according to their managerial level, are fully aware of and familiar with these policies, with regular reviews. The risk management policy/policies must be approved by the Board.
3. Prepare a comprehensive document outlining all accepted risks for the bank and have it approved by the Board.
4. Develop a business continuity plan and have it approved by the Board, subject to regular review.
5. Ensure, before launching/introducing any new product/service/process/system, that it aligns with the bank's strategy, and that all associated risks, including operational risks, information security, and cyber

risks, have been identified. Ensure that new control measures and procedures or modifications to existing ones are in line with the bank's acceptable risk limits.

6. It shall review and analyze all types of risks that the Bank may face including credit, market, liquidity and operational risks.
7. It shall develop measurement and control methodologies for each type of risks.
8. It shall set the Risk Appetite in coordination with the Bank's relevant entities as approved by the Board, submit reports and document exceptions to such Risk Appetite to the Board, and follow up on the rectification of negative deviations.
9. It shall provide the Board and Senior Executive Management with information about risk measurement and the Bank's risk profile and follow up on the correction of deviations.
10. It shall provide the necessary information on the Bank's risks for use in the Bank's disclosures and publications.
11. Some committees of the Executive Management, such as Credit Committee, Assets and Liabilities Management Committee, Treasury Committee, and Investment Committee, shall assist the Risk Management Department in performing its duties as per the authorities designated to said Committees.
12. The Department shall monitor the compliance by various Executive Departments with the approved levels of Risk Appetite.
13. The Board shall ensure that excesses over acceptable Risk Appetite levels are addressed, including, for example, questioning the Senior Executive Management about such excesses.
14. The Board shall ensure that the Risk Management Department conducts stress tests periodically to measure the bank's ability to withstand shocks and confront high risks. The Board shall play a key role in approving the assumptions and scenarios used, discussing the test results, and approving the necessary actions based on these results.
15. The Bank shall adopt a methodology for internal assessment of capital adequacy. The said methodology shall be comprehensive, efficient, and able to identify all risks that the Bank may face. It shall take into consideration the Bank's strategic plan and capital plan. The Board shall revise the methodology regularly and ensure that it is duly implemented and that the Bank has adequate capital to face any risks.
16. Before approving any expansion of the Bank's activities, the Board shall consider the risks resulting from such expansion as well as the competencies and qualifications of Risk Management Department's employees.
17. The Board shall ensure the independence of the Risk Management Department by having it report to the Risk Management Committee and that it is granted the necessary powers to access information from the various departments at the Bank and cooperate with other committees to perform its tasks.
18. The Department shall review the risk management framework before being approved by the Board.
19. The Department shall implement the risk management strategy and develop policies and work procedures to manage all types of risks.
20. The Department shall verify the compatibility of the risk measurement mechanisms with the management information systems used.
21. Recommendations are presented to the Risk Management Committee on risk exposure and any exceptions to the risk management policy.
22. The Risk Management Department shall be directly responsible for ensuring the "prudent management of IT risks" and the "risk management" processes.

4. Compliance

- The Compliance and AML Department has been established at the Bank. It reports directly to the Board and Board Committees and maintains direct contact with the General Manager. The department has been provided with trained personnel. It shall devise an effective methodology to ensure the Bank's compliance

with all applicable laws and regulations and any relevant instructions and manuals, as well as the tasks, authorities, and responsibilities of the Compliance Department. The said methodology shall be circulated within the Bank to all personnel and the Board commits to adopting the following tasks for the Compliance Department:

- Prepare a compliance policy to ensure the bank's compliance with all relevant legislation, ensuring that all employees, according to their administrative level, are fully aware and informed of it, and this policy should be approved by the Board.
- Develop an annual compliance plan, to be approved by the Compliance Committee.
- Monitor the compliance of all levels of management in the bank with all applicable regulatory and legislative requirements, as well as international standards, including the recommendations of the Financial Action Task Force.
- Prepare regular reports that include an assessment of non-compliance risks, violations, deficiencies, and corrective actions taken, and submit them to the Compliance Committee, with copies to the General Manager.

Part V: Board Committees

- The council forms committees from among its members, and adopts a charter for each committee, which includes at least the composition of the committee, its tasks, authorities, the frequency and quorum of its meetings, the appointment of a secretary for each committee, and specifying their tasks including documenting all discussions, proposals, objections, and reservations, as well as how to vote on committee resolutions accurately. These committees also submit periodic reports to the council, and the existence of these committees does not exempt the council as a whole from bearing its responsibilities.
- Any member of the council is prohibited from being the chairperson of more than one committee from the committees mentioned in the institutional governance instructions (Corporate Governance Committee/Audit Committee/Nominations and Remuneration Committee/Risk Management Committee/Compliance Committee). Additionally, they are prohibited from being the chairperson of more than two committees from all the committees emanating from the council.
- The council forms the following committees at a minimum, whereby any member of the council is prohibited from being the chairperson of more than one committee from the committees listed below, and they are also prohibited from being the chairperson of more than two committees from all the committees emanating from the council. Furthermore, it is prohibited to delegate any authorities of any committee emanating from the council to any other authority. Additionally, the bank is prohibited from forming any committee with executive powers except for the Facilities Committee:

First: Corporate Governance Committee

The Committee is comprised of three members, the majority of whom are independent, with one being the Committee Chairman. The Committee shall include the Chairman of the Board of Directors. It shall convene regularly provided that it shall hold no less than two meetings per year, with the meeting minutes duly recorded. Duties of the Committee can be summarized as follows:

1. Supervising the preparation of the Corporate Governance Manual and its adoption by the Board, ensuring that this manual reflects the bank's perspective on corporate governance in terms of its concept, importance, and fundamental principles to the minimum extent compliant with prevailing legislation, thereby ensuring the achievement of best practices in this field, and updating it whenever necessary.
2. Providing the Central Bank with a signed copy from all committee members confirming the compliance of the manual with the institutional governance instructions within two months from the date of any subsequent amendment to the Corporate Governance Manual.
3. Ensuring the implementation of the Corporate Governance Manual.
4. Reviewing and updating the Corporate Governance Manual whenever required.
5. Inviting any person in the Bank, at all administrative levels, to seek their opinion or ask them about any matter.
6. Submitting a report to the Bank's Board of Directors at least once a year, including its opinion regarding the extent of compliance with the provisions of the Corporate Governance Manual.
7. Compiling the corporate governance report and submitting the same to the Board of Directors.
8. Examining the observations put forth by the Jordan Securities Commission with regard to the implementation of governance principles and following up on the actions taken.
9. Immediately informing the Central Bank upon verifying any breaches of the provisions and requirements of the Corporate Governance instructions.
10. Verifying the correction of the observations mentioned in the Internal Audit Department's report - or any other relevant entity - regarding the bank's compliance with the Corporate Governance Manual.

Second: Audit Committee

The majority of Audit Committee members shall be independent members of the Board, including the Committee Chairman who shall not be the Chairman of the Board or the Chairman of any other Board Committee. Furthermore, the majority of committee members hold practical qualifications in accounting, finance, or professional certifications in these fields, possessing professional and practical experience in accounting, finance, external auditing, internal auditing, or banking operations, in addition to a thorough knowledge of the instructions of the Central Bank of Jordan and regulatory authorities. The Bank shall ensure that no activities of any other committee are combined with those of the Audit Committee. The Bank's Audit Committee shall assume the following duties and authorities:

- The Committee shall recommend the nomination of auditors for appointment or termination of their service and verify that they meet the requirements set forth in the instructions of the Securities Commission and to offer recommendations to the council on the appointment of the external auditor, the termination of their services, their fees, and any terms related to contracting with them, including any additional tasks the committee intends to assign to them, as well as assessing their independence.
- The Committee shall review the fees of auditors and recommend the fair value of the same in light of the required audit scope.
- The Committee shall recommend the appointment or termination of the Internal Auditor. It shall, in general, evaluate internal and external audits; review the scope, outcomes and adequacy of accounting matters impacting the Bank's financial statements; review and develop internal control systems; and provide the necessary support to the main internal audit staff to establish their independence and pay due attention to their employment conditions.

- Approval of an audit plan encompassing the bank's activities, including the activities of other control departments and activities outsourced to external entities, according to the level of risk associated with those activities.
- The Committee's approval shall be required in respect of any amendment from the annual internal audit plan.
- The Committee shall examine and follow up on the reports of the Internal Audit Department, the Bank's auditors and the Central Bank's inspectors, and other audit reports to which the Bank is subject from time to time. It shall also study the outcomes, notes, and recommendations of the same and review the Management's response to each report and taking the necessary actions.
- The Committee has the authority to obtain any information from the Executive Management directly or from the Internal Audit Manager and is entitled to invite any employee to attend any of its meetings in accordance with the provisions of the Committee's Charter.
- The Committee shall review and monitor the procedures enabling any employee to confidentially report any error in the financial reports or any other matters. It shall also ensure that there are arrangements for independent investigation in place and follow up on the results of such investigation and objectively handle the same.
- The Committee shall follow up on the implementation of any important audit notes, whatever their source, in an efficient and prompt manner, ensuring that appropriate corrective measures are taken without delay.
- The Committee shall examine auditors' notes on internal control systems and others and review the Bank's responses to the same. This includes reviewing the correspondence exchanged between the Bank and auditors to assess the contents thereof and make relevant notes and recommendations.
- The Committee shall review the Bank's interim and annual financial statements before presenting the same to the Board of Directors, giving special care to any differences that may arise between the Management and auditors during the preparation of financial statements or their results. It shall also ensure the implementation of the Central Bank's instructions on the adequacy of bad debt reserves and security portfolio provisions and express an opinion on the Bank's non-performing debts or those proposed to be considered bad debts.
- Verifying compliance of the Internal Audit Department with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors, including conducting an external independent assessment of the internal audit activity at least once every five years and providing the Central Bank with a copy of this assessment.
- The Committee shall review any material amendments or other important issues relating to auditing processes or accounting principles applied by the Bank when preparing the annual financial statements. It shall also make sure that said financial statements conform to the instructions of the Central Bank and the Securities Commission, and other legal requirements and applicable accounting standards.
- The Committee shall consult with auditors, where necessary, on the suitability and accuracy of the Bank's internal control systems, and the extent of complying therewith, especially the adequacy of such systems for disclosing the Bank's annual financial statements in a correct and honest manner that is in line with applicable accounting rules.
- The Committee shall regularly meet with the internal and external auditors and the Compliance and AML Manager, at least once per year without the attendance of any member of the Senior Executive Management.
- The Committee shall ensure full compliance with the laws, regulations and instructions governing the Bank's business.
- The Committee shall express an opinion on other matters presented thereto by the Board of Directors from time to time.
- The Committee shall ensure the availability of adequate resources, including enough trained and qualified employees, to carry out internal audit tasks, and drive them to specialized training programs, such as corporate governance.

- The Audit Committee shall ensure the rotation of the audit of the Bank's various activities among internal audit employees every three years at most. And in case of inability to achieve that in certain areas, the committee's approval is sought for justifications of non-compliance, especially in specialized cases such as auditing in the field of information technology and cybersecurity.
- The Committee shall make sure that no executive tasks are assigned to internal auditing personnel.
- The Committee shall ensure that all the Bank's activities, including outsourced activities, and as per the risk-based approach, are audited.
- The Audit Committee is responsible for verifying the external auditor's qualifications and effectiveness, as well as ensuring that the agreement letter clearly defines the scope of the audit, fees, contract period, and any other conditions in a manner appropriate to the bank's nature, size, operational complexity, and risks.
- The Committee shall review the external auditor's report and make sure that it covers all the Bank's activities. It shall also review the Central Bank's reports and follow up on the actions taken.
- The Committee shall detail the roles and responsibilities in relation to the management of information and related technologies, as set forth in the attached IT Governance Manual.
- The Committee shall work under the supervision of the Board and shall submit its reports and recommendations on the results of its operations to the Board.
- The Committee shall examine all work carried out by the external auditor, including notes, suggestions and reservations, follow up on the Bank Management's response to the same and submit recommendations in this regard to the Board.
- The Committee shall review the external auditor's assessment of the internal audit and control procedures.
- The Committee shall review the internal audit and control reports, especially those pertaining to any violations revealed by the internal auditor.
- The Committee shall present recommendations to the Board regarding any matters related to internal audit and control procedures and the internal auditor's work.
- Ensure that the Internal Audit Department conducts at least one review per year to ensure that all transactions with the bank's affiliated entities are in conformity with current legislation, internal bank rules, and approved processes. The department must present findings and recommendations on these issues to the audit committee. The audit committee must notify the Central Bank immediately upon verifying any breaches of prevailing legislation and internal policies in this regard.
- The Audit Committee shall convene at the invitation of its Chairman, provided that the meetings held shall not be less than four (4) meetings per year, or whenever necessary, or based on a decision by the Bank's Board, or upon the request of other members, or at the request of the Internal Auditor. The meeting minutes shall be duly recorded, and recommendations shall be made by majority vote.
- Evaluate the Internal Auditor's performance and determine bonuses in accordance with the board's performance evaluation policy.
- The Internal Audit Manager/Auditor-General at the Bank shall be invited to attend the Committee's meetings. The Committee may invite any person to express an opinion regarding any given matter.

Third: Nominations and Remuneration Committee

The Nominations and Remuneration Committee is comprised of a minimum of three (3) members, the majority of whom are independent including the Committee Chairman. It shall convene regularly provided that it shall hold no less than two (2) meetings per year, or whenever necessary, with the meeting minutes duly recorded. The Committee shall assume the following duties and authorities:

1. Study the suitability of candidates for membership on the board, taking into consideration the capabilities and qualifications of the candidates, and make appropriate recommendations to the board. Also, consider the attendance and effectiveness of the member's participation in board meetings when re-nominating a member.

2. Inform any individual (including a legal representative) who applies for membership on the board in writing of the board's decision indicating that the provisions of the institutional governance instructions do not apply to them.
3. Nominate qualified candidates for the board to join the senior executive management.
4. The Committee shall work on a clear methodology to ensure that all Board members devote sufficient time to carrying out their Board duties, including, for example, the member's affiliation with other boards of directors, committees, forums, etc.
5. The Committee shall identify the strengths and weaknesses of the Board of Directors and propose the necessary steps to address them in alignment with the Bank's interests. To achieve that, it shall adopt specific, approved and objective criteria for evaluating the Board's performance, including comparisons to other banks and similar financial institutions. The Committee shall also adopt standards to ensure the integrity and correctness of the Bank's financial statements and determine the degree of adherence to regulatory requirements.
6. The Committee shall ensure that Board Members attend workshops or seminars on banking-related topics, particularly risk management, corporate governance and the latest banking developments.
7. The Committee shall provide Board members with important background information and briefs on the Bank at their request and ensure they are always updated on the latest banking developments.
8. The Committee shall ensure that there is a succession plan in place for the Senior Executive Management.
9. The Committee shall annually review the required skills for Board membership and prepare a description of the required competencies, including the time that must be devoted by the member for Board duties.
10. The Committee shall annually verify the independence of independent Board members and that there is no conflict of interest in case the member serves on the board of directors of another company. And provide the Central Bank with any updates on the independence of any of the independent members.
11. Establishing a performance evaluation policy and granting financial bonuses to the bank's executives, and periodically reviewing it, including a mechanism for determining the salaries, bonuses, and benefits of the CEO and other members of the executive management. The committee is not allowed to delegate this task to the executive management, and this policy must be approved by the board.
12. The Committee shall ensure that there are clear policies in place for Remunerating Board Members and Senior Executives and use performance-related criteria to determine said remuneration. It shall also verify that salaries are sufficient for attracting and retaining qualified talents at the Bank. The policy shall aim to observe the following:
 - The policy should be structured to recruit and retain qualified and experienced executives and to motivate them and promote their performance.
 - The controls related to the remuneration of the chairman, members of the board, and its committees in return for the tasks they perform. These remunerations may be variable according to the assessment of the performance of the board/committees/members and the soundness and performance of the bank.
 - They should be designed to ensure that executives are motivated to achieve the bank's objectives without leading to high risks that may negatively affect the bank's soundness, reputation, or expose it to legal risks.
 - The policy shall take into consideration the risks, liquidity and profits and their timing, and reflect the goals, values and strategy of the Bank.
 - Remunerations shall not be based on the performance of the current year only but shall also take into consideration the medium- and long-term performance (three to five years).
 - The policy shall define the form of remunerations, such as fees, salaries, allowances, bonuses, share options or any other form of benefits. While taking into consideration the relevant regulations.
 - It shall offer the possibility of postponing payment of a reasonable proportion of remunerations (excluding salaries). The amount of such proportion and the postponement period shall depend on the activities and nature of the work performed by the concerned executive and the risks associated therewith.

- A procedure for retracting deferred bonuses paid to executives if it is later discovered that there are any performance difficulties or that the bank has been exposed to significant risks as a result of decisions made within their authority that could have been avoided.
 - Executives of supervisory departments (e.g. Risk Management, Audit, Compliance, etc.) shall not be given remunerations based on the performance of their respective departments but rather based on their own performance and accomplishments.
13. The Committee shall approve the remuneration scheme, specifying the remunerations of the Executive Management, including the General Manager's salary and benefits. It shall also approve the staff remuneration schedule and the annual salary increase policy based on the recommendations made by the General Manager.
 14. The Committee shall present its reports/recommendations, and report the outcome of its activities, to the Bank's Board of Directors.
 15. Evaluating the performance of the board as a whole, its committees, and its members individually on an annual basis, with the committee using specific and approved criteria in the evaluation process to ensure that the performance evaluation criteria are objective and informing the Central Bank of the results. Furthermore, board members (except Nominations and Remuneration Committee members) evaluate the committee's and its members' performance on a yearly basis.
 16. The Committee shall annually evaluate the General Manager's performance according to an evaluation system prepared by them and approved by the board, which includes the establishment of key performance indicators. The evaluation criteria for the General Manager's performance should include both financial and managerial performance of the bank compared to the risk profile, as well as the extent of achievement of the bank's medium and long-term plans and strategies. Weightings should be assigned to each item of the evaluation criteria, and informing the Central Bank of the results of this evaluation.
 17. The Committee shall lay out and annually review a policy for remuneration, benefits, incentives and salaries at the Bank. Upon approving the policy, the Board shall provide the Central Bank with a copy of it within a maximum period of seven (7) business days from the date of approval.
 18. The Committee shall identify the Bank's needs of staff as well as qualified members to join the Senior Executive Management and specify the criteria for the selection.

Fourth: Risk Management Committee

The Risk Management Committee has been formed by a decision of the Bank's Board of Directors and is comprised of three (3) members, with the majority of the committee members, including the chairman, shall be independent members. The committee shall meet at least once every three months and whenever necessary and shall continue its work for the duration of the membership of the board of directors. The committee shall exercise the following tasks and authorities:

- Ensuring the existence of a comprehensive risk management strategy for the bank, including the type and level of acceptable risks for all bank activities.
- Verifying the availability of policies and tools for identifying, measuring, analyzing, evaluating, and monitoring risks, with an annual review at minimum to ensure their effectiveness and adjustment if necessary.
- Ensuring the availability of a risk management system that ensures the accuracy and adequacy of the data used to identify, measure, analyze, evaluate, and monitor risks and the losses that may result from them, and maintaining the necessary capital to address them.
- Verifying the effectiveness of the risk management department's procedures and assessing the extent of the executive management's compliance with the approved policies and procedures.

- Providing the board with regular reports on the risks facing the bank, including deviations from acceptable risk levels and the measures taken to address them.
- Keeping pace with developments affecting risk management in the bank.
- Verifying the availability of tools to assist in risk management, including but not limited to:
 - Self-assessment of risks and development of risk indicators.
 - Establishing a historical database of losses, identifying sources of those losses, and categorizing them by type of risk.
 - Availability of necessary equipment, appropriate automated systems, and quantitative methods.
- Verifying the availability of sufficient resources and an adequate number of qualified personnel for the risk management department.
- Evaluating the performance of the risk management department manager, determining their bonuses in line with the performance evaluation policy adopted by the board, after consulting with the General Manager.

Fifth: Compliance Committee:

The Compliance committee shall consist of at least three members, including an independent member, meeting at least once every three months and whenever necessary. It shall undertake the following tasks:

- Ensuring the existence of a specific compliance policy and its derived procedures, ensuring the establishment of a compliance function capable of effectively performing its duties, with the committee conducting an annual assessment of the bank's management of non-compliance risks at least once a year.
- Approving the annual plan and reviewing the periodic reports prepared by the compliance department, which include an assessment of non-compliance risks, violations, shortcomings, and corrective actions taken.
- Supervising the implementation of the compliance policy in the bank, ensuring that the bank's executive management promptly and effectively resolves all compliance-related issues.
- Overseeing the work of the compliance management, ensuring the presence of appropriate mechanisms to monitor the compliance of all management levels in the bank with all regulatory requirements, prevailing legislation, and international standards, including the recommendations of the Financial Action Task Force.
- Ensuring the availability of sufficient resources and an adequate number of qualified staff for the compliance department and subjecting them to specialized training programs.

- Evaluating the performance of the compliance department manager and determining their rewards in line with the performance evaluation policy approved by the board, after consulting with the General Manager.

Sixth: Credit Facilities Committee

The Committee has been formed by a decision of the Board of Directors. The number of its members may not be less than five (5) and any one of them may be an independent member, provided that he is not a member of the Audit Committee. Members of the Senior Executive Management may participate in the Committee's meetings to present their recommendations and exclusively examine credit facilities surpassing the authority of the highest Executive Management Committee. The legal minimum for Committee meetings shall be the attendance of at least four (4) members. Committee decisions are taken by a majority vote regardless of the number of members in attendance. The Committee shall be concerned with matters pertaining to granting credit facilities and strategic investments, and its authorities in respect of credit and investment shall be determined in accordance with the authority matrix approved by the Board. The Committee's roles and authorities can be summarized as follows:

- The Credit Facilities Committee shall take the right decision with regard to the facilities recommended for approval by the Executive Management Committee.
- The upper limits of the powers vested in this Committee regarding the granting, modification, renewal, restructuring, scheduling, or settling credit facilities shall be determined and the Board's powers in this regard shall be clarified.
- The Committee shall periodically submit to the Board details of the facilities approved by it.
- The Committee shall take decisions on exceptional cases within the limits of the authority matrix and in accordance with the applicable terms and principles, and the administrative hierarchy.
- The Committee shall approve credit transactions in accordance with the Bank's authority matrix and the Committee's charter approved by the Board of Directors.

Seventh: Strategic Planning Committee

The Committee has been formed by a decision of the Board of Directors and shall be comprised of no less than four (4) members of the Board, one of whom shall act as the Committee's Chairman. Committee members must be knowledgeable of administrative and financial matters and possess experience in banking and markets. A rapporteur shall be appointed to the Committee by the Board of Directors. The Committee shall convene regularly or whenever the need arises and shall take decisions and issue recommendations by majority of three of its members, of whom one shall be the Committee's Chairman. It shall submit its reports and recommendations, once they are issued, to the Board. The Committee shall hold no less than two (2) meetings per year. The duties undertaken by the Committee can be summarized as follows:

- The Committee shall recommend to the Board its suggestions regarding the Bank's appropriate strategic direction in light of the economic conditions, investment climate, and competition in the banking sector and developments therein.
- The General Manager shall be informed of the Board's strategic directions, plans and decisions, so that he can set the plans and executive procedures for the various business units at the Bank. Such strategic directions shall be adopted in the preparation of the annual work plans and budgets.
- The Committee shall review the General Manager's suggestions regarding work strategies to discuss them and prepare the necessary relevant recommendations for presentation to the Board.

- The Committee shall discuss the Bank's estimated annual budgets and decide thereon ahead of presentation to the Board.
- The Committee shall review the progress of annual work plans and estimated budgets, by comparing the actual accomplishments against the set targets and assess the causes of any deviation from set targets.
- The General Manager shall be invited to attend the meetings held by the Committee, in addition to any other person it deems appropriate. Dates of said meetings shall be set in coordination with the Committee's Chairman or whenever requested, provided that the General Manager is advised of the same by the Committee's rapporteur.
- The Committee's rapporteur shall be responsible for preparing the invitations for its meetings, agendas and minutes of meetings, and follow up on the implementation of its recommendations thereof as approved by the Board.
- The Committee shall undertake any other duties assigned thereto by the Board.

Eighth: Debt and Property Settlement Committee

A "Debt Settlement Committee" has been formed by a decision of the bank's board of directors, consisting of four board members. The committee members have full knowledge of debt settlement principles and possess the necessary practical and professional experience and qualifications. The committee continues its work throughout the duration of the board membership and is periodically reviewed and/or as needed.

Ninth : IT Governance and Cyber Security Committee

The IT Governance and Cyber Security Committee shall be comprised of four (4) Board members. It shall convene at least on a quarterly basis, presenting its reports regularly to the Board. It shall undertake the duties assigned to it under the IT Corporate Governance Manual.

Decisions by the Board of Directors and Board Committees shall be issued by majority vote. In case of equal votes, the Chairman shall have a casting vote. The Committees shall have the following authorities:

- Request any data or information from the Bank's personnel who shall, in turn, be cooperative and provide such information in a complete and accurate manner.
- Request legal, financial, administrative or technical advice from any external advisor.
- Request the presence of any employee in the Bank to get the necessary clarifications.

Part VI: Conflict of Interest, Disclosure and Transparency

First: Conflict of Interest within the Board

The Bank shall ensure that no Board member has any direct or indirect interest in the business and contracts concluded by the Bank. However, if this is necessary, the matter shall be subject to the approval of the General Assembly, which is to be renewed annually. Any business carried out via public tenders shall be exempt from such requirement if that Board member has offered the best proposal and in a manner that does not conflict with the Companies Law. Moreover, the Board member shall notify the Board if he/she has a personal interest in the business and contracts made for the Bank, with such notification being documented in the meeting's minutes, provided that said member may not participate in voting on the decision to be issued in this regard. The General Manager shall inform the General Assembly, upon convening, of the business and contracts in which a Board member maintains a personal interest. Such notification shall be accompanied by a special report from the chartered accountant. The Board Member may not participate in any

activity which may be in competition with the Bank. In this regard, the Bank shall be keen to avoid conflict of interest through the following:

The board adopts a policy governing conflicts of interest in all its forms and the necessary procedures to ensure the adequacy of controls and internal oversight to monitor compliance with this policy and prevent any breaches thereof. This policy includes, at a minimum, the following:

- Prevent conflicts of interest between the bank and its executives or board members in any form.
- Immediately disclose any conflicts of interest between the bank's interests and those of bank executives or board members.
- Confidential bank information should not be disclosed or used for personal advantage or benefit. Confidential information exchanged during board meetings and committees should not be shared with anybody, including executives.
- Prioritize the bank's interest in all transactions with any other company in which it has a personal interest, refrain from taking commercial opportunities of the bank for personal gain and avoid conflicts of interest. Disclose to the board in detail any conflict of interest, and if present, commit not to attend or participate in the decision made at the meeting where such a matter is discussed. Document this disclosure in the minutes of any board or committee meeting.
- The policy should provide examples of cases that may lead to conflicts of interest, including conflicts between the interest of a board member and the bank's interest, or between the interest of a board member and the interest of the bank, or between the interest of an executive management member and the bank's interest, or between the interest of any company within the bank's group or affiliated with the bank and the bank's interest.
- The policy should define related parties with the bank in accordance with prevailing legislation and specify the terms of dealing with such parties to ensure that they do not receive better terms than those offered to non-related clients. This comprises all of the bank's dealings with companies within the banking group to which the bank is a part.
- Specify the nature of dealings with related parties to include all types of dealings, not just credit facilities.
- The procedures followed by the bank in cases of non-compliance with the above policy.

Second: Disclosure and Transparency

- The Board shall ensure that financial and non-financial information that is of interest to stakeholders is published.
- Ensure that the Corporate Governance Manual is made available to the public through the bank's website and other suitable channels. In its annual report, the bank should disclose the existence of a Corporate Governance Manual and the extent of its commitment to implementing its provisions.
- The Bank's annual report shall also include a statement to the effect that the Board is liable for the accuracy and completeness of the Bank's financial statements and other information contained in the report, as well as for the adequacy of the internal control systems.

- 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's instructions, and other relevant legislation. It shall also ensure that the Executive Management is always up to date with IFRS changes.
- The Bank shall provide the Central Bank with the number of shares pledged by shareholders who hold 1% or more of the Bank's capital and the party for which the shares are pledged.
- The Board shall ensure that the Bank's annual and quarterly reports include disclosures that allow current and potential shareholders to know the financial position and operating outcomes of the Bank.
- The Bank obtains the Central Bank's non-objection to the nomination of any board member before the date of the Bank's general assembly meeting by a sufficient period of no less than one month. Candidates wishing to run for election must be informed of the necessity of obtaining the Central Bank's non-objection.
- The Bank provides the Central Bank with its general organizational structure when making any modifications to it, along with clarification of the modifications.
- The Bank obtains the non-objection of the Central Bank before appointing/transferring/promoting/assigning any member of the senior executive management, provided that the non-objection request is accompanied by the board's decision, the recommendation of the relevant committee, the approved general organizational structure, the member's declaration and accompanying documents certified by the Central Bank, the CV, academic certificates, experience certificates, a certificate of no conviction, and a copy of the national ID card (passport for non-Jordanians). The Central Bank will not consider any non-objection request unless it is complete with the above attachments.
- The Board shall ensure that the annual report includes, at minimum, the following:
 - Summary of the Bank's organizational structure.
 - Summary of the roles and responsibilities of Board committees and the authorities delegated to each committee.
 - Useful information of interest to stakeholders as identified in the Corporate Governance Manual and the extent of the Bank's compliance with the Manual.
 - Information on each Board member, including qualifications and experience, amount of shareholding in the Bank, whether an independent or non-independent Board member, membership in Board Committees, date of appointment to the Board, other memberships in the boards of directors of other companies, remunerations of all forms for the previous year in addition to loans from the Bank and any other transactions between the Bank and the Board member or parties related thereto.
 - Information about the Risk Management Department, including its structure and nature of its operations, and changes therein.
 - Number of meetings of the Board and Board committees and the number of meetings attended by each member.
 - Names of independent Board members and senior executives during the year.
 - Summary of the remuneration policy and full disclosure of all forms of remuneration to each individual member of the Board and Senior Executive Management for the previous year.
 - List of shareholders that own 1% or more of the Bank's capital, identifying the Ultimate Beneficial Owners of such shareholdings or any part thereof, in addition to a clarification as to whether the shareholdings are wholly or partially pledged.
 - Declarations from all Board members confirming disclosure of all benefits, in cash and in kind, received by them, or any persons related to them, in association with their work at the Bank in the past year.
 - The Central Bank may object to the nomination of any person for Board membership, if it is found that he/she does not fulfil the requirements set forth in the Central Bank's instructions. The Bank shall observe the following:
- The Bank obtains the non-objection of the Central Bank before nominating any person (as well as naming the representative for the legal entity, including the temporary representative for any governmental, public, or official entity) for membership on the board, provided that the non-objection request is accompanied by the board's decision, the nomination and rewards committee's recommendation, including its perception of the

added value that the nominated member will bring, the declaration and its attachment, the declaration of the independent member (certified by the Central Bank number (1/6)), the CV, academic certificates, experience certificates, a certificate of no conviction, and a copy of the national ID card (passport for non-Jordanians). The Central Bank will not consider any non-objection request unless it is complete with the above attachments. The Central Bank shall be invited to attend the General Assembly meetings, with sufficient advance notice prior to the set date, so that it may designate a representative.

- The Central Bank shall be invited to attend the General Assembly meetings, with sufficient advance notice prior to the set date, so that it may designate a representative.
- The Bank shall inform the Central Bank at least thirty (30) days prior to the General Assembly meeting of its intention to nominate the external auditor for election (or re-election) by the General Assembly.
- The Bank shall provide the Central Bank with information and declarations about members of the Board and Board Committees as well as the Senior Executive Management, as per the forms designed for this purpose within the requirements specified in the Corporate Governance Manual, and in the event of any change.
- The Bank shall provide the Central Bank with information about Board Members, Management Boards and Senior Executive Managements of the Bank's subsidiaries inside and outside Jordan, as per the forms attached to the Corporate Governance Guide, on a semi-annual basis and in the event of any change.
- The Bank shall provide the Central Bank with the General Assembly meetings within a period not exceeding five (5) business days from the date of endorsement by the Companies General Controller or a representative.
- The Central Bank may summon any nominee for the Senior Executive Management for an interview prior to appointment. In addition, the Central Bank may, in the cases it deems necessary, summon any member/nominee for the Board of Directors for an interview.
- The Central Bank may appoint an external entity to assess the governance of any bank, at the expense of the latter.
- The Central Bank may, at any time, invite members of the Audit Committee, Internal Audit Manager or members of the Compliance Committee to examine any matter falling within the scope of their duties.
- The Central Bank may set a larger number of independent members in the Board's structure, if deemed necessary.
- The Central Bank has the authority to meet with the external auditor for supervisory purposes and, if necessary, review the auditing work.
- The Central Bank may consider any member as being non-independent as per certain data, despite that member fulfilling all requirements stipulated in Article 6/d of the Corporate Governance Instructions, as set forth in Part Three "Suitability, Qualifications and Evaluation of Board Members" of the Corporate Governance Manual.
- The Companies Law and any other relevant laws, legislation and instructions issued by the regulatory authorities shall be observed in a manner that does not conflict with the provisions of the Corporate Governance instructions.

- The duties of Board Committees' rapporteurs shall be set to include: attending all committee meetings; recording all deliberations, suggestions, objections and reservations; coordinating meetings with the respective Committee's Chairman and members; ensuring that Committee members sign the meeting minutes and resolutions; keeping the Committee's meeting records and documents; and making preparations for meetings. Committee rapporteurs do not have the right to vote.

Part VII: General Regulations

The Bank shall compile the Governance Report and incorporate it into the Annual Report. The Governance Report shall be signed by the Chairman of the Board and shall primarily include the following:

- Information and details pertaining to the implementation of these instructions and corporate governance regulations at the Bank.
- Names of current and resigning members of the Board of Directors for the year, indicating whether they are executive or non-executive, independent or non-independent members.
- Names of representatives of corporate members of the Board, indicating whether they are executive or non-executive, independent or non-independent representatives.
- Names and titles of the Executive Management's members.
- All board memberships are held by any Board Member in public shareholding companies, if any.
- Names of Board Committees.
- Names of the Chairman and members of the Audit Committee along with a profile of their qualifications and expertise in relation to financial or accounting matters.
- Names of the Chairman and members of the Nominations and Remuneration Committee, Governance Committee, and Risk Management Committee, and Compliance Committee.
- Number of meetings held by all Committees during the year along with the names of attending members.
- Number of the meetings held by the Audit Committee with the external auditor during the year.
- Number of the meetings held by the Board during the year along with the names of attending members.

Information and Technology Management Governance Manual

Introduction

Following Jordan Commercial Bank's commitment to the security of its operating environment and utilizing best international practices in the management of information technology resources, projects, and services in a manner that enables it to conduct business and achieve its strategic objectives effectively and efficiently. This, in turn, reflects positively on the bank's product and service quality on the one hand, and on the decision-making and risk management mechanisms on the other. Apart from upholding the banking system's integrity and adhering to international standards for sound banking practices, the bank recognizes the importance of adhering to the highest standards in the field of information and related technology.

The Board of Directors and the Executive Management have realized the need to adopt successful products that require the application of information technology in an efficient and effective manner along with the various practices and work procedures of the Bank in a manner that calls for a framework and principles of governance and management of information and related technology. Separating the operations, tasks and responsibilities of the Council in the field of governance from those that fall within the limits of the executive management's responsibility regarding information and accompanying technology and following the sound foundations and standards in managing information technology resources according to international best practices, especially the COBIT framework to control risks and reach the aspirations of stakeholders by applying the rules of governance sound. In order to avoid entering into useless investments and unjustified expenses that translate into huge losses, which may in some cases affect the bank's reputation and performance.

This guide has been prepared and attached to the Corporate Governance Guide in order to confirm the identity of the Jordan Commercial Bank, and it expresses the bank's view of the governance and management of information and related technology in terms of its concept, importance, and basic principles in a manner that takes into account legislation and international best practices, and it emphasizes the bank's commitment to all laws and regulations issued in this regard.

The provisions of this guide apply to Jordan Commercial Bank branches in Jordan. The bank publishes the information technology governance guide on its website and is committed to disclosing the guide and the extent of its commitment to implementing what is stated in it in its annual report.

First: Governance:

Planning for the purpose of achieving strategic objectives, including alignment and regulation, construction and development activities, including procurement and implementation, operating activities, service delivery and support, and monitoring activities, such as measurement and evaluation, are all part of the management of information and related technology. Considering this, information governance and the technology that supports it defines the process of assigning roles and responsibilities and describing relationships between parties, entities, and stakeholders with the goal of maximizing the bank's added value by taking the best approach that ensures a balance of risks and expected returns. And by adopting the rules, foundations, and mechanisms required for decision-making, defining the bank's strategic directions and objectives, and mechanisms for monitoring and examining the extent of compliance to achieve them in the pursuit of continuous progress and development, through the governance of operations, which is linked to the set of practices and activities emanating from the bank's policies and required to achieve the information and accountability objectives, These goals, which are derived from institutional goals, are broken down into main goals and sub-goals in order to meet the needs of stakeholders.

Any person with an interest in the bank, such as shareholders, employees, creditors, customers, external suppliers, or regulatory authorities involved in the bank's activities, is referred to as a stakeholder.

Second: Scope of Information Technology Governance and the Concerned Parties:

The information technology governance instructions apply to all of the bank's information technology-based operations in its various branches and departments, and all stakeholders are considered to be affected by the application. The Bank has launched a project to create the necessary environment and meet the requirements of the Information Technology Governance Instructions in accordance with the (COBIT) framework, and there are roles for each of the following:

- The president, board members, and external experts are in charge of the project's overall direction, assigning tasks and responsibilities, providing support, and approving the necessary funding.
- The general manager, his deputies, assistants, and operations managers must identify and define competent people with experience in the bank's operations to represent them in the project.
- Executive management and managers in charge of information technology operations and procedures. The Information Technology Steering Committee directs and submits the necessary reports to the Information Technology and Cyber Security Governance Committee of the Board of Directors, project managers are followed up on, taking into account the availability of sufficient resources and a thorough understanding of the institutional objectives of information technology governance.
- The internal audit committee is also tasked with providing independent advice and monitoring for the success of the implementation in executive matters as an independent consultant and observer to facilitate and succeed in completing the institutional control framework by reviewing information technology audit reports, taking the necessary steps to address deviations, monitoring the level of technical and technological services, and working to raise their efficiency. The Audit Committee of the Board of Directors, on the one hand, and the external auditor, on the other, submit annual reports to the Central Bank of Jordan for internal and external audits, respectively. During the first quarter of each year, the Executive Management responds to the briefing and recommendations of the Council in this regard.
- The project's risk, information security, compliance, and legal departments are committed to representing their departments' roles, implementing the framework, following up on requirements, adhering to objectives and policies, and maintaining an appropriate control environment.
- The bank relies on experts and holders of technical and professional certificates related to the standard (COBIT Foundation, COBIT Assessor, COBIT Implementation, CGEIT) from both inside and outside the bank to act as guides

and assessors during the application process, as well as to spread knowledge of the standards and make the compliance process easier.

- When signing outsourcing agreements with third parties to provide human resources, services, programs, and infrastructure for information technology with the goal of running the bank's operations, the bank must ensure that third parties follow the IT governance instructions in whole or in part to the extent that is proportionate to the importance and nature of the bank's operations, services, programs, and infrastructure. The ultimate responsibility for achieving the requirements of the instructions under consideration, including the audit requirements referred to in this guide, remains with the Board and Senior Executive Management.

Third: Objectives of Governance and Information Management and Related Technology:

The primary objective of IT governance is to "create added value" for the bank by maximizing the use of information technology, preserving, and increasing the value provided by current investments, and eliminating IT initiatives and assets that do not contribute to the creation of sufficient added value for the bank. This means maximizing resource utilization while minimizing risk, in addition to addressing the business risks associated with the use of information technology, its ownership, operation, adoption, and inclusion in the bank. This is to ensure the existence of appropriate capabilities to implement the strategic plan, providing sufficient, appropriate, and effective resources, and reconciling in the decision-making process between stakeholders' interests towards added value on the one hand, and comparing risks with returns through optimal utilization on the other.

Accordingly, the objectives that the Bank seeks to achieve by adopting an IT governance framework are:

1. Meeting the Stakeholder's needs by achieving the objectives of information and related technology, ensuring:
 - Providing high-quality information that serves as a foundation for the bank's decision-making processes.
 - Prudent management of information technology resources and projects, with an emphasis on maximizing resource utilization and minimizing waste.
 - Establishing a distinct and supportive technological infrastructure that enables the bank to accomplish its objectives.
 - Improving the bank's various operations using an efficient technological system with a high credit rating.
 - Prudent management of information technology risks to ensure the bank's assets are adequately protected.
 - By strengthening the bank's internal control and control systems, it will be easier to comply with the requirements of laws, legislation, and instructions, as well as the internal strategy, policies, and procedures.
 - Improving the system of control and internal monitoring.
 - Increasing users' satisfaction with information technology by efficiently and effectively meeting business needs.
 - Managing third-party services entrusted with the execution of operations, tasks, services, and products.
2. Providing the necessary components to achieve comprehensiveness in the governance and management of information and related technology.
3. Adopting business and organizational practices and rules based on the best international standards as a foundation for future development in the areas of governance and management of information technology operations, projects, and resources.
4. Separate the board's operations, tasks, and responsibilities in the field of governance from those that fall under the executive management's responsibility for the information and technology that goes with it.
5. Strengthening self-monitoring, independent oversight, and compliance examination mechanisms in the areas of governance, information management, and related technology, which contribute to continuous performance improvement and development.

Governance and management objectives, as well as the other six components related to cybersecurity, risk management, privacy and data protection, compliance, monitoring, auditing, and strategic alignment, are (Focus Areas) of high importance and priority.

First: Principles of Information Technology Governance:

The main principles of information technology governance enable the bank to create an effective governance and management framework that maximizes the use of data and technology investments. According to the COBIT framework, the following are the main principles of information governance and management, as well as related technology:

1. Meeting Stakeholder Needs (Provide Stakeholder Value):

The bank's primary objective is to add value to stakeholders and thus achieve benefits at the lowest possible cost of resources.

2. Holistic Approach:

A comprehensive system of corporate governance and IT management system is implemented.

3. Dynamic Governance System:

The Bank's governance system is dynamic and subject to change.

4. Tailored to the enterprise needs:

The Bank's governance system is designed to meet the needs of the organization by setting priorities.

5. Separating Governance from Management:

The board of directors is responsible for ensuring that the bank follows good corporate governance practices and that the roles of the board and executive management are clearly defined. The general manager's and other executive management cadres' responsibilities include planning, construction, operation, and monitoring activities, as well as aligning them with the board of directors' directions in order to achieve the bank's strategy objectives.

6. Covering the Enterprise End-to-End:

Technology governance works to create an integration between information technology governance and corporate governance, covering all functions and operations within the bank.

Second: Components:

In terms of information governance and management, comprehensiveness is achieved by considering not only the technology itself, but also the provision of 7 Components that accompany and complement the information technology services represented by the following:

1. Principles, Policies, and Frameworks are tools for translating desired behaviors into daily management guidelines.
2. Processes are an organized set of practices and activities used to achieve specific goals.
3. Organizational Structures.
4. Culture, Ethics and Behavior, through the Bank's system of values, ethics, and behaviors.
5. Information, which includes all information generated and used by the Bank and is required for the Bank's proper operation and governance.
6. Services, programs, infrastructure, and applications that support information technology processing and facilitate the provision of services.

7. People, Skills, and Competencies are required for all activities to be completed successfully and for the right decisions and actions to be taken.

The Bank is committed to activating the 7 Components in order to achieve the existing comprehensiveness of the general framework for information technology governance.

When implementing and entering the details of the 7 Components, attachments, operations, and sub-goals, the Bank adapts (tailors) all of this in accordance with the Bank's data in order to serve the objectives and requirements of the Information Technology and (COBIT) Governance Instructions and work to find the required change to provide and create the necessary environment for the application by using the Gap Analysis method between the current situation and the application's requirements. The bank has committed to sending the Central Bank of Jordan a semi-annual achievement report detailing compliance with COBIT requirements and describing the level of achievement.

Third: Information Technology Governance Operations:

The general framework for the application of information technology governance (COBIT) consists of two main areas of operations:

1. The scope of the Board of Directors' operations is as follows: It can be broken down into five steps. Each process defines evaluation, direct, and monitor practices, abbreviated (EDM5), which ensures the development and maintenance of an IT governance framework, the realization of benefits, risk management, ensuring optimal resource utilization, and dealing transparently with stakeholders.

2. The scope of the executive management process is as follows: It has four axes that correspond to the areas of responsibility: Planning, Build, Operate, and Monitor, abbreviated as PBRM. These axes provide a thorough examination of the scope of information technology governance. The names of the axes have been chosen in corresponds with their initial meaning:

- Alignment, Planning, and Organizing (APO): is responsible for developing the bank's information technology policy, IT strategy, organizational structure development, financial management, and investment portfolio management.
- Build, Acquisition, and Implementation (BAI) is the process of conducting business analysis, project management, evaluating usage scenarios, defining, and managing requirements, programming, systems engineering, decommissioning systems, and capability management.
- Delivery, Service and Support (DSS): It manages availability, problem management, service desk and incident management, security, IT operations, and database management.
- Monitoring, Evaluation and Assessment (MEA): It stands for compliance review (conformance), efficiency control, and control auditing.

The Bank is committed to ensuring the successful implementation of the axes and processes described to ensure the proper application of information technology governance.

Fourth: Levels of Maturity and Capacity of Actions:

There are six levels through which procedures can be classified for the purposes of improving procedures, assessing process maturity, determining the target level, and identifying deviations:

- Level (0) Incomplete process: There are no clear processes in place, so the bank is unaware that there is a problem that needs to be addressed.

- Level (1) Performed process: The bank recognizes that there is a problem that needs to be addressed, but there are no standard procedures; rather, there are approaches tied to a specific purpose that are used on an individual or case-by-case basis. The bank's management approach is disorganized in general.
- Level (2) Managed process: Processes develop to the stage where similar procedures are followed by different individuals performing the same task, there is no formal training or dissemination of standard procedures. Responsibility is left to the individual, and there is a high degree of reliance on people's know-how; as a result, mistakes are possible.
- Level (3) Established process: The procedures are documented and identified as standard procedures, then published in the bank through training, with the documentation stating that they must be followed, but deviations are unlikely to be detected.
- Level (4) Predictable Action: Management monitors and measures policy compliance and intervenes when processes appear to be failing; actions are subject to continuous improvement and provide a mature experience to others; and automation and tools are used in a limited or fragmented manner.
- Level (5) Improved Procedure: At this level, procedures have been revised to achieve best practices status, based on the results of continuous improvement and the development of maturity models in collaboration with other institutions, as well as the Bank's ability to adapt quickly.

According to the quantitative and qualitative study results, the level of maturity of the activities related to the objectives of information technology governance and the rest of the six Components associated with them is directly proportional to the degree of importance and priority. The bank also strives to ensure that the maturity level of important and priority activities is at least level (3) (Fully Achieved) according to the maturity scale contained in the framework (Cobit)*, and the bank always strives to achieve higher levels than the required maturity level.

* It is possible to consider no more than (26%) of the goals of governance and management within the administration's goals (with no more than 9 goals and a maximum of 35 goals) as being of lower or neglected

The roles, activities, and relationships define the stakeholders in governance and how they are involved in the implementation process. One of the most critical principles underlying information technology governance is the separation of the board of directors' and executive management's responsibilities. By determining how to communicate between the owners' interests and executive management, a distinction is made between the board of directors' role and the executive management's activities. The following are the tasks and responsibilities of the research entities:

1. Duties and Responsibilities of the Board of Directors:

- Monitoring senior executive management's work to ensure the effectiveness and efficiency of operations, the accuracy of financial reports, and the extent of compliance with current laws, legislation, and instructions, as well as the "risk management" process.

- Budgets are monitored and necessary tools and resources, including qualified human resources, are allocated through departments specializing in information technology auditing. Assuring that both the internal audit department of the bank and the external auditor are capable of reviewing and auditing the processes for hiring and managing information technology resources and projects, as well as the bank's operations based on them. Additionally, the presence of a specialized technical audit (IT Audit) conducted by qualified and internationally accredited professional cadres in this field who hold valid professional accreditation certificates such as (CISA) issued by qualified international associations in accordance with the international accreditation standards for certification institutions (ISO/IEC 17024) and / or any other equivalent criteria.

- The Council adopts the system of principles, policies, and frameworks required to achieve the general framework for managing, monitoring, and controlling information technology and cyber security resources and projects in a way that meets the requirements of information technology governance objectives and processes related to information technology risk management and information technology security and protection management through the Information Technology Governance Committee. They also adopt human resource management that meets the requirements of information technology governance processes, as well as the policies required to manage information technology governance resources and processes, and to work with these policies in conjunction with the bank's other policies that regulate its work and align goals, work mechanisms, and related work procedures, penalties for noncompliance, and compliance mechanisms. All internal and external partners' input is considered when developing policies, as is the adoption of international best practices and their updates.

- Adopting organizational structures (hierarchies and committees) for managing information technology resources, processes, and projects, managing information technology risks, information security, and human resources that comply with information technology governance processes and efficiently and effectively accomplish the bank's goals, while ensuring task separation and bilateral control are kept to a minimum, adequacy, and up to date.

- Develop the infrastructure and information systems necessary to provide information and reports to its users as a basis for the bank's decision-making processes. The information quality requirements of integrity, accuracy, and currency, as well as the confidentiality requirements of the data classification policy, as well as the requirements for availability and compliance with that information and reports, must be met, in addition to other requirements contained in COBIT and Information Enabling.

- The Board, through the Information Technology and Cyber Security Governance Committee, adopts and considers the information and reports system as a minimum, considering those responsible for developing the information and reports, as well as the powers of access and use that are delegated according to the need for work and the relevant partners. The information and reports are reviewed and updated on a regular basis to

ensure that they keep up with the Bank's goals and operations, and that they adhere to accepted international best practices.

- The Board, through the Information Technology and Cyber Security Governance Committee, adopts a system of information technology services, programs, and infrastructure that support and assist in achieving information technology governance processes and, as a result, the information and technology objectives that accompany it as well as institutional objectives. The Board considers that system to be a minimum, and it is continuously developed to keep pace with the evolution of the goals and operations of the Bank, in accordance with the best accepted international practices. technology.

- The Council adopts the qualifications matrix (HR Competencies) and human resources management policies necessary to achieve the requirements of information technology governance processes based on merit through the Information Technology and Cyber Security Governance Committee and the Nominations and Remunerations Committee by adhering to the methods of incentives and penalties.

- The Council, through the Information Technology and Cyber Security Governance Committee and the Audit Committee, adopts a professional and institutional ethical system that reflects the widely accepted international professional code of conduct for dealing with information and the technology that supports it, and that clearly defines desirable and undesirable behavioral rules, as well as their consequences.

2. IT and Cyber Security Governance Committee:

An Information Technology and Cyber Security Governance Committee, consisting of four members of the Board of Directors with experience and strategic knowledge in IT, was formed by decision of the Board of Directors to meet the tasks required of the aforementioned Board. A Chairman of the Committee was chosen from among the four members, it meets quarterly at the least, keeps records of minutes of meetings, and submits periodic reports to the Board. The Committee's responsibilities are summarized as follows:

- Ensuring alignment and compatibility between the Jordan Commercial Bank's general strategic plan and the Information Technology Department's strategic plan to achieve the bank's strategic objectives.
- Assuring that information technology services are used in a way that helps to reduce risks.
- Following up on performance indicators and monitoring the general strategy's implementation and realization, project progress, resource utilization, service delivery quality indicators, and balanced goal cards that reflect strategic goal achievement.
- Assuring that available resources are best utilized, whether they are sensitive systems, information, IT infrastructure, or employees.
- Relying on the strategic goals of information technology and cybersecurity governance, and appropriate organizational structures including steering committees at the senior executive management level, especially the IT and Cybersecurity Steering Committee, to ensure the achievement and fulfillment of the bank's strategic objectives and to achieve the best added value from information technology projects and investments, and using the necessary tools and standards to monitor and ensure its achievement, such as using IT Balanced Scorecards and calculating Return On Investment (ROI), and measuring the impact of contribution to increasing financial and operational efficiency.
- Adopting a general framework for managing, controlling, and monitoring information technology resources and projects that is modeled after best international practices, in particular (COBIT 2019), which aligns with and meets the achievement of the instructional objectives and requirements by achieving sustainable institutional goals, and achieving a matrix of compliance objectives covering governance and management objectives.
- Adopting the matrix of institutional objectives, compliance objectives, considering them as a minimum threshold, and describing the necessary sub-goals to achieve them.
- Adopting a Responsibilities Matrix (RACI Chart) towards the key operations of governance and management objectives and their resulting sub-operations in terms of the entity, entities, person, or parties primarily

responsible, those ultimately accountable, those to be consulted, and those to be informed regarding all operations in the facility, guided by the COBIT 2019 standard in particular.

- Ensuring the existence of a general framework for managing information technology risks that aligns and integrates with the overall general framework for risk management in the bank, taking into consideration and fulfilling all governance and management objectives.
- Approving the information technology budget and projects in accordance with the Bank's strategic objectives.
- General oversight and review of information technology operations, resources, and projects to ensure their adequacy and effectiveness in meeting the bank's requirements and business objectives.
- Reviewing the audit reports for information technology and taking the necessary measures to address the deviations.
- Recommending to the Council that any deviations be corrected as soon as possible.
- Reviewing and adopting the cybersecurity policy and program by the board of directors, supervising, and ensuring its compliance and identifying the roles and responsibilities related to cybersecurity.
- Ensure the establishment of a system and mechanism for managing third-party services to support the bank's service delivery process.
- The IT and Cybersecurity Governance Committee ensures the independence of the Information Security Unit, which administratively reports to the Risk Department. The Steering Committee reviews the minutes of the meetings, which include periodic reports prepared by the Information Security Unit and submitted to the IT and Cybersecurity Governance Steering Committee. These reports cover cybersecurity in the bank, deviations related to the application of the cybersecurity policy and its procedures, the results of cybersecurity risk assessments, the results of assessments of the adequacy and effectiveness of the cybersecurity program and policy, and recommendations, actions, and requirements for implementation. A summary of the most important cybersecurity threats and breaches during the reporting period is also included.
- Prioritize the objectives of governance and management and assess their alignment with institutional and compliance objectives, as well as their relationship with the other six components. This should be based on a qualitative and/or quantitative study conducted for this purpose at least annually, considering the design factors included in COBIT 2019 - Design Guide.
- Approve the annual audit report assessing the information and technology risks and controls associated with them for the bank.
- Continuously monitor and approve the level of cybersecurity risks and the bank's ability to tolerate them, ensuring that overall cybersecurity risks are within an acceptable range.
- Ensure that the bank has a cybersecurity awareness program and that it is aware of the legal and regulatory implications of cybersecurity risks.
- Allocate sufficient budget and resources to meet cybersecurity requirements.
- Support and participate in cybersecurity risk resilience assessments and any cybersecurity initiatives.

3. Audit Committee:

- Included are the responsibilities, powers, and scope of information technology audit work within the Audit Charter on the one hand, and procedures agreed upon with the external auditor on the other, as well as regulatory requirements.
- Confirming to the Board that the bank's internal auditor and external auditor are committed to the following when conducting specialized audits of information and related technology:
 1. Information technology auditing standards according to the latest update of the international standard) Information Technology Assurance Framework (ITAF) issued by the Audit Association and Information Systems Control (ISACA), including:

- Conducting audit tasks in accordance with an approved plan that considers the relative importance of operations, the level of risk, and the degree of influence on the bank's objectives and interests.
- Providing and adhering to training and continuing education plans by the specialized staff in this regard.
- Adhering to professional and organizational standards of independence, as well as ensuring that current and future interests do not conflict.
- Commitment to objectivity standards, due professional care, and continuous improvement of the competitiveness and professionalism of the knowledge and skills to be enjoyed, as well as a thorough understanding of the bank's various mechanisms and processes based on information technology and other audit reports (financial, operational, and legal). Capacity to provide evidence that is appropriate for the situation, as well as common sense in identifying unacceptable practices that violate applicable laws, regulations, and instructions.

2. Examining, evaluating and reviewing the processes of hiring and managing information technology resources as well as the bank's operations based on them, and providing a public opinion (Reasonable Overall Audit Assurance) on the overall level of risks to the information and related technology within an audit program that includes at least the required axes, bearing in mind that the risk assessment degrees are divided in descending order into five Levels (which are the Composite Risk Rating Scale): Rate 1) Strong Performance Rate; Rate 2) Satisfactory Performance Rate; Rate 3) Fair Performance Rate; Rate 4) Marginal Performance Rate; Rate5) Unsatisfactory Performance Rate.

And the audit should be repeated for all or part of the axes at least once a year if the risks were rated at (5 or 4) on the risk assessment scale, at least once every two years if the risks were rated at (3), and at least once every three years if the risk was rated at (2 or 1).

Considering the continuous change in the risk level and the fundamental changes that occur in the information environment and related technology over the audit periods specified, provided that the Central Bank receives audit reports. The audit reports include assessments of the axes mentioned above, as well as the mechanisms used for strategic planning and developing policies, principles, and procedures, and for utilizing various resources, including information technology and human resources, mechanisms and tools for monitoring, improvement, and development. As well as work on documenting and evaluating audit results based on the significance of imbalances and weaknesses due to observations. In addition to active controls and assessing the level of residual risks using a systematic standard for analyzing and measuring risks, the corrective measures agreed upon and intended to be followed by the bank's management with specific dates for correction are included, along with a reference table that ranks the responsible person in the bank concerned with the observation. During the first quarter of each year, the Central Bank of Jordan must be provided with an annual report for internal audit and another for external audit, which includes the response of executive management, the briefing, and recommendations of the Board in this regard, and according to an audit report form (risks - controls) of the information and accompanying technology.

3. Regular procedures to follow up on audit results to ensure that the observations and imbalances contained in the auditor's reports are addressed within the specified timeframes, as well as work to gradually raise the level of importance and risks in the event.

4. Include annual performance evaluation mechanisms for IT audit cadres with objective measurement criteria, if evaluations are conducted by the Council, represented by the audit committee that emanates from it, and in accordance with the administrative and organizational hierarchy of the audit departments of non-response, as determined by the Board.

5. The internal auditor and the external auditor must follow the system of ethics and professional practices outlined in the International Standard (Information Technology Assurance Framework) (ITAF) issued by the Information Systems Audit and Control Association (ISACA) and its updates.

The bank may delegate the Internal IT Auditor role for information and related technology to a specialized third party (outsource) independent of the accredited external auditor, provided that all requirements of the IT governance instructions and any other applicable instructions are met, and the Board of Directors and its Audit Committee retain their role in ensuring compliance and meeting minimum requirements.

Chapter Four: Executive management's role in managing information and related technology.

1. Responsibilities and tasks of the executive management:

- Hiring qualified and trained personnel with experience in information technology resource management, risk management, information security management, and information technology audit management, based on academic and professional knowledge and practical experience recognized by qualified international associations under the international accreditation standards for professional certification institutions (ISO/IEC 17024) and/or any other standards, each according to its competence and in accordance with the bank's policies. As well as to provide continuous training and education to employees to maintain a level of knowledge and skills that complies with and supports information technology governance processes.
- Adopting a system of information technology services, programs, and infrastructure that supports and assists in the achievement of information technology governance processes and, as a result, the associated information and technology objectives, institutional goals, and providing and developing them on an ongoing basis to keep pace with the bank's goals and operations in accordance with internationally accepted best practices.
- Include annual performance evaluation mechanisms for cadres with objective measurement criteria that consider the contribution of the job position to the achievement of the bank's goals.
- Develop the infrastructure and information systems necessary to provide information and reports to its users as a basis for decision-making processes within the bank, and in doing so, the information quality requirements such as integrity, accuracy, and currency, as well as the confidentiality requirements, must be met in accordance with the data classification policy, as well as the availability and compliance requirements for such information and reports (COBIT - Enabling Information).
- Using incentives and penalties, various mechanisms are used to encourage the application of desirable behaviors and to avoid undesirable behaviors.

2. IT and Cyber Security Steering Committee:

To achieve the Bank's strategic objectives in a sustainable manner, an Information Technology and Cyber Security Steering Committee was formed to oversee the process of strategic information technology compatibility. The Chairman of the Committee, the General Manager, and members of the executive management, including the Director of Information Technology, the Director of Risk Management, and the Director of Information Security, are all members of the committee. A member of the Board was also elected to be an observer member of this committee in addition to the General Auditor in an observer capacity, who can invite others when needed to attend the meetings. The committee keeps minutes of its meetings, which are held at least once every three months. The committee's responsibilities are summarized as follows:

1. Develop annual plans to ensure that the Board's approved strategic goals are met, supervise their implementation to ensure that they are met, and continuously monitor internal and external factors that affect them.
2. Connecting the institutional objectives matrix to the accompanying compatibility objectives matrix, approving, and reviewing it on an ongoing basis to ensure the bank's strategic objectives are met, as well as the objectives of governance instructions and information and related technology management, while considering the definition of a set of measurement and review criteria and assigning those responsible from the executive management to monitor the results.
3. Recommending the allocation of financial and non-financial resources required to achieve the goals and information technology governance processes, as well as the use of competent and appropriate human resources through organizational structures that include all processes required to support the goals, taking into account task separation and the absence of conflict of interests, and the adaptation of technological infrastructure and other services related to it to serve goals, as well as oversee the implementation of IT projects and governance processes.

4. Arranging IT projects and programs in order of priority.
5. Monitoring the level of technical and technological services and working to raise their efficiency and improve them continuously.
6. Submitting the necessary recommendations to the IT Governance Committee regarding the following matters:
 - Allocating the resources and mechanisms required to achieve the tasks of the IT and Cyber Security Governance Committee.
 - Any deviations that may negatively affect the achievement of strategic objectives.
 - Any unacceptable risks related to technology, security, and information protection.
 - Performance reports and adherence to the general framework for managing, controlling, and monitoring IT resources and projects.
7. Providing the IT and Cyber Security Governance Committee with the minutes of its meetings and obtaining information that indicates access to them. The Director of the Operations Engineering Department will be the representative of the Committee.

Resources:

1. Institutional Governance Instructions No. (2/2023) dated 14/02/2023 issued by the Central Bank of Jordan.
2. Instructions for Governance and Information Management and Related Technology No. (65/2016) dated 25/10/2016 issued by the Central Bank of Jordan and circular No. (984/6/10) dated 21/1/2019 issued by the Central Bank of Jordan.
3. COBIT 2019 Framework – Introduction and Methodology issued by the Information Systems Audit and Control Association (ISACA) in the United States of America.

Corporate Governance Report

Governance Report

A- Information and details related to the application of the provisions of these instructions and the rules of corporate governance in the company:

The Jordan Commercial Bank is committed to implementing the provisions of the Companies Law and the Securities Commission Law as well as the provisions of the Corporate Governance Instructions issued by the relevant regulatory authorities. As such, the Bank is fully and optimally compliant with the implementation of corporate governance regulations.

The current members of the Board of Directors were elected on 09/07/2020 for four years. The Bank has a Corporate Governance Manual and COBIT Manual in place. They were prepared and approved in accordance with the provisions of the Corporate Governance Instructions issued by the Central Bank of Jordan and the Corporate Governance Regulations for Listed Shareholding Companies issued by Jordan Securities Commission. Moreover, they are updated according to the instructions issued by the relevant regulatory bodies. The Bank also has a Charter for the Board of Directors and rules of procedure that outline in detail the functions, powers, and responsibilities of the Board of Directors, as well as charters for all Board committees, which are consistent with the relevant regulations. The meetings of the Board of Directors and Board committees are held in accordance with the regulations in force.

In compliance with the Corporate Governance Regulations of 2017 issued by the Securities Commission, the Corporate Governance Report highlighting the Bank's corporate governance practices and applications was approved. The said report covers the following data:

B- The names of the current and resigned members of the Board of Directors during the year, and a determination of whether the member is executive or non-executive and independent or non-independent:

No.	Name	Executive/non-executive	Independent/non-independent	Title
1	Mr. Michael Faiq Ibrahim Al-Sayegh 16/02/2004	Non-Executive	Non-Independent	Chairman of Board of Directors/Current
2	HE Mr. Ayman Haza' Barakat Al-Majali 16/02/2004	Non-Executive	Non-Independent	Vice Chairman of the Board/Current
3	Mr. Sharif Tawfiq Hamad Al-Rawashdeh 28/06/2012	Non-Executive	Non-Independent	Board of Directors Member/Current
4	Mr. Abdelnour Nayef Abdelnour Abdelnour 09/07/2020	Non-Executive	Non-Independent	Board of Directors Member/Current
5	Miss Lina Najib Al-Bakhit Al-Dababneh 18/04/2022	Non-Executive	Independent	Board of Directors Member/Current
6	Mr. Osama Omar Ali Hamad 11/06/2019	Non-Executive	Independent	Board of Directors Member/Current
7	Dr. Henry Toufic Ibrahim Azzam 09/07/2020	Non-Executive	Independent	Board of Directors Member/Current
8	Eng. Nassser Hussein Mohammad Saleh 09/07/2020	Non-Executive	Independent	Board of Directors Member/Current

C- The names of the representatives of the legal Members of the Board of Directors and a determination of whether the representative is executive or non-executive and independent or not:

No.	Name	Executive/Non-Executive	Independent/Non-Independent	Title
1	Social Security Corporation / First Seat 10/05/2004 Represented by : Mr. Yehya Mohammad Ashab Obaidat ----- Mr. Fadi Abdelwahab Abdelfattah Abu-Ghaush	Non-Executive	Non-Independent	Board of Directors Member/Current as of 01/10/2023 Date of No Objection Certificate from Central Bank 11/10/2023 ----- Date of Resignation 30/09/2023
2	Social Security Corporation / Second Seat 25/10/2015 Represented by: Mr. Rami Ada Anaz Titi ----- Mr. Mo'nes Omar Saleem Abdel All	Non-Executive	Non-Independent	Board of Directors Member/Current as of 01/08/2023 Date of No Objection Certificate from Central Bank 16/08/2023 ----- Date of Resignation 31/07/2023
3	First Jordan Investment Company PLC 20/04/2011 Represented by: Mr. Saleh Mohammad Saleh "Zeid Al-Kilani"	Non-Executive	Non-Independent	Board of Directors Member as of 29/07/2018 and renamed as of 09/07/2020

D- Titles and Names of Members of Senior Executive Management:

Senior Executive Management		
	Title	Name
1.	Chief Executive Officer (CEO)	Caesar Hani Aziz Qulajen
2.	Deputy CEO	Alaa "Mohammad Salim" Abdulghani Qahef
3.	AGM, Head of Credit	Mohammad Ali Mohammad Al-Quran
4.	AGM, Head of Retail	Salim Nayef Salim Sawalha
5.	Chief Financial Officer, AGM Finance	Abdallah Mahfouz Theodore Kishek
6.	AGM, Corporate & SMEs Banking	Wael "Mohammad Yousef" Aref Rabieh
7.	Executive Manager, Treasury, and Investment	Anas Maher Radi Ayesh
8.	Chief Information Officer	Antonio Antonios Antoun Abdel Massih *
9.	Executive Manager, Financial Institutions Department	Sami Nimer Salem Al-Nabulsi
10.	Legal Department Manager/BOD Secretary	Walid Khaled DaifAllah Al-Qheiw
11.	Corporate Communications Department Manager	Jamal Hussein Abtan Al -Raqqad
**Managers of supervisory departments		
1.	Compliance, AML & CFT Department Manager	Mahmoud Ibrahim Mahmoud Mahmoud
2.	The General Auditor	Ajoud Sharafaldeen Ali ALRousan
3.	Risk Department Manager	Nadia Fahed Fareed Kanan
*Investor Relations Department Officer		
-	Investor Relations Department Officer	Haitham Amin Khaleel Hammouri*

*Non – Senior Executive Management members

** Directors of regulatory departments

E- Memberships held by any Board member in public shareholding companies:

No.	Name	Membership in the boards of directors of public shareholding companies
1	Mr. Michael Faiq Ibrahim Al-Sayegh Date of Membership: 16/02/2004	<ul style="list-style-type: none"> • Board Member, First Jordan Investment Co.
2	HE Mr. Ayman Haza' Barakat Al-Majali Date of Membership: 16/02/2004	<ul style="list-style-type: none"> • Chairman, First Jordan Investment Co. • Chairman, Al Quds Ready Mix Concrete Company
3	Mr. Sharif Tawfiq Hamad Al-Rawashdeh Date of Membership: 28/06/2012	<ul style="list-style-type: none"> ○ Chairman, Arab Jordanian Insurance Group Company, effective 28/07/2022 ○ Board Member, Arab Aluminum Industry Co. LTD (ARAL) effective 30/04/2017 to date. ○ Board Member of Al-Bilad for Securities and Investment, effective 01/04/2019.
4	Mr. Abdelnour Nayef Abdelnour Abdelnour Date of Membership: 09/07/2020	<ul style="list-style-type: none"> • Board Member, United Insurance Company, as of March 2022. • Board Member, First Jordan Investment Company / Jordan.
5	Miss Lina Najib Al-Bakhit Al-Dababneh Date of Membership: 18/04/2022	N/A
6	Mr. Osama Omar Ali Hamad Date of Membership: 11/06/2019	N/A
7	Dr. Henry Toufic Ibrahim Azzam Date of Membership: 09/07/2020	N/A
8	Eng. Nassser Hussein Mohammad Saleh Date of Membership: 09/07/2020	N/A

F- The Bank's Governance Liaison Officer:

Mr. Mahmoud Ibrahim Mahmoud Mahmoud / Compliance & AML Manager. His duties involve following up on the implementation of corporate governance with the Jordan Securities Commission.

G- The names of the committees emanating from the Board of Directors:

The Audit Committee, Nominations and Remuneration Committee, Corporate Governance Committee, *Risk and Compliance Committee, *Risk Committee, *Compliance Committee, Facilities Committee, Debt Settlement Committee, Strategic Planning Committee, and the Information Technology and Cyber Security Governance Committee.

*The committee composition has been revised in line with the guidelines outlined in Governance Instructions No. (2/2023) issued on 14/02/2023 by the Central Bank of Jordan. This revision involves the division of responsibilities between the Risk and Compliance Committee, resulting in the formation of two distinct committees: the Risk Committee and the Compliance Committee.

** The name of the committee has been changed to the Debt Settlements Committee, and the authorities related to property sales have been assigned to the Senior Executive Management

H- The names of the chairman and audit committee members and a summary of their qualifications and experience related to financial or accounting matters.

No.	Name	Title	A summary of the qualifications and experience related to financial and accounting matters
1	Miss Lina Najib Al-Bakhit Al-Dababneh	Committee Chairman	<ol style="list-style-type: none"> 1- She held of Business Sector Manager/Executive Vice President at Jordan Ahli Bank from 2018 until 07/31/2021. 2- Director of the Treasury, Investment, and Financial Institutions Department/Executive Vice President at Jordan Ahli Bank from 1998-2018. 3- She held of Director of the Treasury and Investment Department at the Investment Bank during the period (1990-1998). 4- She worked in the Treasury and Investment Department at Petra Bank during the period (1985-1989). 5- She held the position of Vice Chairman of the Board of Directors/Al-Ahly Microfinance Company 2015 until 03/31/2022. 6- She held the Chairman of the Board of Directors of Al-Ahly Financial Brokerage Company from 2010-2015. 7- She held the member of the Board of Directors of Al-Ahly Microfinance Company from 2001-2010. 8- She is currently a member of the Board of Directors of the Modern Mills and Pasta Factories Company (Al-Ghazal) LLC since 2004.
2.	Mr. Ayman Haza'a Barakat Al Majali Committee Member since 31/07/2023	Member	<ol style="list-style-type: none"> 1- He worked at the Ministry of Foreign Affairs. 2- He was appointed as the Chief of Royal protocols in 1993. 3- He was appointed as the Deputy Prime Minister and held the positions of Minister of Youth and Sports and Minister of Information in 1999. 4- In 2022 he became a member of the board of directors of the Jordan Gulf Bank. 5- He was re-elected as the Vice Chairman of the Board of Directors of the Jordan Commercial Bank in 2004. 6- He was elected as a Member in the Jordanian Parliament and was granted the Chairmanship of the Financial Committee in the Jordanian House of Representatives from 2010 to 2012. 7- In 10/11/2020, he became a Member in the House of Representatives of Jordan. 8- He served as the Vice Chairman of the Board of Directors of Solidarity - First Insurance Company from 2008 until 2023. 9- Chairman of the Board of Directors of Jordan First Investment Company. 10- Chairman of the Board of Directors of the Al Jazeera Sudanese Jordanian Bank. 11- Chairman of the Board of Directors of Al-Quds Ready Mix Company. 12. Chairman of the Board of Directors of the International Company for Outsourcing Services.
3	Dr. Henry Toufic Ibrahim Azzam	Member	<ol style="list-style-type: none"> 1- Dr. Henry Azzam currently works as a professor of finance and director of the Master's program in finance at the Olayan School of Business (OSB), American University of Beirut, since January 2014. 2- He is the Chairman of the Board of Directors of Rasmala Investment Company (Dubai). 3- He was Chairman and CEO of The Social Security Investment Fund of Jordan during the period August 2012 – December 2013.

			<p>4- He was Deutsche Bank's CEO for the MENA region from Mar 2007 until October 2010, supervising a team of 250 employees operating in the bank's branches (in Dubai, Abu Dhabi, Riyadh, Doha, Bahrain, Cairo and Algeria).</p> <p>5- Deutsche Bank's Chairman for the MENA region from November 2010 until 31</p> <p>6- He was the CEO of Amwal Invest, an investment bank he founded in Amman in 2005.</p> <p>7- He was the CEO of Jordinvest (2001 – 2004).</p> <p>8- He was the Chairman of Dubai International Financial Exchange.</p> <p>9- Chairman of Mobilecom , Amman (1998-2003).</p> <p>10- Managing Director of Middle East Capital Group, Amman (1998-2001).</p> <p>11- AGM and Chief Economist of the Saudi National Commercial Bank, Jeddah Saudi Arabia (1990-1998).</p> <p>12- Vice President and Chief Economist of Gulf International Bank, Bahrain (1983-1990).</p> <p>13- He served as a board member at Arab Jordan Investment Bank as an independent member in 2017.</p> <p>14- He was an independent board member of Eqbal Investment Company (Amman), Arab Jordan Investment Bank (Amman), Royal Jordanian Airlines (Amman), Nuqul Group (Amman), Aramex (Dubai), Majid Al Futtaim Trust (Dubai), Arabtec (Dubai), and a member of the International Advisory Board of the Saudi Stock Exchange (Tadawul).</p>
4	Eng. Nasser Hussein Mohammad Saleh	Member	<p>1- Mr. Nasser is the Chairman of Board and Founder of MadfoatCom for ePayments.</p> <p>2- He is the Chairman of the British Technology Board for developing expertise in the payment and cyber security solutions.</p> <p>3- He held several positions as Executive Vice President and Head of Information Technology and consultant in several Arab and foreign companies and banks (Accenture, Microsoft, eDATA, AIRajhi Bank, USAID...).</p> <p>4- He was selected as an Endeavor Entrepreneur in 2014, and is a member of the Entrepreneurs' Organization (EO) in Jordan.</p> <p>5- He is a member and co-founder of the Jordanian Entrepreneurship and Innovation Association and won the Entrepreneur of the Year 2013 award from Ernst & Young. He is also the recipient of the Queen Rania Award for Entrepreneurship in Oman 2012.</p>
5	Mr. Yehya Mohammad Ashab Obaidat Assigned as a Committee Member on 01/10/2023 Non-Objection from the Central Bank of Jordan on 11/10/2023	Member	<p>1-He joined the Social Security Investment Fund nineteen years ago, and currently serves as the Tourism Portfolio Section Head under the Project Finance Department since 2018</p> <p>2-Senior Financial Analyst in the Private Finance and Private Equity Department (2010-2018).</p> <p>3- Financial Analyst in the Private Finance and Private Equity Department (2008-2010).</p> <p>4- He worked as a Trader in the Treasury Department (2005-2008).</p> <p>5- Appointed as the Vice Chairman of the Board of Directors at the National Company for Investment in Infrastructure Projects (from 16/08/2021 to 01/10/2023).</p>

			<p>6- He served as a board member of Al-Daman Investment and Agricultural Industries Company (from 16/09/2020 to 15/08/2021).</p> <p>7- He served as a board member of Saraya Aqaba Real Estate Development Company from 23/04/2017 to 15/09/2020.</p> <p>8- He also served as the Chairman of the Board of Directors at Al-Daman Hotel Transportation Services Company from 10/10/2016 to 22/04/2017.</p>
6	<p>Mr. Sharif Tawfiq Hamad Al-Rawashdeh</p> <p>Until 31/07/2023</p>	Member	<ol style="list-style-type: none"> 1- He worked as an internal auditor at the Jordan Kuwait Bank (1987-1981). 2- He worked as loans manager at Al Mashreq Bank, United Arab Emirates (1988-1987). 3- He worked as group head of Retail Banking Services, Private Banking Services and the manager of the head office branch at the Saudi Investment Bank, Riyadh, Kingdom of Saudi Arabia from 1988 to 2010. 4- Chairman, Arab Jordanian Insurance Group since 28/07/2022. 5- Chairman, Al Bilad Securities & Investment Co. since 2006 until 01/04/2019. 6- Chairman, National Chlorine Industries Company Ltd. (from 04/2016 until 01/07/2020) 7- Chairman, International Arabian Development & Investment Trading Co. since 2012 until 2015. 8- Vice Chairman, Arab Jordanian Insurance Group since 2012 until 6/2016. 9- Board member, Arab Jordanian Insurance Group. (from 29/07/2020 until 28/07/2022. 10- Board member, Al Bilad Securities & Investment Co. since 01/04/2019. 11- Board member, Al-Bilad Medical Services P.L.C from 2002 to April 2014 12- Board member, of the Arab Aluminum Industry (ARAL) as of 04/30/2017. 13- Board member, National Chlorine Industries Company P.L.C from April 2012 to April 2014 .
7	<p>Mr. Mo'nes Omar Saleem Abdel All</p> <p>Until 31/07/2023</p>	Member	<ol style="list-style-type: none"> 1- Corporate Affairs Section –Section Head since July 1, 2020 to date 2- Head of Investment Risk at Social Security Investment Fund (SSIF), Jan 2019 till June 30, 2020. 3- Head of settlement division and Deputy CFO at SSIF from May 2006 till 31/12/2018. 4- A lecturer in the American Certified Public Accountant (CPA) and Certified Management Accountant (CMA) programs.
8	<p>Mr. Fadi Abdelwahhab Abdelfattah Abu Ghoush</p> <p>From 31/07/2023 until 30/09/2023</p>	Member	<ol style="list-style-type: none"> 1- He joined the Social Security Investment Fund as an Internal Auditor in 2005, and currently holds the position of Manager of the Internal Audit Unit. 2- He worked as an employee at the Arab Islamic International Bank during the years (2002-2005). 3- He worked as an Accountant at Al-Sabbagh Drugstore in 2005. 4- He worked as a Financial Applications Officer at Houston Limited in Amman in 2001. 5- He lectures in several professional certifications (JCPA, CPA, ACCA, CMA, CIA) in addition to several topics related to internal auditing, anti-money laundering and fraud, internal control, and corporate governance.

I. Name of the Chairperson and members of the Nomination and Remuneration Committee, the Governance Committee, and the Risk Management Committee:

- **Nominations and Rewards Committee**

Member Name	Title
Mr. Osama Omar Ali Hamad	Committee Chairman as of 31/07/2023 Committee Member until 31/07/2023
Dr. Henry Toufic Ibrahim Azzam	Committee Member as of 31/07/2023 Committee Chairman until 31/07/2023
Mr. Michael Faiq Ibrahim Al-Sayegh	Member
Miss. Lina Najib Al-Bakhit Al-Dababneh	Member
Mr. Rami Adam Anaz Titi	Committee Member: assigned on 01/08/2023. Non-Objection from the Central Bank: 16/08/2023.
Mr. Mo'nes Omar Saleem AbdelAll	Member until 31/07/2023

- **Corporate Governance Committee**

Member Name	Title
Eng. Nasser Hussein Mohammad Saleh	Committee Chairman as of 31/07/2023 Committee Member until 31/07/2023
Mr. Michael Faiq Ibrahim Al-Sayegh	Member
Miss Lina Najib Al-Bakhit Al-Dababneh	Member
Dr. Henry Toufic Ibrahim Azzam	Committee Member as of 31/07/2023
Mr. Osama Omar Ali Hamad	Committee Chairman until 31/07/2023

- **Risk and Compliance Committee until 31/07/2023**

Member Name	Title
Mr. Sharif Tawfiq Hamad Al-Rawashdeh	Committee Chairman
Mr. Saleh Mohammad Saleh "Zeid Al-Kilani"	Member
Dr. Henry Toufic Ibrahim Azzam	Member
Mr. Fadi Abdelwahab Abdelfattah Abu-Ghaush	Member

- **Risk Committee as of 31/07/2023**

Member Name	Title
Dr. Henry Toufic Ibrahim Azzam	Committee Chairman
Miss Lina Najib Al-Bakhit Al-Dababneh	Member
Mr. Abdelnour Nayef Abdelnour Abdelnour	Member

- **Compliance Committee as of 31/07/2023**

Member Name	Title
Mr. Sharif Tawfiq Hamad Al-Rawashdeh	Committee Chairman
Mr. Saleh Mohammad Saleh "Zeid Al-Kilani"	Member
Mr. Osama Omar Ali Hamad	Member

* The committee composition has been revised in line with the guidelines outlined in Governance Instructions No. (2/2023) issued on 14/02/2023 by the Central Bank of Jordan. This revision involves the division of responsibilities between the Risk and Compliance Committee, resulting in the formation of two distinct committees: the Risk Committee and the Compliance Committee.

J- The number of meetings of each of the committees during the year 2023, with an indication of the number of attendees:

1- Audit Committee

The number of meetings of the Audit Committee during the year was (8) meetings. The following are the Members present for each meeting:

#	Name	First Meeting 09/02/2023	Second Meeting 06/03/2023	Third Meeting 25/04/2023	Fourth Meeting 28/05/2023	Fifth Meeting 30/07/2023	Sixth Meeting 09/08/2023	Seventh Meeting 29/10/2023	Eighth Meeting 21/12/2023
1	Miss Lina Najib Al Bakhit Al-Dababneh, Committee Chairman,	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2	Mr. Ayman Hazaa Barakat Al Majali As of 31/07/2023	--	--	--	--	--	Attended	Attended	Attended
3	Dr. Henry Toufic Ibrahim Azzam	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
4	Eng. Nassser Hussein Mohammad Saleh	Attended	Absent	Attended	Attended	Attended	Attended	Attended	Attended
5	Mr. Yehya Mohammad Ashab Obaidat Current as of 01/10/2023 Date of No Objection Certificate from Central Bank 11/10/2023	-	-	-	-	-	-	Attended	Attended
6	Mr. Sharif Tawfiq Hamad Al-Rawashdeh Member until 31/07/2023	Attended	Attended	Attended	Attended	Attended	-	-	-
7	Mr. Mo'nes Omar Saleem Abdel All Until 31/07/2023	Attended	Attended	Attended	Attended	Attended	-	-	-
8	Mr. Fadi Abdelwahhab Abdelfattah Abu Ghoush as of 31/07/2023 until 30/09/2023	-	-	-	-	-	Attended	-	-

2- The Nominations and Remunerations Committee

The number of meetings of the Nominations and Remuneration Committee during the year was (6) meetings.

The following are the attending Members for each meeting:

#	Name	First Meeting 06/03/2023	Second Meeting 12/06/2023	Third Meeting 11/07/2023	Fourth Meeting 07/08/2023	Fifth Meeting 11/09/2023	Sixth Meeting 21/12/2023
1	Mr. Osama Omar Ali Hamad Committee Chairman as of 31/07/2023	-	-	-	Attended	Attended	Attended
2	Dr. Henry Toufic Ibrahim Azzam Committee Chairman until 31/07/2023	Attended	Attended	Attended	-	-	
3	Mr. Michael Faiq Ibrahim Al-Sayegh Member	Attended	Attended	Attended	Attended	Attended	Attended
4	Miss Lina Najib Al-Bakhit Al- Dababneh Member	Attended	Attended	Attended	Attended	Attended	Attended
5	Dr. Henry Toufic Ibrahim Azzam Member as of 31/07/2023	-	-	-	Attended	Attended	Attended
6	Mr. Osama Omar Ali Hamad Member until 31/07/2023	Attended	Attended	Attended	-	-	-
7	Mr. Rami Adam Titi Committee Member as of 01/08/2023 Non-Objection from Central Bank: 16/08/2023	-	-	-	-	Attended	Attended
8	Mr. Mounes Omar Saleem Abdel All Member until 31/07/2023	Attended	Attended	Attended	-	-	-

3- Corporate Governance Committee

The number of meetings of the Corporate Governance Committee during the year was (3) meetings. The following are the attending Members for each meeting:

#	Name	First Meeting 04/04/2023	Second Meeting 17/08/2023	Third Meeting 21/12/2023
1	Eng. Nassser Hussein Mohammad Saleh Committee Chairman as of 31/07/2023	-	Attended	Attended
2	Mr. Michael Faiq Ibrahim Al-Sayegh Member	Attended	Attended	Attended
3	Miss Lina Najib Al-Bakhit Al-Dababneh Member	Attended	Attended	Attended
4	Dr. Henry Toufic Ibrahim Azzam Member as of 31/07/2023	-	Attended	Attended
5	Eng. Nassser Hussein Mohammad Saleh Member until 31/07/2023	Attended	-	-
6	Mr. Osama Omar Ali Hamad Committee Chairman until 31/07/2023	Attended	-	-

4- Risk and Compliance Committee*

The number of meetings of the Risk and Compliance Committee during the year was (4) meetings. The following are the attending Members for each meeting:

#	Name	First Meeting 31/01/2023	Second Meeting 26/04/2023	Third Meeting 25/06/2023	Fourth Meeting 31/07/2023
1	Mr. Sharif Tawfiq Hamad Al-Rawashdeh, Committee Chairman	Attended	Attended	Attended	Attended
2	Dr. Henry Toufic Ibrahim Azzam, Member	Attended	Attended	Attended	Attended
3	Mr. Fadi Abdelwahab Abdelfattah Abu-Ghaush, Member until 31/07/2023	Attended	Attended	Attended	Attended
4	Mr. Saleh Mohammad Saleh "Zeid Al-Kilani", Member	Attended	Attended	Attended	Attended

* The committee composition has been revised in line with the guidelines outlined in Governance Instructions No. (2/2023) issued on 14/02/2023 by the Central Bank of Jordan. This revision involves the division of responsibilities between the Risk and Compliance Committee, resulting in the formation of two distinct committees: the Risk Committee and the Compliance Committee.

5- Risk Committee*

The number of meetings of the Risk Committee during the year was (2) meetings. The following are the attending Members for each meeting:

#	Name	First Meeting 03/09/2023	Second Meeting 06/11/2023
1	Dr. Henry Toufic Ibrahim Azzam Committee Chairman	Attended	Attended
2	Mr. Abdelnour Nayef Abdelnour Abdelnour Member	Attended	Attended
3	Miss Lina Najib Al-Bakhit Al-Dababneh Member	Attended	Attended

* The committee composition has been revised in line with the guidelines outlined in Governance Instructions No. (2/2023) issued on 14/02/2023 by the Central Bank of Jordan. This revision involves the division of responsibilities between the Risk and Compliance Committee, resulting in the formation of two distinct committees: the Risk Committee and the Compliance Committee.

6- Compliance Committee*

The number of meetings of the Compliance Committee during the year was (1) meetings. The following are the attendees for each meeting:

#	Name	First Meeting 07/12/2023
1	Mr. Sharif Tawfiq Hamad Al-Rawashdeh Committee Chairman	Attended
2	Mr. Saleh Mohammad Saleh "Zeid Al-Kilani" Member	Attended
3	Mr. Osama Omar Ali Hamad Member	Attended

* The committee composition has been revised in line with the guidelines outlined in Governance Instructions No. (2/2023) issued on 14/02/2023 by the Central Bank of Jordan. This revision involves the division of responsibilities between the Risk and Compliance Committee, resulting in the formation of two distinct committees: the Risk Committee and the Compliance Committee.

7- Facilities Committee

The number of meetings of the Facilities Committee during the year was (2) meetings. The following are the attendees for each meeting:

#	Name	First Meeting 09/02/2023	Second Meeting 31/07/2023
1	Mr. Michael Faiq Ibrahim Al-Sayegh Committee Chairman	Attended	Attended
2	Mr. Ayman Hazaa Barakat Al Majali Member until 31/07/2023	Attended	Attended
3	Mr. Osama Omar Ali Hamad Member	Attended	Attended
4	Mr. Abdelnour Nayef Abdelnour Abdelnour Member	Attended	Attended
5	Mr. Fadi Abdelwahab Abdelfattah Abu-Ghoush Member until 31/07/2023	Attended	Attended
6	Mr. Saleh Mohammad Saleh "Zeid Al-Kilani" Member	Attended	Attended
7	Mr. Sharif Tawfiq Hamad Al-Rawashdeh Member as of 31/07/2023	-	-
8	Mr. Rami Adam Titi Committee Member as of 01/08/2023 Non-Objection from the Central Bank: 16/08/2023	-	-

8- Debt and Real Estate Settlement Committee

The number of meetings of the Debt and Real Estate Settlement Committee during the year was (2) meetings. The following are the attendees for each meeting:

#	Name	First Meeting 24/01/2023	Second Meeting 25/06/2023
1	HE Mr. Ayman Haza' Barakat Al-Majali Committee Chairman	Attended	Attended
2	Mr. Sharf Tawfiq Hamad Al-Rawashdeh Member	Attended	Attended
3	Mr. Abdelnour Nayef Abdelnour Abdelnour Member	Attended	Attended
4	Mr. Saleh Mohammad Saleh "Zeid Al-Kilani" Member	Attended	Attended

**** The name of the committee has been amended to become the Debt Settlement Committee, and the authorities related to the sale of real estate have been assigned to the senior executive management.**

9- Strategic Planning Committee

	Name	First Meeting 04/06/2023	Second Meeting 06/09/2023
1	Mr. Abdelnour Nayef Abdelnour Abdelnour, Committee Chairman	Attended	Attended
2	Mr. Saleh Mohammad Saleh "Zeid Al-Kilani", Member	Attended	Attended
3	Dr. Henry Toufic Ibrahim Azzam Member	Attended	Attended
4	Eng. Nassser Hussein Mohammad Saleh Member until 31/07/2023	Attended	-
5	Miss. Lina Najib Al-Bakhit Al-Dababneh Member	Attended	Attended
6	Mr. Fadi Abdelwahab Abdelfattah Abu-Ghoush, Member until 30/09/2023	Attended	Attended
7	Mr. Yehya Mohammad Ashab Obaidat Committee member as of 01/10/2023 Non-Objection from the Central Bank: 11/10/2023	--	--

10- Information Technology and Cyber Security Governance Committee.

The number of meetings of the Information Technology Committee during the year was (4) meetings. The following are the attending Members for each meeting:

	Name	First Meeting 22/03/2023	Second Meeting 10/07/2023	Third Meeting 25/10/2023	Fourth Meeting 05/12/2023
1	Eng. Nassser Hussein Mohammad Saleh, Committee Chairman	Attended	Attended	Attended	Attended
2	Mr. Sharif Tawfiq Hamad Al-Rawashdeh, Member	Attended	Attended	Attended	Attended
3	Mr. Abdelnour Nayef Abdelnour Abdelnour, Member	Attended	Attended	Attended	Attended
4	Dr. Henry Toufic Ibrahim Azzam Member as of 31/07/2023	-	-	Attended	Attended
5	Mr. Saleh Mohammad Saleh "Zeid Al-Kilani" Member as of 31/07/2023	-	-	Attended	Attended

K- The number of audit committee meetings with the external auditor during the year

The Audit Committee met with the external auditor once during the year without the presence of any of the senior executive management or its representatives.

L- The number of Board of Directors meetings (10) meetings during the year 2023. The following are the attending Members for each meeting:

#	Name	First Meeting 05/01/2023	Second Meeting 09/02/2023	Third Meeting 27/03/2023	Fourth Meeting 13/04/2023	Fifth Meeting 25/04/2023	Sixth Meeting 20/06/2023	Seventh Meeting 31/07/2023	Eighth Meeting 14/09/2023	Ninth Meeting 30/10/2023	Tenth Meeting 28/12/2023
1	Mr. Michael Faiq Ibrahim Al-Sayegh, Chairman of the Board	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2	HE Mr. Ayman Haza' Barakat Al-Majali, Vice Chairman of the Board of Directors	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
3	First Jordan Investment Company, represented by: Mr. Saleh Mohammad Saleh "Zeid Al-Kilani"	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
4	Mr. Osama Omar Ali Hamad, Member of the Board of Directors	Attended	Attended	Attended	Attended	Absent	Attended	Attended	Attended	Attended	Attended
5	Social Security Corporation, Member of the Board of Directors, Represented in the first seat: Mr. Fadi Abdelwahab Abdelfattah Abu-Ghaush until 30/09/2023	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	-	-
6	Social Security Corporation, Member of the Board of Directors, Represented in the first seat: Yehya Obaidat as of 01/10/2023 Non-Objection from the Central Bank: 11/10/2023	-	-	-	-	-	-	-	-	Attended	Attended
7	Social Security Corporation, Member of the Board of Directors, Represented in the second seat: Mr. Mo'nes Omar Saleem Abdel All until 31/07/2023	Attended	Attended	Attended	Attended	Attended	Attended	Attended	-	-	-
8	Social Security Corporation, Member of the Board of Directors, Represented in the second seat: Mr. Rami Titi as of 01/08/2023 Non-Objection from the Central Bank: 16/08/2023	-	-	-	-	-	-	-	Attended	Attended	Attended
9	Mr. Sharif Al-Rawashdeh, Member of the Board of Directors	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
10	Dr. Henry Azzam, Member of the Board of Directors	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
11	Eng. Nassser Hussein Mohammad Saleh, Member of the Board of Directors	Attended	Attended	Attended	Attended	Attended	Absent	Attended	Attended	Attended	Attended
12	Mr. Abdelnour Nayef Abdelnour Abdelnour, Member of the Board of Directors	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
13	Miss Lina Najib Al-Bakhit Al-Dababneh, Member of the Board of Directors.	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended

Michael Al-Sayegh
Chairman of the Board



Contact Information of Branches

	Branch Name	Address	Telephone No.	Fax No.
1	Head Office	Al Bayader - King Abdullah II St.	06-5203000	06-5664110
2	Main Branch	Al Bayader - King Abdullah II St.	06-5209000	06-5203086
3	Shmeisani	Thaqafa St. – CSC Complex, Amman	06-5209000	06-5621878
4	Jabal Amman	Jabal Amman – Prince Muhammad St. - Jordan Insurance Company PLC Building	06-5209000	06-5621968
5	Commercial Complex	Housing Bank Complex, Queen Nour St.	06-5209000	06-5683657
6	Jabal Al Hussein	Jabal Al Hussein – Jamal Addin Al afaghani St.	06-5209000	06-4639519
7	Abdali* Express	New Abdali – Rafiq Hariri St.	06-5209000	06-5104797
8	Radio & TV	Sakhra Al Musharafa St. - at the intersection with Prince Hassan Street - Sanad Madi Commercial Complex - Sanad (2)	06-5209000	06-4784692
9	Marka	Marka – King Abdullah I St.	06-5209000	06-4883665
10	Al Jubeiha	Jubeiha – Yajouz St – next to safeway	06-5209000	06-5356890
11	Fuhais	Fuhais - Al Hejaz St.	06-5209000	06-4720520
12	Wasfi Al Tal	Amman - Wasfi Al Tal St. – Abraj Al Mihania complex	06-5209000	06-5525676
13	Al-Hashmi Al-Shamali	Amman - Al Bathaa St.	06-5209000	06-5057595
14	Zarqa	Zarqa – Al Saadeh St.	06-5209000	05-3993290
15	Madaba	Madaba – King Abdullah II St.	06-5209000	05-3246931
16	Karak	Karak – Istiqlal St. (Amman Main St.) - Hay Al Wrood - Al Thinyah Traffic Lights – Next to Hijazeen Station	06-5209000	03-2386967
17	Aqaba	Eastern Wehdat – Bin Rushd St.	06-5209000	03-2014166
18	Al Salt	Al Salt – Maidan St.	06-5209000	05-3551561
19	Muadi	Al Ghour - Der Ala – Main St.	06-5209000	05-3571761
20	Irbid	Irbid – Al Rawdah Area – Omar Al Mukhtar St. (30 St.)	06-5209000	02-7259407
21	Hay Al Sharq Express	Irbid – Hay Al Sharqi – Al Hashmi St	06-5209000	02-7251761
22	Ramtha	Ramtha – Municipality Building, Al-Wihda Al-Arabiyya St.	06-5209000	02-7381857
23	Mafraq	Mafraq – East Mafraq, Dr. Khaled Abu Smaqah St.	06-5209000	02-6236679
24	Rusaifeh	Zarqa - Ruseifeh–Jabal Al Shamali- King Abdullah II St	06-5209000	05-3751677
25	Dahiyat al Yasmeen	Amman - Dahiyat al Yasmeen, Prince Hashim bin Al Hussein St.	06-5209000	06-4393956
26	Dahiya Al Nakheel Express	Amman - Dahiyat Al Nakheel, Ali Salem Al Haiwat St.	06-5209000	06-5712596
27	Sports City	Amman - Sports City, Al-Shaheed St.	06-5209000	06-5154170
28	Um Uthaina	Amman - Mecca St., Al Thawabet Building	06-5209000	06-5527439
29	Abu Sous Express	Amman – Wadi Seir – Abu Al Sous – Al Sana’a St.	06-5209000	06-5811231
30	Marj Al Hamam	Amman – Marj Al Hamam – Mohammad Saeed Al Abadi St. – Building 89	06-5209000	06-5716340
31	Tabarbour Express	Amman – Tabarbour – Tabrbour St – Laimar St	06-5209000	06-5065404
32	Abdoun Express	Amman – Abdoun – Mohammad Ali Jannah St – Across from RJ building	06 -5209000	06-5920104
33	Shafa Badrann Express	Amman – Shafa Badran – Arab St – Opposite the main gate of the Applied Science University – Shuwaikh Housing Towers Building	06 -5209000	06-5233834
34	New Zarqa Express	Zarqa – New Zarqa – Al Karamah St. Building 77	06-5209000	05-3850474
35	Hay Al Janoubi Express	Irbid – Hay Al Janoubi – Dahiyat Al Hussein – Al Rabieh – Prince Mohammad St. Building 2	06-5209000	02 -7101445
36	Ibn SinaUniversity Express	Amman – Al Qastal – Queen Alia Airport Road – Ibn Sina University for Medical Sciences – Admission and Registration Building	06-5209000	-