



CENTRAL BANK OF JORDAN



ANNUAL REPORT

2022



CENTRAL BANK OF JORDAN

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2022

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OUR VISION

Continue maintaining monetary stability and contribute to achieving banking and financial stability in a way that contributes to achieving sustainable development in the Kingdom.

OUR MISSION

Maintaining monetary stability represented in the stability of the Jordanian dinar exchange rate, the stability of the general level of prices and contributing to providing an attractive and stimulating investment environment for sustainable development through providing a convenient interest rate structure and applying micro and macro prudential supervision policies that contribute to achieving banking and financial stability. In addition to providing a safe and efficient payment environment, promoting financial inclusion, protecting the financial consumer, as well as motivating innovation and business development in the field of secure financial technology. For this purpose, the CBJ optimally utilizes its human, financial, physical, technical and knowledge resources.

OUR VALUES

Engagement

Integrity and transparency

Excellence

Participation

Continuous learning and training

Innovation

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Governor's Message

The global economy faced various and interconnected risks during 2022, resulting in an unfavorable global environment and continued uncertainty. As countries began to lift restrictions imposed by repercussions of the COVID-19 pandemic during 2020-2021, they were confronted with geopolitical risks resulting from the Russian-Ukrainian war in early 2022. These risks had reflected on global supply chains, in particular, food and energy, amplifying inflationary pressures, which began to emerge following the expansionary phase of the economic policies adopted by most countries in the world to contain the impacts of the COVID-19 pandemic. The inflationary pressures intensified as global demand recovered from the pandemic, which prompted many central banks to adopt a hawkish monetary policy to contain inflation and bring it back to acceptable levels.

The Central Bank of Jordan (CBJ) was not immune to these developments and recognized that the world was entering a phase of inflation dominance in the post pandemic economy. Therefore, the CBJ's monetary policy during 2022 was characterized by high flexibility and timely response to drastic shifts in directions, globally and regionally. It aligned with the globally tightened monetary policies to continue achieving its mandate of maintaining monetary and financial stability in the Kingdom, including maintaining the stability of the Jordanian Dinar exchange rate, and keeping inflation within acceptable levels. Having said that, the CBJ raised interest rates on its monetary policy instruments seven times by a cumulative of 400 basis points, and 425 basis points on the overnight deposit facility.

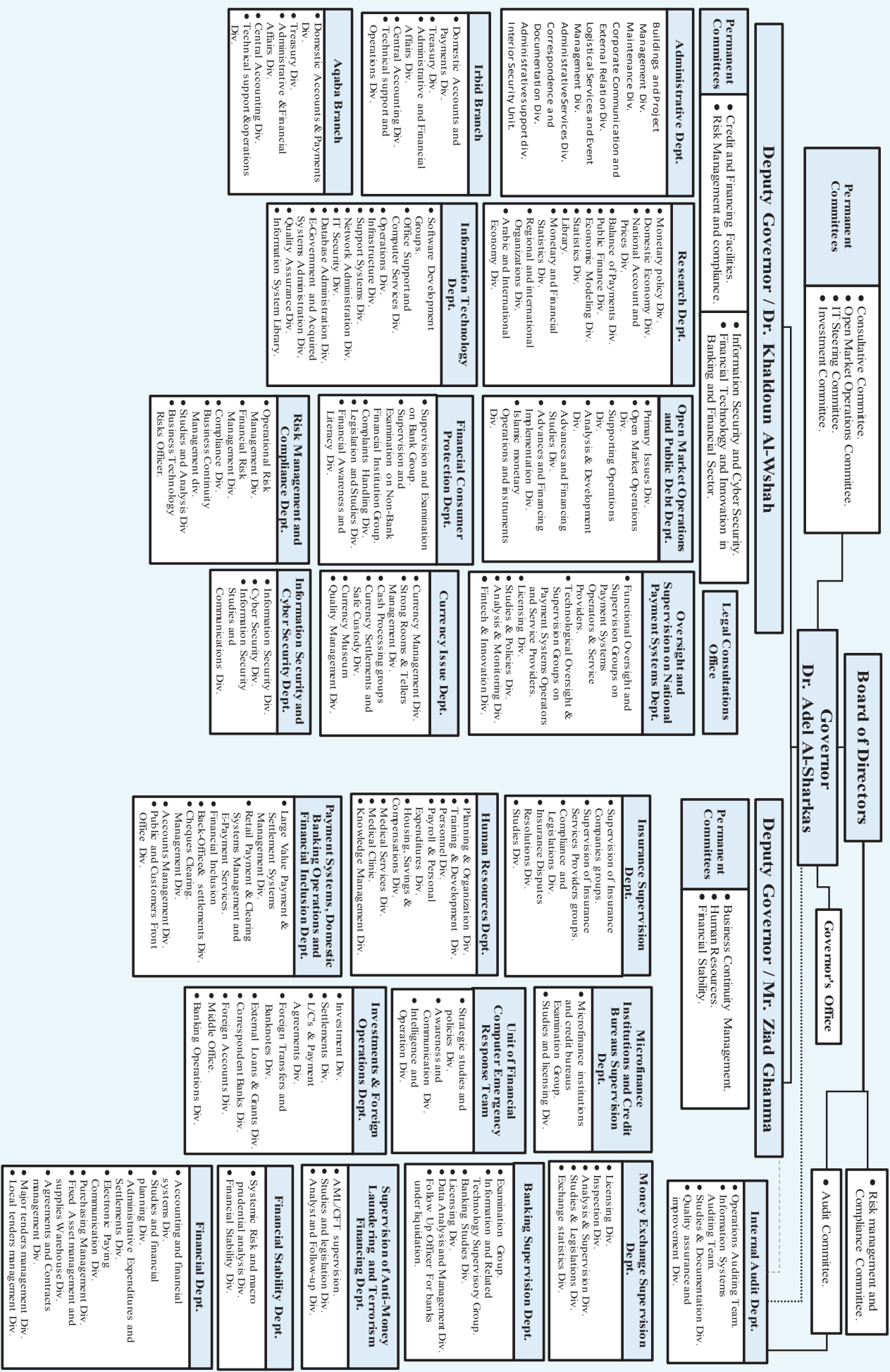
The national economy demonstrated a positive performance in 2022, with a real GDP growth of 2.5 percent. This was coupled with a strong performance in the external sector, exceeding expectations in some indicators, particularly in tourism income, which grew by 110.5 percent, well-above the pre-pandemic levels. National exports also increased by 33.8 percent, collectively contributing to alleviating the severity of the current account deficit, which primarily resulted from the rise in imports, due to higher global prices of basic commodities and oil. Furthermore, the overall fiscal deficit, including grants, decreased by 0.8 percentage points, to reach 4.6 percent of GDP.

The fifty-ninth annual report of the CBJ provides an analysis of the economic developments in the Kingdom during 2022. On this occasion, I would like to express my sincere appreciation to all our partners of government agencies, banks, and financial and non-financial institutions for their decent cooperation, and responsiveness in providing valuable information and data that contributed to the preparation of this report. I would also like to express my sincere gratitude to all the employees of the CBJ for their endless efforts, outstanding performance, and dedication. Special thanks to the staff of the Research Department for their exceptional performance during the preparation of this report.

Dr. Adel A. Al-Sharkas

The Governor of the Central Bank of Jordan

Organizational Chart Central Bank of Jordan (End of 2022)



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SUMMARY OF ECONOMIC CONDITIONS IN 2022

In 2022, the global economy suffered from the brunt of high inflation, which prompted many global central banks to tighten their monetary policies by raising interest rates to combat inflation. Considering these developments, the global economy recorded a slowdown in 2022, as it grew by 3.4 percent, compared to a growth of 6.3 percent in 2021.

Domestically, the pace of the national economy's recovery, from the repercussions of the COVID-19 pandemic, accelerated during 2022, as the gross domestic product grew by 2.5 percent, compared to a growth of 2.2 percent in 2021. This growth was achieved in light of the strong performance of many economic indicators. Most notably, the external sector indicators such as tourism income, foreign direct investment, total exports, and remittances of Jordanians working abroad. The growth achieved during 2022 is characterized as broad-based, as it was driven by the positive performance of all economic sectors, including the most affected sectors by the pandemic, such as restaurants and hotels, transportation, wholesale and retail trade, and construction. The growth rates of the economic sectors ranged between 4.9 percent for the "restaurants and hotels" sector and 0.1 percent for the domestic services sector.

Moreover, the unemployment rate decreased to 22.8 percent, compared to 24.1 percent in 2021, considering the increased momentum of economic activity for all sectors.

Regarding the general price level, the consumer price index (CPI) increased by 4.2 percent, compared to an increase of 1.4 percent in 2021, following the path of oil and food prices in global markets, on one hand, and the supply chains disruption and hence, the high shipping costs, on the other hand. Despite the global inflationary wave, its impact was limited on local price level, due to measures taken by the government and the CBJ to contain these inflationary pressures.

Furthermore, public finance data showed a decrease in the overall fiscal deficit, including external grants, compared to 2021, decreasing by JD 178.1 million, reaching JD 1,552.5 million, compared to a total fiscal deficit of JD 1,730.6 million during 2021. As a percentage of GDP, the overall fiscal deficit decreased by 0.8 percentage points, reaching 4.6 percent of GDP, compared to 5.4 percent of GDP in 2021.

Despite the surrounding circumstances and the challenging environment that still cast a shadow over the global economy, the external sector performance exceeded

expectations in several indicators. Despite the surrounding circumstances and challenges that continue to cast a shadow on the global economy, the external sector of Jordan's economy performed better than expected, in some of its indicators, during 2022, as domestic exports showed an improvement, driven by the growth of non-traditional exports, the access of Jordanian goods to new markets, and the flourishing of traditional exports (potash, phosphates, and fertilizers) due to the rise of the international prices and the return of global demand on Jordanian goods. Travel receipts also recovered, surpassing pre-pandemic levels, driven mainly by the resumption of travel activities and the increase in the number of tourists of all nationalities. These positive indicators contributed to alleviate the severity of the increase in the current account deficit, which was primarily caused by the rise in imports due to higher commodities and oil prices globally. The current account deficit (including grants) reached JD 2,953.0 million (8.8 percent of GDP) during 2022, compared with a deficit of JD 2,639.5 million (8.2 percent of GDP) during 2021. Meanwhile, the current account deficit, excluding grants, reached 12.7 percent of GDP compared to 12.0 percent of GDP in 2021.

On the monetary and banking side, the Central Bank of Jordan (CBJ) responded to global economic developments, and global

and regional central banks trends towards tightening their monetary policies to contain inflationary pressures, given its mandate of preserving monetary and financial stability in the Kingdom, including maintaining the stability of the Jordanian dinar exchange rate and maintaining inflation rates within appropriate levels, boosting economic growth, maintaining the strength and stability of the banking system, and protecting the rights of depositors and shareholders.

Consequently, the CBJ raised interest rates on its monetary policy tools seven times by 400 basis points, and 425 basis points on the overnight deposit window, to maintain monetary and financial stability in the Kingdom and contain inflationary pressures resulting from factors related to domestic demand.

Meanwhile, the CBJ balanced the requirements of achieving monetary stability and provided the lenient necessary financing for economic activity, such that, the CBJ maintained preferential interest rates on its subsidized lending schemes to support vital economic sectors, directed towards economic sectors with high-added value, and on another subsidized lending scheme to support Small and Medium-sized Enterprises (SMEs). Moreover, the CBJ extended its program to SMEs professionals, and craftsmen, which was terminated in April 2023.

Main Economic Indicators

Indicator	2021	2022
GDP growth rate at constant prices (%)	2.2	2.5
Inflation rate (%)	1.4	4.2
Unemployment rate (%)	24.1	22.8
Total credit facilities (%)	4.9	8.5
Total deposits (%)	7.4	6.5
Total foreign reserves (Including gold and special drawing rights) (USD billion)	18.0	17.3
Current account (% of GDP)	- 8.2	- 8.8
Tourism Income (%)	95.8	110.5
Total workers remittances (%)	1.0	1.5
Foreign direct investment in Jordan (%)	- 18.2	82.9
Budget deficit/surplus (including grants) (% of GDP)	- 5.4	- 4.6
Public debt balance (% of GDP)	111.7	114.2

CHAPTER ONE

GLOBAL ECONOMY

In 2022, the global economy suffered from the brunt of high inflation rates, prompting many central banks, around the world, to tighten their monetary policy, by raising interest rates. As a result, the global economy showed a slowdown in 2022, as it grew by 3.4 percent, compared to a growth rate of 6.3 percent in 2021. However, the global unemployment rate declined to 5.8 percent in 2022, compared to 6.2 percent in 2021.

Global inflation reached 8.7 percent in 2022, compared with 4.7 percent in 2021, affected by the increased demand, as the global economy began to recover from the COVID-19 pandemic. On the supply side, inflation rose due to ongoing supply chain disruptions, the outbreak of the Russian-Ukrainian war, continued closures in China. This prompted the majority of global central

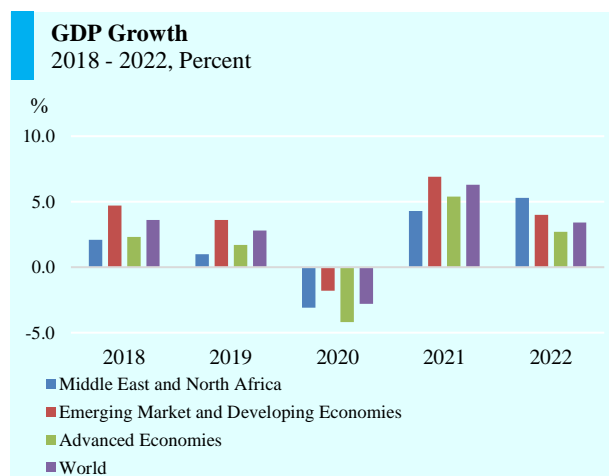
banks to raise interest rates. The Federal Reserve raised its key interest rate seven times during 2022, by a cumulative 4.25 percentage point, reaching 4.50 percent by the end of 2022. Similarly, the European Central Bank (ECB), the Bank of England, and central banks in most countries raised interest rates.

This was accompanied by a slowdown in global trade volume in 2022, which grew by 5.1 percent, compared to growth of 10.6 percent in 2021.

Also, global public debt, as a percent of global GDP, decreased to 92.1 percent in 2022, compared to 95.5 percent in 2021. As the pandemic initially led to an increase in government expenditure by providing support to sectors affected by the pandemic, especially advanced economies, who have significant fiscal space. As the pandemic and its economic effects fade away, countries gradually withdrew their support, leading to a decline in global public debt to GDP in 2022.

Global Economic Growth

The global economy witnessed a slowdown in 2022, as it grew by 3.4 percent, compared to a growth rate of 6.3 percent in 2021, as economic activity was affected by high inflation worldwide, which induced many central banks to raise interest rates to contain inflationary pressures, which were affected by the Russian-Ukrainian war, and supply chain disruptions. The rapid spread of the coronavirus in China also weakened global economic growth in 2022, according to the World Economic Outlook (WEO) report (April 2023) published by the International Monetary Fund (IMF).



Advanced economies recorded a slowdown in real GDP growth in 2022, as it grew by 2.7 percent, compared to 5.4 percent in 2021. The US economy grew by 2.1 percent

in 2022, after growing by 5.9 percent in 2021. Similarly, the Euro area economy grew by 3.5 percent in 2022, compared to a growth of 5.4 percent in 2021, and the Japanese economy also experienced a slowdown, as it grew by 1.1 percent in 2022, compared to a growth of 2.1 percent in 2021.

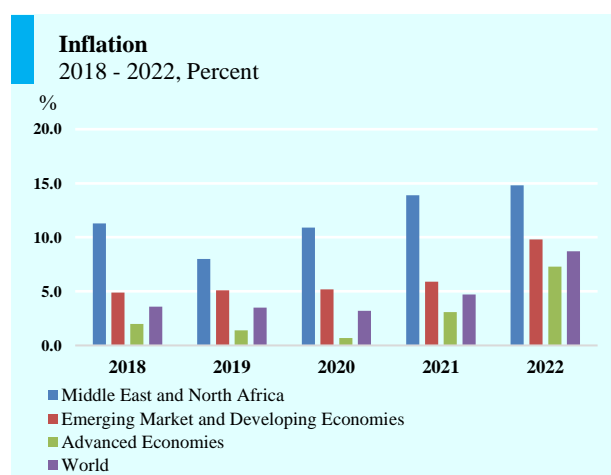
GDP Growth 2018 - 2022, Percent					
	2018	2019	2020	2021	2022
World	3.6	2.8	-2.8	6.3	3.4
Advanced Economies, of which:	2.3	1.7	-4.2	5.4	2.7
United States	2.9	2.3	-2.8	5.9	2.1
Euro Area	1.8	1.6	-6.1	5.4	3.5
Japan	0.6	-0.4	-4.3	2.1	1.1
Emerging Markets and Developing Economies, of which:	4.7	3.6	-1.8	6.9	4.0
China	6.8	6.0	2.2	8.4	3.0
Middle East and North Africa (MENA)	2.1	1.0	-3.1	4.3	5.3

Source : World Economic Outlook (WEO), April 2023, IMF.

As for emerging markets and developing economies, their economies recorded a slowdown, growing by 4.0 percent in 2022, compared to a growth rate of 6.9 percent in 2021. The Chinese economy grew by 3.0 percent in 2022, compared to 8.4 percent in 2021. Meanwhile, the Middle East and North Africa (MENA) grew by 5.3 percent, compared to a growth rate of 4.3 percent in 2021.

Global Inflation

Global inflation rose to 8.7 percent in 2022, compared to 4.7 percent in 2021, as a result of demand improved following the global economy recovered from the repercussions of the pandemic. On the supply side, the outbreak of the Russian-Ukrainian war aggravated inflation (IMF WEO, April 2023).



In advanced economies, inflation increased to 7.3 percent in 2022, compared to 3.1 percent in 2021, as the US inflation rose from 4.7 percent in 2021, to 8.0 percent in 2022. Also, the Euro area inflation surged from 2.6 percent in 2021, to 8.4 percent in

2022. As for emerging markets and developing countries, inflation increased from 5.9 percent in 2021, to 9.8 percent in 2022. In MENA countries, inflation increased from 13.9 percent in 2021, to 14.8 percent in 2022.

Inflation Rate

2018 - 2022, Percent

	2018	2019	2020	2021	2022
World	3.6	3.5	3.2	4.7	8.7
Advanced Economies, of which:	2.0	1.4	0.7	3.1	7.3
United States	2.4	1.8	1.3	4.7	8.0
Euro Area	1.8	1.2	0.3	2.6	8.4
Emerging Markets and Developing Economies, of which:	4.9	5.1	5.2	5.9	9.8
Middle East and North Africa (MENA)	11.3	8.0	10.9	13.9	14.8

Source : World Economic Outlook (WEO), April 2023, IMF.

The global commodity price index continued to rise, as it grew by 33.5 percent in 2022, compared to 52.3 percent in 2021, which contributed to the continued increase in global inflation in 2022.

- The energy price index (oil, gas, and coal) continued to rise in 2022, as it grew by 63.6 percent, compared to a growth of 99.6 percent in 2021:

- Crude Oil prices increased by 39.2 percent in 2022, compared to an increase of 65.8 percent in 2021.
- The natural gas price index increased by 105.6 percent in 2022, compared to an increase of 253.7 percent in 2021.
- The coal price index increased by 142.3 percent in 2022, compared to an increase of 110.8 percent in 2021.
- The food and beverage price index continued to rise in 2022, growing by 14.1 percent, compared to a growth of 25.9 percent in 2021.
- The agricultural raw materials price index increased by 5.7 percent in 2022, compared to an increase of 15.5 percent in 2021.
- Conversely, metals price Index recorded a decline of 5.6 percent in 2022, compared to an increase of 46.7 percent in 2021.

Global Commodity Prices Growth Rates

2018 - 2022, Percent

	2018	2019	2020	2021	2022
Commodity Price Index	12.7	-8.4	-9.5	52.3	33.5
Commodity Fuel (Energy) Index	27.0	-17.4	-29.1	99.6	63.6
Crude Oil (Petroleum), US \$ per barrel	29.4	-10.4	-32.0	65.8	39.2
Commodity Natural Gas Price Index	24.8	-36.7	-21.6	253.7	105.6
Commodity Coal Price Index	18.1	-27.3	-16.8	110.8	142.3
Commodity Food and Beverage Price Index	-1.8	-3.2	1.7	25.9	14.1
Commodity Agricultural Raw Materials Index	2.0	-5.4	-3.4	15.5	5.7
Commodity Metals Price Index	6.6	3.9	3.5	46.7	-5.6

Source : World Economic Outlook (WEO), April 2023, IMF.

Global Unemployment

The global unemployment rate decreased, in 2022 to reach 5.8 percent, compared to 6.2 percent in 2021 (the International Labor Organization (ILO)'s, World Employment and Social Outlook-Trends 2023 report). Unemployment in advanced economies decreased to 4.5 percent in 2022, compared to 5.6 percent in 2021. The US unemployment rate dropped from 5.4 percent in 2021, to 3.6

percent in 2022. Unemployment in the Euro area decreased to 6.8 percent in 2022, compared to 7.8 percent in 2021, and Japan registered a slight decrease in unemployment, reaching 2.6 percent in 2022, compared to 2.8 percent in 2021. On the contrary, in China, unemployment rate increased slightly to 4.2 percent, compared to 4.0 percent in 2021.

Unemployment Rates

2018 - 2022, Percent

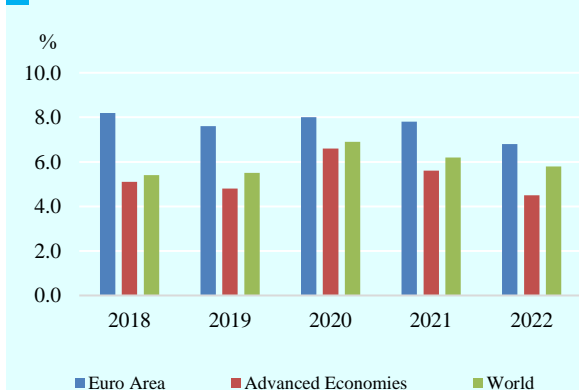
	2018	2019	2020	2021	2022
World*	5.4	5.5	6.9	6.2	5.8
Advanced Economies, of which:	5.1	4.8	6.6	5.6	4.5
United States	3.9	3.7	8.1	5.4	3.6
Euro Area	8.2	7.6	8.0	7.8	6.8
Japan	2.4	2.4	2.8	2.8	2.6
China	3.8	3.6	4.2	4.0	4.2

Source : World Economic Outlook (WEO), April 2023, IMF.

* : World Employment and Social Outlook – Trends 2023, International Labor Organization.

Unemployment Rates

2018 - 2022, Percent



Global Foreign Trade

Global trade increased by 5.1 percent in 2022, compared to an increase of 10.6 percent in 2021. As for exports of goods and services, advanced economies recorded a 5.2 percent increase in 2022, compared to an increase of 9.5 percent in 2021. Exports of emerging markets and developing economies increased by 4.1 percent in 2022, compared to an increase of 12.5 percent in 2021.

World Trade Growth Rates

2018 - 2022, Percent

	2018	2019	2020	2021	2022
World trade growth	4.0	1.0	-7.8	10.6	5.1
Advanced Economies Exports	3.5	1.4	-8.9	9.5	5.2
Advanced Economies Imports	3.9	2.1	-8.3	10.0	6.6
Emerging Market and Developing Economies Exports	4.2	0.5	-4.9	12.5	4.1
Emerging Market and Developing Economies Imports	5.1	-1.1	-7.9	11.7	3.5

Source : World Economic Outlook (WEO), April 2023, IMF.

Regarding imports of goods and services, advanced economies recorded a 6.6 percent increase in 2022, compared to an increase of 10.0 percent in 2021. Similarly, the volume of imports in emerging markets and developing economies increased by 3.5 percent in 2022, compared to an increase of 11.7 percent in 2021.

Global Public Debt

Global public debt, as a percent of global GDP, decreased to 92.1 percent in 2022, compared to 95.5 percent in the previous year. In advanced economies, public debt to GDP reached 112.5 percent in 2022, down from 117.4 percent in 2021. In the US, the ratio of public debt to GDP reached 121.7 percent in 2022 compared to 126.4 percent in 2021. In the Euro area, this ratio reached 90.9 percent of GDP in 2022, down from 94.9 percent of GDP

in 2021. As for emerging markets and developing economies, the ratio of public debt to GDP reached 64.6 percent in 2022, compared with 64.3 percent in 2021.

Global Public Debt as a Percent of GDP
2018 - 2022

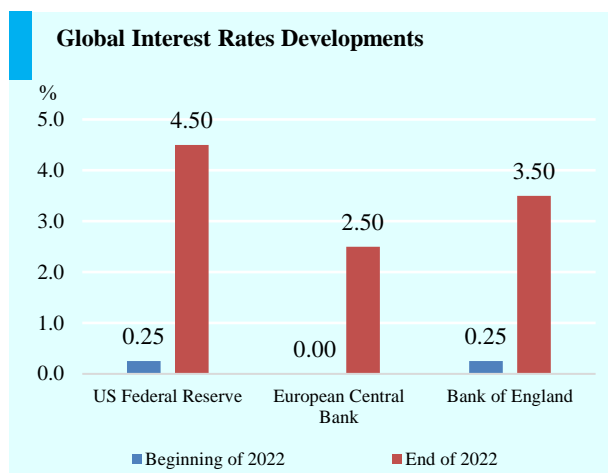
	2018	2019	2020	2021	2022
World*	82.8	84.3	99.7	95.5	92.1
Advanced Economies, of which:	102.9	104.0	122.9	117.4	112.5
United States	107.4	108.7	133.5	126.4	121.7
Euro Area	85.6	83.5	96.6	94.9	90.9
Emerging Markets and Developing Economies	52.7	55.1	64.8	64.3	64.6

Source : World Economic Outlook (WEO), April 2023, IMF.

* : Fiscal Monitor, April 2023, IMF.

Global Monetary Developments

Considering the high levels of inflation in 2022, most global central banks took necessary measures to contain inflation, and adopted interest rate hikes, led by the Federal Reserve, which increased its interest rate seven times in 2022 by a cumulative of 4.25 percentage point, raising from 0.25 percent to 4.50 percent.



Similarly, the ECB raised interest rates four times by a cumulative of 2.5 percentage point in 2022, raising from 0.00 percent to 2.50 percent. Also, the Bank of England increased interest rates eight times in 2022, by a cumulative of 3.25 percentage point, raising from 0.25 percent to 3.50 percent.

Global Interest Rate Developments, Percent

	Beginning of 2022	End of 2022
Federal Reserve *	0.25	4.50
European Central Bank **	0.00	2.50
Bank of England ***	0.25	3.50

Sources :

* : Federal Reserve

** : European Central Bank

*** : Bank of England

CHAPTER TWO

THE REAL SECTOR

The pace of the national economy's recovery from the repercussions of the Covid-19 pandemic accelerated during 2022, Gross Domestic Product (GDP), grew by 2.5 percent, compared to a growth of 2.2 percent in 2021. This growth was achieved in light of the strong performance of many economic indicators, most notably the external sector indicators, such as travel receipts, foreign direct investment (FDI), total exports, and workers' remittances from Jordanians working abroad. This improvement was accompanied by an increase in imports (quantity) by 10.4 percent, which reflects the improvement in domestic demand. The growth achieved in 2022 is characterized by the positive performance of all economic sectors, including those most affected by the pandemic, such as "restaurants and hotels", transportation, "wholesale and retail trade", and construction, and it is ranging between 4.9 percent for the "restaurants and hotels" sector, and 0.1 percent for the "domestic services of households" sector. The manufacturing sector continued to lead growth for the second year in a row, contributing by 0.6 percentage point (24 percent of the overall growth rate). In this regard, during 2022, all sectors were able to exceed their pre-pandemic levels (2019), except the "restaurants and hotels" sector, which indicates the continued recovery of sectors from the repercussions of the pandemic.

As the economic growth rate recorded during 2022 exceeded the population growth rate of 2.2 percent, average real GDP per capita increased by 0.3 percent, to reach JD 2,745.7 compared to a decrease of 0.1 percent in 2021. In addition, the unemployment rate decreased, reaching 22.8 percent, compared to 24.1 percent in 2021, in light of the increased momentum of economic activity.

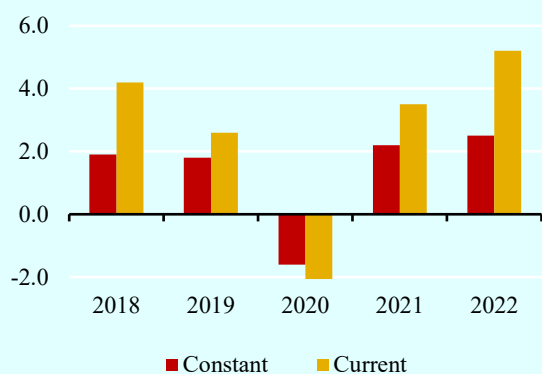
Regarding the general price level, Consumer Price Index (CPI) increased by 4.2 percent, compared to an increase of 1.4 percent in 2021, as a result of rising oil and food prices in global markets, on the one hand, and the continued supply chain disruptions as well as high shipping costs, on the other. Despite the global inflationary pressure in 2022, its impact on domestic prices was limited, due to measures taken by the government and the CBJ.

During 2022, the government approved many measures and legislations that would contribute to accelerating the pace of recovery and support economic growth, most notably; launching the "Economic Modernization Vision 2023-2033" to be a roadmap for Jordan's economic and social future, in addition to issuance of the "Investment Environment Regulation Law No. (21) of 2022", which aims to improve investment and business environment in Jordan, in addition to stimulating employment and supporting vital economic sectors.

Output

Gross Domestic Product (GDP), at constant market prices, witnessed an improvement during 2022. It grew by 2.5 percent to reach JD 31,032.1 million, compared to a growth of 2.2 percent in 2021. When excluding the “net taxes on products” item, which grew by 2.2 percent, GDP at constant basic prices grew by 2.5 percent, compared to a growth of 2.2 percent in 2021. All economic sectors recorded positive growth in 2022, ranging between 4.9 percent for the “restaurants and hotels” sector, and 0.1 percent for the “domestic services of households” sector.

Growth Rate of GDP at Market Prices
2018 - 2022, Percent



The general price level, measured by GDP deflator, increased by 2.6 percent, compared to a growth of 1.3 percent in 2021, driven by higher domestic production costs as

a result of higher oil prices in the international markets. In light of this, GDP, at current market prices, recorded a growth of 5.2 percent, to reach JD 33,690.6 million, compared to a growth of 3.5 percent in 2021. Although the “net factor income from abroad” item recorded a deficit of JD 359.1 million, Gross National Product (GNP), at current market prices, grew by 4.6 percent, to reach JD 33,331.5 million. Considering the “net other current transfers from abroad” item, which amounted to JD 4,235.9 million, Gross National Disposable Income (GNDI), at current prices, recorded a growth of 4.1 percent, to reach JD 37,567.4 million.

Economic Growth Rates at Current and Constant Prices ⁽¹⁾
2019 - 2022, Percent

	2019	2020	2021	2022
At Current Prices				
GDP	2.6	-2.1	3.5	5.2
GNP*	3.1	-2.4	3.3	4.6
GNDI**	2.7	-0.9	3.7	4.1
At Constant Prices (2016 = 100)				
GDP	1.8	-1.6	2.2	2.5
GNP	2.2	-1.9	2.0	1.9
GNDI	1.6	-0.6	2.4	1.5

(1) : Preliminary.

* : Represents Gross Domestic Product plus net factor income from abroad (primary income in balance of payments).

** : Represents Gross National Product plus net other current transfers from abroad (secondary income in balance of payments).

As a result of previous developments, and in light of the population growth rate of 2.2 percent during 2022, the average real GDP per capita, which is considered one of well-being indicators of the economy, increased by 0.3 percent compared to a decline of 0.1 percent in 2021, to reach JD 2,745.7 (USD 3,872.6).

Population and Per Capita Income, in Accordance with Various Measures of National Accounts, 2019 - 2022

	2019	2020	2021	2022
Population (million)	10.554	10.806	11.057	11.302
Growth rate (%)	2.3	2.3	2.3	2.2
GDP Per capita at constant prices (JD)	2,851.9	2,740.7	2,738.0	2,745.7
Growth rate (%)	-0.6	-3.9	-0.1	0.3
GDP Per capita at current prices (JD)	2,993.9	2,863.4	2,897.0	2,980.9
Growth rate (%)	0.2	-4.4	1.2	2.9
GNP Per capita at current prices (JD)	2,994.4	2,855.3	2,882.2	2,949.2
Growth rate (%)	0.7	-4.6	0.9	2.3
GNDI Per capita at current prices (JD)	3,331.6	3,223.1	3,265.3	3,324.0
Growth rate (%)	0.3	-3.3	1.3	1.8

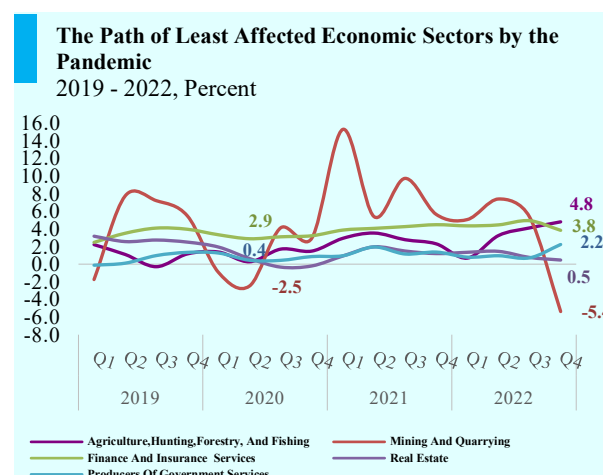
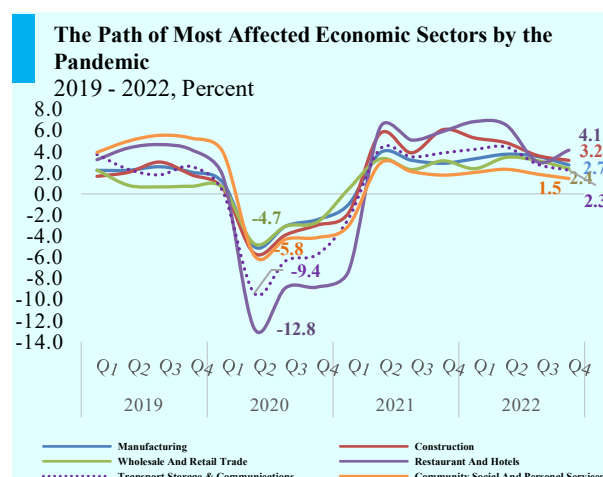
Sources : - Department of Statistics.

- Central Bank of Jordan/ Monthly Statistical Bulletin.

□ Sectoral Developments

The national economy continued its recovery from the repercussions of the pandemic, to achieve a growth of 2.5 percent during 2022, driven mainly by improvement in external sector indicators, such as travel receipts (110.5 percent), foreign direct investment (82.9 percent), total exports (32.3 percent), and workers' remittances (1.5

percent). This economic growth was broad-based, as it came from all economic sectors, including the most affected by the pandemic, such as transportation, “restaurants and hotels”, “wholesale and retail trade”, and construction. The growth was led by the manufacturing sector, which is considered one of the most important sectors due to its interlinkage with other sectors (directly and indirectly) and it is also considered a labor-intensive sector.



Commodity-producing sectors recorded a growth of 3.3 percent, compared to a growth of 3.0 percent in 2021. Service-producing sectors also grew by 2.2 percent, compared to a growth of 1.8 percent in 2021. As a result, the relative importance of commodity-producing sectors in GDP increased, at constant basic prices, to reach 33.7 percent compared to 33.4 percent in 2021, while the relative importance of service-producing sectors in GDP decreased, at constant basic prices, to reach 66.3 percent compared to 66.6 percent in 2021. Nevertheless, service-producing sectors are still considered the largest contributor to the GDP growth rate, at constant basic prices, contributing by 1.4 percentage points (out of the overall growth rate of 2.5 percent), while commodity-producing sectors contributed by 1.1 percentage points.

The Growth Rates of Economic Sectors at Constant Basic Prices ⁽¹⁾

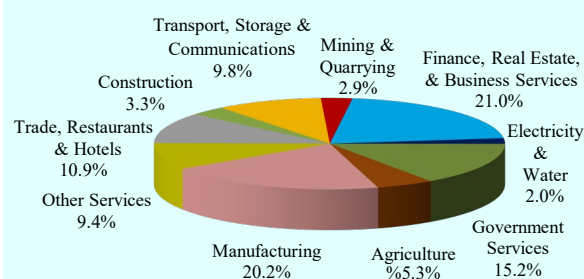
2019 - 2022, Percent

	2019	2020	2021	2022
Agriculture, hunting, forestry and fishing	1.1	1.3	2.8	3.3
Mining and quarrying	4.5	0.8	8.8	2.9
Manufacturing	2.3	-2.5	2.3	3.3
Electricity and water	4.3	-0.8	1.8	2.5
Construction	2.2	-3.2	3.8	4.1
Total commodity- producing sectors	2.4	-1.6	3.0	3.3
Trade, restaurants and hotels	1.6	-3.2	2.3	3.2
Transport, storage and communications	2.6	-5.4	2.3	3.4
Finance, real estate and business services	3.0	1.5	2.5	2.4
Social and personal services	5.0	-2.8	1.0	1.9
Producers of government services	0.6	0.8	1.4	1.2
Producers of private non-profit services to households	11.7	-0.6	1.7	2.6
Domestic services of households	14.1	2.5	0.1	0.1
Total service-producing sectors	2.9	-1.2	1.8	2.2
GDP at constant basic prices	2.7	-1.3	2.2	2.5

Source : Department of Statistics.

(1) : Preliminary.

The Relative Importance of Economic Sectors in GDP at Constant Basic Prices, 2022



The Relative Importance of Economic Sectors to GDP at Constant Basic Prices ⁽¹⁾

2019 - 2022, Percent

	2019	2020	2021	2022
Agriculture, hunting, forestry and fishing	5.1	5.2	5.2	5.3
Mining and quarrying	2.6	2.7	2.9	2.9
Manufacturing	20.2	20.0	20.0	20.2
Electricity and water	2.0	2.0	2.0	2.0
Construction	3.3	3.2	3.3	3.3
Total commodity-producing sectors	33.2	33.1	33.4	33.7
Trade, restaurants and hotels	11.0	10.8	10.8	10.9
Transport, storage and communications	10.1	9.7	9.7	9.8
Finance, real estate and business services	20.4	21.0	21.1	21.0
Producers of government services	15.2	15.5	15.4	15.2
Other services	10.1	9.9	9.6	9.4
Total service-producing sectors	66.8	66.9	66.6	66.3
GDP at constant basic prices	100.0	100.0	100.0	100.0

Source : Department of Statistics.

(1) : Preliminary.

• Developments in Commodity-Producing Sectors:

- **Industry:** The performance of the industrial sector (both “mining and quarrying” and manufacturing) improved, partially driven by the improvement in external demand. It recorded a growth of 3.3 percent, compared to a growth of 3.1 percent in 2021. Accordingly, its relative importance, at constant basic prices, increased by 0.2 percentage point, to

reach 23.1 percent, contributing by 0.8 percentage point to GDP growth, at constant basic prices, compared to a contribution of 0.7 percentage point in 2021. In contrast, the growth of Industrial Production Quantity Index (IPI) slowed down to reach 2.7 percent in 2022, compared to 13.0 percent in 2021. The growth in the industrial sector during 2022 came as a result of the following:

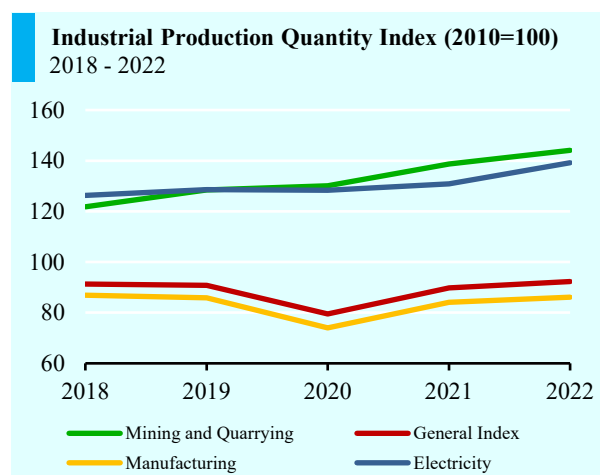
- **The improvement in the performance of the manufacturing sector**, as it grew by 3.3 percent compared to 2.3 percent in 2021. This improvement was due to higher external demand, reflected in the growth of domestic exports which grew by 33.8 percent compared to a growth of 19.7 percent in 2021, on one hand, and the slowdown of the manufacturing production quantity index, which grew by 2.3 percent, compared to 13.6 percent in 2021, on the other hand. This came in light of the decline in the manufacturing quantity production indices for a number of items, mainly; manufacture of wearing apparel, “manufacture of

other chemical products”, and “manufacture of cement”. (Statistical Appendix / Table No. 3).

- **A slowdown in the performance of the “mining and quarrying” sector** as it grew by 2.9 percent compared to 8.8 percent in 2021. This growth was a result of the following:

- ✓ The slowdown in the “mining and quarrying” quantity production index to record 3.9 percent, compared to 6.6 percent in 2021. This came, mainly, as a result of the decline in the index of “extraction of crude petroleum and natural gas” by 19.0 percent.
- ✓ The growth in production quantities of phosphate and potash, by 11.3 percent and 4.7 percent in 2022, respectively, due to the increase in the global demand for these two materials, as phosphate and potash exports increased by 101.5 percent and 105.6 percent, respectively,

compared to an increase of 55.1 percent and 34.9 percent in 2021, respectively.



Main Indicators of the Industrial Sector
2019 - 2022

	2019	2020	2021	2022
Value added at current prices (JD million)	6,234.7	5,980.1	6,276.7	6,766.5
Growth rate at constant prices (%)	2.5	-2.1	3.1	3.3
The deflator of the industrial sector (2016 = 100)	100.4	98.0	101.9	109.9
Industrial exports (JD million)*	4,327.7	4,348.6	5,233.7	7,183.0
Industrial production quantity index (2010 = 100)	90.8	79.5	89.8	92.3
Outstanding credit facilities extended by licensed banks (JD million)	3,650.0	3,762.0	3,652.7	3,917.6

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

* : Domestic exports excluding agricultural exports.

- **Agriculture:** This sector witnessed an improvement in its performance, as it grew by 3.3 percent compared to 2.8

percent in 2021. Accordingly, its contribution to GDP growth rate, at constant basic prices, increased by 0.1 percentage point, to reach 0.2 percentage point. Also, its relative importance in GDP rose to 5.3 percent. The growth in this sector is partially due to the implementation of the National Plan for Sustainable Agriculture (2022-2025), which aims to support farmers and productivity of the agricultural sector. During 2022, this plan led to a real increase in the value added of the agricultural sector. Moreover, the credit facilities extended by licensed banks to the agricultural sector increased by 17.9 percent, compared to an increase of 8.8 percent in 2021.

Main Indicators of the Agricultural Sector
2019 - 2022

	2019	2020	2021	2022
Value added at current prices (JD million)	1,381.4	1,425.9	1,488.3	1,572.6
Growth rate at constant prices (%)	1.1	1.3	2.8	3.3
The deflator of the agricultural sector (2016 = 100)	102.4	104.4	106.0	108.4
Quantity index of agricultural exports (1994 = 100)	279.0	252.4	333.3	378.5
Price index of agricultural exports (1994 = 100)	260.6	302.5	264.5	261.6
Outstanding credit facilities extended by licensed banks (JD million)	336.5	416.8	453.3	534.6

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

- **Construction:** This sector continued its positive performance, as it grew by 4.1 percent compared to 3.8 percent in 2021. This sector almost maintained its relative importance in GDP achieved during 2021, at 3.3 percent. The indicators that reflect the improvement in the performance of this sector are the increase in the licensed areas for building by 3.6 percent during 2022, and the increase in imported quantities of intermediate building materials by 53.4 percent, in addition to the increase in the credit facilities extended by licensed banks to this sector by 6.7 percent, during 2022.

Main Indicators of Construction Sector
2019 - 2022

	2019	2020	2021	2022
Value added at current prices (JD million)	877.0	827.7	879.8	943.0
Growth rate at constant prices (%)	2.2	-3.2	3.8	4.1
The deflator of the construction sector (2016 = 100)	101.0	98.6	100.9	103.9
Outstanding credit facilities extended by licensed banks (JD million)	6,975.4	7,261.5	7,718.5	8,237.0
Number of permits (permit)	22,080	19,200	26,720	25,790
Licensed areas for building (thousands of sq.m.)	7,080.0	5,720.8	8,747.1	9,057.9

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

- **Electricity and Water:** The positive performance of the economic sectors during 2022 contributed to the improvement in the demand for electricity and water, as the sector grew by 2.5 percent, compared to 1.8 percent in 2021. As a result, its contribution to GDP growth, at constant basic prices, increased to reach 0.1 percentage point, while it maintained its relative importance in GDP at 2.0 percent. It is worth noting that the electricity production index increased by 6.4 percent in 2022, compared to 2.0 percent in 2021.

- **Developments in Service-Producing Sectors:**

- **Transport, Storage and Communication:** This sector witnessed an improvement in its performance, growing by 3.4 percent compared to a growth of 2.3 percent in 2021. As a result, its contribution to GDP growth rate, at constant basic prices, increased to 0.3 percentage point compared to a contribution of 0.2 percentage point in 2021. Nevertheless, this sector almost

maintained its relative importance in GDP recorded in 2021, amounting to 9.8 percent. The growth in this sector is attributed to the improvement in commercial and tourist transport, in light of the increase in total exports by 32.3 percent and imports by 26.7 percent. Air transport indicators also witnessed an improvement in their performance during 2022, as the number of passengers and cargo via Royal Jordanian Airlines grew by 91.8 percent and 11.1 percent, respectively, in addition to an increase in the number of departures by 99.8 percent.

The communication sector indicators also showed an improvement in their performance during 2022. Based on the Telecommunication Regulatory Commission data, mobile phone subscriptions increased by 4.8 percent, compared to 2021, and the number of subscribers to broadband internet services increased by 11.4 percent.

- **Finance and Insurance Services:** This sector continued its positive

performance to grow by 4.4 percent, compared to 4.2 percent in 2021. Accordingly, its contribution to GDP growth rate, at constant basic prices, increased by 0.1 percentage point to reach 0.4 percentage point. The sector almost maintained its relative importance in GDP recorded in 2021, amounting to 8.6 percent. The growth in this sector came in light of the increase in banks' net profits before tax by 8.8 percent, and the increase in the credit facilities extended by licensed banks to the sector by 8.5 percent compared to 2021.

- **Real Estate:** This sector witnessed a slowdown in its performance, recording a growth of 1.0 percent compared to 1.4 percent in 2021. As a result, its contribution to GDP growth rate, at constant basic prices, decreased to reach 0.1 percentage point, compared to 0.2 percentage point in 2021, while the sector almost maintained its relative importance in GDP recorded in 2021, amounting to 12.5 percent. The slowdown in this sector came as a result of the decline

in the population growth rate to reach 2.2 percent, compared to 2.3 percent in 2021, and the growth in price of rent item, which is, included in the CPI basket, by 2.6 percent compared to 1.5 percent in 2021. Among the indicators that reflect the performance of this sector was the slowdown in the volume of trading in the real estate market, which grew by 16.5 percent compared to 46.8 percent in 2021 in addition to the decline in the number of apartments sold and the total areas of apartments by 7.0 percent and 5.0 percent, compared to a growth of 21.0 percent and 24.0 percent during 2021, respectively.

- **Producers of Government Services:** The performance of this sector slowed down, growing by 1.2 percent, compared to 1.4 percent in 2021. Despite this, the sector maintained the same contribution to GDP growth rate, at constant basic prices, recorded in 2021, amounting to 0.2 percentage point. Also, it almost maintained its relative importance in GDP at 15.2 percent. The slowdown in this sector

came, in part, as a reflection of the slowdown in “compensation of employees” in the general budget, which is considered one of the main performance indicators of this sector, which grew by 4.4 percent compared to 5.6 percent in 2021.

- **Wholesale and Retail Trade:** The performance of this sector continued to improve, growing by 2.9 percent compared to 2.2 percent in 2021. Accordingly, the contribution of this sector to GDP growth rate, at constant basic prices, increased by 0.1 to reach 0.3 percentage point, while the sector maintained its relative importance in GDP recorded in 2021, amounting to 9.2 percent. The growth in this sector reflects higher demand in 2022 compared to 2021, as imports increased by 26.7 percent and total exports by 32.3 percent, compared to an increase of 25.0 percent and 17.8 percent in 2021, respectively. Among other indicators that reflect the

improvement in the performance of this sector is, the proceeds of the general sales tax, which increased by 3.2 percent.

- **Restaurants and Hotels:** The recovery of tourism during 2022 contributed to the improvement of the performance of this sector, which grew by 4.9 percent compared to a growth of 2.7 percent in 2021. As a result, its contribution to GDP growth rate, at constant basic prices, increased to reach 0.1 percentage point, compared to a contribution close to zero during 2021. However, this sector maintained its relative importance in GDP recorded in 2021, amounting to 1.6 percent. The improvement in the “restaurants and hotels” sector came in light of the increase in the number of tourists visiting the Kingdom by 114.1 percent, and the increase in their spending, as travel receipts recorded a growth of 110.5 percent.

Main Indicators of the Tourism Sector 2019 - 2022

	2019	2020	2021	2022
Number of tourists (thousand)	5,360.5	1,239.9	2,358.6	5,048.9
Gross tourism income /GDP (%)*	13.0	3.2	6.1	12.2
Outstanding credit facilities extended by licensed banks (JD million)	638.0	735.6	713.5	685.1
Number of hotels	604	610	622	607
Number of rooms (thousand)	30.3	29.7	29.1	30.0
Employees in hotels (thousand)	20.9	16.9	20.0	21.8
Employees in the tourism sector (thousand)	53.5	41.1	49.2	54.8

Sources : - Central Bank of Jordan/ Monthly Statistical Bulletin.

- Ministry of Tourism and Antiquities.

* : Gross tourism income according to the balance of payments data.

Prices

During 2022, the world witnessed an escalation in inflationary pressures, especially in food and energy, as a result of the gradual recovery in aggregate demand from the pandemic, disruption in supply chains, and the heightened uncertainty resulting from geopolitical tensions, especially the Russian-Ukrainian war and the sanctions imposed on Russia, in addition to lockdowns in China to confront the Covid-19 pandemic, and protectionist policies that were taken by many countries to maintain food security, which added more pressure on supply chains.

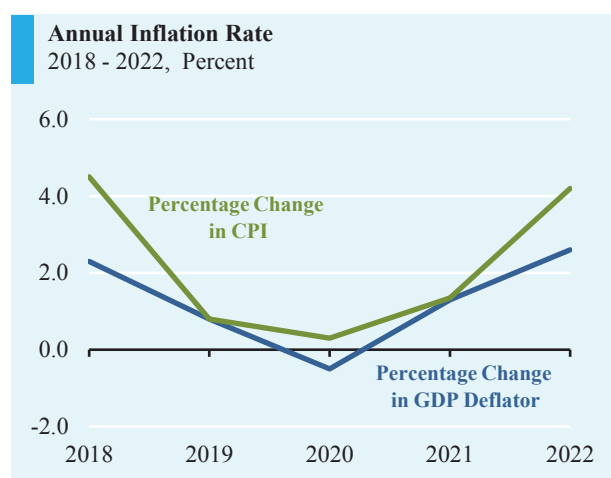
Despite the high inflation rates recorded by many countries in the world and the region, inflation in Jordan, measured by the percentage change in the Consumer Price Index (CPI), remained low compared to these countries, reaching 4.2 percent in 2022, compared to 1.4 percent in 2021. Inflation rate, measured by the percentage change in the GDP deflator, reached 2.6 percent, compared to 1.3 percent in 2021. This came in light of the measures taken by the government and the CBJ to contain inflationary pressures.

The following is an analysis of the developments in the general price level during 2022, according to the most important measures of inflation:

□ GDP Deflator

In light of the increase in domestic production costs, due to the increase in global oil prices by 40.0 percent, the general price level, measured by the percentage change in the GDP deflator, increased by 2.6 percent in 2022 compared to an increase of 1.3 percent in 2021. As a result, prices in many sectors increased, most notably; “mining and

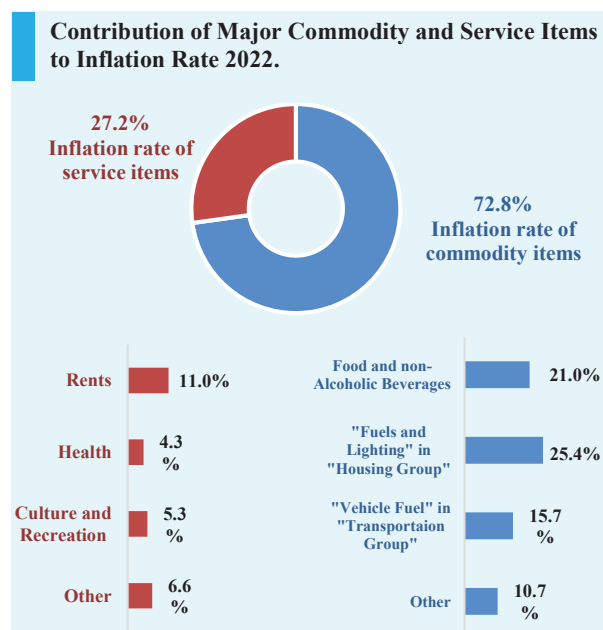
quarrying” (12.4 percent), manufacturing (3.3 percent), “wholesale and retail trade” (3.1 percent), and construction (2.9 percent), compared to 7.2 percent, 1.1 percent, 1.4 percent, and 2.4 percent, during 2021, respectively.



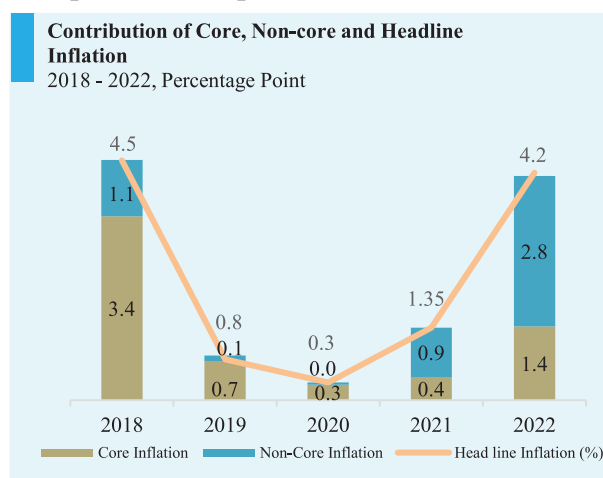
□ Consumer Price Index (CPI)

Inflation rate, measured by the percentage change in the CPI, increased during 2022 to reach 4.2 percent, compared to a low inflation rate of 1.4 percent in 2021. This rise in the inflation rate came in light of the rise in oil prices, as well as the prices of basic materials in international markets, as the food price index released by the Food and Agriculture Organization of the United Nations (FAO) increased by 14.3 percent in 2022. The rise in domestic prices of energy and food was the main driver of the increase

in domestic inflation, as these two groups and their related items contributed about 62 percent (2.57 percentage points) to the annual inflation rate recorded (4.2 percent) during 2022.



As for the core inflation rate, which excludes the most volatile items (energy and food), recorded 2.8 percent in 2022, compared to 0.9 percent in 2021.



Despite the global inflationary wave during 2022, its impact was limited on domestic prices. This was due, in part, to the measures taken by the government to curb the rise in prices, most notably; adopting ceilings for the costs of transporting imported goods for the purposes of calculating taxes and customs duties, reducing and unifying customs tariffs on goods as of mid-January 2022, and fixing bread prices during 2022 until the end of 2023, in addition to fixing oil derivatives prices during the first four months of 2022, and continuing to fix public transportation fares, in addition to the CBJ's decision to raise interest rates on monetary policy instruments seven times during 2022, with a total of 400 basis points.

The inflation rate recorded during 2022 was an outcome of the following:

- **Increased prices of several groups and items**, most notably; the price of “fuel and lighting” item that increased by 25.6 percent, compared to an increase of 1.3 percent in 2021. The prices of the transportation group also increased by 5.6 percent, compared to an increase of 4.5 percent in 2021. This was mainly due to the increase in oil prices in international markets and its impact on domestic prices. Moreover, the

prices of “vegetables and legumes dry and canned” increased by 5.4 percent, compared to a decline of 12.9 percent in 2021, partially affected by demand and supply factors in the local market. In addition, the prices of “oils and fats” witnessed an increase of 8.5 percent, compared to an increase of 6.1 percent in 2021.

The previous groups and items collectively contributed to an increase in the inflation rate by 2.3 percentage points, compared to a contribution of 0.5 percentage point during 2021.

- **Slowdown in the prices of several groups and items**, most notably; the “meat and poultry” item, whose growth slowed down to 2.6 percent, compared to 6.4 percent in 2021. The growth in prices of the communication group also slowed down to increase by 0.9 percent, compared to an increase of 1.3 percent in 2021. The above-mentioned groups and items contributed to raising inflation rate by 0.2 percentage point, compared to a contribution of 0.3 percentage point in 2021.

- A decline in the prices of a few groups and items, most notably; “spices and food additives” by 2.1 percent, and “drinks and refreshments” (0.9 percent), compared to a decline of 1.7 percent and 0.3 percent, respectively, during 2021.

Inflation Rate, 2021 - 2022

Groups	Relative Imp.	Inflation Rate %		Contribution to inflation (Percentage Point)	
		2021	2022	2021	2022
All Items	100.0	1.3	4.2	1.3	4.2
1. Food and non-Alcoholic Beverages, of which:	26.5	0.1	3.3	0.0	0.9
Meat and Poultry	4.7	6.4	2.6	0.3	0.1
Vegetables and Legumes Dry and Canned	3.0	-12.9	5.4	-0.4	0.1
2. Alcohol and Tobacco and Cigarettes, of which:	4.4	2.6	0.0	0.1	0.0
Tobacco and Cigarettes	4.4	2.5	0.0	0.1	0.0
3. Clothing and Footwear, of which:	4.1	-1.2	0.3	0.0	0.0
Clothing	3.4	-1.1	0.0	0.0	0.0
4. Housing, of which:	23.8	1.6	6.6	0.4	1.6
Rents	17.5	1.5	2.6	0.3	0.5
Fuels and Lighting	4.7	1.3	25.6	0.1	1.1
5. Household Furnishings and Equipment	4.9	0.5	3.0	0.0	0.1
6. Health	4.0	0.8	3.6	0.0	0.1
7. Transportation	16.0	4.5	5.6	0.7	0.9
8. Communication	2.8	1.3	0.9	0.0	0.0
9. Culture and Recreation	2.6	0.6	9.6	0.0	0.2
10. Education	4.3	0.3	1.3	0.0	0.1
11. Restaurants and Hotels	1.8	1.4	7.3	0.0	0.1
12. Other Goods and Services	4.8	0.3	2.4	0.0	0.1

Source : Department of Statistics.

Labor Market

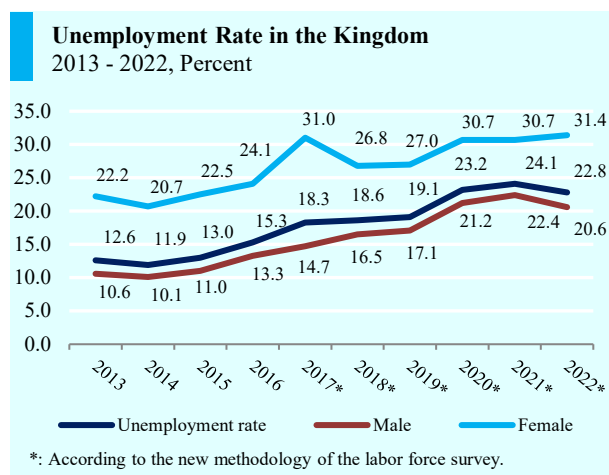
The Jordanian labor market was positively affected by the continued diminishing of the repercussions of the pandemic on all economic sectors, especially the most affected sectors by the pandemic, thus, the return of economic momentum in the tourism sector and domestic exports, which contributed to a decrease in the unemployment rate during 2022 by 1.3 percentage points, to record 22.8 percent, compared to 24.1 percent in 2021. Despite this, unemployment rates are still high compared to pre-pandemic levels. This is attributed to the persistence of chronic structural imbalances in the labor market, such as the mismatch between educational outcomes and labor market needs, inability of the national economy to create sufficient job opportunities to absorb the number of new entrants to labor market, and the presence of large numbers of foreign workers (licensed and unlicensed) who crowd out Jordanian workers in obtaining new job opportunities. In addition to the low rate of Jordanians' participation in labor market, especially women, which did not exceed 18 percent, at best.

The following is an analysis of the most prominent labor market indicators in the Kingdom during 2022:

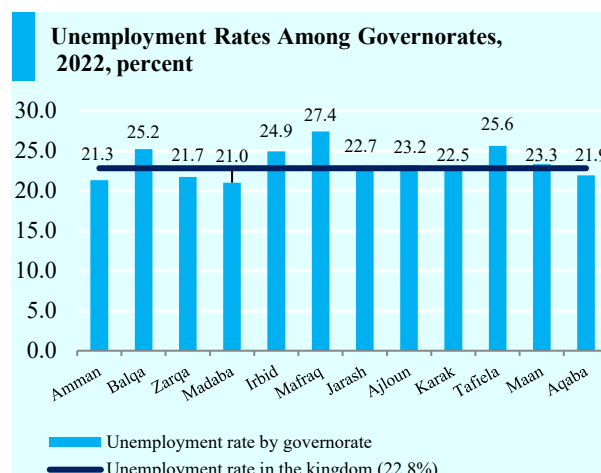
□ Unemployment

The number of unemployed Jordanians decreased during 2022 by 15.7 thousand, bringing the total number of unemployed Jordanians to 419.8 thousand (71.1 percent for males, and 28.9 percent for females).

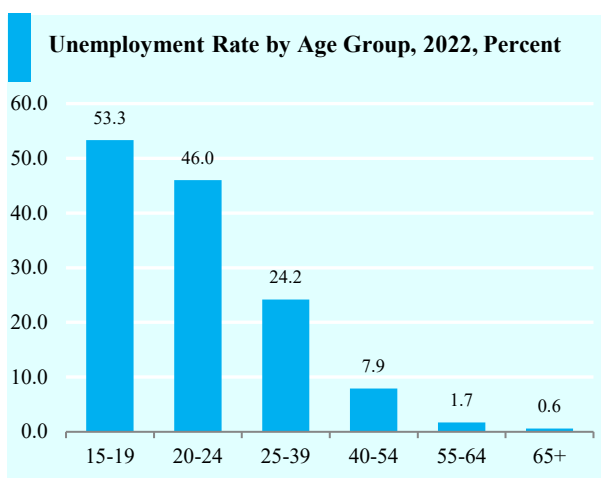
As a result, unemployment rate (the ratio of unemployed to labor force) decreased to 22.8 percent (20.6 percent for males, and 31.4 percent for females), compared to 24.1 percent in 2021 (22.4 percent for males, and 30.7 percent for females).



On the governorate level, Madaba recorded the lowest unemployment rate, standing at 21.0 percent, while Mafrqa recorded the highest unemployment rate of 27.4 percent.

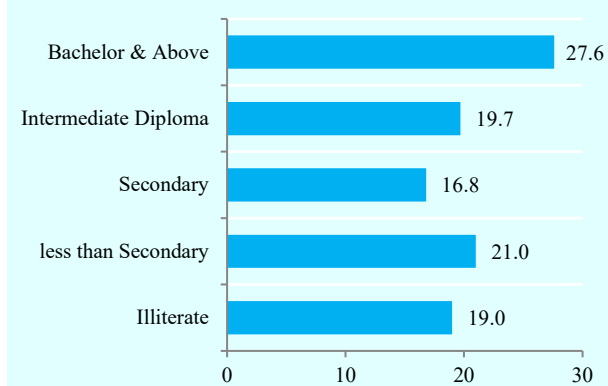


According to age groups, the highest unemployment rate was recorded for the age group of 15-19 years, standing at 53.3 percent, while unemployment rate among the older age groups decreased.

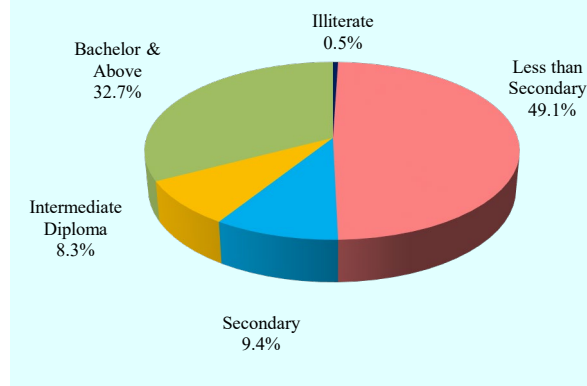


As for the educational level, the highest unemployment rate was recorded among academic degree holders (bachelor's degree and above) at 27.6 percent, which partly reflects the mismatch between educational system outcomes and labor market needs.

**Unemployment Rate by Educational Level
2022, Percent**



**Distribution of Employed Jordanians by
Educational Level, 2022**



□ Employment

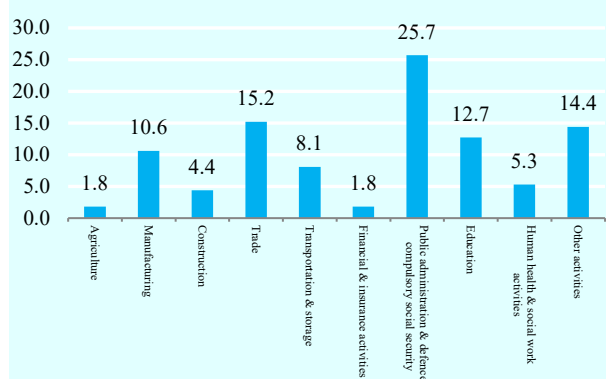
The number of employed Jordanians increased by 46.9 thousand in 2022, bringing the total number of employed Jordanians to 1,418.8 thousand workers (81.3 percent for males, and 18.7 percent for females). Nevertheless, the ratio of employed to total population aged 15 years and above maintained its previous level of 25.8 percent.

In terms of educational level, workers with high school degrees or lower constituted more than half of the total number of employed Jordanians (59.0 percent) while workers with bachelor's degrees and above accounted for the third (32.7 percent).

At sectoral level, service-producing sectors are still considered the most labor intensive, as approximately 81.5 percent of the total Jordanian employees work in these sectors, especially the sectors of “public administration, defense and social security”, “wholesale and retail trade”, and education.

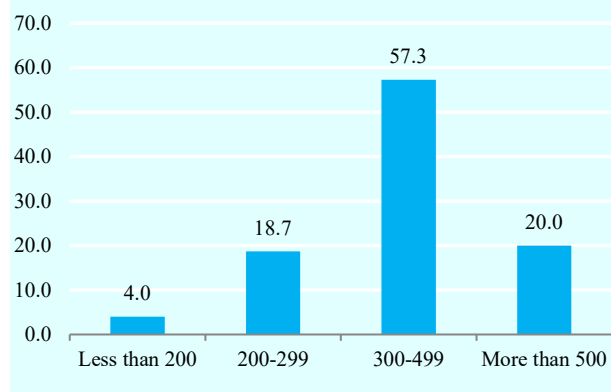
Public sector employs about 38.2 percent of the total Jordanian workers, which is considered a high percentage when compared with employment rates in public sector in other countries, while private sector employs about 61.8 percent of the total Jordanian workers.

Distribution of Employed Jordanians by Economic Activity, 2022, Percent



Regarding the average monthly wage, 57.3 percent of workers receive salaries ranging between JD 300-499 per month.

Distribution of Employed Jordanians by the Average Monthly Wage 2022, Percent

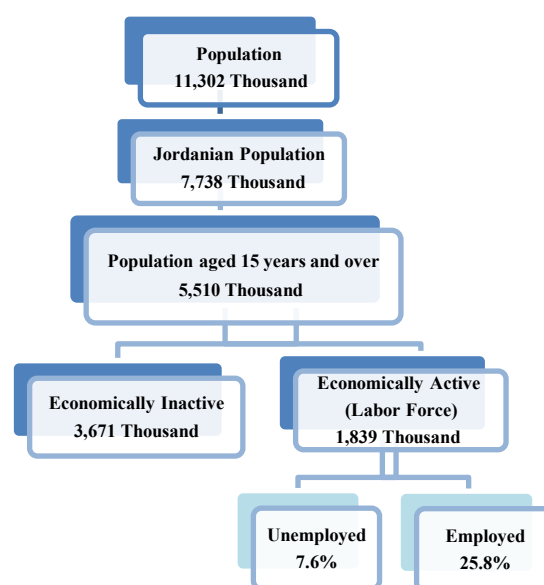


❑ Labor Force (Employed and Unemployed)

The population of the Kingdom increased to reach about 11.3 million in 2022. The number of Jordanians was about 7.7 million, of which about 1.8 million were in the labor

force. Nevertheless, the crude economic participation rate (labor force divided by total Jordanian population) decreased slightly by 0.1 percentage point, reaching 23.8 percent. Also, the refined economic participation rate (measured by labor force divided by the total Jordanians aged 15 years and above, and reflects the utilization of human resources in the economy) decreased to 33.4 percent (53.1 percent for males, and 13.9 percent for females) compared to 34.0 percent (54.0 percent for males, and 14.0 percent for females) during 2021.

The Structure of Labor Market in Jordan, 2022



Output and Employment Policies

During 2022, the government approved several measures and legislations aimed at supporting economic growth through enhancing a friendly investment climate and doing business environment in order to attract more domestic and foreign investments, in addition to regulating local labor market and raising the rate of economic participation. The following are the most prominent achievements in this regard:

- **In terms of improving economic growth**, the government approved a few measures and legislations aimed at promoting and supporting economic growth in the Kingdom, most notably:

- Launching the **“Economic Modernization Vision 2023-2033”** under the royal patronage. The Vision is a plan that spans across governments and a road map for Jordan's economic and social future.

It is based on three main pillars: accelerated economic growth (unleashing Jordan's full economic potential), quality of life (improving living standards), and sustainability (raising Jordan's ranking in the Global Sustainability Competitiveness Index).

The Cabinet approved the **“Executive Program for the Economic Modernization Vision (2023-2025)”**. The program includes an implementation time frame, and the performance indicators. The program comes as a practical translation of the priority initiatives, projects, policies, and measures included in the vision, which will be implemented by ministries and government institutions. (Box 1).

- The issuance of **“Industry Support and Development Fund Regulation No. (45) of 2022”**. According to which, a fund will be established that

contributes to reducing the burden of production costs in the industrial sector, thus enhancing the competitiveness of industrial products, and improving their ability to access new markets, increasing exports, and creating job opportunities. The government will financially support the fund by allocating JD 30 million annually in the general budget.

- **In terms of promoting investment,** several measures and a number of laws and regulations were issued during 2022, aimed at improving the investment environment in the Kingdom, including:
 - The issuance of the “**Investment Environment Law No. (21) of 2022**” which aims to improve the investment and business environment in Jordan, enhance competition, stimulate employment, and support priority economic sectors, in addition to enhancing competitiveness of the

Jordanian economy and its ability to attract investments. The law also contributes to reducing complexities and bureaucracy of procedures that hinder the activities, businesses, and efforts to attract investment, by standardizing the legal frameworks that regulate the investment environment in the Kingdom, establishing a comprehensive investment service (the electronic platform), and reducing the number of working days required to obtain approvals to start the investment activity to 15 days, instead of 30 days, according to the previous Investment Law (No. 30 of 2014).

- **The issuance of Instructions No. (1) of 2022 for granting investor card of all its categories.** The card contributes to simplifying and facilitating procedures required for investment projects and gives its

holder priority in completing his/ her transactions with the authorities related to the investment process and obtaining distinguished service with high efficiency.

- The Cabinet approved a number of **incentives for potential investors wishing to invest in the Tafila Industrial City (TIC)**, with the aim of creating new job opportunities for the governorate population. These incentives include subsidizing the electricity prices for small and medium-sized investments in TIC, through launching a program to be implemented through the Jordan Enterprise Development Corporation (JEDCO) and funded by the Industry Support and Development Fund.
- **In terms of labor market policies**, a number of measures were taken during 2022 aimed at organizing and encouraging the involvement of Jordanians in labor market, most notably:
 - Launching the **“National Employment Program 2022 (Tashgeel)”**, which aims to create 60 thousand job opportunities for Jordanians (male and female) in the private sector through employment windows”. The program stimulates private sector to create new and sustainable job opportunities, by providing a monthly direct financial support from the government for workers’ wages with a value of JD 150 for 6 months, provided that the work contract is concluded between the employer and the worker for at least one year. An amount of JD 80 million was allocated in the general budget for 2022 to launch and implement the program. The program contributes to alleviating unemployment and promoting a real partnership between public and private sectors.
 - The issuance of an **amended bylaw for work permit fees for non-**

Jordanians No. (3) of 2022, according to which the fees for issuing or renewing work permits for non-Jordanians were reduced from JD 400 to JD 350 for each worker in all economic sectors except for some economic activities (see Chapter Four- Fiscal Measures and Legislations)

- The establishment of the **first virtual laboratory** in Jordan by the Ministry of Labor, in cooperation with the German Agency for International Cooperation (GIZ), to build capacities, in addition to developing vocational and technical education, and training. This laboratory is considered the first virtual electronic training laboratory for the development of vocational and technical training programs in Jordan. It contributes to achieving the sustainable development goals, as the virtual reality software used in the program contributes to the

development of students' skills, and this would raise the level of qualified workers, and supply labor market with qualified and trained Jordanians.

- **In terms of policies that contribute to reducing the repercussions of climate change**, a number of measures were taken, most notably:
 - The Cabinet approved the **“National Climate Change Policy in Jordan for 2022-2050”**, as part of contributing to global efforts to achieve climate stability in line with the sustainable development goals. The policy aims to reduce greenhouse gas emissions in all economic sectors, avoid, reduce, and adapt to negative effects of climate change on the main natural resources (including agriculture, water and other sectors vulnerable to climate change).

Box (1)**Economic Modernization Vision 2023-2033****□ First: Economic Modernization Vision**

During 2022, the “Economic Modernization Vision 2023-2033” was launched under the royal patronage. The vision was based on three main pillars: accelerated economic growth (unleashing Jordan’s full economic potential), quality of life (improving living standards), and sustainability (raising Jordan's ranking in the Global Sustainability Competitiveness Index). The vision will be implemented through eight drivers of economic growth covering 35 main and sub-sectors, and will be implemented through three phases. The following are the main highlights of the Vision:

○ Main objectives of the Vision

- Achieving an annual real growth in GDP of 5.6 percent , on average, during the period (2023-2033).
- Creating 1.0 million job opportunities by 2033.
- Attracting investments and financing worth JD 41.4 billion; of which JD 30.3 billion (73.0 percent of the total amount) will be provided through domestic and foreign direct investment and partnership between public and private sectors, while the remaining amount (JD 11.1 billion, or 27.0 percent) will be provided through government investment.

○ The Vision will be implemented through eight drivers of economic growth, namely:

- **Invest Jordan:** Improving investment environment, promoting domestic and foreign investment, partnership projects between public and private sectors, and major projects.
- **High-value Industries:** Developing Jordan into a regional industrial hub through high growth exports with distinct and high value products, such as the pharmaceutical, chemical, textile, food, and engineering industries, mining, and logistics services.
- **Future Services:** Achieving excellence in service sectors to enhance national development and increase exports of services at regional and global levels. Financial services and information technology services fall under this engine.
- **Destination Jordan:** Position Jordan as a prime tourism and film production destination, by targeting the improvement of tourism (Culture & nature, Medical and wellness, and Faith) and film production sites.

Box (1)

- **Smart Jordan:** Developing qualified talents and institutions to meet the needs of future skills, accelerate economic growth, and enhance quality of life, through developing elementary, secondary, and higher education, and promoting research, development, and innovation.
- **Sustainable Resources:** Optimizing the use of natural resources in Jordan to ensure sustainability.
- **Green Jordan:** Promoting sustainable practices and accelerating the transition towards a green economy as an essential part of future economic growth and improving the quality of life.
- **Vibrant of Life:** Improving quality of life for Jordanians, through developing and adopting higher life standards that revolve around citizens and environment.
- o **The vision identified a wide range of projects that will provide investment opportunities for private sector,** and will enable sectors to unleash their full potential to achieve more rapid economic growth and increase job opportunities. Examples of these projects include: the national railway network, national water desalination plants, and electrical interconnection projects.
- **Second: The Executive Program for the Vision 2023-2025**
 - o To implement the first phase of the Vision, the Cabinet approved the “Executive Program for the Economic Modernization Vision 2023-2025”. The program includes a specific time frame for implementation, and clear indicators for measuring performance.
 - o The program represents a practical translation of the Vision, including its priority initiatives, projects, policies and measures that will be implemented by ministries and government institutions, in a way that contributes to achieving the goals of the Vision by 2033.
 - o The program includes 183 initiatives, selected among approximately 380 initiatives, that will be implemented through 418 priorities at a total cost of JD 2.3 billion until the end of 2025.
 - o The program includes a number of initiatives related to women's empowerment, which are expected to have a direct impact on women's empowerment by 72 percent, and an indirect impact by 28 percent.
 - o The performance and progress will be monitored through the Government Achievement Unit affiliated to the Prime Ministry, through an electronic system that will be launched in two phases.

Box (1)

❑ **Third: The role of the financial services sector in the Economic Modernization Vision 2023-2033**

- The financial services sector, within the Economic Modernization Vision, seeks to achieve a number of strategic objectives, as shown in the figure below:

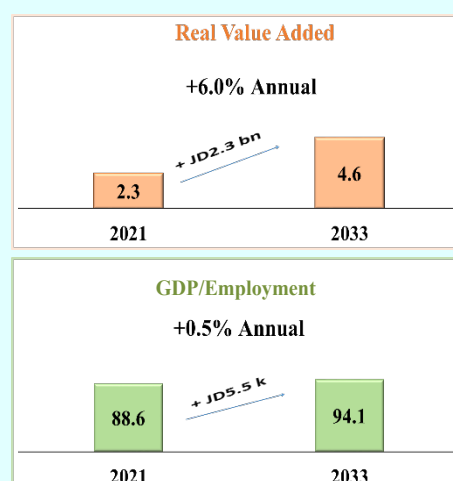
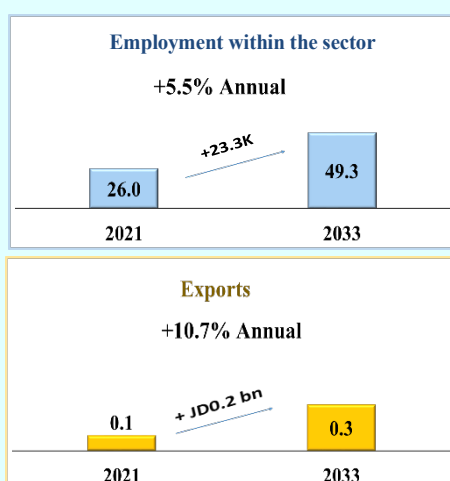


- In order to achieve the strategic objectives of the financial services sector, a number of initiatives and priorities will be implemented within the executive program for the Economic Modernization Vision 2023-2025, as follows:

Box (1)

Initiatives	Priorities
1. Promoting Financial Inclusion	1. Preparing and implementing the Financial Inclusion Strategy (2023-2027). 2. Developing financial products/services that meet the needs of individuals and institutions at affordable prices that are available to all.
2. Organizing and developing the insurance sector	3. Reviewing the compulsory insurance system and the instructions issued pursuant thereto.
3. Enabling and expanding the financial leasing base	4. Facilitating litigation procedures and establishing specialized bodies for financial leasing issues.
4. Enhancing micro, small and medium-sized enterprises' access to finance	5. Reducing financing costs for microfinance companies through loans granted by the Arab Fund for Economic and Social Development.
5. Deepening and expanding the Jordanian financial markets	6. Developing trading environment in the Amman Stock Exchange. 7. Stimulating institutional investment and establishing institutional investment funds and portfolios to invest in securities traded in the market through promotional campaigns. 8. Simplifying the requirements for issuing, registering, and listing negotiable Sukuk.
6. Providing an appropriate environment for the advancement of financial technologies and their innovations	9. Issuing the regulatory framework for the governance of the financial technology environment and innovations in the financial sector. 10. Reviewing and developing the Regulatory Sandbox for financial technology innovations in the Kingdom. 11. Establishing laboratories to examine financial technology innovations in the financial sector (FinTech Lab).
7. Digital transformation in the financial sector	12. Developing the electronic documentation system for the financial and banking sector. 13. Implementing the Electronic Know Your Customer (EKYC) system. 14. Developing e-wallet service.
8. Developing the ability of money exchange sector to provide distinguished digital services	15. Enhancing efficiency and developing the technological infrastructure for the money exchange sector, which would enhance its ability to provide digital services. 16. Examining the regulatory and technical requirements to allow money exchange companies to open electronic wallets. 17. Diversifying digital services provided by the money exchange sector to enhance its ability to promoting financial inclusion.
9. Developing legislations governing the financial sector	18. Reviewing and amending legislations to achieve the objectives of the Financial Inclusion Strategy 2023-2027, where necessary. 19. Reviewing and amending the legislations governing Amman Stock Exchange.

- o The direct economic impact of implementing the initiatives of the financial services sector included in the Economic Modernization Vision 2023-2033



CHAPTER THREE

MONEY, BANKING, AND FINANCIAL MARKETS

During 2022, the CBJ's monetary policy responded to the global economic developments and global and regional central banks trends towards tightening their monetary policy to contain inflationary pressures, given its mandate of preserving monetary and financial stability in the Kingdom, including maintaining the stability of the Jordanian Dinar, and inflation rates within appropriate levels, promoting economic growth, preserving the strength and resilience of the banking system, as well as, protecting depositors and shareholders' rights.

Accordingly, the CBJ raised interest rates on its monetary policy instruments seven times, by a total of 400 basis points, and 425 basis points on the overnight deposit window, aimed at maintaining monetary and financial stability in the Kingdom, and to contain inflationary pressures, emerging from factors related to domestic demand.

At the same time, the CBJ balanced between achieving monetary stability, on one hand, and providing concessional financing

for economic activity, on the other hand, by maintaining preferential interest rates unchanged for the CBJ's refinancing program to support vital economic sectors, with high value added, and for the CBJ's program to support Small and Medium-Sized Enterprises (SMEs). Moreover, the central bank extended the CBJ's program to support SMEs until the end of April 2023.

As for the performance of the licensed banks, they witnessed improvement during 2022, as their total assets grew by 5.1 percent, reaching JD 64.1 billion. In addition, deposits increased by JD 2.6 billion, a growth rate of 6.5 percent, most of which, were in JD. The outstanding balance of credit facilities grew by 8.5 percent, which is primarily directed toward the private sector. Moreover, the interest rate margin reached approximately 3.73 percent.

In addition, during 2022, the CBJ implemented a set of measures and instructions, aimed at regulating banks' operations and strengthening their financial position, as well as, enhancing their role in financing economic activity.

Central Bank of Jordan and Monetary Policy

The CBJ in 2022 continued to implement its monetary policy aimed at balancing between maintaining monetary stability, on one hand, and boosting economic growth and supporting vital economic sectors on the other hand, through using the available monetary policy instruments, to respond to the developments and challenges that faced the Jordanian economy during 2022. In addition, the CBJ contributed to achieving financial stability, through enhancing the strength and resilience of the banking system, and implementing measures aimed at regulating their operations and strengthening their financial positions (Box 2).

□ Interest Rates on Key Monetary Policy Instruments

To maintain monetary and financial stability in the Kingdom, and to contain domestic inflationary pressures, resulting from factors related to domestic demand, and in line with the developments in interest rates in the global and regional financial markets, the CBJ raised interest rates on all its monetary policy instruments seven times, during 2022 by a total of 400 basis points, and by 425 basis points on the overnight deposit window. As a result, the interest rates on the

monetary policy instruments at the end of 2022 are as indicated in the following table:

Interest Rates on Monetary Policy Instruments 2018 - 2022, Percent					
	2018	2019	2020	2021	2022
CBJ Main Rate	4.75	4.00	2.50	2.50	6.50
Repurchase Agreements Rate (one week or one month)	4.75	4.00	2.50	2.50	6.50
Re-discount Rate	5.75	5.00	3.50	3.50	7.50
Repurchase Agreements Rate (overnight)	5.50	4.75	3.25	3.25	7.25
Overnight Deposit Window Rate	4.00	3.25	2.00	2.00	6.25
Certificates of Deposit (one week)	4.75	4.00	2.50	2.50	6.50

To balance between achieving monetary stability and promoting economic growth, and alleviating the impact of raising interest rates on economic sectors, the CBJ maintained preferential interest rates unchanged for the CBJ's refinancing program to support ten vital economic sectors, at a value of JD 1.3 billion, at 1.0 percent for projects within Amman governorate, and 0.5 percent for projects in the rest of governorates, and keeping the interest rate fixed throughout the life of the loan, up to 10 years.

Additionally, The CBJ extended its subsidized lending scheme to support SMEs, professionals, and craftsmen, amounting to JD 700 million, which was launched during the COVID-19 pandemic, until April 2023. The interest rate for borrowers under this program is kept low at 2.0 percent, for a period of 54 months, including a grace period up to 12 months.

□ Exchange Rate and Foreign Reserves

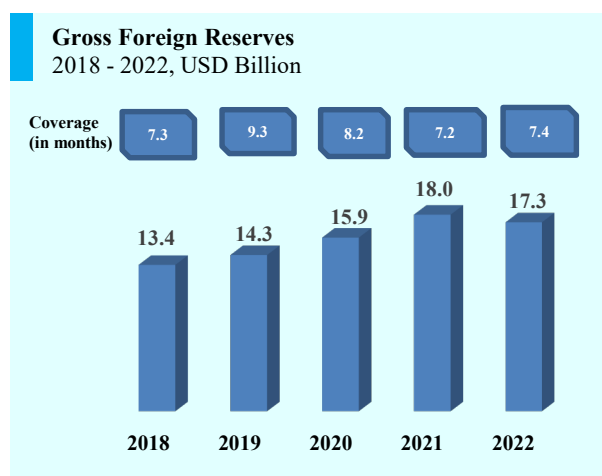
• Jordanian Dinar Exchange Rate

The CBJ continued its commitment to the fixed exchange rate policy of the Jordanian Dinar against the US Dollar adopted since 1995, at an average price equal to 709 fils per 1 USD. This policy is considered the nominal anchor of monetary policy, and one of the key pillars of macroeconomic stability. In 2022, the exchange rate of the JD appreciated compared to 2021 by 6.9 percent against the Euro, 9.1 percent against the Sterling Pound, and 18.6 percent against the Japanese Yen.

• The CBJ's Foreign Exchange Reserves

Comfortable levels of foreign reserves contribute to providing a stable economic environment, enhancing the confidence of creditors, foreign investors, and international financial institutions in the domestic economy, in addition, they also strengthen the country's level of creditworthiness, and its ability to meet external obligations, and addressing any potential external shocks or crises. As foreign reserves remain a crucial indicator of confidence in the domestic economy.

Given that, the CBJ's gross foreign reserves, including gold and Special Drawing Rights (SDRs), stood at USD 17.3 billion at the end of 2022. Based on international standards that are used to evaluate the adequacy of foreign reserves, this level is considered comfortable and enhances monetary stability in the Kingdom. It is sufficient to cover 7.4 months of the Kingdom's imports of goods and services, which is more than twice the international standard of foreign reserves adequacy of three months.

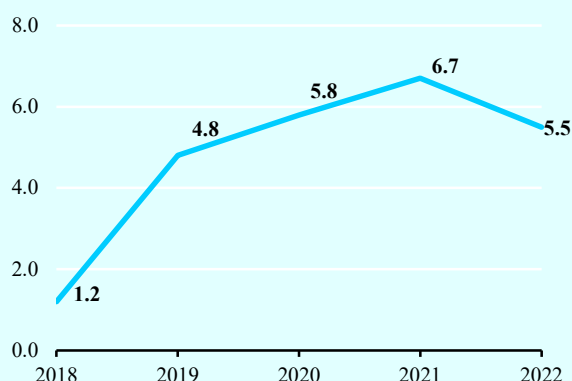


□ Domestic Liquidity

During 2022, the Broad money supply (M2) increased by JD 2.2 billion (5.5 percent), to reach JD 41.7 billion, compared to JD 39.5 billion at the end of 2021.

Growth Rate of Domestic Liquidity

2018 - 2022, Percent



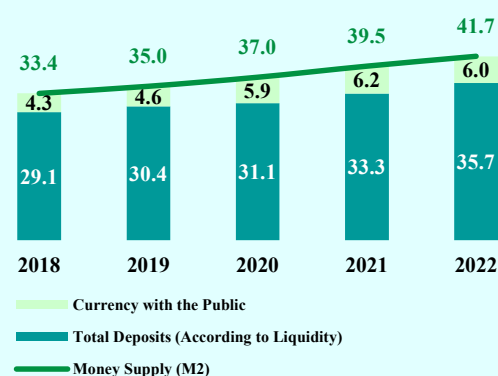
The developments of domestic liquidity at the end of 2022, according to its components and influencing factors, are shown as follows:

- Domestic Liquidity Components**

The following figure illustrates the developments of domestic liquidity components, indicating that the increase in the domestic liquidity was an outcome of the increase in the deposits within the liquidity definition by 7.1 percent, to reach about JD 35.7 billion, compared to JD 33.3 billion at the end of 2021, and the decrease in the currency in circulation by 3.0 percent, to reach about JD 6.0 billion, compared to JD 6.2 billion at the end of 2021.

Domestic Liquidity Components

2018 - 2022, JD Billion



- Factors Affecting Domestic Liquidity**

- o **Net Domestic Assets**

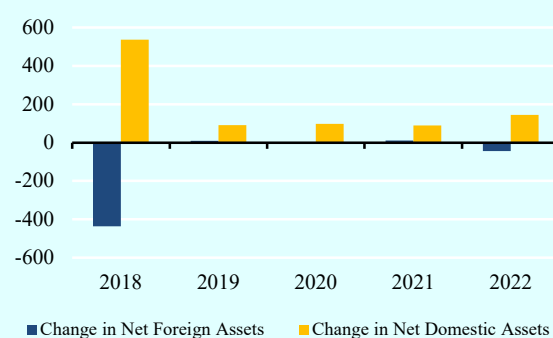
The net domestic assets held by the banking system stood at JD 34.8 billion, compared to JD 31.7 billion at the end of 2021.

- o **Net Foreign Assets**

The net foreign assets held by the banking system stood at JD 6.9 billion, compared to JD 7.8 billion at the end of 2021. Meanwhile, the net foreign assets of the CBJ reached approximately JD 11.4 billion.

Factors Affecting Domestic Liquidity

2018 - 2022, As a percent of change in (M2)



Factors Affecting Domestic Liquidity
2018 - 2022, Percent

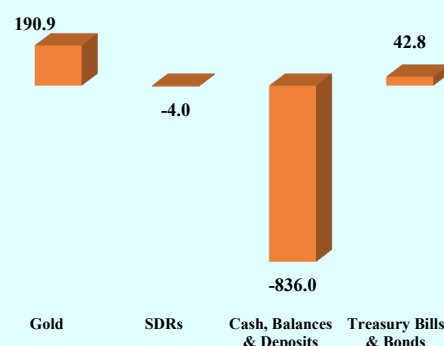
	2018	2019	2020	2021	2022
Growth rates (%)					
Foreign assets (net)	-19.2	1.9	0.7	3.4	-12.2
Domestic assets (net)	9.0	5.7	7.2	7.6	9.9
Net claims on public sector	9.2	9.1	8.8	11.9	6.8
Claims on private sector (resident)	5.3	4.5	6.0	4.9	8.0
Claims on financial institutions	25.8	36.5	59.7	-1.8	-10.0
Other items (net)	0.8	8.7	10.6	5.2	-0.7
Domestic liquidity	1.2	4.8	5.8	6.7	5.5

□ The CBJ's Balance Sheet

The total balance of the CBJ's assets at the end of 2022 was JD 17.0 billion, compared to JD 17.7 billion at the end of 2021 (Statistical Annex/ Table 10).

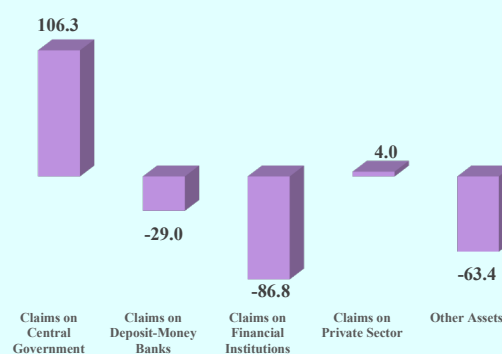
- On the assets side, the foreign assets decreased by JD 606.3 million (4.2 percent) to reach JD 13.7 billion, this decrease was mainly due to a decrease in “cash, balances & deposits” item by JD 836.0 million (10.4 percent) on one hand, and an increase in gold by JD 190.9 million (7.2 percent) on the other.

Change in Foreign Assets of the CBJ
2022, JD Million



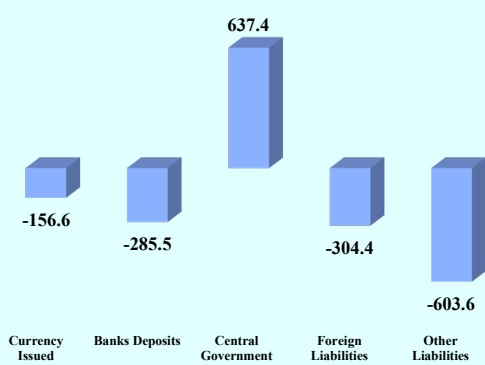
- Similarly, domestic assets decreased by JD 68.9 million (2.0 percent) to reach around JD 3.3 billion. This decrease was a result of a decrease in both “claims on financial institutions” by JD 86.8 million (11.3 percent), and “other assets” by JD 63.5 million (9.2 percent), and an increase in the “claims on central government” by JD 106.3 million (11.8 percent).

Change in Domestic Assets of the CBJ
2022, JD Million



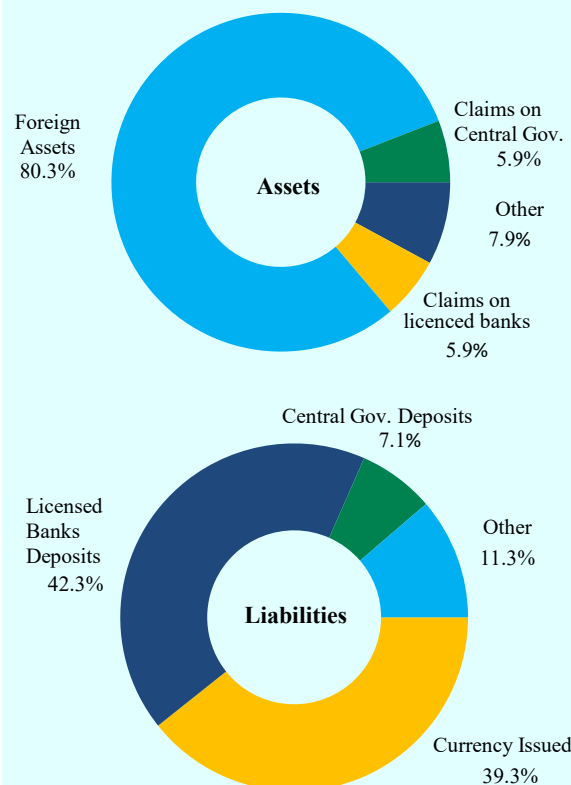
- On the liabilities side, domestic liabilities decreased by JD 370.8 million (2.3 percent). This decrease was driven by a decrease in “other liabilities” by JD 603.6 million (62.9 percent), “licensed banks’ deposits” by JD 285.5 million (3.8 percent), and “currency issued” by JD 156.6 million (2.3 percent) on one hand, and an increase in “central government’s deposits” by JD 637.4 million, on the other.
- Meanwhile, foreign liabilities decreased by JD 304.4 million (22.9 percent). This decrease was mainly due to a decrease in reserve deposits by JD 274.1 million (24.6 percent), and international institutions’ deposits by JD 30.3 million (14.0 percent).

Change in Main Liabilities Items of the CBJ
2022, JD Million



- The following figure illustrates the relative importance of the CBJ’s assets and liabilities components:

Relative Importance of the CBJ's Balance Sheet Components, 2022



Components of the CBJ's Balance Sheet
2018 - 2022, JD Billion

	2018	2019	2020	2021	2022
Foreign assets	11.1	11.7	12.8	14.3	13.7
Domestic assets:	1.8	2.0	3.2	3.4	3.3
Claims on central government	0.8	0.8	1.0	0.9	1.0
Claims on licenced banks	0.4	0.3	0.9	1.0	1.0
Other	0.6	0.9	1.3	1.5	1.3
Assets = Liabilities	12.9	13.7	16.0	17.7	17.0
Currency issued	4.8	5.2	6.5	6.8	6.7
Licensed banks' deposits, of which:	5.4	5.9	6.4	7.5	7.2
Certificates of Deposit in JD	0.6	0.5	0.0	0.0	0.6
Central government deposits	0.5	0.4	0.4	0.6	1.2
Other	2.2	2.2	2.7	2.8	1.9

Licensed Banks' Operations

The performance of licensed banks showed an improvement during 2022, as their consolidated balance sheet grew by 5.1 percent, deposits grew by 6.5 percent, and the outstanding balance of credit facilities also grew by 8.5 percent.

The number of the licensed banks operating in Jordan reached 21 banks in 2022. These banks are distributed as follows, 15 Jordanian banks (3 of them are Islamic banks), and 6 branches of foreign banks, including one branch of a foreign Islamic bank. These banks carried out their operations via a network of 881 branches and 60 representative offices, compared to 878 branches, and 66 representative offices at the end of 2021. According to the preliminary data, the index of population to the total number of branches reached approximately 12.8 thousand citizens per branch at the end of 2022.

The activities of licensed banks are not limited to domestic market, as the number of Jordanian banks' branches operating abroad reached 195 branches, 5 representative offices, 23 offices, and 2 offshore units.

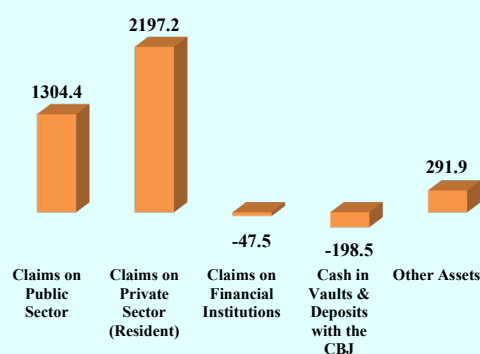
Among these, there are 95 branches and 23 offices operating in the Palestinian territories.

Consolidated Balance Sheet of Licensed Banks

The assets / liabilities of licensed banks increased by about JD 3.1 billion (5.1 percent), to reach JD 64.1 billion at the end of 2022, compared to an increase of JD 4.0 billion (7.0 percent) during 2021. This reflects the continuous improvement in banking activities (Statistical Annex / Table 12).

- A closer look at the assets side developments, showed that domestic assets increased by about JD 3.5 billion (6.5 percent) to reach JD 58.3 billion. This was due to an increase in claims of both private sector (resident) by 2.2 JD billion (8.0 percent), and public sector by JD 1.3 billion (9.1 percent).

Change in Gross Domestic Assets of Licened Banks 2022, JD Million



Jordan Banking System (End of 2022)

1964 Central Bank of Jordan **3**

Jordanian Banks

Foreign Banks

Commercial Banks

Commercial Banks

1930	Arab Bank PLC	72	-	127
1956	Jordan Ahli Bank PLC	48	-	10
1960	Bank of Jordan PLC	83	5	20
1960	Cairo Amman Bank	89	9	21
1974	The Housing Bank for Trade and Finance	105	5	16
1977	Jordan Kuwait Bank	65	-	-
1978	Jordan Commercial Bank	34	-	-
1978	Arab Jordan Investment Bank	22	12	1
1989	Arab Banking Corporation (Jordan)	22	1	-
1989	Invest Bank	12	-	-
1991	Bank Al Etihad	58	1	-
1996	Capital Bank of Jordan	45	2	-

1951	Egyptian Arab Land Bank	15	2
1957	Rafidain Bank	2	-
1969	Standard Chartered Bank	2	-
1974	Citibank N.A	2	-
2004	BLOM Bank	17	1

Islamic Banks

Islamic Banks

1979	Jordan Islamic Bank	89	22
1997	Islamic International Arab Bank PLC	47	-
2010	Safwa Islamic Bank	42	-

2011	AL Rajhi Bank	10	-
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Specialized Credit Institutions

Public Ownership

1959	Agricultural Credit Corporation	28
1965	Housing & Urban Development Corp.	2
1966	Cities and Villages Development Bank	12

Money Changers

Headquarters **114**

Branches **192**

Representative Offices

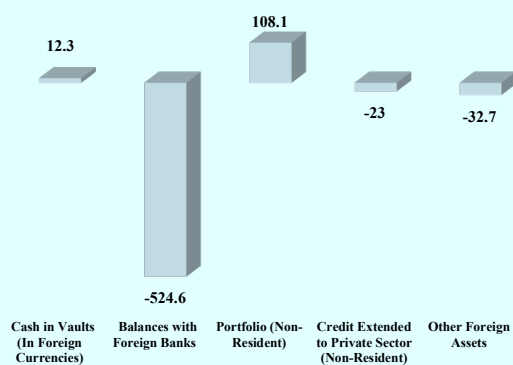
In Jordan for Foreign Banks **1**

Out of Jordan for Jordanian Banks **5**

- Year of establishment.
- Number of branches including headquarters.
- Number of mini-branches.
- Number of branches outside Jordan.

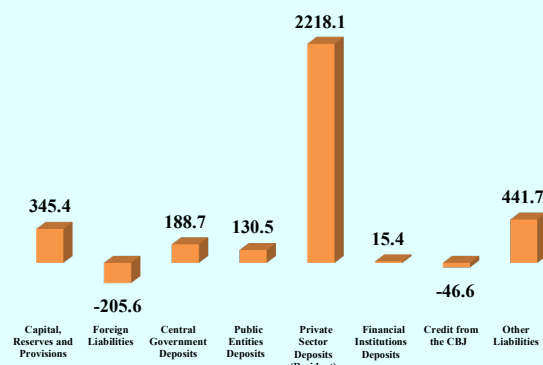
- In contrast, foreign assets decreased by JD 459.9 million (7.3 percent) to reach JD 5.9 billion. This was a result of a decrease in the domestic banks' balances held by foreign banks abroad by JD 524.6 million (11.8 percent), and an increase in the securities portfolio by JD 108.1 million (12.7 percent).

Change in Gross foreign Assets of Licensed Banks
2022, JD Million



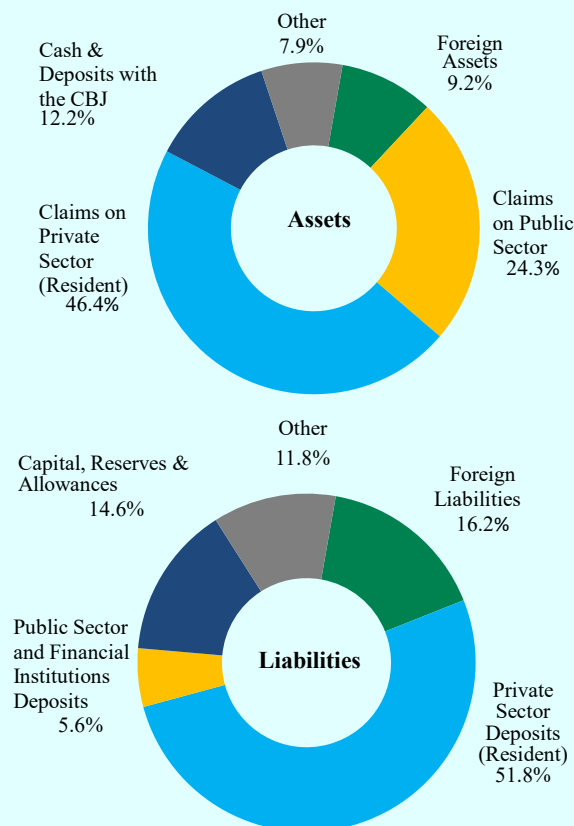
- Looking at the liabilities side, domestic liabilities increased by JD 3.3 billion (6.5 percent), reaching JD 53.7 billion. This increase came as a result of an increase in private sector (resident) deposits by JD 2.2 billion (7.2 percent), “other liabilities” by JD 441.7 million (8.2 percent), “capital, reserves and allowances” by JD 345.4 million (3.8 percent), and “central government deposits” by JD 188.7 million (19.1 percent).
- While foreign liabilities of licensed banks decreased by about JD 205.6 million (1.9 percent) to reach JD 10.4 billion.

Change in Liabilities of Licensed Banks
2022, JD Million



- The following figure shows the relative importance of the assets / liabilities components for licensed banks at the end of 2022.

Relative Importance of the licensed Banks
Consolidated Balance Sheet, 2022



Components of the Licensed Banks Consolidated Balance Sheet
2018 - 2022, JD Billion

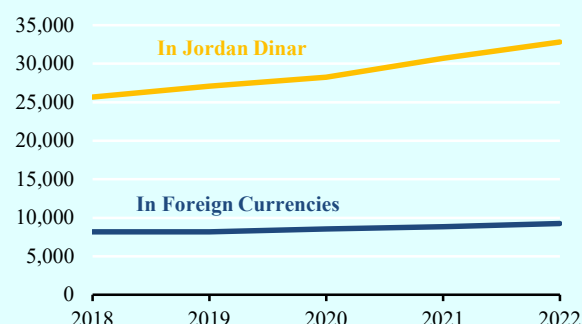
	2018	2019	2020	2021	2022
Foreign assets	5.6	5.6	6.3	6.3	5.9
Claims on public sector	11.2	12.2	12.9	14.3	15.6
Claims on private sector (resident)	23.7	24.7	26.2	27.5	29.7
Cash in vaults and balances with the Central Bank	5.9	6.4	6.9	8.0	7.8
Other	4.5	4.7	4.7	5.0	5.1
Assets=Liabilities	50.9	53.6	57.0	61.1	64.1
Foreign liabilities	7.3	8.0	9.5	10.6	10.4
Private sector deposits (resident)	26.9	28.3	28.9	31.0	33.2
Borrowing from Central Bank	0.8	0.9	1.6	1.7	1.7
Capital, reserves and allowances	7.9	8.2	8.7	9.0	9.4
Other	8.0	8.2	8.3	8.8	9.4

□ Deposits Structure at Licensed Banks

The balance of total deposits at licensed banks amounted to JD 42.1 billion at the end of 2022, increasing by JD 2.6 billion (6.5 percent) compared to the end of 2021. The private sector (resident) accounted for 78.9 percent of total deposits (Statistical Annex/ Table 13).

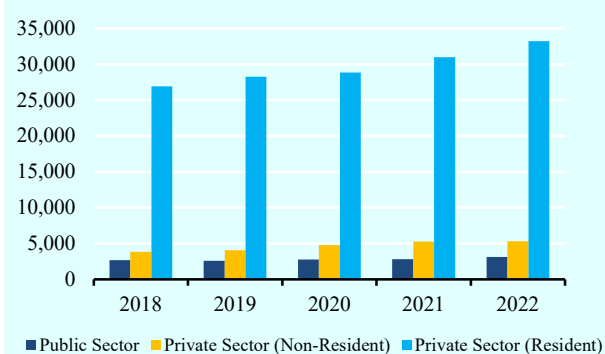
- Analyzing the structure of deposits by currency revealed that deposits denominated in JD reached JD 32.8 billion, compared to JD 30.7 billion in 2021. Meanwhile, deposits denominated in foreign currencies amounted to JD 9.3 billion, compared to JD 8.8 billion at the end of 2021.

Deposits at Licensed Banks by Currency
2018 - 2022, JD Million



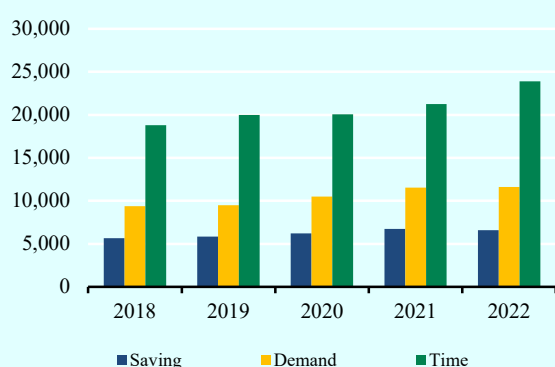
- According to the structure of deposits in terms of deposit holders, the deposits of the private sector (resident) reached JD 33.2 billion at the end of 2022, accounting for 78.9 percent of total deposits at licensed banks. Whereas deposits of the private sector (non-resident) amounted to JD 5.3 billion. Additionally, deposits of both public sector and non-banking financial institutions amounted to JD 3.1 billion and JD 477.8 million, respectively.

Deposits at Licensed Banks by Depositor
2018 - 2022, JD Million



- In terms of deposits' maturity, time deposits accounted for more than half of the total deposits at licensed banks (56.8 percent), followed by demand deposits (27.5 percent), and saving deposits (15.7 percent).

Deposits at Licensed Banks by Maturity
2018 - 2022, JD Million



Relative Importance of Deposits at Licensed Banks
2018 - 2022, Percent

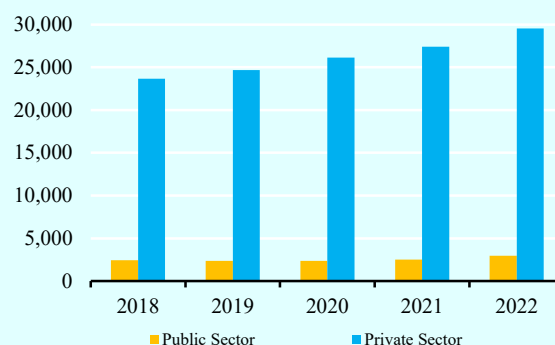
	2018	2019	2020	2021	2022
By depositor					
Public sector	7.9	7.3	7.5	7.1	7.4
Private sector (resident)	79.6	80.1	78.4	78.4	78.9
Private sector (non-resident)	11.3	11.5	13.0	13.3	12.6
Non-banking financial institutions	1.2	1.1	1.1	1.2	1.1
By maturity					
Demand deposits	27.7	26.9	28.6	29.2	27.5
Saving deposits	16.7	16.5	16.9	17.0	15.7
Time deposits	55.6	56.6	54.5	53.8	56.8
By currency					
In Jordanian Dinar	75.8	76.8	76.7	77.6	78.0
In Foreign currencies	24.2	23.2	23.3	22.4	22.0

□ Credit Facilities Extended by Licensed Banks

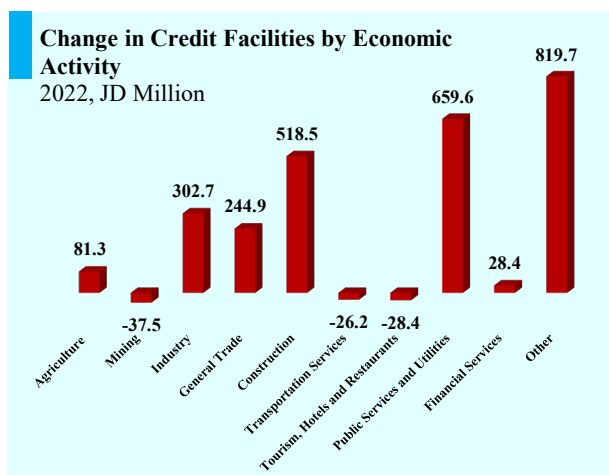
The credit facilities extended by licensed banks continued their growth during 2022, increasing by JD 2.6 billion (8.5 percent) to reach JD 32.6 billion, compared to JD 30.0 billion at the end of 2021 (Statistical Annex/ Table 14).

- The distribution of credit facilities, by the borrower, showed that credit facilities extended to the private sector (resident) increased by JD 2.2 billion (8.1 percent), reaching JD 28.9 billion, accounting for 88.6 percent of the total credit facilities. Meanwhile, credit facilities extended to the public sector accounted for 9.1 percent of the total credit facilities.

Credit Facilities Extended by Licensed Banks by Borrower
2018 - 2022, JD Million

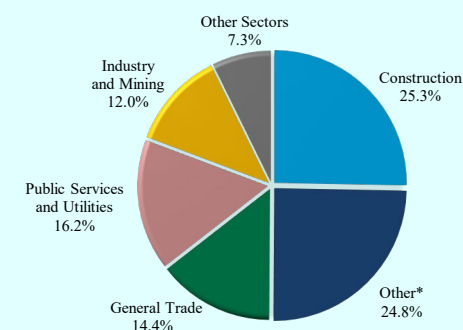


- Moreover, credit facilities extended by licensed banks were distributed among various economic sectors, as shown in the following figure, which illustrates the change in the credit facilities extended by economic sectors during 2022.



- In the same context, as observed from the figure, construction sector accounted for 25.3 percent of the total credit facilities, followed by the “others” item, with a share of 24.8 percent, which mostly represent facilities extended to individuals for consumption, “Public services and utilities”, and “general trade” sectors accounted for 16.2 percent and 14.4 percent of the total credit extended by licensed banks, respectively.

Relative Importance of Credit Facilities by Economic Activity, 2022



*Represents the credit facilities extended to individuals for consumption purposes.

- It is worth mentioning that credit facilities, in foreign currencies, constituted 12.6 percent of the total credit facilities extended by licensed banks at the end of 2022, compared to 12.3 percent in 2021.
- Moreover, credit facilities extended by licensed banks to individuals during 2022 increased by JD 1.3 billion (10.2 percent), reaching JD 14.3 million. Meanwhile, credit facilities extended to companies increased by JD 1.2 billion (7.4 percent), to reach JD 17.9 billion, (SMEs account for 14.1 percent of the total credit facilities extended to companies).

Total Credit Facilities Extended to Individuals and Corporations

2018 - 2022, Percent

	2018	2019	2020	2021	2022
Credit extended to individuals	10.6	11.2	11.9	12.9	14.3
Credit extended to corporations, Of which:	15.2	15.5	16.3	16.7	17.9
SME's	2.3	2.0	2.3	2.2	2.5
Total	25.8	26.7	28.2	29.6	32.2

Market Interest Rates

Despite the decisions of raising interest rates on monetary policy instruments during 2022, the increase in interest rates on all types of deposits and credit facilities extended by licensed banks did not exceed 40 percent of total interest rate hikes on monetary policy instruments. This reflects, to some extent, the high competition among licensed banks. The following table shows interest rates on credit facilities and deposits in licensed banks:

Banks' Weighted Average Interest Rates on Deposits and Credit Facilities*

2018 - 2022, Percent

	2018	2019	2020	2021	2022
Deposits					
Demand	0.38	0.33	0.27	0.26	0.37
Saving	0.71	0.63	0.34	0.27	0.41
Time	4.73	4.92	3.65	3.45	4.61
Credit facilities					
Overdrafts	8.41	8.47	7.30	7.19	8.30
Loans and advances	8.69	8.46	7.17	6.83	8.34
Discounted bills & bonds	9.64	9.55	8.51	8.01	8.36

* : Interest rates represent weighted averages of customers at the individual bank level, and for banks at the banking system level.

As observed from the previous table, the weighted average interest rates on loans and advances increased by 151 basis points, to reach 8.34 percent during 2022, compared to 6.83 percent at the end of 2021. Additionally, the weighted average interest rates on time deposits increased by 116 basis points to reach 4.61 percent, compared to 3.45 percent at the end of 2021.

Based on the above, the interest rate margin, measured by the difference between the interest rate on “loans and advances” and the interest rate on time deposits, increased by 35 basis points compared to its level at the end of 2021, to reach 3.73 percent.

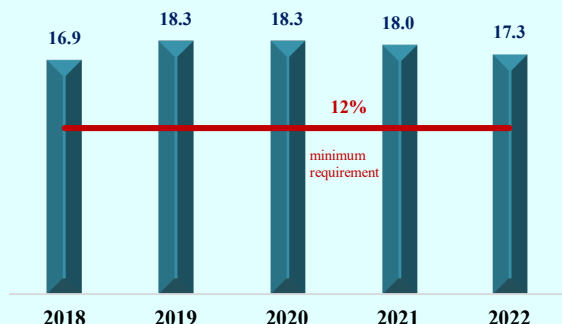
Financial Soundness Indicators

The CBJ is committed to establishing a solid and resilient banking system, able to withstand shocks. Banks in Jordan enjoy a high levels of capital, which are among the highest in the Middle East and North Africa (MENA) region, as well as, high levels of liquidity. This is confirmed by the financial soundness indicators at the end of 2022:

- Capital Adequacy Ratio**

Capital adequacy ratio reached 17.3 percent at the end of 2022, which is higher than the minimum rate imposed by the CBJ of 12 percent, and the minimum requirement by the Basel III Committee ratio of 10.5 percent. This ratio represents the sufficiency of capital held by banks to withstand potential risks.

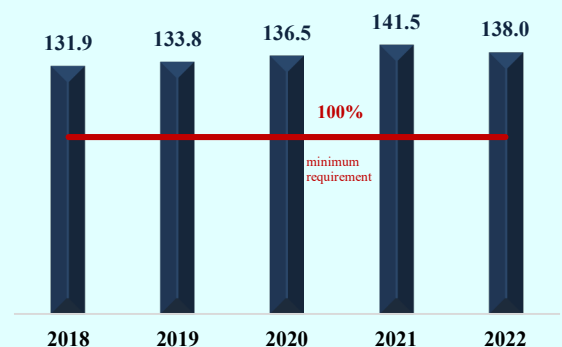
Capital Adequacy Ratio
2018 - 2022, Percent



• Liquidity Ratio

This ratio measures the amount of liquid assets available to the bank relative to its obligations that are due within three months. The liquidity ratio for banks reached about 138.0 percent at the end of 2022, exceeding the CBJ's threshold of 100 percent.

Liquidity Ratio
2018 - 2022, Percent

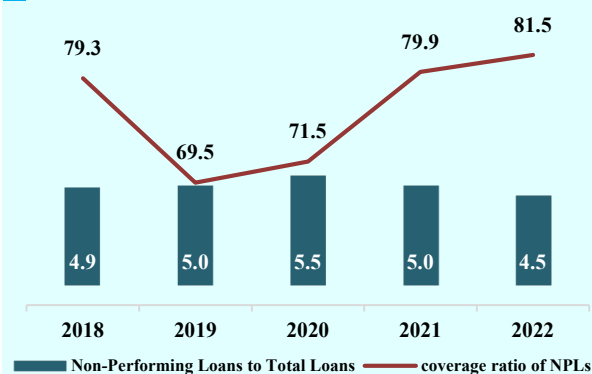


• Non-Performing Loans /Total Loans Ratio

The Non-Performing Loans (NPLs) to total loans ratio represents the quality of assets held by the bank and its level of development, as well as the credit risks exposure by banks. The ratio of NPLs decreased to 4.5 percent at the end of 2022, compared to 5.0 percent at the end of 2021, this is a relatively low ratio, and manageable compared to previous levels, especially after the global financial crisis, the banking sector has effectively managed this ratio during the past decade.

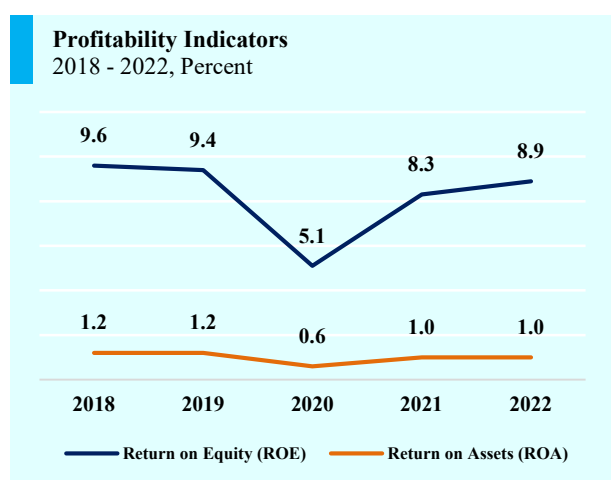
The provisions of NPLs coverage ratio also increased to 81.5 percent at the end of 2022, compared to 79.9 percent at the end of 2021.

Non-Performing Loans to Total Loans
2018 - 2022, Percent



• Profitability Indicators

The after-tax net profit of banks, reached around JD 599 million at the end of 2022, compared to JD 550 million at the end of 2021. The Return on Equity (ROE) and Return on Assets (ROA) were 8.9 percent and 1.0 percent, respectively.



□ Jordanian Banks' Activities in the Palestinian Territories

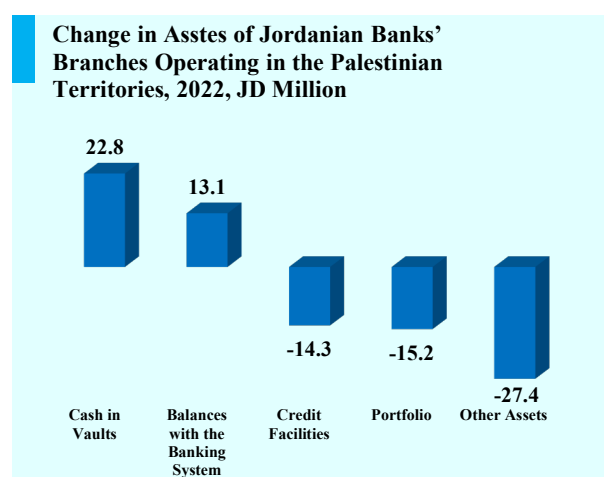
The consolidated balance sheet of the Jordanian banks' branches operating in the Palestinian territories reached JD 5,808.1 million in 2022, compared to JD 5,829.1 million at the end of 2021 (Statistical Annex/ Table 15).

On the asset side, credit facilities represent the largest component, amounting to JD 2.6 billion, accounting for 44.0 percent of total assets. The credit facilities extended in US Dollar constitute about 41.0 percent of total

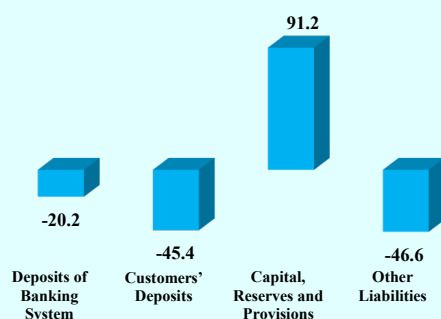
credit facilities, while the credit facilities extended in other foreign currencies accounted for 46.4 percent of total credit facilities. The credit facilities extended in Jordanian Dinar accounted for 12.6 percent of total credit facilities.

On the liabilities side, customer deposits constituted the largest component, reaching around JD 4.4 billion, representing 75.7 percent of total liabilities, deposits in US Dollar constitute around 36.4 percent of total deposits, while deposits in other foreign currencies account for 38.5 percent of total deposits. Meanwhile, deposits denominated in Jordanian Dinar constitute around 25.1 percent of total deposits.

The following figures illustrate the changes in the main items of assets and liabilities in the consolidated balance sheet of the Jordanian banks' branches operating in the Palestinian territories during 2022:



Change in Liabilities of Jordanian Banks' Branches Operating in the Palestinian Territories, 2022, JD Million



Insurance Companies

The number of insurance companies operating in the kingdom stood at 22 companies at the end of 2022; 15 companies are licensed to engage in both types of insurance (general and life insurance), 6 companies are licensed for general insurance, and one company is licensed for life insurance.

Total assets of insurance companies increased by JD 67.1 million (6.5 percent) at the end of 2021, compared to its level at the end of 2020, to reach JD 1,096.4 million (Statistical Annex/ Table 16).

On the assets side, the “investments and other assets” item increased by JD 64.5 million (11.9 percent), the “reinsurance receivable” item by JD 3.0 million (8.3 percent), and the “accounts receivables” item by JD 1.7 million (0.9 percent), at the end of 2021, compared to their levels at the end of 2020.

On the liabilities side, the increase was due to the increase in the “technical reserves” item by JD 39.3 million (8.1 percent), and “other liabilities and equity” item by JD 30.8 million (49.3 percent). In contrast, the “provisions” item decreased by JD 11.0 million (50.5 percent), at the end of 2021, compared to its level at the end of 2020.

By looking at the activity of insurance companies based on collected premiums and the paid-up compensations during 2022, it can be observed that collected premiums increased by JD 53.3 million (8.2 percent) to reach JD 699.6 million, and paid-up compensations increased by JD 3.8 million (0.8 percent) to reach JD 478.0 million.

Regarding the collected premiums during 2022, the increase was mainly attributed to the increase in the collected premiums of “motor vehicle insurance” by JD 18.9 million (8.4 percent), “life insurance” by JD 12.4 million (11.3 percent), and “medical insurance” by JD 10.5 million (5.4 percent). The collected premiums of “motor vehicle insurance” accounted for 35.0 percent of total collected premiums, followed by “medical insurance” at 29.2 percent. Other insurance types, such as, “life insurance”, “fire and other property damage insurance”, “general accidents insurance”, and maritime and transportation insurance”, accounted for 17.4 percent, 12.0 percent, 3.8 percent, and 2.6 percent of total collected premiums, respectively (Statistical Annex/ Table 17).

Relative Importance of Collected Insurance Premiums
2018 - 2022, Percent

	2018	2019	2020	2021	2022*
Motor vehicle	37.6	38.1	36.0	35.0	35.0
Medical	30.1	30.8	30.0	30.0	29.2
Life	14.2	13.9	15.5	16.9	17.4
Accident	3.6	3.5	3.2	3.7	3.8
Maritime	2.9	2.6	2.7	2.7	2.6
Fire	11.6	11.1	12.6	11.7	12.0

* : Preliminary.

As for paid-up compensations during 2022, the increase was concentrated in compensations paid for “medical insurance”, which increased by JD 21.6 million (13.5 percent), and “motor vehicle insurance” by JD 10.9 million (5.1 percent). The “motor vehicle insurance” accounted for 46.7 percent of the total paid-up compensations, while “medical insurance” accounted for 37.9 percent of the total paid-up compensations (Statistical Annex/ Table 18).

Relative Importance of Paid-up Compensations by Insurance Companies
2018 - 2022, Percent

	2018	2019	2020	2021	2022
Motor vehicle	50.6	47.8	45.5	44.7	46.7
Medical	33.3	33.0	36.6	33.7	37.9
Life	9.6	11.0	12.4	13.6	10.8
Accident	1.3	1.0	1.4	1.3	0.9
Maritime	1.1	1.6	1.4	0.5	0.8
Fire	4.1	5.6	6.5	6.2	2.9

* : Preliminary.

Amman Stock Exchange

Amman Stock Exchange (ASE) indicators witnessed fluctuations in their performance during 2022. The share price index, weighted by the market value of the free-floating shares, increased by 18.1 percent, and the market capitalization of listed shares on the ASE increased by 16.2 percent, to reach JD 18.0 billion, accounting for 53.4 percent of GDP. In contrast, the trading volume decreased by 3.1 percent, and the net investments of non-Jordanian at ASE recorded an outflow of JD 68.0 million.

The following is a summary of the performance of the main indicators of ASE during 2022:

- The trading volume decreased by JD 59.9 million (3.1 percent) to reach JD 1,903.7 million. This decrease came as a result of a decrease in the trading volume in the financial sector of JD 152.2 million (15.5 percent), and the industrial sector by JD 48.5 million (9.8 percent). In contrast, the services sector witnessed an increase of

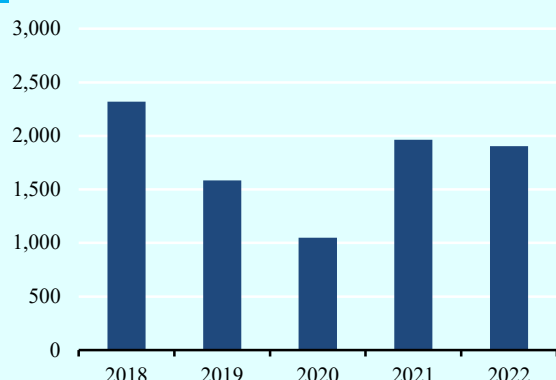
JD 140.8 million (29.1 percent) (Statistical Annex/ Table 19).

Relative Importance of Shares Traded by Sectors
2018 - 2022, Percent

	2018	2019	2020	2021	2022
Industry	42.2	18.2	17.4	25.2	23.4
Services	9.8	16.2	20.1	24.6	32.8
Financial	48.0	65.6	62.5	50.2	43.8

Source : Amman Stock Exchange.

Value Traded at Amman Stock Exchange
2018 - 2022, JD Million



- The market capitalization of listed shares on ASE increased by JD 2.5 billion (16.2 percent), to reach JD 18.0 billion, constituting 53.4 percent of GDP, compared to an increase of JD 2.6 billion (20.0 percent), or 48.4 percent of GDP in 2021.
- The number of traded shares decreased by 382.5 million shares (24.9 percent) to reach 1,155.7 million shares. Furthermore, the number of executed

contracts decreased by 80.4 thousand contracts (9.8 percent), to reach 737.9 thousand contracts. Looking at the traded shares by sector, it is noted that, the financial sector accounted for 59.0 percent of the total traded shares, followed by the services sector at 29.5 percent, and the industry sector at 11.5 percent.

- The net investments of non-Jordanian at ASE recorded an outflow of JD 68.0 million during 2022, compared to an outflow of JD 60.9 million in 2021. The purchases of non-Jordanian investors amounted to JD 274.2 million, while their sales amounted to JD 342.2 million.

Shares Traded by Non-Jordanians at Amman Stock Exchange
2018 - 2022, JD Million

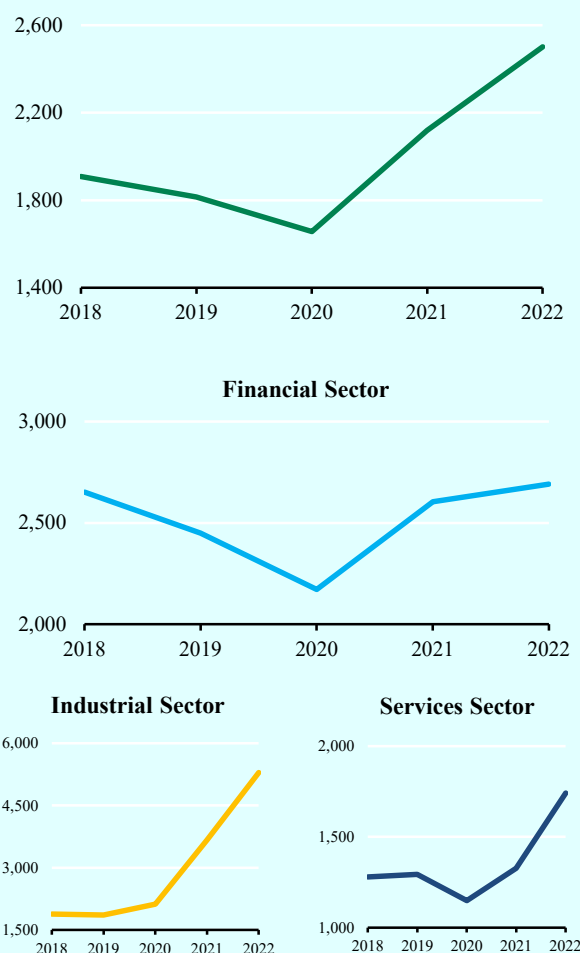
	2018	2019	2020	2021	2022
Total purchases	1,231.8	528.7	96.8	220.2	274.2
Arab	214.4	352.5	75.7	194.5	234.4
Foreigners	1,017.4	176.2	21.1	25.7	39.8
Total sales	747.3	414.6	164.4	281.1	342.2
Arab	177.1	293.8	94.1	186.0	263.2
Foreigners	570.2	120.9	70.3	95.1	79.0
Net investment	484.5	114.1	-67.5	-60.9	-68.0
Arab	37.3	58.8	-18.4	8.5	-28.8
Foreigners	447.2	55.3	-49.1	-69.4	-39.2

Source : Amman Stock Exchange.

□ General Share Price Index (GSPI)

- The General Share Price Index (GSPI), weighted by market capitalization, increased by 725.1 points (18.1 percent) in 2022, to reach 4,730.4 points, compared to its level at the end of 2021. This increase was an outcome of an increase in the share price indices of “industrial sector” by 2,181.6 points (46.4 percent), “banks, corporates, and financial institutions” by 187.3 points (2.9 percent), “services sector” by 69.7 points (8.9 percent), and “insurance sector” by 3.4 points (0.3 percent) (Statistical Annex/ Table 20).
- The Share Price Index (SPI), weighted by the market value of the free-floating shares, amounted to 2,501.6 points, marking an increase of 383.0 points (18.1 percent) from its level at the end of 2021, compared to an increase of 461.4 points (27.8 percent) recorded in 2021. This increase was an outcome of the increase in the share price indices of “industrial sector” by 1,626.4 points (44.4 percent), “services sector” by 413.4 points (31.1 percent), and “financial sector” by 87.7 points (3.4 percent) (Statistical Annex/ Table 21).

General Share Price Index Weighted by Free Float Shares, 2018 - 2022
(Closing December 1999=1000), Points



Other Financial Institutions

Many non-banking financial institutions provide support for banking services, including deposit insurance services, loans and export credit guarantee services, mortgage refinance services, and the Social Security Investment Fund. These institutions stand side-by-side with banks and financial institutions to draw the integrated features of

the financial and banking sector in the Kingdom. The following is an overview of the main activities of these institutions during 2022:

□ **Jordan Deposit Insurance Corporation**

The Jordan Deposits Insurance Corporation (JDIC) aims at protecting depositors in licensed banks by guaranteeing deposits. Its goal is to encourage saving and enhance confidence and stability in the banking and financial system in the Kingdom.

Regarding the financial performance of JDIC, the annual collected membership fees from member banks amounted to JD 38.4 million in 2022, compared to JD 35.9 million in 2021. Moreover, the corporation achieved net returns on its investment amounting to JD 49.5 million, resulting in an increase of its reserves to JD 1.1 billion, compared to JD 1.0 billion at the end of 2021, representing a growth rate of 8.7 percent. The coverage ratio of the JDIC's reserves for insured deposits subject to provisions of the law reached 4.7 percent at the end of 2022, compared to 4.6 percent at the end of 2021.

The book value of the JDIC's investment portfolio stood at JD 1.1 billion at the end of 2022, with an average return of 5.0 percent, and a growth rate of 8.7 percent, compared to its value at the end of 2021.

Moreover, the value of insured deposits amounted to JD 23.6 billion, compared to JD 21.9 billion at the end of 2021, recording a growth rate of 7.7 percent. Furthermore, the value of insured deposits in Islamic banks stood at JD 8.4 billion during 2022.

□ **Jordan Loan Guarantee Corporation**

The Jordan Loan Guarantee Corporation (JLGC) continued to achieving its objectives of providing loan guarantee for SMEs, contributing to supporting national economy, and providing job opportunities. Consequently, in 2022, the JLGC provided guarantee for 2,224 loans with a nominal value of JD 217 million, through its SME's loan guarantee program.

Considering that, the number of outstanding guaranteed loans stood at 9,213 loans with a total guaranteed value of JD 502.0 million, compared to 9,596 loans with a total guaranteed value of JD 428.0 million during 2021. The number of beneficiary projects that received guarantees under the micro-enterprise guarantee program reached 372 projects with a value of, approximately, JD 3.0 million. Furthermore, guarantees were provided to 336 start-up projects with a value of JD 15.7 million in 2022.

The outstanding portfolio of guaranteed loans was distributed across several sectors; the most important ones are mining, food, chemicals, textiles, and clothing sectors. The food industries sector achieved the highest growth, of 42.0 percent increase compared to 2021. Meanwhile, the “mining industries” sector maintained the largest share of the total secured sales value, reaching JD 141.6 million, representing a 6.0 percent increase compared to 2021.

In addition, the JLGC continued its support for Jordanian exports through its Export Credit Guarantee (ECG) Program. Mentioning that, the value of guaranteed shipments increased to JD 199.0 million, compared to JD 176.0 million in 2021.

Furthermore, during 2022, the JLGC extended the implementation of the National Program for Financing and Loans Guarantee to confront the repercussions of the COVID-19 pandemic on all economic sectors operating in the Kingdom. Approximately, 763 companies benefited from this program during 2022, with a total value of JD 132 million.

In addition, in cooperation with the KFW German Development Bank, work has commenced on the development of the “Guarantee for Employment” program. This

program aims to link loan guarantee with newly created jobs by SMEs, with a focus on expanding financial inclusion by targeting projects outside the center of the governorates.

□ Jordan Mortgage Refinance Company

The Jordan Mortgage Refinance Company (JMRC) continued its effective role in developing and stimulating mortgage market and meeting housing needs for low-income individuals. During 2022, the JMRC signed 16 agreements for mortgage refinancing, with a total value of JD 166.0 million, this brings the total number of mortgage refinancing agreements signed by the company, since its establishment in mid-1996 until the end of 2022, to 366 agreements, with a total value of JD 2,306.0 million. In addition, the outstanding balance of the refinancing loans reached JD 612.5 million by the end of 2022.

These loans have contributed to an increase in demand among Jordanian citizens to own housing, and to increase the amounts allocated by banks for housing loans purposes. This has resulted in increased competition in the banking sector to improve housing loan conditions and extend maturities. It has also helped to ensure that the repayment capacity is applicable for a wider segment of borrowers.

Regarding the sources of funding used by the JMRC to provide the necessary funds for granting loans, it relied on issuing loan bonds in the local capital market, which reached to JD 161 million, bringing the total value of its loan bonds issuance since its establishment until the end of 2022 to JD 2.4 billion, with maturities ranging from one to seven years. The total outstanding balance of loan bonds issued by the JMRC stood at JD 592.5 million at the end of 2022.

❑ Social Security Investment Fund

The Social Security Corporation (SSC) plays a vital role at both social and economic levels, as it works to enhance protection for workers under its umbrella. Moreover, the SSC invests its funds in economic and financial projects through investment expertise, balanced investment decisions, and performance supervision to maximize the real value of its assets. This enhances the SSC's ability to fulfill its obligations towards the insured individuals by the fund. For this purpose, the Social Security Investment Fund (SSIF) was established and launched its operations at the beginning of 2003.

The SSIF has achieved an increase in its total assets amounting to JD 1,435.7 million (11.6 percent) at the end of 2022, compared to the end of 2021, to reach JD 13,776.9 million. Analyzing the asset side, reveals that the increase was concentrated in the “bonds portfolio” which increased by JD 694.1 million (10.1 percent), the “equity investment portfolio (public and private)” which increased by JD 430.1 million (21.1 percent), and “money market financial instruments portfolio” which increased by JD 249.1 million (16.0 percent). Moreover, loan portfolio increased by JD 46.8 million (11.4 percent), and the “real estate portfolio” increased by JD 44.1 million (5.9 percent), and the “tourism investment portfolio” increased by JD 3.2 million (1.0 percent), while the “other assets” item decreased by JD 31.7 million (8.5 percent), (Statistical Annex/ Table 22).

The relative distribution of the SSIF's assets shows a significant reliance on investment in “bonds portfolio”, which constitutes 55.1 percent of total assets, followed by “equity investment portfolio (public and private)” (17.9 percent), and “money market instruments portfolio” (13.1 percent).

Box (2)**Monetary Policy During 2022**

Since the end of the first quarter of 2022, the CBJ's monetary policy has witnessed a rapid shift towards tightening, following an expansionary phase implemented during the pandemic in 2020-2021, whereas liquidity injection amounted to JD 2.7 billion, which significantly mitigated the pandemic's impact on the economy. The shift in monetary policy comes in light of global economic developments, as many central banks have adopted a tightening stance to address global inflationary pressures resulting from a combination of factors. These factors include the recovery of global demand, in line with the resumption of economic openness after the closures accompanying the pandemic, as well as ongoing supply imbalances and disruptions in supply chains, due to the economic closures during the pandemic. Additionally, the geopolitical tensions stemming from the Russian-Ukrainian war at the beginning of 2022, which have further exacerbated supply chains disruptions.

As a result of these global developments, the CBJ responded by raising interest rates seven times since the end of the first quarter of 2022, by a total of 400 basis points, except for the overnight deposit window rate, which was increased by 425 basis points. This move aligns with interest rates hikes in global and regional financial markets.

Interest Rate Developments During 2022

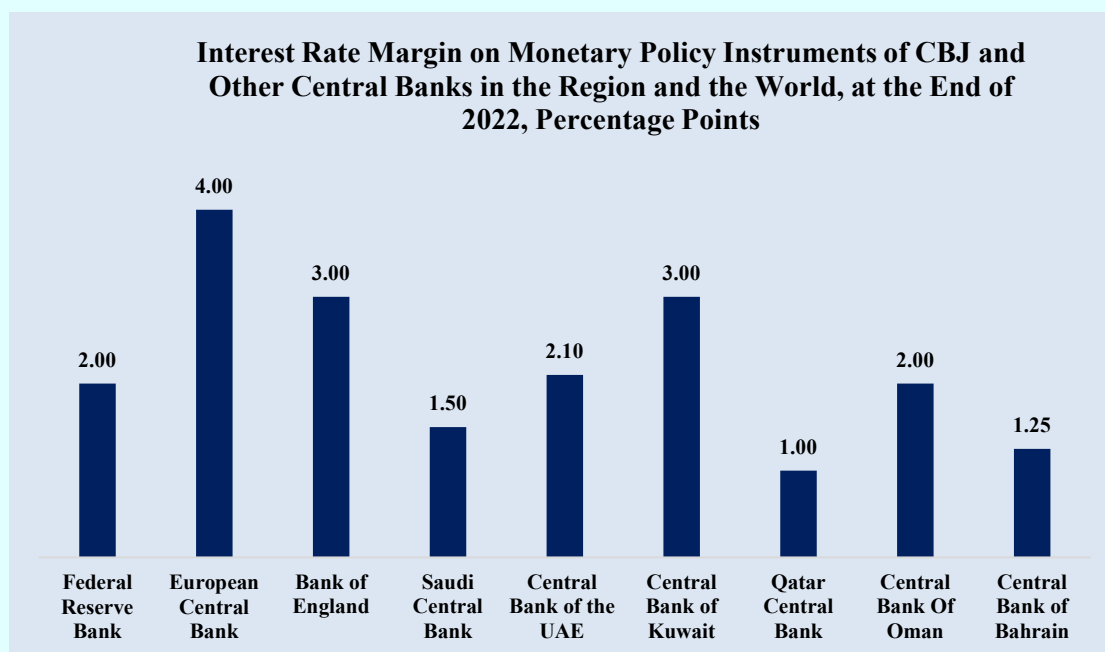
Date	The amount by which the interest rate was increased (Basis Points)		The prevailing interest rate after hikes (Percentage Points)	
	Lending interest rate	Overnight deposit interest rate	Lending interest rate*	Overnight deposit interest rate
20/3/2022	25	25	2.75	2.25
8/5/2022	50	50	3.25	2.75
19/6/2022	50	75	3.75	3.50
31/7/2022	75	75	4.50	4.25
25/9/2022	75	75	5.25	5.00
6/11/2022	75	75	6.00	5.75
19/12/2022	75	75	6.75	6.50

* Represents the CBJ's main interest rate.

Box (2) Continued

The CBJ's decisions to raise interest rates in 2022 were aimed at achieving two main objectives, which are fundamental in maintaining monetary stability, a top priority for the CBJ, and a primary goal to be preserved according to the provisions of Article 4 of the CBJ Law of 1971 and its amendments:

First objective: Preserving the stability of the Jordanian Dinar exchange rate as an attractive tool for savings. This requires an appropriate interest rate margin in favor of deposits in the Jordanian Dinar compared to depositing in other currencies, especially the US Dollar.



Second objective: Containing inflationary pressures, resulting from internal factors related to domestic demand, and preserving the purchasing power of the citizen's income. The decisions to raise interest rates played a crucial role in keeping inflation rate, which stood at 4.2 percent, within an acceptable range compared to inflation rates recorded in many countries in the region and the world.

Box (2) Continued

Despite the CBJ's tightening monetary policy in 2022, it managed to mitigate the negative effects on economic activity through a policy that allows for not fully passing the impact of the monetary policy tightening to lending rates of banks. In a manner that ensures the balance between achieving monetary stability, and supporting economic growth, stimulating vital economic sectors, and creating job opportunities. This was achieved through:

- Maintaining interest rates fixed on the CBJ's subsidized lending schemes; the "Refinancing Program to Support Vital Economic Sectors", with a total of JD 1.3 billion. The interest rate remains at 1.0% for beneficiary projects within the capital governorate, and 0.5% projects in other governorates, based on a fixed interest rate throughout the loan's ten-year duration. It is worth noting that this program currently includes ten sectors: industry, tourism, renewable energy, agriculture, information technology, engineering consulting, health, transportation (transportation companies), education (vocational, technical and professional training), and the export sector.

This program witnessed a significant development during 2022. The value of loans extended to licensed banks through this program amounted to approximately JD 255.2 million, resulting in an increase in the outstanding balance of loans within the program to around JD 660.7 million by the end of 2022, compared to approximately JD 621 million at the end of 2021. The program benefited 118 projects during 2022, bringing the total number of projects benefiting from it, since its establishment in 2012, to 1,815 projects. These projects have contributed to creating over 14.6 thousand job opportunities and preserving more than 51 thousand jobs.

- Extending the "CBJ Program to Support SMEs, Professionals, Craftsmen, and Wholesale Importers of Basic Commodities", with a total value of JD 700 million until April 2023. The interest rates within this program have been fixed at 2 percent for borrowers, based on a fixed interest rate for a period of 54 months, including a grace period of up to 12 months. Additionally, the CBJ has increased the ceiling of the loans for wholesale importers of basic commodities (agreed upon with the Ministry of Industry, Trade and Supply) from JD 600 thousand to JD 1 million, aiming to support this sector considering the global rise in commodity prices.

The total loans granted within this program until the end of 2022, amounted to JD 616.8 million, benefiting 6,290 projects. Salaries and wages for employees accounted for 32 percent of these loans, contributing to the preserving of 104 thousand jobs by the end of 2022.

CHAPTER FOUR

PUBLIC FINANCE SECTOR

Public finance data during 2022 showed a decrease in the overall fiscal deficit of the general budget, including foreign grants, compared to 2021 by JD 178.1 million, to reach JD 1,552.5 million, compared to a deficit of JD 1,730.6 million during 2021. As a percentage of GDP, the overall fiscal deficit decreased by 0.8 percentage points, to reach 4.6 percent of GDP, compared to 5.4 percent of GDP in 2021.

This decrease came as a result of an increase in both public revenues (domestic revenues and foreign grants) by 9.7 percent, and public expenditures by 6.2 percent, compared to their levels in 2021.

On the public revenues side, domestic revenues increased by 10.9 percent, to stand at JD 8,121.9 million, compared to JD 7,324.9 million in 2021. This increase came as a result of an increase in both tax revenues of JD 421.0 million and non-tax revenues of JD 376.1 million.

Public expenditures increased by JD 607.8 million, to stand at JD 10,466.6 million, or 6.2 percent, compared to 2021. This increase was primarily a result of a rise in both current expenditures by JD 233.7 million (2.7 percent), to reach JD 8,954.3

million, and capital expenditures by 374.1 million (32.9 percent), to reach JD 1,512.3 million.

In light of these developments, along with the government financing needs, including financing the budget deficit of the Water Authority of Jordan (WAJ), and the National Electric Power Company (NEPCO), the outstanding balance of public debt (domestic and external) increased by JD 2,723.5 million, reaching JD 38,490.2 million (114.2 percent of GDP) at the end of 2022, compared to JD 35,766.7 million (111.7 percent of GDP) at the end of 2021. When excluding government securities held by the Social Security Investment Fund (SSIF), the outstanding balance of public debt (domestic and external) stands at JD 30,667.6 million (91.0 percent of GDP), compared to JD 28,763.1 million (89.8 percent of GDP) at the end of 2021.

Furthermore, during 2022, the government continued its efforts to reform and manage public finances, with the aim of enhancing the resilience of the Jordanian economy, boosting economic growth, achieving social equity, and addressing imbalances in the tax structure.

General Budget

The global economy faced several shocks during 2022, leading to elevated levels of global uncertainty, and created financial pressures on countries' general budgets, causing increased levels of debt, and depletion of financial resources.

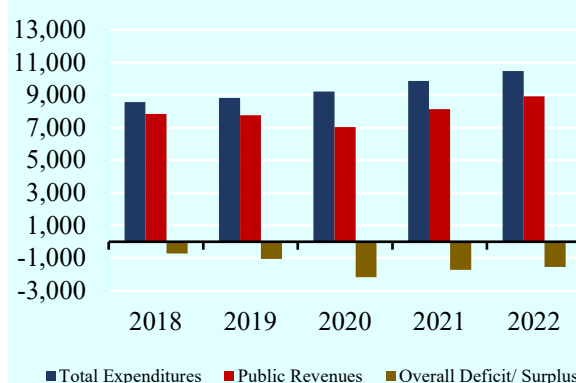
However, despite these challenges, the performance of the general budget in the kingdom improved during 2022, especially in terms of public revenues, which led to a decrease in the overall fiscal deficit, including foreign grants, by JD 178.1 million, to reach JD 1,552.5 million, or 4.6 percent of GDP, compared to a deficit of JD 1,730.6 million (5.4 percent of GDP) during 2021. This decrease in the fiscal deficit is the second after the COVID-19 pandemic, preceded by a slight decline in the general budget deficit during 2018 by JD 20.3 million compared to its level in 2017.

Excluding foreign grants (JD 792.2 million), the overall fiscal deficit increased to JD 2,344.7 million, or 7.0 percent of GDP, compared to 7.9 percent of GDP in 2021. This improvement in the general budget performance came as a result of an

increase in public revenues of JD 785.9 million, while public expenditures increased by JD 607.8 million.

The public finance indicators for 2022 showed that the gap between public revenues and expenditures continues to narrow. The coverage ratio of public revenues to public expenditures increased by 2.8 percentage points, compared to its level in 2021, to reach 85.2 percent.

Summary of Central Government Budget
2018 - 2022, JD Million



Developments in Public Revenues and Public Expenditures, 2019 - 2022, JD Million

	2019	2020	2021	2022
Public revenues	7,754.3	7,028.9	8,128.2	8,914.1
Growth rate (%)	-1.1	-9.4	15.6	9.7
Total expenditures	8,812.7	9,211.3	9,858.8	10,466.6
Growth rate (%)	2.9	4.5	7.0	6.2
Overall deficit/surplus	-1,058.4	-2,182.4	-1,730.6	-1,552.5
Ratio to GDP (%)	-3.3	-7.1	-5.4	-4.6

Source : Ministry of Finance/ General Government Finance Bulletin, January 2023.

Public Revenues

Public revenues (domestic revenues and foreign grants) of the central government/ budget increased by JD 785.9 million, or 9.7 percent during 2022, to reach JD 8,914.1 million, compared to JD 8,128.2 million in 2021. This increase was an outcome of a rise in domestic revenues of JD 797.0 million, and a drop in foreign grants of JD 11.1 million.

Main Indicators of Public Revenues
2019 - 2022, JD Million

	2019	2020	2021	2022
Domestic revenues	6,965.9	6,238.0	7,324.9	8,121.9
Ratio to public revenues (%)	89.8	88.7	90.1	91.1
Ratio to current expenditures (%)	88.2	74.4	84.0	90.7
Ratio to GDP (%)	22.0	20.2	22.9	24.1
Foreign grants	788.4	790.8	803.3	792.2
Ratio to public revenues (%)	10.2	11.3	9.9	8.9
Ratio to GDP (%)	2.5	2.6	2.5	2.4
Public revenues	7,754.3	7,028.9	8,128.2	8,914.1
Ratio to total expenditures (%)	88.0	76.3	82.4	85.2
Ratio to GDP (%)	24.5	22.7	25.4	26.5

Source : Ministry of Finance/ General Government Finance Bulletin, January 2023.

Domestic Revenues

Domestic revenues continued to improve during 2022, reaching JD 8,121.9 million, growing by 10.9 percent,

compared to its level in 2021, exceeding the targeted estimates in the General Budget Law for the year 2022 by about JD 57.9 million, with an actual collection rate of 100.7 percent.

The increase in domestic revenues reflects the increase in both tax revenues by JD 421.0 million (7.5 percent), to reach JD 6,047.9 million, and non-tax revenues by JD 376.1 million (22.2 percent), to reach JD 2,074.0 million.

Although the government did not raise tax rates, tax revenues constituted the largest bulk of domestic revenues, amounting to 74.5 percent, which reflects the government's continued efforts to combat tax evasion, enhance efficiency of tax inspection and auditing processes, address loopholes in the tax system, and carry out several tax settlements and reconciliations with taxpayers.

The developments in the main components of tax revenues during 2022 revealed an increase in the proceeds of the general sales tax on goods and services by JD 128.8 million (3.2 percent) to reach JD 4,167.5 million, compared to an increase of

14.3 percent in 2021. This can be partially attributed to high levels of inflation which pushed up the proceeds of the general sales tax on goods and services.

Proceeds of the general sales tax on goods and services constituted the largest share of the tax revenues, accounting for 68.9 percent. This increase was an outcome of the following:

- An increase in the sales tax on services of 24.1 percent.
- An increase in the sales tax on imported goods of 5.3 percent.
- A decrease in the sales tax on domestic goods of 2.5 percent.
- A decrease in the sales tax on the commercial sector of 0.7 percent.

Regarding the proceeds of taxes on income and profits, it increased by JD 368.6 million (31.2 percent), to reach JD 1,548.2 million. This increase was an outcome of the increase in the proceeds of all its components, as follows:

- An increase in the proceeds of income tax on companies and other projects by JD 291.8 million, reaching JD 1,094.6 million, accounting for 70.7 percent of

the total proceeds of taxes on income and profits.

- An increase in the proceeds of taxes on individual income by JD 51.4 million, to reach JD 328.2 million, accounting for 21.2 percent of the total proceeds of taxes on income and profits.
- An increase in the proceeds of income taxes from the national contribution account by JD 25.3 million, to reach JD 125.3 million, accounting for 8.1 percent of the total proceeds of taxes on income and profits.

Also, the proceeds of taxes on financial transactions (real-estate tax) increased by JD 28.9 million (40.9 percent), to reach JD 99.5 million. While the proceeds of taxes on international trade and transactions decreased by JD 105.3 million (31.2 percent) to reach JD 232.7 million, due to the government's decision to reduce and unify customs tariffs on goods.

Non-tax revenues increased, as a result of an increase in proceeds of "other revenues" by JD 378.7 million (22.4 percent) to reach JD 2,069.1 million, and a decline in pension contributions by JD 2.6 million (34.7 percent) to reach JD 4.9 million.

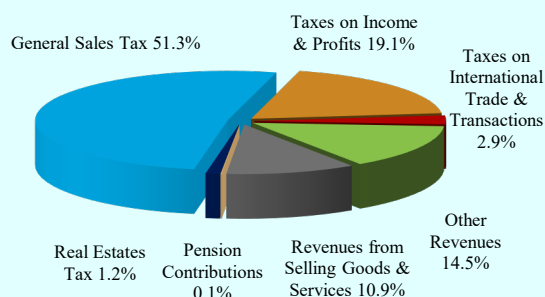
More extensively, “other revenues” accounted for 25.5 percent of domestic revenues (an increase by JD 378.7 million), which was mainly due to an increase in proceeds of miscellaneous revenues by JD 230.2 million, or 46.6 percent (most notably the increase in the item of mining revenues by JD 138.8 million), property income by JD 100.7 million (28.1 percent), and revenues from sales of goods and services by JD 47.9 million (5.7 percent).

Components of Domestic Revenues
2019 - 2022, JD Million

	2019	2020	2021	2022
Tax revenues	4,680.8	4,958.6	5,626.9	6,047.9
Ratio to domestic revenues (%)	67.2	79.5	76.8	74.5
Ratio to GDP (%)	14.8	16.0	17.6	18.0
Other revenues	2,276.1	1,272.1	1,690.4	2,069.1
Ratio to domestic revenues (%)	32.7	20.4	23.1	25.5
Ratio to GDP (%)	7.2	4.1	5.3	6.1
Pension contributions	9.0	7.3	7.5	4.9
Ratio to domestic revenues (%)	0.1	0.1	0.1	0.1
Ratio to GDP (%)	0.03	0.02	0.02	0.01
Total domestic revenues	6,965.9	6,238.0	7,324.9	8,121.9

Source : Ministry of Finance/ General Government Finance Bulletin, January 2023.

Structure of Domestic Revenues of the Budgetary Central Government, 2022



• Foreign Grants

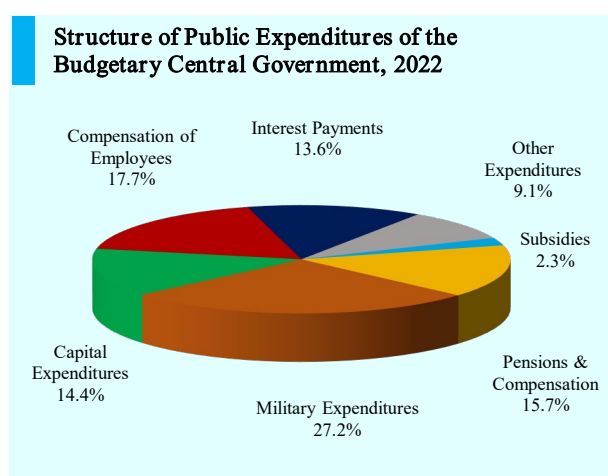
Foreign grants directed to support the general budget amounted to JD 792.2 million during 2022, decreased by JD 11.1 million (1.4 percent) compared to its level in 2021. The following are the allocation of these grants:

- The USA grant of JD 599.2 million.
- The European Union grant of JD 72.1 million.
- The Makkah Summit grant of JD 34.7 million.
- The Gulf Fund for Development grant of JD 29.7 million.
- Other grants are worth JD 56.5 million.

Public Expenditures

Public expenditures of the central government/ budget experienced a slowdown during 2022, with a growth rate of 6.2 percent, to reach JD 10,466.6 million, compared to a growth rate of 7.0 percent in 2021. This increase in public expenditure was the outcome of an increase in both current expenditures of JD 233.7 million (2.7 percent), and capital expenditures of JD 374.1 million (32.9 percent).

The actual achievement rate of public expenditures during 2022 constituted 98.3 percent of the estimated total public expenditures in the General Budget Law for the fiscal year 2022. This represents a decrease of 1.8 percentage points compared to the actual rate during 2021.



Main Indicators of Public Expenditures

2019 - 2022, JD Million

	2019	2020	2021	2022
Current expenditures	7,897.2	8,388.5	8,720.6	8,954.3
Ratio to total expenditures (%)	89.6	91.1	88.5	85.6
Ratio to GDP (%)	25.0	27.1	27.2	26.6
Capital expenditures	915.5	822.8	1,138.2	1,512.3
Ratio to total expenditures (%)	10.4	8.9	11.5	14.4
Ratio to GDP (%)	2.9	2.7	3.6	4.5
Total expenditures	8,812.7	9,211.3	9,858.8	10,466.6
Ratio to GDP (%)	27.9	29.8	30.8	31.1

Source : Ministry of Finance/ General Government Finance Bulletin, January 2023.

Current Expenditures

Current expenditures amounted to JD 8,954.3 million in 2022, compared to JD 8,720.6 million in 2021, representing an increase of JD 233.7 million (2.7 percent), compared to an increase of JD 332.1 million (4.0 percent) in 2021.

The actual achievement rate of current expenditures constituted 98.3 percent of the current expenditures estimated in the General Budget Law for the fiscal year 2022, and 26.6 percent of GDP. The current expenditures constituted the largest portion of the public expenditures at 85.6 percent.

The self-reliance indicator, measured by the coverage ratio of domestic revenues to current expenditures, increased to 90.7 percent, compared to 84.0 percent in 2021, as the increase in domestic revenues exceeds the increase in current expenditures, which reflects the government's efforts to promote financial independence.

The increase in current expenditures was a result of the surge in many of its components, foremost the compensation of employees by 4.4 percent, the military expenditures by 3.5 percent, interest payments (domestic and external) by 1.7 percent, and the subsidies item (including goods subsidies) by 1.0 percent. In contrast, the “purchases of goods and services” decreased by 5.5 percent.

When analyzing the structure of current expenditures (Statistical Annex/ Table 25), it is noted that most of its components were inflexible, accounting for 86.7 percent of the total current expenditures, while flexible expenditures constitute the remaining 13.3 percent. Military expenditures were among the biggest inflexible expenditures, constituting 31.8 percent of the total current

expenditures, whereas compensation of employees (salaries, wages, and social security contributions) accounted for 20.6 percent, followed by “pension and compensations” expenditures (18.3 percent), and interest payments (15.9 percent). Regarding the flexible current expenditures, “purchases of goods and services” was one of the most important items, constituting 4.7 percent of the total current expenditures. The subsidy item constituted 2.7 percent.

As for the functional classification of the current expenditures for the central government/ budget, social protection expenditures accounted for the largest share of current expenditures (22.6 percent), followed by general public services expenditures (21.6 percent), “public order and safety” (16.1 percent), defense expenditures (14.1 percent), education (12.5 percent), and health (9.2 percent).

- **Capital Expenditures**

Capital expenditures continued to achieve high growth rates for the second consecutive year, recording a growth of 32.9

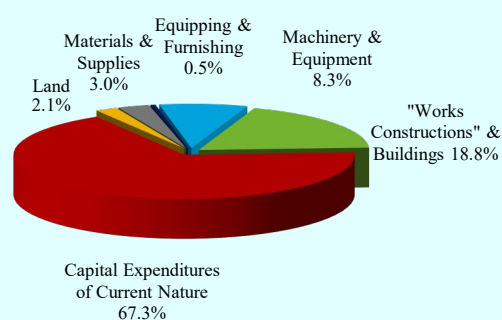
percent (JD 374.1 million) during 2022, compared to a growth rate of 38.3 percent in 2021, reaching JD 1,512.3 million. This accounts for 14.4 percent of total public expenditures and 4.5 percent of GDP.

Consequently, the achievement ratio (the ratio of actual capital expenditures to estimated capital expenditures in the General Budget Law for the fiscal year 2022) increased to 97.8 percent, compared to 87.6 percent in 2021.

Looking at the components of capital expenditures, it showed that a large part of this type of expenditure represents an ongoing expenditure (including subsidies provided for government units, “sustainability, operation and maintenance expenditures”, compensation of employees, and “studies and research”). These components constituted 67.3 percent of capital expenditures. While “works and constructions” item, constituted about 18.8 percent. The remaining 13.9 percent is

distributed among other items, mainly equipment, “machines and devices”, vehicles, lands, “equipping and furnishing”, and “materials and supplies”.

Economic Classification of Capital Expenditures, 2022



As for the functional classification of capital expenditures of the central government/ budget, economic affairs expenditures constituted the largest share of capital expenditures, accounting for 41.6 percent, while the expenditures on “housing and community facilities” accounted for 13.4 percent, followed by the expenditures on health (9.0 percent), and education (7.4 percent), while the remaining share of 28.6 percent is distributed to other expenditures.

□ General Budget Deficit/ Surplus

The above-mentioned developments in both public revenues (domestic revenues and foreign grants) and expenditures were reflected in the general budget deficit for the central government/ budget during 2022, across various measures, as follows:

- The general budget recorded an overall fiscal deficit, including foreign grants, of JD 1,552.5 million (4.6 percent of GDP), compared to a deficit of JD 1,730.6 million (5.4 percent of GDP) in 2021, a decrease of JD 188.5 million from the estimated deficit in the General Budget Law for the fiscal year 2022. When excluding foreign grants, the overall fiscal deficit of the general budget reaches JD 2,344.7 million (7.0 percent of GDP), compared to a deficit of JD

2,533.9 million (7.9 percent of GDP) in 2021.

- The general budget recorded a primary deficit, including foreign grants (public revenues minus public expenditures after excluding interest payments on debt), of JD 124.9 million (0.4 percent of GDP), compared to a primary deficit of JD 327.2 million (1.0 percent of GDP) in 2021. When foreign grants were excluded, the general budget recorded a primary deficit of JD 917.1 million (2.7 percent of GDP), compared to a primary deficit of JD 1,130.5 million (3.5 percent of GDP) in 2021.
- The general budget recorded a current deficit (domestic revenues minus current expenditures) of JD 832.4 million (2.5 percent of GDP), compared to a current deficit of JD 1,395.7 million (4.4 percent of GDP) in 2021.

Measures of Budget Deficit/ Surplus
 2019 - 2022, as a Percent of GDP (%)

	2019	2020	2021	2022
Overall deficit/ surplus (Including grants)	-3.3	-7.1	-5.4	-4.6
Overall deficit/ surplus (Excluding grants)	-5.8	-9.6	-7.9	-7.0
Primary deficit/ surplus (Including grants)	0.2	-3.0	-1.0	-0.4
Primary deficit/ surplus (Excluding grants)	-2.3	-5.6	-3.5	-2.7
Current deficit/ surplus	-2.9	-7.0	-4.4	-2.5

Source : Ministry of Finance/ General Government Finance Bulletin, January 2023.

Budgets of Government Units

According to the re-estimated figures in the General Budget Law for the fiscal year 2023, under the section of government units, the consolidated budget of government units for 2022 revealed that 8 government units (out of 26 government units) reported a fiscal deficit of JD 556.5 million, compared to 7 government units (out of 26 government units) recorded a deficit of JD 399.0 million in 2021. Accordingly, the budgets of

government units recorded a fiscal deficit of JD 383.2 million, compared to a fiscal deficit of JD 267.8 million in 2021.

It is worth mentioning that the National Electric Power Company (NEPCO) recorded a fiscal deficit of JD 294.2 million in 2022, compared to a fiscal deficit of JD 133.4 million in 2021. Moreover, Water Authority of Jordan (WAJ), recorded a fiscal deficit of JD 229.7 million in 2022, compared to a fiscal deficit of JD 219.8 million in 2021.

To address distortions in the energy sector, the government introduced a new electricity tariff on the household sector and several economic sectors, based on different segments according to the level of consumption, effective in April 2022 (Box 3).

Box (3)**New Electricity Tariff**

The Energy and Minerals Regulatory Commission (EMRC) approved the new electricity tariff system for household subscribers and different economic sectors in August 2021. The new electricity tariff was implemented in April 2022.

The new tariff came with the aim of redirecting electric tariff subsidies to Jordanian subscribers, removing distortions in the original tariff, increasing transparency, and simplifying bills to facilitate understanding by subscribers. In addition to meeting the demands of vital economic sectors by reducing the costs of electric energy to enhance their competitiveness and stimulate their ability to achieve sustainable growth.

Under the new electricity tariff for household subscribers, consumption is classified as subsidized tariffs (three categories), and unsubsidized tariffs (two categories) instead of the previous seven categories, as follow:

New and original electricity tariff regulation for household subscribers (Fils)					
slide/ month (kW/ h)	Original Tariff	New Tariff			
		Subsidized*		Unsubsidized**	
From 1 to 160	33	50		120	
From 161 to 300	72				
From 301 to 500	86	100		120	
From 501 to 600	114				
From 601 to 750	158	200		120	
From 751 to 1,000	188				
Higher than 1,000	265	200		150	
*: It is applied on all Jordanian families stand to benefit from the new subsidized tariff, also covers the heads of families who hold temporary Jordanian passports, and the people of the Gaza Strip in Jordan, on one electricity meter. A subsidy includes a fixed subsidy that is directly deducted from the monthly bill, amounting to JD 2.5 for subscribers whose total consumption ranges between 51 to 200 kWh per month, it also includes a monthly JD 2 deduction for subscribers whose total consumption ranges between 201 and 600 kWh per hour monthly.					
**: It is applied on non-Jordanian subscribers, owners of renewable energy systems as of the first kilowatt-hour (except for owners of renewable energy systems benefiting from the National Aid Fund), owners of multiple electricity meters, as well as uninhabited homes that its electricity consumption is less than (50) kilowatts for three consecutive months.					

Box (3) Continued

As for the electric tariffs for different economic sectors, they were reduced to lower operational costs, removing obstacles to economic growth, and creating job opportunities, as follow:

Economic Sector		Original Tariff (Fils/ KW)	New Tariff (Fils/ KW)	Notes
Agricultural sector	In daytime	59	55	The Peak load tariff has been cancelled
	At night	49	49	
Commercial sector	From 1 to 2,000	120	120	-
	Higher than 2,000	175	152	
Hotel sector	In daytime	89	82	The Peak load tariff has been cancelled
	At night	75		
Industrial sector (small)	From 1 to 10,000	61	60	-
	Higher than 10,000	71	68	
Industrial sector (Medium)	In daytime	79	68	-
	At night	65	65	
Industrial sector (large)	In daytime	124	124	The Peak load tariff has been cancelled
	At night	109	109	

It should be noted that the government has included the budgets of government units in the draft of the General Budget Law for the fiscal year 2023, consistent with the constitutional amendments made in early 2022. These amendments required the government to include the budgets of government units in the draft of the General Budget Law, instead of submitting separate drafts for the General Budget Law and the budgets of government units to the Parliaments to chambers. Accordingly, the draft of the General Budget Law for the fiscal year 2023 has been divided into two sections; the first section includes government departments, while the second section includes government units.

By analyzing public revenues and expenditures of the government units during 2022, it is noted that their revenues increased by JD 21.2 million (2.3 percent), compared to 2021, to reach JD 953.8 million.

Within this context, the total revenues from the sales of goods and services accounted for 81.6 percent (JD 778.5 million) of the total revenues of government

units. Meanwhile, property income amounted to JD 69.4 million, government subsidies (current and capital) granted to those units totaled JD 25.8 million, and foreign grants reached JD 63.3 million.

Total expenditures of government units increased by 11.4 percent, to reach JD 1,337.0 million in 2022. This increase came as a result of an increase in current expenditures of 3.8 percent, and an increase in capital expenditures by 33.5 percent. Current expenditures accounted for 69.3 percent of total expenditures, while capital expenditures accounted for the remaining 30.7 percent (Statistical Annex/ Table 23-B).

Outstanding Government Debt

The outstanding government debt (domestic and external), including budgetary and guaranteed, increased by JD 2,723.5 million, to reach JD 38,490.2 million at the end of 2022, compared to the end of 2021. As a percent of GDP, the outstanding government debt increased by 2.5 percentage point, to reach 114.2 percent of GDP, compared to 111.7 percent of GDP at the end of 2021.

This rise came as a result of financing the general budget deficit, and the budget deficit of the Water Authority of Jordan (WAJ), and the financing needs of the National Electricity Power Company (NEPCO), by greater than the increase in GDP for 2022, which led to an increase in debt-to-GDP ratio.

The increase in government debt came as a result of the increase in both domestic and external debt. The outstanding government domestic debt (budgetary and guaranteed) increased by JD 1,319.7 million, reaching JD 21,579.2 million (64.1 percent of GDP), while the outstanding external debt (budgetary and guaranteed) increased by JD 1,403.8 million, to reach JD 16,911.0 million (50.2 percent of GDP).

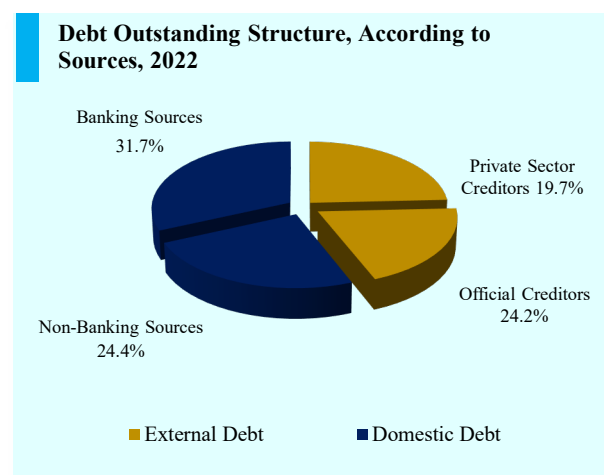
In this regard, the indebtedness of NEPCO and WAJ constituted about 20.8 percent of the outstanding government's debt at the end of 2022 (23.7 percent of GDP).

When excluding the government securities held by the Social Security Investment Fund (SSIF), the outstanding government debt (domestic and external)

declines to JD 30,667.6 million (91.0 percent of GDP), compared to JD 28,763.1 million (89.8 percent of GDP) at the end of 2021.

When classifying the outstanding government debt by to creditor, it is observed that the debt extended by banks accounted for 31.7 percent of the outstanding government's debt, whereas the debt extended by non-bank institutions (especially the SSIF) accounted for 24.4 percent.

Regarding the external debt sources (budgetary and guaranteed), debt obtained from official creditors (governments, international and regional financial institutions) accounts for 24.2 percent of the outstanding government debt, while the external debt obtained from private sector creditors accounts for 19.7 percent.



Major debt indicators, such as financial solvency (ability to repay debt) and liquidity indicators, are highlighted in the table below:

Major Debt Indicators 2019 - 2022, Percent				
	2019	2020	2021	2022
First: Financial solvency indicators				
Outstanding government debt/ GDP	95.2	106.8	111.7	114.2
Outstanding government debt/ Domestic revenues	431.8	529.5	488.3	473.9
External debt/ Domestic revenues	177.1	226.0	211.7	208.2
External debt/ Exports of goods and non-factor services	107.5	190.1	157.7	117.1
Second: Liquidity indicators				
External debt service/ Domestic revenues	30.8	33.4	25.0	34.5
External debt service/ Exports of goods and non-factor services	18.7	28.1	18.6	19.4
Debt interest/ Domestic revenues	16.0	19.9	19.2	17.6

Source : Ministry of Finance/ General Government Finance Bulletin, January 2023.

The following is an analysis of the most prominent indicators of the outstanding government debt in 2022:

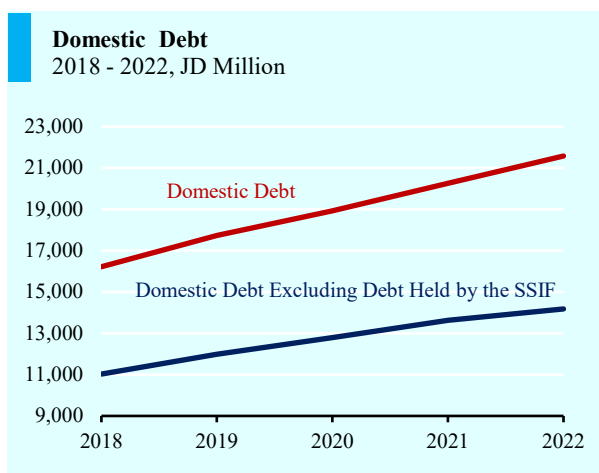
□ Domestic Debt

Domestic debt (budgetary and guaranteed) increased by JD 1,319.7 million, to reach JD 21,579.2 million in 2022. This came as a result of the volume of the issuance

of domestic debt exceeding the amortization volume during the same year. Accordingly, domestic debt, as a percent of GDP, increased by 0.9 percentage point, to reach 64.1 percent, compared to 63.2 percent of GDP at the end of 2021.

The increase in domestic debt is attributed to the tendency to finance the deficit of both: government budget and WAJ by borrowing through domestic bonds, in addition to paying due loans and amortizing bonds owed by WAJ.

when excluding government securities held by the SSIF (JD 7,400.5 million), domestic debt (budgetary and guaranteed), decreases to JD 14,178.7 million (42.1 percent of GDP).



Looking at the distribution of domestic debt between the budgetary and the guaranteed, the following is noted:

- An increase in the domestic budgetary debt by JD 1,064.2 million, to reach JD 18,947.6 million, constituting 87.8 percent of the government's domestic debt.
- An increase in the domestic guaranteed debt by JD 255.5 million, to reach JD 2,631.5 million, constituting the remaining 12.2 percent.

Analyzing the domestic debt by source (Statistical Annex/ Table 26), the debt extended by banks increased by JD 501.2 million, to reach JD 12,200.0 million at the end of 2022, which accounted for 56.5 percent of the government's domestic debt, compared to 57.7 percent at the end of 2021, distributed as follows:

- JD 9,669.7 million as "treasury bills and bonds" (44.8 percent of the government's domestic debt).
- JD 2,530.3 million as "loans and advances" (11.7 percent of the government's domestic debt).

Regarding debt extended by non-banking institutions (especially SSIF), it amounted to JD 9,379.2 million, accounting for 43.5 percent of the government's domestic debt.

The turnover of domestic debt securities (treasury bills and bonds, including own-budget agencies) revealed that the volume of issuances stood at JD 4,951.4 million, an increase of JD 674.3 million during 2022 compared to its level in 2021. These issuances were distributed as follows:

- Treasury bonds for JD 3,401.4 million.
- Treasury bills for JD 1,350.0 million.
- Own-budget agencies bonds for JD 200.0 million.

Amortization of domestic debt securities increased by JD 1,178.0 million, to reach JD 4,086.0 million. Consequently, the net issuance amounted to JD 865.4 million, compared to a net issuance of JD 1,369.1 million in 2021.

Interest paid on domestic debt securities declined by JD 24.2 million, to reach JD 984.3 million during 2022, accounting for 12.1 percent of domestic revenues. This is a decrease of 1.7 percentage points compared to 2021.

on the other side, the interest rates on governmental securities (domestic debt securities), averaged 3.711 percent on the 2-year treasury bonds, 4.014 percent on a 3-year maturity, 5.516 percent on a 5-year maturity, and 6.878 percent on a 10-year maturity, compared to 3.023 percent, 3.151 percent, 3.454 percent, and 4.583 percent in 2021, respectively.

Selected Government Domestic Debt Indicators
2019 - 2022, JD Million

	2019	2020	2021	2022
Government domestic debt	17,738.0	18,933.7	20,259.5	21,579.2
Ratio to GDP (%)	56.1	61.2	63.2	64.1
Domestic debt holding by the Social Security Investment Fund (SSIF)	5,749.9	6,149.7	6,633.9	7,400.5
Ratio to GDP (%)	18.2	19.9	20.7	22.0
Government domestic debt excluding debt holding by SSIF	11,988.1	12,784.0	13,625.6	14,178.7
Ratio to GDP (%)	37.9	41.3	42.5	42.1
Transactions in domestic debt instruments ⁽¹⁾				
Issue	5,800.0	3,864.3	4,277.1	4,951.4
Amortization	4,007.5	2,585.0	2,908.0	4,086.0
Interests	744.0	879.0	1,008.5	984.3

Source : Ministry of Finance/ General Government Finance Bulletin, January 2023.

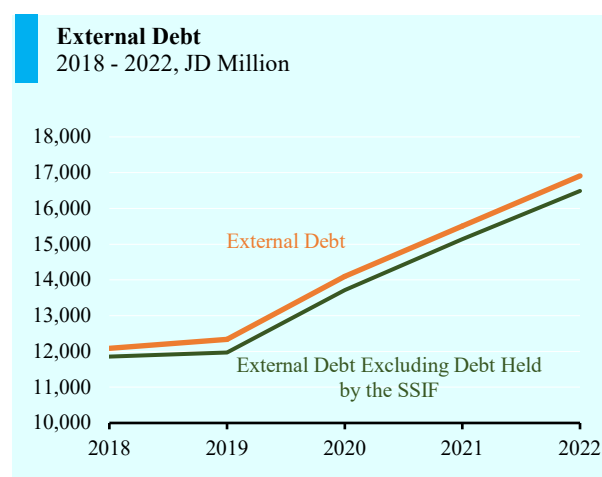
(1) : Includes public entities bonds.

□ External Debt

External debt (budgetary and guaranteed) increased by JD 1,403.8 million at the end of

2022, standing at JD 16,911.0 million (50.2 percent of GDP), compared to JD 15,507.2 million (48.4 percent of GDP) at the end of 2021.

When excluding governmental securities denominated in USD held by the SSIF (JD 422.1 million), external debt (budgetary and guaranteed) decreased to JD 16,488.9 million (48.9 percent of GDP).



It should be noted that, during 2022, the government issued and amortized domestic bonds and treasury bills in USD as follows:

- Amortizing USD-denominated domestic treasury bonds worth USD 500 million (JD 354.5 million) in March 2022, at an annual coupon rate of 4.00 percent. In contrast, USD-denominated

domestic bonds were issued with the same amount and in the same month at an annual coupon rate of 4.200 percent, maturing in 2027.

- Amortizing USD-denominated domestic treasury bills worth USD 140 million (JD 99.3 million) in May 2022, at an annual coupon rate of 2.493 percent. In contrast, USD-denominated domestic treasury bills worth USD 160 million (JD 113.44 million) were issued at an annual coupon rate of 3.00 percent, maturing in May 2023.
- Amortizing USD-denominated domestic treasury bills worth USD 300 million (JD 212.7 million) in June 2022, at an annual coupon rate of 2.50 percent. In contrast, USD-denominated domestic treasury bills with the same amount were issued at an annual coupon rate of 3.250 percent, maturing in June 2023.
- Issuing USD-denominated domestic treasury bills worth USD 410 million (JD 290.7 million) in July 2022, at an

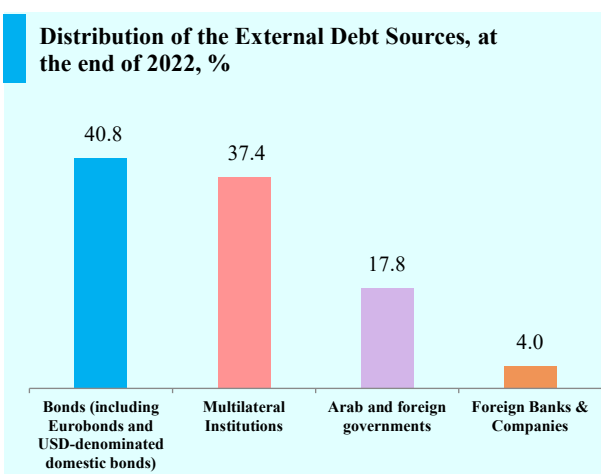
annual coupon rate of 4.500 percent, maturing in July 2023.

- Issuing USD-denominated domestic treasury bills worth USD 300 million (JD 212.7 million) in October 2022, at an annual coupon rate of 5.800 percent, maturing in October 2023.
- Amortizing USD-denominated domestic treasury bonds worth USD 400 million (JD 283.6 million) in December 2022, at an annual coupon rate of 3.849 percent. In contrast, USD-denominated domestic bonds with the same amount were issued in the same month at an annual coupon rate of 6.098 percent, maturing in 2025.
- Amortizing Eurobonds worth USD 1.0 billion (JD 709 million) in June 2022, at an annual coupon rate of 2.578 percent. In contrast, Eurobonds worth USD 650 million (JD 455 million) were issued, at an annual coupon rate of 7.75 percent, maturing in 2028.

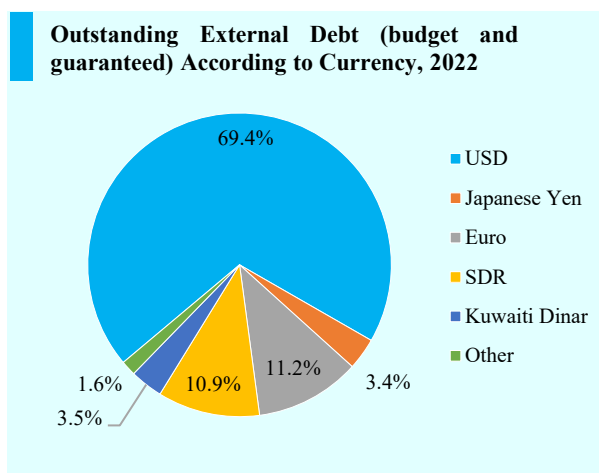
The increase in the external debt came as a result of an increase in net repayments and

disbursements by JD 1,675.3 million (USD 2,362.9 million), and an increase in securities denominated in USD held by the SSIF by JD 52.4 million (USD 73.9 million), and the depreciation in the exchange rate of major creditors' currencies against the Jordanian Dinar by JD 323.9 million (USD 456.8 million).

By looking at the distribution of the external debt by its sources at the end of 2022, the stock of bonds (including Eurobonds and USD-denominated domestic bonds) accounted for 40.8 percent of the external debt, followed by loans obtained from regional and international institutions, and loans obtained from Arab and foreign governments (bilateral and export credit guarantees) (Statistical Annex/ Table 27).

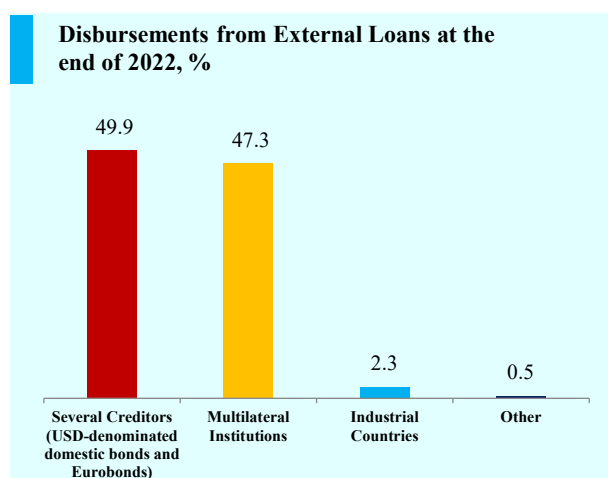


The composition of the external debt by currency revealed that the largest portion of the external debt was denominated in the USD, accounting for 69.4 percent. The reason for the high ratio of debt denominated in USD is attributed to the government's policy of borrowing in USD, particularly through issuing USD-denominated domestic treasury bonds and Eurobonds in the global financial markets, instead of borrowing in other currencies, to reduce risks resulting from exchange rates fluctuations.



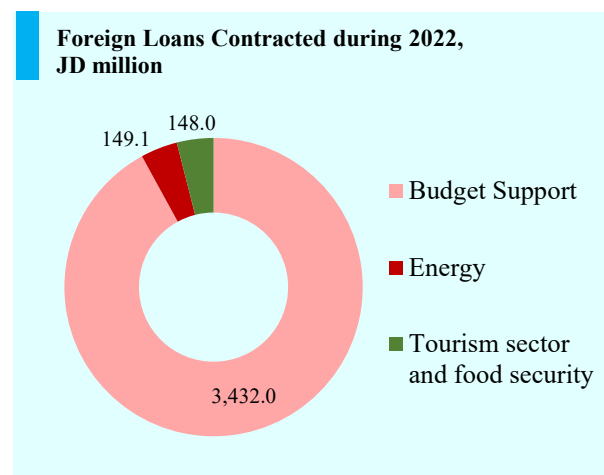
Total external loans disbursements to finance the general budget deficit, and various economic and development projects, amounted to JD 3,871.2 million, during the year 2022, increased by JD 852.3 million compared to 2021. Disbursements of several

creditors (USD-denominated domestic bonds and Eurobonds) accounted for 49.9 percent of the total disbursements, followed by disbursements of regional and international institutions (Statistical Annex/ Table 28).



The volume of contracted external loans (budgetary and guaranteed) during 2022, amounted to JD 3,729.1 million (USD 5,252.3 million), as the loans to support the budget, accounted for the largest share of these loans allocated to financing the general budget deficit, by the amount of JD 3,432.0 million. Meanwhile, the remaining loans were allocated to support the energy sector with a value of JD 149.1 million, and the tourism sector and food security sectors

(wheat and barley) with a value of JD 148.0 million. (Statistical Annex/ Table 29).



Regarding external debt service (budgetary and guaranteed) during 2022, cash repayments (interests and principals) stood at JD 2,803.2 million (8.3 percent of GDP), of which principals amounting to JD 2,307.1 million, and interest payments amounting to JD 496.1 million, an increase of 973.6 million, compared to JD 1,829.6 million in 2021, of which principals amounting to JD 1,387.1 million, and interest payments amounting to JD 442.5 million. As a result, the external debt service ratio (measured by the ratio of cash repayments to total exports of goods and non-factor services) increased to 19.4 percent, compared to 18.6 percent during 2021.

Selected External Debt Indicators

2019 - 2022, JD Million

	2019	2020	2021	2022
External debt	12,338.2	14,098.3	15,507.2	16,911.0
Ratio to GDP (%)	39.0	45.6	48.4	50.2
External debt holding by the Social Security Investment Fund (SSIF)	367.8	383.1	369.7	422.1
Ratio to GDP (%)	1.2	1.2	1.2	1.3
External debt excluding debt holding by SSIF	11,970.4	13,715.2	15,137.5	16,488.9
Ratio to GDP (%)	37.9	44.3	47.3	48.9
Repayments	2,146.2	2,083.8	1,829.6	2,803.2
Principal	1,724.1	1,676.5	1,387.1	2,307.1
Interest	422.1	407.3	442.5	496.1
Debt service ratio (%) ⁽¹⁾	18.7	28.1	18.6	19.4

Source : Ministry of Finance/ General Government Finance Bulletin, January 2023.

(1) : Represents the ratio of repayments (principal + interest) to total exports of goods and non-factor services.

Fiscal Measures and Legislations

During 2022, the government continued its reform efforts and fiscal consolidation, to enhance the resilience of the Jordanian economy, stimulate economic growth, pursuit of social equity, and address imbalances in the tax structure.

The following are the most prominent government measures taken in 2022:

■ In terms of Tax Revenues:

- The decision made by the Cabinet in July 2018, which gradually reduced the special tax imposed on partially electric (hybrid) cars during 2018-2021, was terminated. The special tax imposed on these cars was increased to 55 percent, starting from 1/1/2022.
- The general sales tax imposed on some commodities intended for school students' consumption was reduced from 16 percent to 5 percent.
- The general sales tax imposed on vegetable oils was eliminated (previously it was 4 percent), until the end of August 2022.
- The Royal Decree was issued to approve the amended Law on General Sales Tax for the year 2022, and it was published in the official gazette.

■ In terms of Prices:

- Prices of all oil derivatives were adjusted by varying rates, ranging from -8.0 percent to 45.5 percent, meanwhile the price of household liquid gas cylinder was maintained unchanged, as shown in the table below:

Developments in the Prices of Oil Derivatives				
Product	Unit	December 2021	December 2022	Change (%)
Unleaded Gasoline 90	Fils/ Liter	835	920	10.2
Unleaded Gasoline 95	Fils/ Liter	1,070	1,170	9.3
Unleaded Gasoline 98	Fils/ Liter	1,220	1,320	8.2
Gas Oil (Diesel)	Fils/ Liter	615	895	45.5
Kerosene	Fils/ Liter	615	860	39.8
Liquid Gas (12.5kg)	JD/ Cylinder	7.0	7.0	0.0
Fuel Oil (1%)	JD/ Ton	443	407.8	-7.9
Fuel for Airplanes (Local Companies)	Fils/ Liter	512	722	41.0
Fuel for Airplanes (Foreign Companies)	Fils/ Liter	517	727	40.6
Fuel for Unplanned Flights	Fils/ Liter	532	742	39.5
Asphalt	JD/ Ton	437.9	402.7	-8.0
Source : Jordan Petroleum Refinery Company.				

- To reduce the impact of rising oil prices in global markets, the Cabinet has approved a mechanism for disbursing and distributing fuel subsidies, amounting to JD 30 million. Under this mechanism, approximately JD 16 million has been allocated to support households benefiting from the NAF programs, around JD 4 million to support underprivileged university students, and JD 5 million to support the operation of public transportation lines.

■ In terms of Customs Duties:

- Reclassification of tariffs on goods, excluding imported goods; such as tobacco, cars, and alcoholic beverages, into 4 categories (exempt, 5 percent, 15 percent, 25 percent) instead of the previous 11 categories with rates ranging between 0% to 40% (Box 4).

■ Other Measures:

- The issuance of constitutional amendments for the year 2022, which include submitting a draft of the General Budget Law, including the budgets of governmental units, to the National Assembly, instead of submitting separate drafts for the General Budget Law and the budgets of governmental units to the National Assembly.
- The issuance of a revised system for work permit fees for non-Jordanian workers for the year 2022, which came into effect in 2/1/2022. According to the system, the employer is required to pay a fee of JD 350 for issuing or renewing a work permit for a year or part of the year for each worker in all sectors and economic activities, except for the following:
 - A fee of JD 225 is required for each worker employed by institutions and companies operating in the clothing and textile industry sector, registered with the Investment Commission in development zones.
 - A fee of JD 800 is required for each casual worker who has a freelance permit in the agricultural sector, construction sector, loading and unloading sector, or whoever the Minister of Labor decides to consider them in this category.
 - An issuance or renewal of work permit fee is required for each worker with specialized skills in excess of the numbers or percentages of expatriate workers allowed, as following:
 - ✓ JD 2,150 for issuing a work permit for one year.
 - ✓ JD 1,250 for issuing a work permit for six months.
 - ✓ JD 645 for issuing a work permit for three months.

Box (4)**Reduction and Unifying of Customs Duties on Goods**

On January 13, 2022, the Cabinet decided to reduce and unify customs tariffs on goods, as issued in the Official Gazette. This decision aims to eliminate distortions in the tariff structure, combat customs smuggling, stimulate the trade sector, and enhance competitiveness in the national economy, according to the new tariff, customs tariff will be subject to four categories, with three categories implemented from 1/1/2027, as follows:

Summary of the decision to reduce and unify customs tariffs on goods				
	Original Tariff		New Tariff	
Original and new tariff for all sectors (except food industries, engineering and construction sectors and furniture)	Exempt, 1 %		Exempt	
	5%, 6.5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%		5%	
	Original Tariff	New Tariff 2022-2024	New Tariff 2025-2026	New tariff 2027 and beyond
New tariff for food industries, engineering and construction sectors, and furniture	15%	15%	15%	15%
	20%			
	25%	25%	20%	
	30%			
	35%			
	40%			

CHAPTER FIVE

EXTERNAL SECTOR

Despite the surrounding circumstances and challenges that continue to cast a shadow on the global economy, the external sector of Jordan's economy performed better than expected, in some of its indicators, during 2022, as domestic exports showed an improvement, driven by the growth of non-traditional exports, the access of Jordanian goods to new markets, and the flourishing of traditional exports (potash, phosphates, and fertilizers) due to the rise of the international prices and the return of global demand on Jordanian goods. Travel receipts also recovered, surpassing pre-pandemic levels, driven mainly by the resumption of travel activities and the increase in the number of tourists of all nationalities. These positive indicators contributed to alleviate the severity of the increase in the current account deficit, which was primarily caused by the rise in imports due to higher commodities and oil prices globally. The current account deficit (including grants) reached JD 2,953.0 million (8.8 percent of GDP) during 2022, compared

with a deficit of JD 2,639.5 million (8.2 percent of GDP) during 2021. Meanwhile, the current account deficit, excluding grants, reached 12.7 percent of GDP compared to 12.0 percent of GDP in 2021.

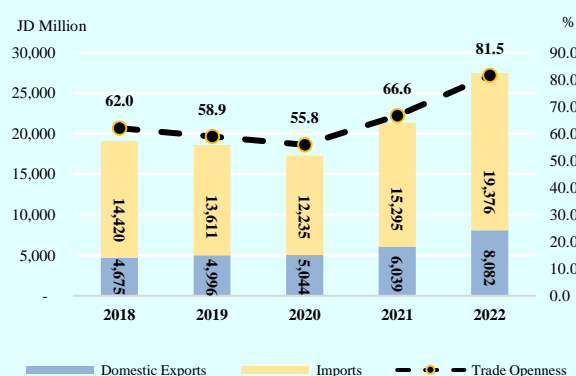
Capital and financial transactions, recorded a net inflow of JD 2,025.7 million during 2022, compared to a net inflow of JD 1,342.2 million during 2021. Net foreign direct investment recorded an inflow amounted to JD 818.5 million, while net portfolio investment recorded an outflow of JD 487.3 million, and the net of other investments recorded an inflow of JD 1,132.1 million. In light of the previous developments, the overall balance of payments deficit increased to JD 2,194.3 million, compared to a deficit of JD 680.3 million during 2021.

Furthermore, the international investment position at the end of 2022 showed an increase in the Kingdom's net obligations to abroad, reaching to JD 36,580.3 million, compared to JD 35,015.7 million in 2021.

External Trade

As the global trade began to recover from the repercussions of the pandemic, the Russian-Ukrainian war occurred, which deepened the imbalances that cast a shadow on global trade, as it has contributed to the slowdown in the recovery of the global trade. However, Jordan's foreign trade recorded an increase by 28.7 percent during 2022, to reach JD 27,457.5 million, driven by the increase in both domestic exports and imports. As a result, trade openness (external trade to GDP) increased to 81.5 percent, compared to 66.6 percent in 2021, this came as the external trade grew by a higher rate compared to GDP growth, in light of the return of trade transactions and the increase in demand.

External Trade, as percent of GDP
2018 - 2022



External Trade Indicators

2018 - 2022

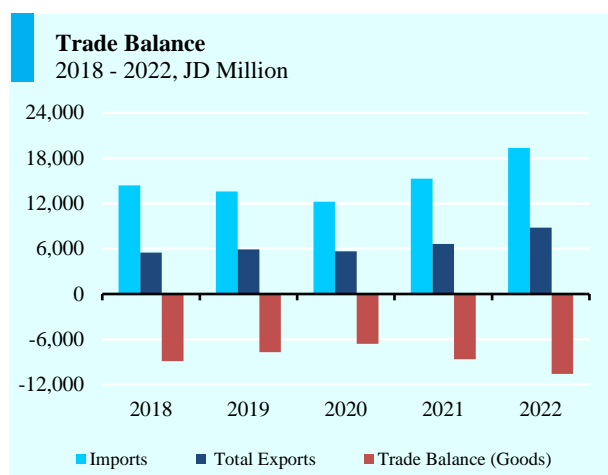
	2018	2019	2020	2021	2022 ⁽¹⁾
Annual Growth Rate (%)					
External Trade	0.2	-2.6	-7.1	23.5	28.7
Total Exports	3.2	7.3	-4.5	17.8	32.3
Domestic Exports	3.8	6.9	1.0	19.7	33.8
Re-Exports	-0.1	9.9	-34.5	1.6	17.0
Imports*	-0.9	-5.6	-10.1	25.0	26.7
Trade Balance	-3.3	-13.6	-14.4	31.2	22.4
As a Percent of GDP (%)					
External Trade	62.0	58.9	55.8	66.6	81.5
Total Exports	17.9	18.7	18.2	20.7	26.1
Domestic Exports	15.2	15.8	16.3	18.9	24.0
Re-Exports	2.7	2.9	1.9	1.9	2.1
Imports*	46.8	43.1	39.5	47.7	57.5
Trade Balance	-29.0	-24.4	-21.3	-27.0	-31.4

(1) : Preliminary

* : Including imports of non-residents.

Trade Balance

In 2022, the trade balance recorded a deficit of JD 10,585.8 million, an increase of 22.4 percent (JD 1,934.5 million), compared to its level in 2021. The significant increase in the kingdom's total exports contributed to alleviating the impact of the surge in imports on the trade balance. The coverage ratio of total exports to imports also improved by, approximately, 1.9 percentage points compared to 2021, reaching 45.4 percent. This improvement was mainly attributed to the following developments:



□ Total Merchandize Exports

Total exports recorded a significant growth of 32.3 percent during 2022, reaching JD 8,789.9 million. This growth was driven by the remarkable improvement in domestic exports, which increased by 33.8 percent, to reach JD 8,081.8 million, and re-exported goods, which increased by 17.0 percent, reaching JD 708.1 million.

● Domestic Exports

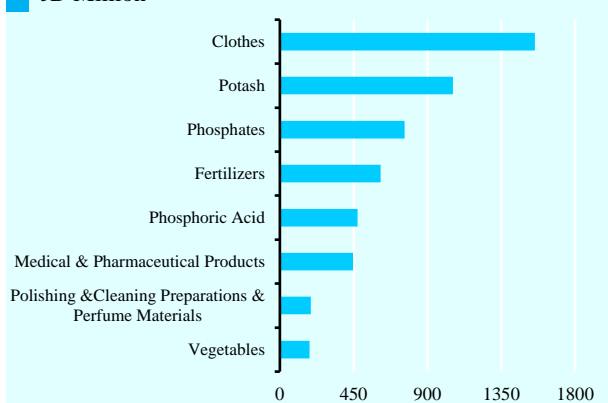
The improvement in exports of non-traditional goods and the access to new markets, along with the flourishing of traditional goods exports (Potash, Phosphate, and Fertilizers) have contributed to enhancing the momentum of domestic exports growth, reaching JD 8,081.8 million; representing a significant increase of 33.8 percent, which accounts for 24.0 percent of GDP compared to 18.9 percent in 2021.

Analyzing the commodity structure and geographical distribution of domestic exports, revealed the following:

- Trade data for exports by main commodity groups during 2022 indicate that the **“chemicals”** group still constitutes the largest share of total exports, although its share decreased from 31.2 percent in 2021 to 28.9 percent in 2022, due to lower export shares of “pharmaceutical and medical products” and phosphoric acid. Followed by the **“crude materials, inedible, except fuels”** group, as its share increased to 24.1 percent compared to 17.0 percent in 2021, driven by the increase in exports of phosphates and potash. The **“miscellaneous manufactured articles”** group ranked next with its share declining from 24.5 percent in 2021 to 23.0 percent in 2022, primarily due to a decrease in the export share of clothes of this group. This was followed by the **“food and live animals”** group, which recorded a decrease in its share from 13.3 percent in 2021 to 11.1 percent in 2022.

- When considering domestic exports by commodity structure during 2022, a noticeable increases were observed in the domestic exports of clothes (21.6 percent), potash (105.6 percent), phosphate (101.5 percent), fertilizers (44.1 percent), phosphoric acid (7.3 percent), “medical and pharmaceutical products” (5.7 percent), “polishing and cleaning preparations and perfume materials” (31.4 percent), and vegetables (4.1 percent). These commodities collectively accounted for 65.2 percent of total domestic exports, compared to 62.5 percent in 2021. **The exports of phosphates, potash, fertilizers, and clothes constituted approximately half of total domestic exports, indicating a concentration of Jordan exports in these commodities, despite flourishing exports in other goods.**

Major Exported Items, 2022
JD Million



Major Domestic Exports by Commodity
2021 - 2022, JD Million

	2021	2022 ⁽¹⁾	Percentage Change
Domestic Exports o/w:	6,038.8	8,081.8	33.8
Clothes	1,277.6	1,554.2	21.6
USA	1,095.9	1,304.1	19.0
Potash	513.1	1,055.0	105.6
India	95.1	173.1	82.0
China	49.7	169.9	241.9
Malaysia	38.8	99.1	155.4
Egypt	57.4	96.0	67.2
Phosphates	377.0	759.7	101.5
India	284.5	508.8	78.8
Indonesia	62.2	135.5	117.8
Brazil	20.5	26.7	30.2
Fertilizers	425.4	613.2	44.1
India	66.4	150.7	127.0
Iraq	3.1	89.0	-
Bangladesh	28.5	86.6	203.9
Brazil	23.0	47.0	104.3
Nepal	-	41.9	-
Phosphoric Acid	440.7	472.7	7.3
India	393.4	396.3	0.7
Turkey	22.6	34.7	53.5
Medical & Pharmaceutical Products	421.4	445.3	5.7
Saudi Arabia	89.1	92.7	4.0
Iraq	75.9	79.1	4.2
Algeria	37.2	40.3	8.3
USA	33.4	37.8	13.2
Polishing & Cleaning Preparation & Perfume Materials	143.8	188.9	31.4
Iraq	68.4	90.6	32.5
Saudi Arabia	26.4	41.0	55.3
Libya	13.4	17.8	32.8
Vegetables	173.2	180.3	4.1
Saudi Arabia	50.2	47.0	-6.4
Kuwait	36.8	32.0	-13.0
Bahrain	16.7	17.0	1.8

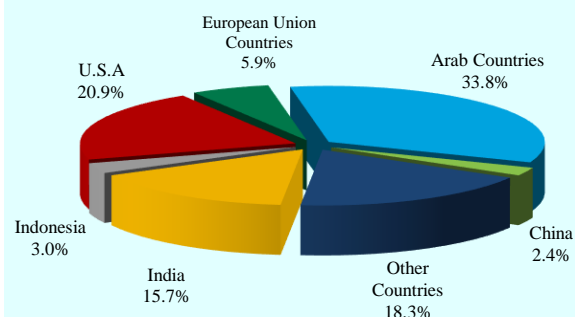
Source : Department of Statistics.
(1) : Preliminary.

- In terms of the commodity structure of domestic exports by economic functions, it is noted that the exports of **“raw materials and intermediate goods”** increased by 50.6 percent, accounting for 58.6 percent of total domestic exports. Furthermore, the exports of **“consumer goods”** witnessed a growth of 15.1 percent, constituting 39.8 percent of total domestic exports. On the other hand, exports of **“capital goods”** showed a rise of 28.9 percent, representing a modest proportion of domestic exports at 1.5 percent.
- In terms of domestic export trends during 2022, data indicates an increase in the share of new groups of countries in total domestic exports, meanwhile a decline in the share of other groups of countries is observed. The exports to **“Non-Arab Asian countries”** and **“European Union countries”** witnessed significant growth, collectively accounting for 34.7 percent of total exports compared to 26.8 percent in 2021. On the other hand, the share of exports to the **“Greater Arab Free Trade Area”**

and the **“North American Free Trade Agreement (NAFTA)”**, which were previously considered as major export destinations, experienced a decline.

- As for the geographical distribution of domestic exports, markets of the USA, India, Saudi Arabia, Iraq, Indonesia, Palestine, and China were the predominant markets, collectively accounting for 62.4 percent of domestic exports, compared with 65.6 percent during 2021.

Geographical Distribution of Domestic Exports, 2022



• Re-Exports

Re-exported goods showed an increase of JD 103.1 million (17.0 percent) in 2022, reaching JD 708.1 million, compared to 1.6 percent increase in 2021. It is worth noting that the markets of the USA, the UAE, Iraq, Egypt, Syria, Saudi Arabia, Lebanon, and France accounted for 43.5 percent of re-exported goods in 2022.

Geographical Distribution of Domestic Exports 2021 - 2022, JD Million

	2021	2022 ⁽¹⁾	Percentage Change
Domestic Exports o/w:	6,038.8	8,081.8	33.8
USA	1,586.5	1,685.1	6.2
Clothes	1,095.9	1,304.1	19.0
Medical & Pharmaceutical Products	33.4	37.8	13.2
Potash	26.2	6.0	-77.1
Fertilizers	234.4	5.5	-97.7
India	906.6	1,272.8	40.4
Phosphates	284.5	508.8	78.8
Phosphoric Acid	393.4	396.3	0.7
Potash	95.1	173.1	82.0
Fertilizers	66.4	150.7	127.0
Saudi Arabia	733.4	840.3	14.6
Medical & Pharmaceutical Products	89.1	92.7	4.0
Live Animals	55.0	85.7	55.8
Paper Cardboard	37.5	57.5	53.3
Fruits and Nuts	63.7	49.0	-23.1
Iraq	411.8	614.8	49.3
Polishing & Cleaning Preparation & Perfume Materials	68.4	90.6	32.5
Fertilizers	3.1	89.0	-
Medical & Pharmaceutical Products	75.9	79.1	4.2
Indonesia	119.8	240.3	100.6
Phosphates	62.2	135.5	117.8
Potash	55.9	79.2	41.7
Fertilizers	-	22.5	-
Palestine	132.2	199.3	50.8
Cement	37.2	54.7	47.0
Plastic	5.2	8.2	57.7
Vegetables	6.1	7.8	27.9
China	72.1	190.6	164.4
Potash	49.7	169.9	241.9
Clothes	11.7	9.4	-19.7

Source : Department of Statistics.
(1) : Preliminary.

Reviewing the composition of re-exported goods according to economic functions, it is observed, that “**raw materials and intermediate goods**” accounted for 38.7 percent of total re-exported goods, while **capital goods** and **consumer goods** accounted for 31.7 percent and 28.7 percent of total re-exported goods, respectively.

☐ Merchandize Imports

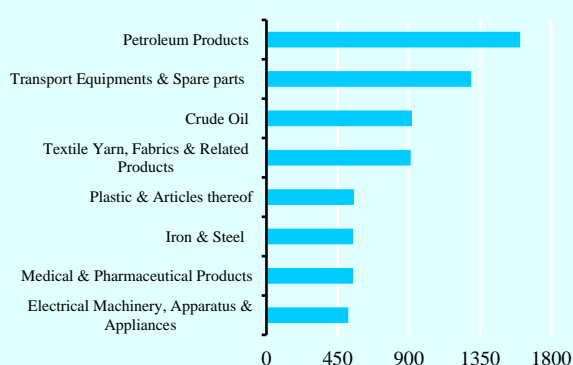
During 2022, imports increased by JD 4,080.6 million (26.7 percent), to reach JD 19,375.7 million, compared to an increase of 25.0 percent in 2021, accounting for 57.5 percent of GDP, compared to 47.7 percent of GDP in 2021. The increase in imports was affected by the repercussions of the Russian-Ukrainian war and global supply chain disruptions, which led to higher prices of basic commodities and energy globally. It is important to note that non-energy imports increased by 23.0 percent, amounting to JD 15,853.0 million, representing 81.8 percent of total imports, compared to 84.3 percent in 2021. Meanwhile, energy imports recorded an increase by 46.5 percent to reach JD 3,522.7 million, representing 18.2 percent of total imports, compared to 15.7 percent in 2021. The Kingdom's diverse energy mix

played a crucial role in reducing the sensitivity of the energy bill to global oil price fluctuations.

The analysis of the Kingdom's imports, according to the commodity structure and geographical distribution, revealed the following:

- The trade data for imports, according to main commodity groups, indicates that the **“food and live animals”** group accounted for the largest share of imports, representing 18.9 percent compared to 18.5 percent in 2021, followed by the **“mineral fuels and lubricants and related material”** group with a share of 18.2 percent compared to 15.7 percent in 2021, followed by the **“machinery and transport equipments”** group, with a share of 16.4 percent, which was lower than 19.1 percent in 2021.

Major Imported Items, 2022
JD Million



Major Imports by Commodity
2021 - 2022, JD Million

	2021	2022 ⁽¹⁾	Percentage Change
Total Imports o/w:	15,295.1	19,375.7	26.7
Petroleum Products	880.6	1,603.8	82.1
Saudi Arabia	528.7	789.4	49.3
India	42.1	387.1	819.5
UAE	224.0	325.0	45.1
Transport Equipments & Spare Parts	1,189.0	1,295.1	8.9
China	71.2	269.8	278.9
South Korea	232.2	243.4	4.8
USA	214.0	220.7	3.1
Japan	177.5	141.7	-20.2
Crude Oil	747.1	920.7	23.2
Saudi Arabia	694.2	776.1	11.8
Iraq	52.9	144.6	173.3
Textile Yarn, Fabrics and Related Products	825.8	911.6	10.4
China	399.7	436.0	9.1
Taiwan	155.4	144.8	-6.8
Turkey	78.9	104.5	32.4
Plastic Materials & Thereof	467.1	552.9	18.4
Saudi Arabia	255.0	250.4	-1.8
China	47.6	88.1	85.1
UAE	31.8	37.9	19.2
Iron and Steel	346.2	547.8	58.2
China	57.4	151.9	164.6
Saudi Arabia	92.3	109.7	18.9
Iran	15.4	60.0	289.6
Medical & Pharmaceutical Products	543.4	546.7	0.6
Germany	75.4	73.1	-3.1
USA	49.7	61.2	23.1
France	37.0	46.3	25.1
Electrical Machinery, Apparatus and Appliances	450.9	516.5	14.5
China	176.9	241.9	36.7
Turkey	31.4	31.3	-0.3

Source : Department of Statistics.

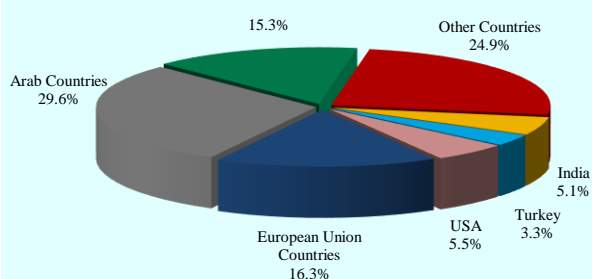
(1) : Preliminary.

- When considering imports by commodity structure, of the most important commodities. The data indicates an increase in the imports of petroleum products (82.1 percent), “transport equipment and spare parts” (8.9 percent), crude oil (23.2 percent), “textile yarn, fabrics and related products” (10.4 percent), “plastics materials and thereof” (18.4 percent), “iron and steel” (58.2 percent), “medical and pharmaceutical products” (0.6 percent), and “electrical machinery, apparatus and appliances” (14.5 percent).
- On the other hand, the relative importance of imports of petroleum products, “transport equipment and spare parts”, crude oil, “textile yarns, fabrics, and related products”, “plastics materials and thereof”, “iron and steel”, “medical and pharmaceutical products”, and “electrical machinery, apparatus and appliances” remained at the same level compared to 2021, accounting for 35.6 percent of total commodity imports.
- In terms of import trends during 2022, the data indicates an increase in the

share of new groups of countries, accompanied by a decline in the share of other countries group, that were previously considered major markets for imports. The share of imports from the **“Greater Arab Free Trade Area”** grew over the past two years, from 28.4 percent to 29.6 percent in 2022, after a decrease in 2020 due to lower demand and declining oil prices globally. Notable contributors to this increase were Saudi Arabia and the UAE, accounting for 22.7 percent of total imports compared to 21.6 percent in 2021. The share of imports from the **“Non-Arab Asian countries”** group also increased from 34.5 percent in 2021 to 36.5 percent in 2022. Imports from **“other European countries”** group grew to represent 4.8 percent of total imports. However, the share of the **“European Union countries”** group decreased from 18.7 percent in 2021 to 16.3 percent in 2022, and the share of the **“North American Free Trade Agreement (NAFTA)”** countries declined from 7.3 percent in 2021 to 6.1 percent in 2022.

- The geographical distribution of imports indicates that the markets of China, Saudi Arabia, the UAE, the USA, India, Switzerland, and Turkey are considered the main markets for the Kingdom's imports during 2022. Collectively, they accounted for 55.7 percent of total imports, compared to 51.4 percent in 2021.
- Regarding the commodity structure of imports by economic functions, imports of **“raw materials and intermediate goods”** recorded a growth of 38.2 percent, representing 58.9 percent of total imports, as well as imports of **consumer goods**, increased by 16.4 percent, and imports of **capital goods** rose by 4.8 percent accounting for 29.1 percent and 10.2 percent of total imports, respectively.

Geographical Distribution of Imports, 2022

Geographical Distribution of Imports
2021 - 2022, JD Million

	2021	2022 ⁽¹⁾	Percentage Change
Total Imports o/w:	15,295.1	19,375.7	26.7
China	2,230.2	2,957.5	32.6
Textile Yarn, Fabrics and Related Products	399.7	436.0	9.1
Telecommunication Equipment	298.7	290.6	-2.7
Transport Equipment & Spare Parts	71.2	269.8	278.9
Electrical Machinery, Apparatus and Appliances	176.9	241.9	36.7
Saudi Arabia	2,282.2	2,890.2	26.6
Petroleum Products	528.7	789.4	49.3
Crude Oil	694.2	776.1	11.8
Plastic Materials & Thereof	255.0	250.4	-1.8
UAE	1,014.1	1,503.2	48.2
Petroleum Products	224.0	325.0	45.1
Iron & Steel	25.5	47.7	87.1
Plastic Materials & Thereof	31.8	37.9	19.2
USA	988.0	1,060.5	7.3
Transport Equipment & Spare Parts	214.0	220.7	3.1
Power Generating Machinery and Equipment	67.6	79.6	17.8
Medical & Pharmaceutical Products	49.7	61.2	23.1
Fruits, vegetables, and Nuts	40.5	50.7	25.2
Professional, scientific and controlling instruments and	29.3	33.4	14.0
India	420.2	992.7	136.2
Petroleum Products	42.1	387.1	819.5
Rice	38.7	74.1	91.5
Fish and meat preparation	44.2	61.0	38.0
Iron & Steel	16.8	44.8	166.7
Switzerland	431.6	734.2	70.1
Medical & Pharmaceutical Products	34.5	37.9	9.9
Polishing & Cleaning Preparation & Perfume Materials	6.8	4.2	-38.2
Turkey	490.6	644.8	31.4
Textile Yarn, Fabrics and Related Products	78.9	104.5	32.4
Clothing and Footwear	72.6	79.9	10.1
Iron & Steel	14.7	31.6	115.0
Electrical Machinery, Apparatus and Appliances	31.4	31.3	-0.3
Romania	420.0	611.1	45.5
Wheat	154.9	286.4	84.9
Live Animals	132.0	148.7	12.7

Source : Department of Statistics.
(1) : Preliminary.

Commodity Terms of Trade

- Terms of trade (the ratio of exports price index relative to imports price index) improved in 2022, as it increased by 4.7 percent to reach 74.4 points, compared to 69.7 points in 2021. This improvement was an outcome of the decline in the import price index by 0.7 percent, and the increase in the exports price index by 6.1 percent.
- On the other hand, the quantum terms of trade indicator (the ratio of imports quantity index relative to exports quantity index) declined in 2022, as this indicator increased by 1.1 percent, to reach 60.3 points, compared to 2021, as the increase of imports quantity index (27.2 percent) exceeded the increase in exports quantity index (25.9 percent).
- In light of the above-mentioned developments, the capacity to import indicator (the price terms of trade

multiplied by exports quantity index) increased by 34.4 percent, to reach 305.6 points in 2022, this indicator reflects the purchasing power of exports value measured by imports prices.

Commodity Terms of Trade
2018 - 2022, (1994=100)

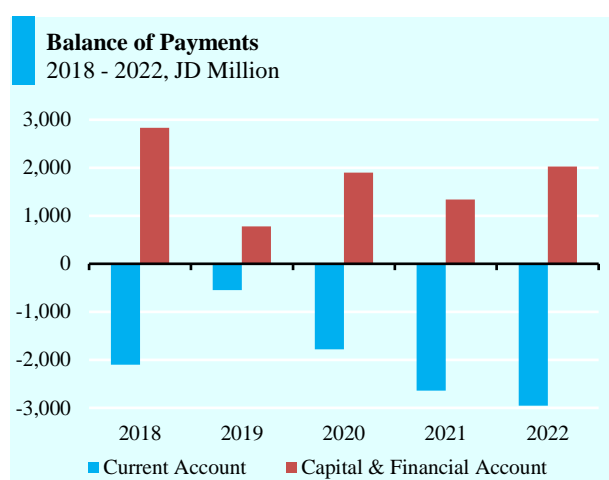
	2018	2019	2020	2021	2022 ⁽¹⁾
Price Terms of Trade	69.4	66.9	67.2	69.7	74.4
Quantum Terms of Trade	72.5	62.2	55.1	59.6	60.3
Capacity to Import	170.0	196.1	202.4	227.3	305.6

(1) : Preliminary.

Balance of Payments

The noticeable improvement in the key indicators of the external sector has contributed to reducing the severity of the current account deficit. As the current transactions of the Jordanian economy, with the rest of the world in 2022, caused the current account to record a deficit, including grants, amounting to 8.8 percent of GDP, compared to a deficit of 8.2 percent of GDP in 2021. As for the performance of capital and financial transactions, there was a net inflow

amounting to JD 2,025.7 million. Based on the developments in the main accounts of the balance of payments, the overall balance recorded an increase in the deficit, reaching JD 2,194.3 million, compared to a deficit of JD 680.3 million in 2021.



□ Current Account

In 2022, the current account, including grants, increased to reach JD 2,953.0 million (8.8 percent of GDP), compared to a deficit of JD 2,639.5 million (8.2 percent of GDP) in 2021. This was primarily attributed to the increase of the deficit in the goods account, driven by the global surge in oil and food prices due to the Russian-Ukrainian war.

In contrast, there was an improvement in the services account, supported by the recovery of travel receipts, reaching the pre-pandemic levels. Also, the current account deficit, excluding grants, increased, reaching JD 4,272.6 million (12.7 percent of GDP) in 2022, compared to JD 3,848.5 million (12.0 percent of GDP) in 2021. The non-oil current account, including grants, recorded a surplus of 1.7 percent of GDP, compared to a deficit of 0.7 percent of GDP in 2021. The following are the key developments in current transactions with the rest of the world, by current account components during 2022:

- The deficit in the **goods account** increased by JD 1,480.7 million (21.3 percent) to reach JD 8,445.5 million, compared to a deficit of JD 6,964.8 million in 2021. The rise in exports, driven by higher commodity prices,

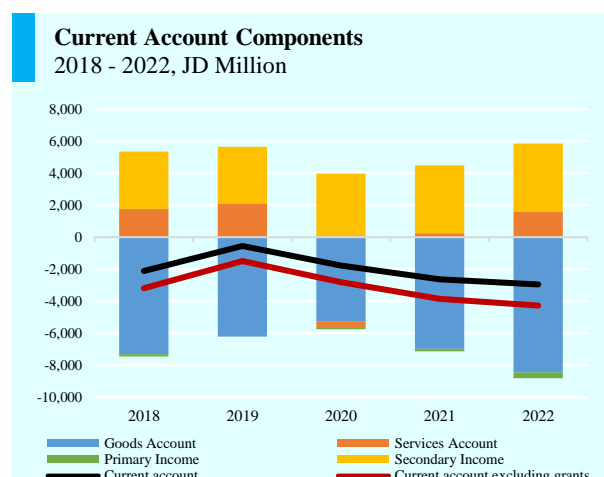
partially offset the impact of increased import prices, thereby mitigating the impact of the goods account deficit. The goods account contributed to an increase in the current account deficit by 3.3 percentage points in 2022. This was an outcome of the positive contribution of exports, accounting for 5.3 percentage points of GDP, and the negative contribution of imports, accounting for 8.6 percentage points of GDP.

- On the other hand, the performance of the **services account** in 2022 exhibited significant improvement; recording a surplus of JD 1,615.7 million, compared to a surplus of JD 254.0 million in 2021. This surplus played a crucial role in reducing the deficit by approximately 4.0 percentage points of GDP in 2022. This can be attributed to the robust

growth in services exports by JD 2,444.4 million, which constituted around 16.8 percent of GDP. Although there was an increase in services import, the growth was relatively moderate, totaling JD 1,082.7 million, and representing approximately 12.0 percent of GDP. The remarkable improvement in the services account was fueled by the surge in net travel by JD 1,776.3 million, to reach JD 3,082.9 million, which was mainly driven by the growth of travel receipts by 110.5 percent, following the surge in the number of tourists visiting the kingdom of all nationalities. Accordingly, the travel receipts contributed to reducing the current account deficit by approximately 6.1 percentage points of GDP.

- The deficit in the **primary income account** increased to JD 359.1 million, compared to a deficit of JD 164.5 million in 2021. This increase can be mainly attributed to the increased deficit in net investment income, of JD 198.9 million, and the surplus in net compensation of employees, by JD 4.3 million. It's worth noting that the primary current account deficit (excluding interest payments) decreased to 7.1 percent of GDP in 2022, compared to a deficit of 7.6 percent in 2021.
- The surplus in the **secondary income account** remained at the same level at JD 4,235.9 million. This was an outcome of the rise in the net surplus of current transfers for public sector

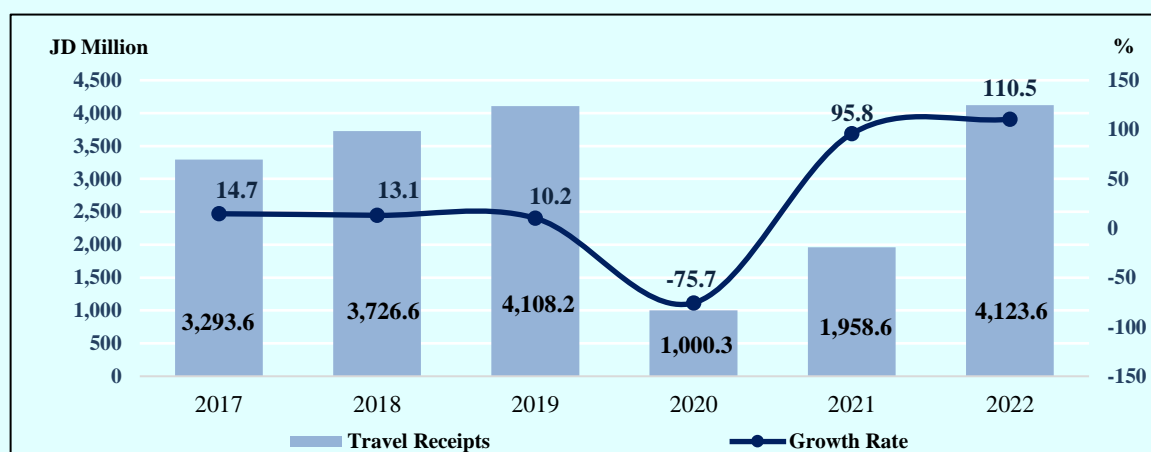
(foreign grants) of JD 110.6 million, and the decline in the net surplus of current transfers for other sectors by JD 110.5 million. Worker's remittance receipts increased by JD 32.2 million, representing a growth of 1.5 percent, reaching a total of JD 2,203.1 million in 2022.



- Consequently, the coverage ratio of current receipts to current payments increased to 87.0 percent, compared to 85.1 percent in 2021. The total current receipts amounted to JD 19,833.1 million, while the current payments reached JD 22,786.1 million.

Box (5)**Travel Receipts and Payments during 2022**

- During 2022, tourism activities experienced an unprecedented recovery. Travel receipts witnessed a significant increase of JD 2,165.1 million (110.5 percent), reaching JD 4,123.6 million, representing a 0.4 percent increase over the pre-pandemic level recorded in 2019. The improvement in travel receipts can be attributed to the recovery of tourist arrivals from all countries, without exception. Travel receipts from Gulf countries and other Arab countries represented 44.1 percent of the total travel receipts, compared to 43.1 percent in 2021, followed by travel receipts from non-resident Jordanian tourists, contributing to 32.8 percent, compared to 41.7 percent in 2021. Collectively, travel receipts from these nationalities represents 76.9 percent of total travel receipts in 2022.



- On the other hand, travel payments grew by 59.6 percent to reach JD 1,040.7 million. Jordanian residents accounted for the largest share of total travel payments (83.3 percent). Travel payments in 2022 experienced a slight increase of 0.3 percent compared to 2019 (pre-pandemic levels), despite the decrease in the number of tourists traveling abroad by 9.7 percent compared to 2019.
- As a result, the net travel recorded an increase of JD 1,776.3 million, reaching JD 3,082.9 million in 2022.

Box (5) Continued

Travel Receipts by Nationality 2021-2022, JD million

	2021 ⁽¹⁾	2022 ⁽¹⁾	Growth (%)
Total Travel Receipts, o/w:	1,958.6	4,123.6	110.5
Jordan (non-resident)	816.8	1,350.9	65.4
Arab countries, o/w:	843.4	1,819.3	115.7
Arab Gulf countries, o/w:	292.9	855.1	191.9
Saudi Arabia	179.0	559.1	212.3
Kuwait	54.2	140.4	159.0
Bahrain	18.7	57.1	205.3
Other Arab Countries, o/w:	550.5	964.2	75.2
Syria	78.7	247.4	214.4
Iraq	126.4	224.5	77.6
Palestine	63.7	155.1	143.5
Asian countries, o/w:	54.6	184.7	238.3
India	7.1	38.5	442.3
Turkey	8.1	18.3	125.9
European countries, o/w:	130.8	458.9	250.7
Italy	11.9	71.7	502.5
France	16.3	64.4	295.1
Germany	19.5	57.9	196.9
United Kingdom	11.5	35.5	208.7
Spain	5.8	30.5	425.9
United States of America	54.9	163.7	198.2
Other countries	58.1	146.1	151.6

Source : Central bank of Jordan.

(1) : Preliminary.

□ Capital and Financial Account

Capital and financial transactions resulted in a net inflow of JD 2,025.7 million in 2022, compared to a net inflow of JD 1,342.2 million in 2021. This was mainly due to the following:

- **Foreign Direct Investment (FDI)** recorded an inflow of JD 807.3 million, compared to an inflow of JD 441.5 million during 2021, an increase of 82.9 percent.

The FDI inflows to Jordan were concentrated in the following:

- Purchase of lands and real estate by non-residents (Arab and foreigners) by JD 303.0 million.
- Re-invested earnings of JD 173.6 million.
- New and added investments by Arab and foreigners registered at the Ministry of Industry and Trade by JD 112.3 million.
- Investments in energy projects by JD 108.3 million.
- Increase in public shareholding companies' capital by JD 94.8 million.
- The **portfolio investment** registered a net outflow of JD 487.3 million, this was

mainly due to the issuance of Eurobonds, of USD 650.0 million, and amortization of Eurobonds by USD 1,000.0 million, compared to a net outflow of JD 165.0 million during 2021.

- **Other investments** recorded a net inflow of JD 1,132.1 million, compared to a net inflow of JD 2,758.1 million in 2021. This was mainly due to the decrease of currency and deposits held by licensed banks abroad by JD 512.3 million, a decrease in currency and deposits for non-resident held by the banking system by JD 646.4 million, an increase of government loans withdrawing by JD 1,255.5 million, an increase in the net IMF credit facilities by JD 372.1 million and an increase in the trade credit of other sectors for non resident by JD 177.3 million.
- The CBJ reserve assets decreased by JD 527.2 million, compared to an increase of JD 1,692.1 million during 2021. This was an outcome of the decrease in holdings of currency and deposits in foreign currencies by JD 884.3 million, and the increase of monetary gold by JD 273.1 million, and the increase in the CBJ's portfolio investment in foreign securities by JD 42.8 million.

International Investment Position

The international investment position (which represents the stock of net positions of the external financial assets and liabilities) at the end of 2022 showed an increase in the Kingdom's net obligations to abroad to reach JD 36,580.3 million, compared to a net obligation of JD 35,015.7 million in 2021. This was an outcome of the following:

□ External Assets

The position of external assets (the stock of claims, obligations, and financial assets) for all resident economic sectors in the Kingdom decreased by JD 948.0 million, to reach JD 20,943.2 million at the end of 2022. This was mainly due to the decrease in the stock of the reserve assets of the CBJ by JD 606.2 million, the decrease in the stock of currency and deposits held by licensed banks abroad by JD 512.3 million, in addition to the increase in the stock of trade credit for other sectors by JD 110.6 million, and the increase in the stock of portfolio investment by JD 124.7 million.

□ External Liabilities

The position of external liabilities (the stock of claims, obligations, and financial liabilities) on all resident economic sectors in the Kingdom increased by JD 616.5 million,

to reach JD 57,523.5 million at the end of 2022. This was mainly attributed to the following:

- An increase in the stock of foreign direct investment (FDI) in Jordan by JD 763.1 million, to reach JD 27,249.7 million.
- An increase in the outstanding balance of the IMF credit facilities by JD 614.0 million, to reach JD 1,699.0 million.
- An increase in the outstanding balance of general government long-term loans by JD 445.7 million, to stand at JD 6,864.7 million.
- An increase in the stock of trade credits by JD 177.3 million, to stand at JD 971.4 million.
- A decrease in the deposits of non-residents at the banking system by JD 713.6 million, to reach JD 10,392.4 million (A decrease of JD 409.3 million for licensed banks, and a decrease of JD 304.3 million for the CBJ).
- A decrease in the stock of SDRs allocations by JD 334.2 million, to stand at JD 152.9 million.
- A decrease in the stock of portfolio investment by JD 276.2 million, to stand at JD 6,912.6 million.
- A decrease in the outstanding balance of other sectors' loans by JD 221.4 million, to stand at JD 2,005.2 million.

Box (6)**Foreign Investment 2019-2020**

- ❑ Based on the importance of foreign investment statistics for the external sector, and the need to provide updated and comprehensive data on various aspects of foreign investment, the Central Bank of Jordan, in cooperation with the Department of Statistics, conducted the Foreign Investment Survey 2019-2020, according to the latest international methodologies and practices. This survey is the most comprehensive in terms of the framework of targeted firms and detailed data, which covered the years 2019 and 2020. The number of firms included in the survey reached 2,582 firms, and the number of firms whose data were either obtained through field visits or based on administrative records, was 1,934 firms, with a coverage rate of 74.9 percent of total number of firms covered by the survey.
- ❑ Based on the survey results, total **foreign investment stock in the Kingdom** reached JD 34,703.5 million at the end of 2020. Out of this, JD 19,840.0 million attributed to foreign direct investment (FDI), the FDI net transactions, in Jordan, during 2020 amounted to JD 941.1 million. The geographical distribution showed that, the United Arab Emirates acquired the highest share at 14.0 percent of the FDI stock in Jordan by the end of 2020, followed by the United Kingdom at 8.2 percent, while Kuwait ranked third at 7.2 percent, followed by Bahrain (7.0 percent) and France (6.2 percent). Meanwhile, the distribution of FDI stock in the kingdom, by economic activity, showed that, 25.2 percent of the FDI stock in Jordan, at the end of 2020, was acquired by “financial and insurance activities”, followed by manufacturing at 15.9 percent, whereas “mining and quarrying” ranked third at 10.3 percent, followed by construction, and real estate activities at 9.7 percent for each.

Box (6) Continued

- ❑ The survey results showed that the **portfolio investment (PI)** stock in Jordan amounted to JD 3,149.8 million at the end of 2020. Saudi Arabia acquired ranked first at 23.5 percent of the PI stock in Jordan, followed by Kuwait at 9.9 percent, while Palestine ranked third at 8.4 percent, followed by the UAE at 5.6 percent. The distribution of PI stock in Jordan by economic activity showed that, the “financial and insurance activities” acquired the highest share at 70.4 percent, followed by “mining and quarrying” at 10.1 percent, while “manufacturing” came third at 5.8 percent.
- ❑ The result showed that **other investments**, amounted to JD 11,713.6 million at the end of 2020, compared to JD 10,582.1 million at the end of 2019. These investments were concentrated in “currency and deposits” for non-residents, accounting for 66.2 percent of total other investments, while private sector borrowing from abroad accounted for 18.5 percent.
- ❑ On the other hand, the survey results indicated that the stock of **direct investment abroad**, for the surveyed firms, reached JD 4,520.3 million, with a significant concentration in the “financial and insurance activities”, and Saudi Arabia received approximately one-fifth of this investment.
- ❑ The Central Bank of Jordan prepared and published the Foreign Investment Survey 2019-2020 Report on its official website, providing further details on the survey results, which can be accessed through the following links:

[https://www.cbj.gov.jo/EchoBusv3.0/SystemAssets/PDFs/2023/Foreign Investment Survey 2019-2020.pdf](https://www.cbj.gov.jo/EchoBusv3.0/SystemAssets/PDFs/2023/Foreign%20Investment%20Survey%202019-2020.pdf)

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STATISTICAL TABLES ANNEX

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Table 1
Gross Domestic Product at Current Prices
by Economic Activity

(JD Million)

	2018 ⁽¹⁾	2019 ⁽¹⁾	2020 ⁽¹⁾	2021 ⁽¹⁾	2022 ⁽¹⁾
Agriculture	1,349.0	1,381.4	1,425.9	1,488.3	1,572.6
Mining and Quarrying	597.3	683.9	668.9	780.0	901.9
Manufacturing	5,447.2	5,550.8	5,311.2	5,496.7	5,864.6
Electricity and Water	499.2	507.0	499.7	509.6	530.2
Construction	870.7	877.0	827.7	879.8	943.0
Trade, Restaurants and Hotels	2,855.5	2,930.9	2,815.5	2,920.0	3,106.3
Transport, Storage and Communications	2,509.2	2,573.0	2,388.6	2,468.6	2,631.5
Finance, Insurance, Real Estate and Business Services	5,566.6	5,848.2	6,001.5	6,216.5	6,485.4
Social and Personal Services	2,692.6	2,859.5	2,773.0	2,822.0	2,924.3
Producers of Government Services	4,230.2	4,275.3	4,348.6	4,451.5	4,584.2
Producers of Private Non-Profit Services for Households	234.8	248.3	242.0	247.9	257.6
Domestic Services of Households	533.9	609.4	625.0	625.4	625.7
Less: Imputed Bank Service Charge	837.3	870.0	903.0	949.5	1,003.1
GDP at Basic Prices	26,548.8	27,474.7	27,024.5	27,956.8	29,424.2
Net Taxes on Products	4,244.5	4,122.5	3,917.2	4,075.8	4,266.4
GDP at Market Prices	30,793.3	31,597.1	30,941.7	32,032.6	33,690.6
Net Factor Income from Abroad	-141.6	5.7	-87.9	-164.5	-359.1
GNP at Market Prices	30,651.7	31,602.8	30,853.8	31,868.1	33,331.5

Source : Department of Statistics.

(1) : Preliminary.

Table 2
Expenditure on Gross Domestic Product
at Current Prices

(JD Million)

	2015 ⁽¹⁾	2016 ⁽¹⁾	2017 ⁽¹⁾	2018 ⁽¹⁾	2019 ⁽¹⁾
Total Consumption	26,693.9	27,338.6	28,342.0	28,745.4	28,774.4
Public	4,883.0	4,886.4	5,006.4	5,155.9	5,173.4
private	21,810.9	22,452.2	23,335.6	23,589.5	23,601.0
Gross Capital Formation	6,804.0	6,629.5	7,302.2	7,501.4	6,766.3
Gross Fixed Capital Formation	5,981.1	5,676.3	5,951.8	6,278.8	5,804.5
Change in Stocks	822.9	953.3	1,350.4	1,222.7	961.8
Total Domestic Demand	33,497.8	33,968.1	35,644.2	36,246.8	35,540.8
Net Exports of Goods and (Non-Factor Services)	-6,101.0	-5,644.4	-6,102.2	-5,453.5	-3,943.6
Exports	10,012.0	9,742.3	10,253.2	10,816.7	11,586.7
Imports	16,113.0	15,386.7	16,355.4	16,270.2	15,530.4
GDP at Market Prices	27,396.8	28,323.7	29,542.0	30,793.3	31,597.1

Source : Department of Statistics.

(1) : Preliminary.

Table 3
Industrial Production Quantity Index

(2010=100)

	Weight	2018	2019	2020	2021	2022 ⁽¹⁾
Mining Quarrying:	8.224	121.8	128.4	130.1	138.6	144.1
Extraction of crude petroleum and natural gas	0.077	47.3	48.6	75.6	94.4	76.5
Quarrying of stone, sand and clay	0.370	82.4	103.7	104.4	133.4	123.4
Mining of chemical and fertilizer minerals	7.777	125.2	131.2	132.4	139.5	148.0
Manufacturing:	86.013	86.9	85.8	74.0	84.0	86.1
Food products	13.101	70.4	66.0	53.2	47.7	49.5
Beverages	2.939	96.5	104.7	88.1	78.8	80.3
Tobacco products	5.074	124.2	133.0	137.0	132.1	142.5
Textiles	0.771	111.1	131.2	100.9	106.1	114.7
Wearing apparel	4.760	294.3	275.2	193.3	181.2	155.1
Leather and related	0.146	253.5	227.5	300.7	185.1	194.5
Wood and of products of wood except furniture	0.447	248.6	260.1	250.3	265.8	261.9
Paper and paper products	1.839	77.4	71.4	83.9	94.8	101.0
Printing and reproduction of recorded media	1.607	59.1	55.2	27.6	29.1	29.7
Refined petroleum products	20.430	64.7	66.8	55.6	114.8	132.3
Chemicals and chemical products	7.970	112.4	129.4	146.8	150.3	146.2
Pharmaceuticals, medicinal chemical and botanical products	4.891	87.2	101.6	115.5	116.3	122.0
Rubber and plastic products	2.763	192.6	170.1	127.1	77.4	62.8
Other non-metallic mineral products	5.659	87.8	79.9	57.3	48.8	37.4
Basic metals	3.589	70.2	60.7	55.4	43.2	47.8
Fabricated metal products, except machinery and equipment	3.886	69.2	63.0	90.8	87.5	94.7
Computer, electronic and optical products	0.206	30.3	27.7	27.2	25.6	18.4
Electrical equipment	2.901	37.7	37.0	31.2	35.8	32.0
Machinery and equipment n.e.c.	1.015	61.3	22.4	30.3	22.6	9.6
Motor vehicles, trailers and semi-trailers	0.294	79.1	75.8	56.6	58.6	37.6
Furniture	1.584	351.5	369.8	303.9	274.1	265.3
Other manufacturing	0.143	105.6	108.7	90.8	101.3	103.7
Electricity, Gas, Steam and Air Conditioning Supply	5.763	126.3	128.6	128.3	130.9	139.2
General Index	100.0	91.3	90.8	79.5	89.8	92.3

Source : Department of Statistics.

(1) : Preliminary.

Table 4
Quantities Produced by Major Industries

	Unit	2018	2019	2020	2021	2022 ⁽¹⁾
Mining and Quarrying						
Phosphate	1000 Ton	7,986.6	9,088.5	8,616.0	9,840.5	10,957.0
Potash	1000 Ton	2,434.5	2,486.7	2,455.5	2,562.5	2,684.0
Manufacturing						
Fertilizers	1000 Ton	882.0	747.8	929.2	1,055.1	952.6
Chemical Acids	1000 Ton	1,375.4	1,291.9	1,391.7	1,562.3	1,584.3
Clinker	1000 Ton	587.2	282.1	292.9	216.0	190.3
Petroleum Products	1000 Ton	2,212.8	2,274.0	1,855.1	1,765.0	1,625.5
Electricity	Mill.K.W.H.	2,270.2	973.3	1,030.8	1,321.9	1,146.8

Source : Industrial Companies in Jordan.

(1) : Preliminary.

Table 5
Construction Activity in the Kingdom

(Area in Thousands of Sq. M.)

	2018	2019	2020	2021	2022
(A) Residential					
No. of Permits	29,451	20,147	17,929	24,982	23,898
Amman	6,520	4,836	3,845	6,035	6,204
Irbid	8,071	5,420	5,102	6,029	5,480
Zarqa	4,067	2,313	2,137	2,761	2,549
Other	10,793	7,578	6,845	10,157	9,665
Area	8,219.4	5,494.6	4,960.0	7,684.5	7,567.4
Amman	3,266.0	2,221.2	2,046.4	3,532.7	3,475.7
Irbid	1,608.4	1,130.4	1,066.5	1,396.6	1,448.7
Zarqa	1,145.5	639.7	537.8	698.8	683.5
Other	2,199.5	1,503.4	1,309.3	2,056.3	1,959.5
(B) Other Purposes					
No. of Permits	3,033	1,933	1,271	1,738	1,892
Amman	1,516	1,061	598	954	1,032
Irbid	430	106	101	154	175
Zarqa	695	416	278	322	282
Other	392	350	294	308	403
Area	2,697.4	1,585.4	760.8	1,062.6	1,490.5
Amman	1,937.0	1,101.1	383.0	713.6	860.5
Irbid	195.5	48.4	56.8	28.6	88.1
Zarqa	296.9	188.8	152.5	115.2	119.3
Other	268.0	247.0	168.6	205.2	422.6
Total (A+B)					
No. of Permits	32,484	22,080	19,200	26,720	25,790
Area	10,916.8	7,080.0	5,720.8	8,747.1	9,057.9

Source : Department of Statistics.

Table 6
Consumer Price Index

(2018=100)

	Weight	2018	2019	2020	2021	2022
Food and non-Alcoholic Beverages	26.524	100.0	100.3	102.6	102.7	106.1
Food items, of which:	23.796	100.0	100.3	102.9	103.0	106.6
Cereal and its Products	4.171	100.0	103.9	105.4	107.3	111.9
Meat and Poultry	4.686	100.0	100.5	101.2	107.6	110.4
Dairy Products and Eggs	3.720	100.0	97.3	101.4	101.6	106.3
Oils and Fats	1.697	100.0	99.0	99.2	105.2	114.2
Fruits and Nuts	2.567	100.0	96.3	100.5	98.7	99.4
Vegetables and Legumes Dry and Canned	2.962	100.0	99.6	105.0	91.5	96.4
Sugar and its Products	2.313	100.0	101.4	103.8	104.6	107.6
Spices and Food additives	1.266	100.0	102.8	104.8	103.1	100.9
Non-Alcoholic Beverages	2.728	100.0	99.7	100.4	100.4	102.1
Alcohol and Tobacco and Cigarettes	4.374	100.0	98.4	101.4	104.0	103.9
Alcoholic Beverages	0.008	100.0	100.4	106.3	121.9	122.6
Tobacco and Cigarettes	4.367	100.0	98.4	101.4	103.9	103.9
Clothing and Footwear	4.115	100.0	98.3	97.5	96.3	96.6
Housing, of which:	23.776	100.0	101.5	99.7	101.3	108.0
Rents	17.541	100.0	102.4	102.3	103.8	106.5
Fuels and Lighting	4.693	100.0	98.5	90.2	91.3	114.7
Household Furnishings and Equipment	4.941	100.0	101.0	101.5	102.0	105.1
Health	3.996	100.0	101.9	104.6	105.5	109.3
Transportation	15.983	100.0	100.6	98.6	103.0	108.8
Communication	2.827	100.0	100.0	100.9	102.3	103.2
Culture and Recreation	2.551	100.0	97.6	98.5	99.1	108.6
Education	4.350	100.0	102.6	104.4	104.7	106.1
Restaurants and Hotels	1.793	100.0	102.6	104.8	106.3	114.0
Other Goods and Services	4.769	100.0	101.4	103.6	103.8	106.3
Consumer Price Index	100.0	100.0	100.8	101.1	102.5	106.8

Source : Department of Statistics.

Table 7

*Relative Distribution of Jordanian Workers Aged 15 Years and Above
by Economic Activity*

	2018	2019	2020	2021	2022
Total Labor Force	1,734,248	1,702,187	1,742,413	1,807,481	1,838,658
Total Number of Workers	1,411,265	1,377,905	1,338,308	1,371,932	1,418,821
Relative Distribution of Workers by Economic Activity					
Agriculture, Forestry and Fishing	1.7	1.7	1.7	1.9	1.8
Mining and Quarrying	0.6	0.6	0.6	0.7	0.6
Manufacturing	9.6	9.5	10.4	10.8	10.6
Construction	5.0	4.9	4.8	5.0	4.4
Wholesale and Retail Trade	15.3	14.9	14.4	14.7	15.2
Transport, Storage and Communications	8.5	8.3	7.8	8.6	8.1
Financial and Insurance Activities	1.9	1.8	2.0	1.9	1.8
Public Administration, Defence and Social Security	26.4	27.1	27.0	25.5	25.7
Education	13.3	12.9	12.6	12.8	12.7
Human Health and Social Service	5.5	5.4	5.5	5.4	5.3
Others	12.2	12.9	13.2	12.7	13.8
Total	100.0	100.0	100.0	100.0	100.0

Sources : Department of Statistics.

Table 8
Monetary Survey of the Banking System ⁽¹⁾

(JD Million)

	2018	2019	2020	2021	2022
Foreign Assets (Net)	7,368.3	7,507.4	7,562.0	7,818.8	6,864.5
Central Bank	9,151.3	9,974.8	10,798.6	12,087.9	11,388.0
Licensed Banks	-1,783.0	-2,467.4	-3,236.6	-4,269.1	-4,523.5
Domestic Assets (Net)	25,991.0	27,462.3	29,449.9	31,690.4	34,817.2
Net Claims on Public Sector	10,909.4	11,905.7	12,956.8	14,501.9	15,484.5
A) Net Claims on Central Government General Budget	8,118.6	9,230.3	10,243.5	11,680.4	11,962.4
B) Net Claims on Central Government Own-Budget	1,993.9	1,874.4	1,847.4	1,761.0	2,043.0
C) Claims on Public Entities	796.9	801.0	865.9	1,060.5	1,479.1
Claims on Private Sector (Resident)	23,709.6	24,765.7	26,261.5	27,559.0	29,760.3
Claims on Financial Institutions	625.7	853.8	1,363.6	1,339.5	1,205.3
Other Items (Net)	-9,253.7	-10,062.9	-11,132.0	-11,710.0	-11,632.9
Money Supply (M2)	33,359.3	34,969.7	37,011.9	39,509.2	41,681.7
Money Supply (M1)	9,676.3	10,322.8	12,150.3	13,117.5	13,015.3
Currency in Circulation	4,296.4	4,631.0	5,939.4	6,225.4	6,037.4
Demand Deposits in Jordan Dinar	5,379.9	5,691.8	6,210.9	6,892.1	6,977.9
Quasi-Money	23,683.0	24,646.9	24,861.6	26,391.7	28,666.4
Demand Deposits in Foreign Currencies	2,576.7	2,436.1	2,750.1	2,938.8	2,908.3
Time and Saving Deposits, of which:	21,106.3	22,210.8	22,111.5	23,452.9	25,758.1
In Foreign Currencies	3,591.3	3,801.5	3,469.5	3,389.9	3,741.9

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Includes the Central Bank and licensed banks.

Table 9
Changes in Money Supply (M2) and Factors Affecting it⁽¹⁾

	(JD Million)				
	2018	2019	2020	2021	2022
Foreign Assets (Net)	-1,754.3	139.1	54.6	256.8	-954.3
Central Bank	-1,108.7	823.5	823.8	1,289.3	-699.9
Licensed Banks	-645.6	-684.4	-769.2	-1,032.5	-254.4
Domestic Assets (Net)	2,156.0	1,471.3	1,987.6	2,240.5	3,126.8
Net Claims on Public Sector	919.7	996.3	1,051.1	1,545.1	982.6
A) Net Claims on Central Government General Budget	776.4	1,111.7	1,013.2	1,436.9	282.0
B) Net Claims on Central Government Own-Budget	-13.6	-119.5	-27.0	-86.4	282.0
C) Claims on Public Entities	156.9	4.1	64.9	194.6	418.6
Claims on Private Sector (Resident)	1,183.8	1,056.1	1,495.8	1,297.5	2,201.3
Claims on Financial Institutions	128.5	228.1	509.8	-24.1	-134.2
Other Items (Net)	-76.0	-809.2	-1,069.1	-578.0	77.1
Money Supply (M2)	401.7	1,610.4	2,042.2	2,497.3	2,172.5
Money Supply (M1)	-458.9	646.5	1,827.5	967.2	-102.2
Currency in Circulation	-30.1	334.6	1,308.4	286.0	-188.0
Demand Deposits in Jordan Dinar	-428.8	311.9	519.1	681.2	85.8
Quasi-Money	860.6	963.9	214.7	1,530.1	2,274.7
Demand Deposits in Foreign Currencies	-84.1	-140.6	314.0	188.7	-30.5
Time and Saving Deposits, of which:	944.7	1,104.5	-99.3	1,341.4	2,305.2
In Foreign Currencies	555.6	210.2	-332.0	-79.6	352.0

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Includes the Central Bank and licensed banks.

Table 10

Assets and Liabilities of the Central Bank of Jordan

(JD Million)

	2018	2019	2020	2021	2022
Foreign Assets	11,101.6	11,686.4	12,791.3	14,269.5	13,663.2
Gold & SDRs	1,324.9	1,530.7	2,659.8	2,657.7	2,844.6
Cash, Balances & Deposits	5,429.4	5,876.5	6,573.6	8,002.6	7,166.6
Bonds & Treasury Bills	3,580.4	3,512.3	2,791.0	2,842.3	2,885.1
Other Foreign Assets ⁽¹⁾	766.9	766.9	766.9	766.9	766.9
Domestic Assets	1,800.0	2,023.1	3,234.3	3,410.5	3,341.6
Claims on Central Government	752.9	822.8	953.9	899.7	1,006.0
Claims on Deposit-Money Banks	365.4	342.5	935.9	1,030.1	1,001.1
Claims on Financial Institutions	254.2	453.8	770.8	770.8	684.0
Claims on Private Sector	22.8	22.9	23.1	22.5	26.5
Other Assets	404.7	381.1	550.6	687.5	624.0
Assets = Liabilities	12,901.6	13,709.5	16,025.6	17,680.0	17,004.8
Currency Issued	4,802.4	5,162.0	6,496.5	6,834.8	6,678.2
Banks' Deposits	5,443.4	5,894.9	6,373.5	7,473.1	7,187.6
In Jordan Dinar, of which:	4,603.8	5,134.9	5,636.2	6,763.2	6,533.5
Certificates of Deposit	600.0	500.0	0.0	0.0	600.0
In Foreign Currencies	839.6	760.0	737.3	709.9	654.1
Public Entities Deposits	0.3	0.2	0.2	2.5	1.8
Central Government Deposits	513.5	396.6	413.1	565.1	1,202.5
Financial Institutions Deposits	3.6	1.7	4.6	11.2	8.4
Foreign Liabilities	1,514.3	1,567.4	1,506.5	1,330.8	1,026.4
Capital, Reserves and Allowances	368.8	380.2	468.2	502.2	543.3
Other Liabilities	255.3	306.5	763.0	960.2	356.6

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Includes Loans Arising From Payment Agreements.

Table 11***Average Exchange Rate of the Jordanian Dinar
in Major Foreign Currency Units***

	2018	2019	2020	2021	2022
Euro	1.240	1.270	1.159	1.248	1.334
US Dollar	1.410	1.410	1.410	1.410	1.410
Pound Sterling	1.114	1.077	1.050	1.061	1.158
Japanese Yen	158.5	154.0	146.4	160.6	190.5

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

Table 12

Assets and Liabilities of Licensed Banks

(JD Million)

	2018	2019	2020	2021	2022
Foreign Assets	5,551.9	5,582.3	6,303.0	6,342.5	5,882.6
Cash in Vaults (In Foreign Currencies)	241.7	207.2	283.8	260.1	272.4
Balances with Foreign Banks	3,836.7	3,816.8	4,494.1	4,447.5	3,922.9
Portfolio (Non-Resident)	740.5	802.3	801.2	853.4	961.5
Credit Facilities to Private Sector (Non-Resident)	655.3	674.4	612.8	687.8	664.8
Other Foreign Assets	77.7	81.6	111.1	93.7	61.0
Domestic Assets	45,365.9	48,059.7	50,735.0	54,715.2	58,262.7
Claims on Public Sector	11,180.8	12,247.8	12,874.8	14,302.5	15,606.9
Claims on Central Government	10,383.9	11,446.8	12,008.9	13,241.9	14,127.8
Claims on Public Entities ⁽¹⁾	796.9	801.0	865.9	1,060.6	1,479.1
Claims on Private Sector (Resident)	23,686.8	24,742.8	26,238.4	27,536.5	29,733.7
Claims on Financial Institutions	371.4	399.9	592.8	568.8	521.3
Cash in Vaults & Deposits with the CBJ	5,906.0	6,405.3	6,857.2	8,017.2	7,818.7
Other Assets	4,220.9	4,263.9	4,171.8	4,290.2	4,582.1
Assets = Liabilities	50,917.8	53,642.0	57,038.0	61,057.7	64,145.3
Capital, Reserves and Provisions	7,865.8	8,152.6	8,715.2	9,044.3	9,389.7
Foreign Liabilities	7,334.9	8,049.8	9,539.6	10,611.7	10,406.1
Central Government Deposits	946.8	912.5	944.9	985.9	1,174.6
Public Entities Deposits ⁽¹⁾	1,724.4	1,665.5	1,805.2	1,819.6	1,950.1
Private Sector Deposits (Resident)	26,944.5	28,292.1	28,851.2	30,988.1	33,206.2
Financial Institutions Deposits	390.2	379.1	411.3	462.4	477.8
Credit from the CBJ	753.8	880.2	1,622.9	1,737.2	1,690.6
Other Liabilities	4,957.4	5,310.2	5,147.7	5,408.5	5,850.2

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Includes public non-financial institutions, Social Security Corporation, and municipalities & local councils.

Table 13

Deposits Structure at Licensed Banks According to Currency and Depositor

(JD Million)

	2018	2019	2020	2021	2022
Public Sector	2,671.2	2,578.0	2,750.2	2,805.3	3,124.7
- Demand Deposits	307.7	286.8	334.3	273.8	299.0
In Jordan Dinar	274.2	272.9	322.2	254.4	202.7
In Foreign Currencies	33.5	13.9	12.1	19.4	96.3
- Saving Deposits	3.1	4.5	4.9	5.7	9.5
In Jordan Dinar	2.8	4.5	4.9	5.0	9.5
In Foreign Currencies	0.3	0.0	0.0	0.7	0.0
- Time Deposits	2,360.4	2,286.7	2,411.0	2,525.8	2,816.2
In Jordan Dinar	2,228.9	2,195.4	2,320.1	2,442.0	2,659.3
In Foreign Currencies	131.5	91.3	90.9	83.8	156.9
Private Sector (Resident)	26,944.5	28,292.1	28,851.1	30,988.2	33,206.2
- Demand Deposits	7,716.3	7,960.9	8,673.0	9,576.1	9,702.7
In Jordan Dinar	5,172.6	5,560.7	5,959.4	6,672.2	6,818.4
In Foreign Currencies	2,543.7	2,400.2	2,713.6	2,903.9	2,884.3
- Saving Deposits	5,041.8	5,166.1	5,426.8	5,803.0	5,663.5
In Jordan Dinar	3,970.6	4,077.6	4,283.5	4,604.8	4,496.4
In Foreign Currencies	1,071.2	1,088.5	1,143.3	1,198.2	1,167.1
- Time Deposits	14,186.4	15,165.1	14,751.3	15,609.1	17,840.0
In Jordan Dinar	11,703.2	12,492.2	12,465.7	13,446.7	15,288.3
In Foreign Currencies	2,483.2	2,672.9	2,285.6	2,162.4	2,551.7
Private Sector (Non-Resident)	3,842.3	4,056.1	4,776.5	5,266.4	5,298.0
- Demand Deposits	1,229.2	1,180.4	1,430.2	1,620.0	1,533.8
In Jordan Dinar	399.2	414.8	465.7	514.2	517.3
In Foreign Currencies	830.0	765.6	964.5	1,105.8	1,016.5
- Saving Deposits	625.4	663.1	793.4	905.9	920.8
In Jordan Dinar	278.0	316.5	389.0	446.3	449.9
In Foreign Currencies	347.4	346.6	404.4	459.6	470.9
- Time Deposits	1,987.7	2,212.6	2,552.9	2,740.5	2,843.4
In Jordan Dinar	1,275.0	1,425.0	1,647.2	1,855.0	1,937.2
In Foreign Currencies	712.7	787.6	905.7	885.5	906.2
Non-Banking Financial Institutions	390.1	379.1	411.3	462.4	477.8
- Demand Deposits	110.9	69.5	70.9	57.1	69.1
In Jordan Dinar	86.6	43.3	43.3	40.2	55.7
In Foreign Currencies	24.3	26.2	27.6	16.9	13.4
- Saving Deposits	1.2	1.3	1.8	6.1	6.4
In Jordan Dinar	1.0	1.1	1.6	6.0	6.1
In Foreign Currencies	0.2	0.2	0.2	0.1	0.3
- Time Deposits	278.0	308.3	338.6	399.2	402.3
In Jordan Dinar	275.5	303.3	331.3	397.8	400.7
In Foreign Currencies	2.5	5.0	7.3	1.4	1.6
Total	33,848.1	35,305.3	36,789.1	39,522.3	42,106.7

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

Table 14

Credit Facilities Extended by the Licensed Banks According to Economic Activity and Borrower

(JD Million)

	2018	2019	2020	2021	2022
By Economic Activity					
Agriculture	336.7	336.5	416.8	453.3	534.6
Mining	355.7	296.4	236.6	168.2	130.7
Industry	3,064.3	3,353.6	3,525.4	3,484.5	3,787.2
General Trade	4,470.6	4,231.1	4,524.3	4,453.1	4,698.0
Construction	6,830.9	6,975.4	7,261.5	7,718.5	8,237.0
Transportation Services	328.9	343.1	385.6	394.7	368.5
Tourism, Hotels and Restaurants	592.1	638.0	735.6	713.5	685.1
Public Services and Utilities	3,852.9	4,269.0	4,360.9	4,608.8	5,268.4
Financial Services	768.2	634.8	655.7	763.5	791.9
Other, of which:	5,511.5	6,004.3	6,536.7	7,270.4	8,090.1
Buying Shares	152.1	212.2	268.7	346.8	466.2
Total	26,111.8	27,082.2	28,639.1	30,028.5	32,591.5
of which in Foreign Currencies	2,931.5	3,265.6	3,496.8	3,697.3	4,117.9
By Borrower					
Central Government	1,994.7	1,878.0	1,804.1	1,816.4	2,040.1
Public Entities	429.0	501.3	566.0	686.5	921.4
Financial Institutions	21.5	29.9	129.7	129.0	94.7
Private Sector (Resident)	23,011.3	23,998.6	25,526.5	26,708.8	28,870.5
Private Sector (Non-Resident)	655.3	674.4	612.8	687.8	664.8

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

Table 15

**Consolidated Balance Sheet of Jordanian Banks' Branches
Operating in the Palestinian Territories**

(JD Million)

	2018	2019	2020	2021	2022
Cash in Vaults	268.3	343.3	309.6	420.6	443.4
Balances with the Banking System	1,553.6	1,612.8	1,947.8	2,080.2	2,093.3
Credit Facilities	2,270.7	2,224.6	2,410.8	2,567.9	2,553.6
In Jordan Dinar	351.3	359.9	327.5	376.6	322.5
In US Dollar	950.2	965.8	1,051.0	1,002.3	1,048.2
In Other Foreign Currencies	969.2	898.9	1,032.3	1,189.0	1,182.9
Portfolio	552.5	561.0	585.6	604.8	589.6
Other Assets	167.0	191.4	211.8	155.6	128.2
Assets = Liabilities	4,812.1	4,933.1	5,465.6	5,829.1	5,808.1
Deposits of Banking System	233.1	237.7	309.0	310.3	290.1
Customers' Deposits	3,604.7	3,711.2	4,083.0	4,443.8	4,398.4
In Jordan Dinar	974.5	1,006.8	1,063.0	1,162.7	1,103.5
In US Dollar	1,290.9	1,310.9	1,388.0	1,684.4	1,600.1
In Other Foreign Currencies	1,339.3	1,393.5	1,632.0	1,596.7	1,694.8
Capital, Reserves and Provisions	668.7	635.1	729.8	716.8	808.0
Other Liabilities	305.6	349.1	343.8	358.2	311.6

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

Table 16

Assets and Liabilities of Insurance Companies Operating in Jordan

	(JD Million)				
	2017	2018	2019	2020	2021
Balances and Deposits	275.3	277.8	288.8	295.1	296.0
Accounts Receivable (Net)	191.3	187.3	196.3	194.3	196.0
Customers (Debtors) ⁽¹⁾	158.8	156.8	159.9	158.1	156.8
Receivables from Reinsurers	32.5	30.5	36.4	36.2	39.2
Investments and Other Assets	485.8	492.9	511.1	539.9	604.4
Assets = Liabilities + Equity	952.4	958.0	996.2	1,029.3	1,096.4
Paid-up Capital and Reserves ⁽²⁾	313.3	312.5	317.8	320.0	319.8
Accounts Payable	131.0	146.0	148.7	139.5	147.6
Creditors	46.6	43.4	49.1	44.9	48.1
Reinsurers Payable	70.9	81.8	81.6	81.4	76.9
Creditor Banks	13.5	20.8	18.0	13.2	22.6
Provisions	8.9	7.7	10.1	21.8	10.9
Technical Reserves	433.1	441.5	463.8	485.5	524.8
Accounting Reserve	122.6	136.4	155.1	175.7	204.7
Unexpired Risks Reserve ⁽³⁾	148.1	148.0	151.1	147.0	153.9
Outstanding Claims Reserve	162.4	157.1	157.6	162.8	166.2
Other Liabilities and Equities	66.1	50.5	55.8	62.5	93.3

Source : 2017 Ministry of Industry Trade and Supply, since 2018, Central Bank of Jordan.

(1) : Includes agents, brokers, employees and insurance companies.

(2) : Includes paid-up capital, premium (discount), and reserves (mandatory, voluntary and special).

(3) : Includes unearned premiums and premium deficit (other technical).

Table 17

The Premiums Underwritten of Insurance Companies

(JD Million)

	2018	2019	2020	2021	2022 ⁽¹⁾
Marine and Transport Insurance	17.8	16.0	16.1	17.5	18.5
Fire and other Damage to Property Insurance	70.0	68.1	74.7	75.8	83.6
Motor Insurance	227.5	234.4	213.6	226.1	245.0
General Accidents Insurance ⁽²⁾	22.0	21.8	19.1	23.8	26.6
Life Assurance	86.1	85.7	92.7	109.3	121.7
Medical Insurance	182.4	189.3	178.5	193.7	204.2
Total	605.8	615.3	593.4	646.3	699.6

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.

(2) : Includes insurance on credit and surety ship, liability, aviation and general classes of insurance.

Table 18

Compensations Paid by Insurance Companies

(JD Million)

	2018	2019	2020	2021	2022 ⁽¹⁾
Marine and Transport Insurance	5.4	7.6	5.8	2.4	3.7
Fire and other Damage to Property Insurance	19.7	27.6	26.5	29.5	14.1
Motor Insurance	242.1	234.4	184.9	212.1	223.0
General Accidents Insurance ⁽²⁾	6.0	5.0	5.9	6.1	4.5
Life Assurance	46.1	54.1	52.8	64.6	51.4
Medical Insurance	159.5	161.6	150.4	159.7	181.3
Total	478.8	490.3	426.9	474.2	478.0

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.

(2) : Includes insurance on credit and surety ship, liability, aviation and general classes of insurance.

Table 19

Sectorial Distribution of Shares Traded

Sector	Value of Shares Traded (JD Million)					Number of Shares Traded (Millions of Shares)				
	2018	2019	2020*	2021	2022	2018	2019	2020*	2021	2022
Industry	978.8	289.3	182.3	494.5	446.0	264.3	193.8	270.6	285.6	133.4
Services	227.0	256.7	210.4	484.2	625.0	226.2	255.4	241.3	367.2	340.4
Financial	1,113.5	1,039.4	656.1	984.9	832.7	755.4	798.0	630.8	885.4	681.9
Total	2,319.3	1,585.4	1,048.8	1,963.6	1,903.7	1,245.9	1,247.2	1,142.7	1,538.2	1,155.7

Source : Amman Stock Exchange.

* : The trading in the ASE has been suspended, because of repercussions of COVID-19, as of March 17, 2020 and it was resumed on May 10, 2020.

Table 20***Share Price Index Weighted by Market Capitalization⁽¹⁾******(Closing December 1991=1000)***

Sector	2018	2019	2020*	2021	2022
Industry	2,311.4	2,613.2	2,818.0	4,700.5	6,882.1
Banks	8,246.0	7,095.6	5,410.6	6,566.4	6,753.7
Services	796.8	735.7	704.2	782.4	852.1
Insurance companies	1,376.5	1,282.5	1,309.2	1,328.3	1,331.7
General Index	3,797.1	3,513.8	3,049.6	4,005.3	4,730.4

Source : Amman Stock Exchange.

(1) : Market capitalization represents the number of subscribed shares *times* the closing price of the last day traded.

* : The trading in the ASE has been suspended, because of repercussions of COVID-19, as of March 17, 2020 and it was resumed on May 10, 2020.

Table 21***Share Price Index Weighted by Free Floating Shares******(Closing December 1999=1000)***

Sector	2018	2019	2020*	2021	2022
Industrial	1,882.7	1,857.0	2,119.7	3,665.9	5,292.3
Services	1,279.8	1,293.0	1,148.0	1,327.4	1,740.8
Financial ⁽¹⁾	2,652.7	2,450.0	2,171.7	2,604.5	2,692.2
General Index	1,908.8	1,815.2	1,657.2	2,118.6	2,501.6

Source : Amman Stock Exchange.

(1) : Includes banks, insurance companies, financial services companies, specialized lending companies, investment and real estate.

* : The trading in the ASE has been suspended, because of repercussions of COVID-19, as of March 17, 2020 and it was resumed on May 10, 2020.

Table 22***Assets Distribution of Social Security Investment Fund*****(JD Million)**

	2018	2019	2020	2021	2022⁽¹⁾
Assets					
Financial instruments portfolio	1,374.7	1,353.2	1,434.0	1,558.4	1,807.5
Bonds portfolio	5,135.4	5,970.0	6,410.3	6,893.6	7,587.7
Loans portfolio	252.8	330.9	396.5	412.1	458.9
Equity Investment for trading portfolio	2,053.4	1,950.3	1,555.2	2,040.8	2,470.9
Real estate portfolio	598.4	659.0	716.9	748.2	792.3
Investments in hotels	285.8	288.1	308.1	314.3	317.5
Other assets	490.3	445.7	346.7	373.8	342.1
Total Assets	10,190.8	10,997.2	11,167.7	12,341.2	13,776.9

Source : Social Security Corporation.

(1) : Preliminary.

Table 23

***Fiscal Position of Central Government
(Budgetary and Own-Budget Agencies)***

(JD Million)

	2018	2019	2020	2021	2022	
					Budget Law	Actual
Budgetary Central Government						
Public Revenues	7,839.6	7,754.3	7,028.9	8,128.2	8,912.0	8,914.1
Domestic Revenues	6,944.9	6,965.9	6,238.0	7,324.9	8,064.0	8,121.9
Foreign Grants	894.7	788.4	790.8	803.3	848.0	792.2
Total Expenditures	8,567.3	8,812.7	9,211.3	9,858.8	10,653.0	10,466.6
Current Expenditures	7,619.6	7,897.2	8,388.5	8,720.6	9,106.6	8,954.3
Capital Expenditures	947.7	915.5	822.8	1,138.2	1,546.4	1,512.3
Overall Deficit/ Surplus (Including Grants)	-727.6	-1,058.4	-2,182.4	-1,730.6	-1,741.0	-1,552.5
Own-Budget Agencies						
Public Revenues	1,421.2	1,328.8	1,137.1	932.6	860.1	953.8
Domestic Revenues	1,397.3	1,302.4	1,119.6	911.1	765.0	890.4
Foreign Grants	23.9	26.4	17.5	21.5	95.1	63.3
Total Expenditures	1,669.2	1,472.0	1,185.8	1,200.3	1,454.3	1,337.0
Current Expenditures	1,160.4	1,050.0	890.8	893.0	980.6	926.8
Capital Expenditures	508.8	422.0	295.0	307.3	473.7	410.2
Overall Deficit/ Surplus (Including Grants)	-248.0	-143.2	-48.7	-267.8	-594.2	-383.2
Central Government (Budgetary and Own-Budget Agencies)						
Public Revenues	9,260.8	9,083.1	8,166.0	9,060.8	9,772.1	9,867.9
Domestic Revenues	8,342.2	8,268.3	7,357.6	8,236.0	8,829.0	9,012.3
Foreign Grants	918.6	814.8	808.3	824.8	943.1	855.5
Total Expenditures	10,236.5	10,284.7	10,397.1	11,059.1	12,107.3	11,803.6
Current Expenditures	8,780.0	8,947.2	9,279.3	9,613.6	10,087.2	9,881.1
Capital Expenditures	1,456.5	1,337.5	1,117.8	1,445.5	2,020.1	1,922.5
Overall Deficit/ Surplus (Including Grants)	-975.6	-1,201.6	-2,231.1	-1,998.4	-2,335.2	-1,935.7

Source : Ministry of Finance/ General Government Finance Bulletin for January 2023.

Table 23-A

Summary of Central Government Budget (Budgetary)

(JD Million)

	2018	2019	2020	2021	2022	
					Budget Law	Actual
Public Revenues	7,839.6	7,754.3	7,028.9	8,128.2	8,912.0	8,914.1
Domestic Revenues	6,944.9	6,965.9	6,238.0	7,324.9	8,064.0	8,121.9
Tax Revenues	4,535.6	4,680.8	4,958.6	5,626.9	6,089.0	6,047.9
Pension Contributions	10.9	9.0	7.3	7.5	7.5	4.9
Other Revenues	2,398.4	2,276.1	1,272.1	1,690.4	1,967.5	2,069.1
Foreign Grants	894.7	788.4	790.8	803.3	848.0	792.2
Total Expenditures	8,567.3	8,812.7	9,211.3	9,858.8	10,653.0	10,466.6
Current Expenditures, of which:	7,619.6	7,897.2	8,388.5	8,720.6	9,106.6	8,954.3
Interest Payments (Commitment Basis)	1,004.4	1,113.4	1,243.4	1,403.4	1,428.0	1,427.6
Capital Expenditures	947.7	915.5	822.8	1,138.2	1,546.4	1,512.3
Overall Deficit/ Surplus						
Including Grants	-727.6	-1,058.4	-2,182.4	-1,730.6	-1,741.0	-1,552.5
Excluding Grants	-1,622.3	-1,846.9	-2,973.3	-2,533.9	-2,589.0	-2,344.7
Primary Deficit/ Surplus (Excluding Grants)*	-618.0	-733.5	-1,729.9	-1,130.5	-1,161.0	-917.1

Source : Ministry of Finance/ General Government Finance Bulletin for January 2023.

* : The Concept of Primary Surplus\ Deficit was Amendment According to IMF Concept.

Table 23-B
Summary of Government Units Budgets
(Own-Budget Agencies)

(JD Million)

	2018	2019	2020	2021	2022	
					Budget Law	Re-estimate
Public Revenues	1,421.2	1,328.8	1,137.1	932.6	860.1	953.8
Domestic Revenues, of which:	1,397.3	1,302.4	1,119.6	911.1	765.0	890.4
Tax Revenues	7.7	6.7	4.5	8.9	8.5	8.5
Government Subsidy	149.6	26.3	24.5	26.0	26.4	25.8
Revenues from Selling Goods and Services	1,153.6	1,201.6	1,014.6	814.0	646.0	778.5
Foreign Grants	23.9	26.4	17.5	21.5	95.1	63.3
Total Expenditures	1,669.2	1,472.0	1,185.8	1,200.3	1,454.3	1,337.0
Current Expenditures	1,160.4	1,050.0	890.8	893.0	980.6	926.8
Wages, Salaries and Allowances	371.1	257.7	273.6	277.0	287.2	272.4
Interest Payments	176.1	175.0	140.5	131.8	153.1	135.2
Purchases of Goods and Services	542.9	565.5	419.9	434.9	486.9	468.4
Other Current Expenditures	70.3	51.8	56.8	49.3	53.4	50.8
Capital Expenditures	508.8	422.0	295.0	307.3	473.7	410.2
Overall Deficit/ Surplus (Including Grants)	-248.0	-143.2	-48.7	-267.8	-594.2	-383.2

Source : General Budget Department/ Government Units Budgets Law.

Table 24
Components of Domestic Revenues
(Budgetary Central Government)

(JD Million)

	2018	2019	2020	2021	2022
First: Tax Revenues	4,535.6	4,680.8	4,958.6	5,626.9	6,047.9
1- Taxes on Income and Profits	965.0	1,020.2	1,103.6	1,179.6	1,548.2
Income Tax from Individuals	202.8	234.5	263.9	276.8	328.2
Income Tax from Companies & Projects	762.3	785.7	773.8	802.8	1,094.6
National Contribution Account	0.0	0.0	65.8	100.0	125.3
2- Taxes on Financial Transactions	93.0	81.6	46.8	70.6	99.5
3- Taxes on Goods and Services*	3,184.6	3,302.4	3,533.9	4,038.7	4,167.5
4- Taxes on International Trade & Transactions**	292.9	276.6	274.4	338.0	232.7
Second: Pension Contributions	10.9	9.0	7.3	7.5	4.9
Third: Other Revenues	2,398.4	2,276.1	1,272.1	1,690.4	2,069.1
1- Revenues from Selling Goods & Services	901.8	883.6	634.1	838.4	886.3
2- Property Income, of which:	305.1	436.4	235.2	357.9	458.6
Financial Surplus	271.3	393.4	206.7	335.2	423.7
3- Miscellaneous Revenues, of which:	1,191.5	956.2	402.8	494.1	724.3
Mining Revenues	42.9	42.8	26.8	45.1	183.9
Repayments	36.3	20.1	17.1	26.7	17.0
Total Domestic Revenues	6,944.9	6,965.9	6,238.0	7,324.9	8,121.9

Source : Ministry of Finance/ General Government Finance Bulletin for January 2023.

* : Represents general sales taxes on goods & services.

** : Represents customs duties & fees.

Table 25
Components of Public Expenditures
(Budgetary Central Government)

	(JD Million)				
	2018	2019	2020	2021	2022
First: Current Expenditures	7,619.6	7,897.2	8,388.5	8,720.6	8,954.3
1- Compensations of Employees	1,418.8	1,568.6	1,676.8	1,771.3	1,848.7
Wages, Salaries and Allowances	1,297.6	1,421.5	1,495.3	1,595.0	1,669.7
Social Security	121.1	147.1	181.5	176.3	179.1
2- Purchases of Goods & Services	364.6	383.4	415.2	441.7	417.3
3- Interest Payments (Commitment Basis)	1,004.4	1,113.4	1,243.4	1,403.4	1,427.6
Internal	647.6	713.2	847.2	977.1	959.5
External	356.9	400.2	396.2	426.3	468.1
4- Subsidies, of which:	391.5	352.8	310.8	238.1	240.4
Subsidies for Non-Financial Public Institutions	170.4	188.4	193.7	180.4	176.5
Goods Subsidies	55.7	0.0	0.0	55.0	60.0
Social Safety Net/ Cash Support	161.1	160.0	113.1	0.0	0.0
5- Grants	122.5	21.1	18.9	20.2	20.1
6- Social Benefits	1,542.4	1,633.2	1,840.2	1,892.9	1,986.0
Pensions and Compensation	1,331.8	1,369.9	1,570.5	1,605.0	1,638.4
Social Assistances	210.6	263.3	269.7	287.9	347.7
7- Miscellaneous Expenditures, of which:	361.8	280.1	247.6	203.4	168.3
Scholarships and Training	21.4	21.2	21.5	6.6	6.4
8- Military Expenditures	2,413.5	2,544.6	2,635.7	2,749.6	2,845.9
Second: Capital Expenditures	947.7	915.5	822.8	1,138.2	1,512.3
Total Expenditures	8,567.3	8,812.7	9,211.3	9,858.8	10,466.6

Source : Ministry of Finance/ General Government Finance Bulletin for January 2023.

Table 26
Government Domestic Debt
(Budgetary and Guaranteed)

(JD Million)

	2018	2019	2020	2021	2022
Government Domestic Debt Including the Debt Holding by Social Security Investment Fund (SSIF)	16,220.8	17,738.0	18,933.7	20,259.5	21,579.2
1) Domestic Debt (Budgetary)	13,352.2	15,216.2	16,494.6	17,883.4	18,947.6
A) Treasury Bills and Bonds	13,075.3	14,940.3	16,219.6	17,608.7	18,674.1
- Held by the Banking System	6,979.7	7,972.8	8,508.7	9,328.5	9,490.9
- Held by Non Banks	6,095.1	6,967.5	7,710.9	8,280.2	9,183.2
B) Loans and Advances	276.9	275.9	275.0	274.7	273.5
- From Central Bank	271.7	271.7	271.7	271.7	271.7
- From Commercial Banks	5.2	4.2	3.3	3.0	1.8
2) Domestic Debt (Guaranteed)	2,868.5	2,521.8	2,439.1	2,376.0	2,631.5
A) Corporate Bonds	610.5	538.0	538.0	517.9	317.9
- Held by the Banking System	340.4	296.1	294.2	279.7	178.8
- Held by Non Banks	270.1	241.9	243.8	238.2	139.1
B) Loans and Advances, of which:	2,258.0	1,983.8	1,901.1	1,858.1	2,313.6
- Held by the Banking System	2,227.1	1,950.6	1,855.6	1,815.9	2,256.8
Gross Central Government's Deposits with the Banking System	1,407.7	1,278.1	1,336.0	1,502.9	2,226.9
1) Budgetary	1,134.9	999.6	1,133.0	1,349.9	2,036.1
A) Ministry of Finance Deposits	-664.1	-849.0	-1,095.8	-857.2	-734.7
- With the Central Bank ⁽¹⁾	-699.9	-873.2	-1,115.8	-876.2	-745.9
- With Commercial Banks	35.8	24.1	20.0	19.0	11.2
B) Other Ministries Deposits	1,799.0	1,848.7	2,228.7	2,207.1	2,770.8
- With the Central Bank	1,039.2	1,103.4	1,417.5	1,277.7	1,639.5
- With Commercial Banks	759.8	745.3	811.2	929.4	1,131.3
2) Own-Budget Agencies Deposits	272.8	278.5	203.0	153.0	190.7
Domestic Debt Holding by SSIF	5,194.0	5,749.9	6,149.7	6,633.9	7,400.5

Source : Ministry of Finance/ General Government Finance Bulletin for January 2023.

(1) : Represents net treasury overdraft (treasury overdraft account *minus* Ministry of Finance deposits, in JD and foreign currencies, with the Central Bank).

Table 27

External Debt (Budget and Guaranteed)

(JD Million)

	2018	2019	2020	2021	2022
1) Long-Term Loans	5,616.3	6,303.1	7,566.3	8,875.7	10,009.9
A) Arab and Foreign Governments, of which:	2,353.7	2,480.6	2,824.9	2,886.7	3,013.8
Japan	736.4	751.1	862.2	822.4	780.8
Germany	329.5	452.1	548.9	614.4	553.1
United States	40.7	35.0	31.0	27.1	23.1
France	618.0	607.4	707.5	705.9	764.3
B) Regional and International Institutions, of which:	3,262.6	3,716.0	4,634.9	5,684.3	6,324.2
World Bank and International Development Association	1,599.1	2,119.3	2,363.6	2,643.5	2,818.5
Arab Fund for Economic and Social Development	472.1	440.6	424.2	405.9	369.4
European Investment Bank	82.3	91.6	83.9	117.9	110.9
Arab Monetary Fund	167.6	126.3	198.2	284.1	201.0
Islamic Development Bank	77.2	109.3	110.4	101.6	91.5
International Monetary Fund	536.6	358.5	736.7	1,085.0	1,699.0
C) Foreign Banks & Companies	0.0	106.5	106.5	304.7	671.9
2) Others⁽¹⁾, of which:	6,471.3	6,035.0	6,532.0	6,631.4	6,901.2
Eurobonds & Domestic Bonds in Dollar	6,461.0	6,035.0	6,532.0	6,631.4	6,901.2
External Debt Including the Debt Holding by Social Security Investment Fund (SSIF)	12,087.5	12,338.2	14,098.3	15,507.2	16,911.0
External Debt Holding by SSIF	231.0	367.8	383.1	369.7	422.1

Source : Ministry of Finance/ General Government Finance Bulletin for January 2023.

(1) : Including bonds, leasing contracts and Eurobonds.

Table 28
Distribution of External Loans Disbursed in 2022
According to Source

Source	Disbursements (JD Million)	Relative Importance (%)
Regional & International Institutions:	1,830.7	47.3
International Monetary Fund	686.0	17.7
International Bank for Reconstruction and Development	246.1	6.4
Arab Monetary Fund	148.0	3.8
Abu Dhabi Fund for Development	201.5	5.2
Emirates NBD Bank	355.0	9.2
French Development Agency	137.1	3.5
Asian Investment Bank	42.7	1.1
Kuwait Fund	14.3	0.4
Multiple Creditors (Domestic Bonds in Dollar and Eurobonds)	1,931.2	49.9
Industrial Countries:	89.9	2.3
Germany	9.6	0.2
Japan	80.3	2.1
Other	19.4	0.5
Total	3,871.2	100.0

Source : Ministry of Finance/ General Government Finance Bulletin for January 2023.

Table 29***Distribution of External Loans Contracted in 2022******According to Source and Economic Sector*****(JD Million)**

Sector \ Source	Arab & Foreign Governments	Regional & International Institutions	Multiple Creditors	Total	Sector's Relative Importance (%)
Supporting Budget	77.7	1,423.1	1,931.2	3,432.0	92.0
Energy	0.0	0.0	149.1	149.1	4.0
Tourism and Food Security	0.0	148.0	0.0	148.0	4.0
Total	77.7	1,571.1	2,080.3	3,729.1	100.0

Source : Ministry of Finance/ General Government Finance Bulletin for January 2023.

Table 30

Balance of Payments (A)

(JD Million)

	2018 ⁽¹⁾	2019 ⁽¹⁾	2020 ⁽¹⁾	2021 ⁽¹⁾	2022 ⁽¹⁾
Current account	-2,103.4	-548.7	-1,778.5	-2,639.5	-2,953.0
Goods	-7,314.5	-6,201.9	-5,243.9	-6,964.8	-8,445.5
Exports (FOB)	5,502.7	5,905.3	5,639.7	6,643.8	8,790.0
Imports (FOB)	12,817.2	12,107.2	10,883.6	13,608.6	17,235.5
Services	1,760.1	2,088.6	-421.7	254.0	1,615.7
Credit	5,213.1	5,575.5	1,775.8	3,203.6	5,648.0
Debit	3,453.0	3,486.9	2,197.5	2,949.6	4,032.3
Transport	-916.6	-885.2	-1,009.7	-1,031.3	-1,197.8
Credit	947.5	952.3	346.3	677.3	1,086.2
Debit	1,864.1	1,837.5	1,356.0	1,708.6	2,284.0
Travel	2,742.0	3,070.6	729.5	1,306.6	3,082.9
Credit	3,726.6	4,108.2	1,000.3	1,958.5	4,123.6
Debit	984.6	1,037.6	270.8	651.9	1,040.7
Construction	21.7	26.8	13.8	38.7	31.7
Credit	41.2	51.6	52.5	57.6	48.4
Debit	19.5	24.8	38.7	18.9	16.7
Insurance and pension services	-286.9	-329.7	-279.8	-373.1	-454.5
Credit	43.6	13.6	6.0	0.8	0.8
Debit	330.5	343.3	285.8	373.9	455.3
Financial services	28.8	29.6	-4.7	57.4	54.4
Credit	59.4	54.0	38.2	80.6	77.7
Debit	30.6	24.4	42.9	23.2	23.3
Charges for the use of intellectual property	-1.2	-13.0	-13.0	-2.3	-13.7
Credit	15.5	6.3	4.4	17.6	11.1
Debit	16.7	19.3	17.4	19.9	24.8
Telecommunications, computer, and information services	-29.9	-21.2	-16.7	-6.7	-24.6
Credit	11.1	9.7	10.7	22.3	18.1
Debit	41.0	30.9	27.4	29.0	42.7
Other business services	79.1	74.5	90.2	102.0	52.8
Credit	128.8	132.2	148.1	156.4	111.7
Debit	49.7	57.7	57.9	54.4	58.9
Personal, cultural, and recreational services	31.7	58.3	53.5	103.6	79.5
Credit	54.7	65.9	68.4	113.1	83.5
Debit	23.0	7.6	14.9	9.5	4.0
Government goods and services	91.4	77.9	15.2	59.1	5.0
Credit	184.7	181.7	100.9	119.4	86.9
Debit	93.3	103.8	85.7	60.3	81.9

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.

Table 30
Balance of Payments (B)

	(JD Million)				
	2018 ⁽¹⁾	2019 ⁽¹⁾	2020 ⁽¹⁾	2021 ⁽¹⁾	2022 ⁽¹⁾
Primary income	-141.6	5.7	-87.9	-164.5	-359.1
Credit	737.0	902.3	648.9	546.4	766.9
Debit	878.6	896.6	736.8	710.9	1,126.0
Compensation of employees	210.0	217.5	206.1	196.7	201.0
Credit	260.6	262.9	238.9	241.2	244.7
Debit	50.6	45.4	32.8	44.5	43.7
Investment income	-351.6	-211.8	-294.0	-361.2	-560.1
Credit	476.4	639.4	410.0	305.2	522.2
Debit	828.0	851.2	704.0	666.4	1,082.3
Monetary authorities	178.4	194.5	110.5	61.7	157.5
Credit	206.9	252.6	146.4	73.6	172.3
Debit	28.5	58.1	35.9	11.9	14.8
Deposit - taking corporations, except central bank	161.5	244.4	160.7	142.8	216.6
Credit	207.2	314.0	201.7	171.4	276.7
Debit	45.7	69.6	41.0	28.6	60.1
General Government	-335.7	-351.2	-324.6	-354.4	-389.6
Credit	-	-	-	-	-
Debit	335.7	351.2	324.6	354.4	389.6
Other Sectors	-355.8	-299.5	-240.6	-211.3	-544.6
Credit	62.3	72.8	61.9	60.2	73.2
Debit	418.1	372.3	302.5	271.5	617.8
Secondary income	3,592.6	3,558.9	3,975.0	4,235.8	4,235.9
Credit	4,067.6	3,984.4	4,265.3	4,634.2	4,628.2
Debit	475.0	425.5	290.3	398.4	392.3
General government	1,079.9	944.0	1,038.6	1,209.0	1,319.6
Credit	1,079.9	944.0	1,038.6	1,209.0	1,319.6
Debit	-	-	-	-	-
Other Sectors	2,512.7	2,614.9	2,936.4	3,026.8	2,916.3
Credit	2,987.7	3,040.4	3,226.7	3,425.2	3,308.6
Debit	475.0	425.5	290.3	398.4	392.3
Personal transfers	2,512.7	2,614.9	2,936.4	3,026.8	2,916.3
Credit	2,914.5	2,977.6	3,182.7	3,360.0	3,243.4
Debit	401.8	362.7	246.3	333.2	327.1
<i>Of which: Workers' remittances</i>	1,967.2	2,027.6	1,905.8	1,837.7	1,876.0
Credit	2,345.7	2,366.8	2,150.4	2,170.9	2,203.1
Debit	378.5	339.2	244.6	333.2	327.1
Capital account	24.0	18.0	17.0	11.0	35.2
Credit	24.0	18.0	17.0	11.0	35.2
Debit	-	-	-	-	-
Nonproduced nonfinancial assets	-	-	-	-	-
Capital transfers	24.0	18.0	17.0	11.0	35.2
Credit	24.0	18.0	17.0	11.0	35.2
Debit	-	-	-	-	-

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.

Table 30
Balance of Payments (C)

(JD Million)

	2018 ⁽¹⁾	2019 ⁽¹⁾	2020 ⁽¹⁾	2021 ⁽¹⁾	2022 ⁽¹⁾
Financial account	-2,811.7	-761.6	-1,879.0	-1,331.2	-1,990.5
Direct investment	-683.4	-487.3	-521.1	-430.2	-818.5
Net acquisition of financial assets	-5.4	30.8	18.7	11.3	-11.2
Net incurrence of liabilities	678.0	518.1	539.8	441.5	807.3
Portfolio investment	129.7	757.4	-301.6	165.0	487.3
Net acquisition of financial assets	22.2	22.6	-20.0	35.8	124.7
Net incurrence of liabilities	-107.5	-734.8	281.6	-129.2	-362.6
Financial derivatives	-	-	-	-	-
Other investment	-1,581.8	-1,436.8	-1,843.5	-2,758.1	-1,132.1
Net acquisition of financial assets	-156.8	-20.2	633.3	71.2	-416.5
Other equity	13.4	10.3	0.2	-	-
Currency and deposits	-259.0	-33.4	700.3	-100.4	-513.0
Deposit - taking corporations, except central bank	-188.0	-54.4	753.9	-70.3	-512.3
Loans	155.1	19.1	-61.6	75.0	-23.0
Deposit - taking corporations, except central bank - <i>Long term</i>	155.1	19.1	-61.6	75.0	-23.0
Trade credit and advances	-6.5	0.2	-14.8	122.4	110.6
Other sectors - <i>Short term</i>	-6.5	0.2	-14.8	122.4	110.6
Other accounts receivable	-45.8	-10.0	18.0	-25.0	9.7
Monetary authorities - <i>Short term</i>	14.2	-13.7	-11.6	-7.6	42.5
Deposit - taking corporations, except central bank - <i>Short term</i>	-60.0	3.7	29.6	-17.4	-32.8
Insurance, pension, and standardized guarantee schemes	-14.0	-6.4	-8.8	-0.8	-0.8
Nonlife insurance technical reserves	-13.2	-4.8	-6.4	-4.4	-4.4
Life insurance and annuities entitlements	-0.8	-1.6	-2.4	3.6	3.6
Net incurrence of liabilities	1,425.0	1,416.6	2,476.8	2,829.3	715.6
Other equity	-	-	-	-	-
Currency and deposits	1,189.2	592.5	1,227.8	716.6	-646.4
Monetary authorities - <i>Short term</i>	748.6	-64.9	-60.8	-175.8	-304.3
Deposit - taking corporations, except central bank	412.2	592.2	1,256.2	825.2	-409.3
Loans	223.1	817.8	1,393.9	1,523.8	1,194.7
Monetary authorities	-394.0	-186.6	381.0	428.3	304.7
Credit and loans with the IMF	-349.4	-175.7	349.7	384.6	372.1
Drawings	-	117.5	489.0	384.6	372.1
Repayments	-349.4	-293.2	-139.3	-	-
Other long-term	-44.6	-10.9	31.3	43.7	-67.4
Drawings	-	41.1	56.9	66.5	-
Repayments	-44.6	-52.0	-25.6	-22.8	-67.4

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.

Table 30
Balance of Payments (D)

(JD Million)

	2018 ⁽¹⁾	2019 ⁽¹⁾	2020 ⁽¹⁾	2021 ⁽¹⁾	2022 ⁽¹⁾
Deposit - taking corporations, except central bank - Long term	113.0	40.8	208.3	146.1	223.1
General government - Long term	232.1	721.3	685.7	865.4	747.9
Drawings	601.0	1,074.8	1,008.6	1,235.2	1,255.5
Repayments	-368.9	-353.5	-322.9	-369.8	-507.6
Other sectors - Long term	272.0	242.3	118.9	84.0	-81.0
Drawings	451.7	360.6	191.8	163.8	19.3
Repayments	-179.7	-118.3	-72.9	-79.8	-100.3
Trade credit and advances	-1.1	-36.3	-169.1	167.9	177.3
Other sectors - Short term	-1.1	-36.3	-169.1	167.9	177.3
Other accounts payable	45.4	47.0	25.4	92.2	-10.8
Deposit - taking corporations, except central bank - Short term	45.4	47.0	25.4	92.2	-10.8
Special drawing rights	-	-	-	328.0	-
Insurance, pension, and standardized guarantee schemes	-31.6	-4.4	-1.2	0.8	0.8
Nonlife insurance technical reserves	-2.4	-2.8	1.6	3.6	3.6
Life insurance and annuities entitlements	-29.2	-1.6	-2.8	-2.8	-2.8
Reserve assets	-676.2	405.1	787.2	1,692.1	-527.2
Monetary gold	-136.9	42.8	813.9	208.3	273.1
Special drawing rights	-20.4	-11.0	2.1	-2.2	-4.0
Reserve position in the IMF	-	-	-	-	-
Other reserve assets	-518.9	373.3	-28.8	1,486.0	-796.3
Currency and deposits	526.6	455.2	705.0	1,442.8	-884.3
Securities	-1,060.0	-68.1	-721.3	51.3	42.8
Deb Securities	-1,060.0	-68.1	-721.3	51.3	42.8
Other claims	14.5	-13.8	-12.5	-8.1	45.2
Net error and omissions	-732.3	-230.9	-117.5	1,297.3	927.3
Memorandum Items					
Overall Balance ⁽²⁾	-1,532.2	-1,001.1	-1,143.4	-680.3	-2,194.3
Financing, o/w:	1,532.2	1,001.1	1,143.4	680.3	2,194.3
Net Foreign Assets	1,317.6	284.1	0.7	-652.0	774.0
Central Bank	676.2	-405.1	-787.2	-1,692.1	527.2
Licensed Banks	641.4	689.2	787.9	1,040.1	246.8
International Monetary Fund (Net)	-349.4	-175.7	349.7	384.6	372.1
Arab Monetary Fund (Net)	-44.6	-10.9	31.3	43.7	-67.4
Exceptional Financing	-	-	-	-	-

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.

(2) : A new methodology has been adopted since 2017.

Table 31

External Trade by Economic Functions

(JD Million)

	2018		2019		2020		2021		2022 ⁽¹⁾	
	Value	Weight	Value	Weight	Value	Weight	Value	Weight	Value	Weight
Domestic Exports	4,674.7	100.0	4,995.7	100.0	5,044.1	100.0	6,038.8	100.0	8,081.8	100.0
Consumer Goods	2,598.8	55.6	2,729.0	54.6	2,522.4	50.0	2,793.2	46.3	3,215.7	39.8
Crude Materials and Intermediate Goods	1,975.6	42.3	2,158.2	43.2	2,427.8	48.1	3,147.5	52.1	4,739.6	58.6
Capital Goods, o/w:	97.4	2.1	107.3	2.1	91.7	1.8	97.1	1.6	125.2	1.5
Parts and Accessories	9.0	0.2	11.9	0.2	11.2	0.2	12.5	0.2	23.5	0.3
Other Goods	2.9	-	1.2	0.1	2.2	0.1	1.0	-	1.3	0.1
Re-Exports	828.0	100.0	909.6	100.0	595.7	100.0	605.0	100.0	708.1	100.0
Consumer Goods	183.2	22.1	163.6	18.0	145.5	24.4	167.9	27.8	202.9	28.7
Crude Materials and Intermediate Goods	250.0	30.2	258.1	28.4	209.8	35.2	232.0	38.3	273.7	38.7
Capital Goods, o/w:	393.5	47.5	474.6	52.2	211.8	35.6	194.8	32.2	224.7	31.7
Parts and Accessories	175.7	21.2	220.8	24.3	81.8	13.7	82.1	13.6	32.6	4.6
Other Goods	1.3	0.2	13.3	1.4	28.6	4.8	10.3	1.7	6.8	0.9
Imports	14,420.0	100.0	13,611.0	100.0	12,235.4	100.0	15,295.1	100.0	19,375.7	100.0
Consumer Goods	4,276.4	29.7	4,046.1	29.7	4,186.2	34.2	4,846.2	31.7	5,642.3	29.1
Crude Materials and Intermediate Goods	7,651.0	53.1	7,025.0	51.6	5,901.7	48.2	8,259.7	54.0	11,411.0	58.9
Capital Goods, o/w:	2,236.9	15.5	2,270.1	16.7	1,826.6	14.9	1,887.0	12.3	1,978.2	10.2
Parts and Accessories	623.3	4.3	622.5	4.6	463.3	3.8	410.1	2.7	380.3	2.0
Other Goods	255.7	1.7	269.8	2.0	320.9	2.7	302.2	2.0	344.2	1.8
Trade Balance	-8,917.3	100.0	-7,705.7	100.0	-6,595.6	100.0	-8,651.3	100.0	-10,585.8	100.0
Consumer Goods	-1,494.4	16.8	-1,153.5	15.0	-1,518.4	23.0	-1,885.1	21.8	-2,223.7	21.0
Crude Materials and Intermediate Goods	-5,425.4	60.8	-4,608.7	59.8	-3,264.1	49.5	-4,880.2	56.4	-6,397.8	60.4
Capital Goods, o/w:	-1,745.9	19.6	-1,688.2	21.9	-1,523.1	23.1	-1,595.1	18.4	-1,628.2	15.4
Parts and Accessories	-438.6	4.9	-389.8	5.1	-370.3	5.6	-315.5	3.6	-324.2	3.1
Other Goods	-251.6	2.8	-255.3	3.3	-290.0	4.4	-290.9	3.4	-336.1	3.2

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.

Table 32

External Trade by Commodity According to S.I.T.C

(JD Million)

	Domestic Exports					Re-Exports					Imports				
	2018	2019	2020	2021	2022 ⁽¹⁾	2018	2019	2020	2021	2022 ⁽¹⁾	2018	2019	2020	2021	2022 ⁽¹⁾
0. Food and Live Animals	649.6	668.0	695.8	805.1	898.8	123.8	42.8	46.4	67.3	59.6	2,420.5	2,405.5	2,592.5	2,823.0	3,659.0
1. Beverages and Tobacco	58.9	55.9	44.9	50.8	51.0	8.6	5.0	4.4	4.2	3.5	135.7	120.0	157.8	157.0	159.0
2. Crude Materials, Inedible, Except Fuels	744.8	778.8	707.9	1,024.4	1,951.2	10.0	7.2	10.8	11.4	12.6	251.5	253.1	269.5	313.7	371.7
3. Mineral Fuels, Lubricants and Related Materials	80.1	84.0	67.2	42.7	76.7	5.9	24.4	1.7	6.3	8.1	2,999.6	2,552.4	1,669.4	2,403.9	3,522.7
4. Animal and Vegetable Oils, Fats and Waxes	2.4	2.1	6.0	3.2	4.3	0.5	3.4	0.5	0.9	3.2	118.6	108.4	119.5	170.2	228.8
5. Chemicals	1,166.0	1,264.9	1,475.5	1,885.4	2,336.3	129.6	113.0	97.9	129.0	138.9	1,576.8	1,550.4	1,647.6	1,958.8	2,272.2
6. Manufactured Goods Classified by Material	364.4	391.8	355.9	500.6	594.2	47.8	60.0	47.9	55.2	73.1	2,233.6	2,166.7	1,924.1	2,286.2	2,850.7
7. Machinery and Transport Equipment	183.4	150.3	135.0	197.9	296.1	405.0	489.9	247.9	240.9	295.5	3,289.6	3,172.2	2,571.5	2,928.6	3,180.9
8. Misc. Manufactured Articles	1,415.7	1,513.6	1,293.0	1,478.5	1,858.2	90.2	88.8	59.2	74.6	101.9	971.2	950.2	871.5	1,171.5	1,322.5
9. Commodities and Transactions not Classified Elsewhere	9.4	86.3	262.9	50.2	15.0	6.6	75.1	79.0	15.2	11.7	422.9	332.1	412.0	1,082.2	1,808.2
Total	4,674.7	4,995.7	5,044.1	6,038.8	8,081.8	828.0	909.6	595.7	605.0	708.1	14,420.0	13,611.0	12,235.4	15,295.1	19,375.7

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.

Table 33

Geographic Distribution of External Trade

(JD Million)

	Domestic Exports					Imports				
	2018	2019	2020	2021	2022 ⁽¹⁾	2018	2019	2020	2021	2022 ⁽¹⁾
Arab Countries, o/w:	2,030.4	2,078.6	2,015.9	2,270.4	2,735.5	3,850.7	3,605.3	2,882.5	4,344.4	5,740.0
Saudi Arabia	503.7	549.0	576.2	733.4	840.3	2,392.5	2,265.8	1,521.5	2,282.2	2,890.2
Iraq	469.4	425.0	444.4	411.8	614.8	1.6	44.7	43.7	59.0	157.4
Syria	33.0	53.0	35.0	56.4	70.5	49.9	30.8	31.2	50.3	46.0
UAE	184.3	186.4	183.0	160.8	181.9	584.7	367.9	448.9	1,014.1	1,503.2
Lebanon	76.0	80.0	55.2	31.7	50.5	52.4	56.9	51.7	75.3	80.0
Egypt	78.5	89.8	85.8	127.0	160.1	396.4	546.6	424.2	505.9	556.0
European Union Countries, o/w:	141.7	144.6	153.3	197.3	480.8	3,123.9	2,751.8	2,516.3	2,858.1	3,167.8
Italy	24.2	20.7	8.6	18.3	34.1	445.6	432.4	363.7	456.2	459.9
Netherlands	29.7	32.0	37.2	38.9	123.4	166.9	170.9	123.5	153.1	152.0
Germany	10.1	11.7	12.8	18.2	23.3	659.8	599.6	522.9	544.3	565.0
United Kingdom	15.2	11.9	17.0	20.1	52.9	172.7	162.9	153.5	141.8	159.5
France	9.7	4.9	3.7	6.9	14.3	338.7	301.9	216.6	211.2	242.8
Other European Countries, o/w:	11.9	38.4	179.2	54.2	12.1	532.4	401.2	447.4	749.6	925.5
Russia	1.7	2.0	1.8	1.7	2.8	245.6	166.8	187.6	163.0	110.5
NAFTA and South American Countries, o/w:	1,297.0	1,482.1	1,309.5	1,739.2	1,950.4	2,000.2	1,786.5	1,617.1	1,704.1	1,933.0
USA	1,228.5	1,381.9	1,220.5	1,586.5	1,685.1	1,252.6	1,108.9	976.2	988.0	1,060.5
Non-Arab Asian Countries, o/w:	943.0	970.3	1,073.3	1,418.9	2,326.4	4,350.0	4,681.0	4,287.7	5,270.0	7,076.5
India	485.7	496.1	613.5	906.6	1,272.8	402.5	653.7	347.5	420.2	992.7
Turkey	57.7	31.2	53.3	69.2	65.3	547.5	394.6	396.9	490.6	644.8
South Korea	12.6	14.2	15.0	34.3	30.1	322.4	271.5	305.8	356.7	379.1
Japan	23.5	16.8	15.6	22.8	61.7	290.3	287.5	234.4	256.1	246.9
Taiwan	16.8	9.6	12.2	16.3	19.7	254.2	227.6	188.7	232.4	229.9
China	74.3	141.6	114.8	72.1	190.6	1,964.7	2,220.8	1,924.2	2,230.2	2,957.5
Other Countries	250.7	281.7	312.9	358.8	576.6	562.8	385.2	484.4	368.9	532.9
Total	4,674.7	4,995.7	5,044.1	6,038.8	8,081.8	14,420.0	13,611.0	12,235.4	15,295.1	19,375.7

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.

Table 34

Price and Quantity Indices of Domestic Exports

(1994=100)

	2018		2019		2020		2021		2022 ⁽¹⁾	
	Unit Price	Unit Quantity	Unit Price	Unit Quantity	Unit Price	Unit Quantity	Unit Price	Unit Quantity	Unit Price	Unit Quantity
0. Food and Live Animals	396.6	183.7	260.6	279.0	302.5	252.4	264.5	333.3	261.6	378.5
1. Beverages and Tobacco	84.8	1,722.9	113.9	1,338.5	84.4	1,365.6	80.1	1,518.3	110.7	1,139.4
2. Crude Materials, Inedible, Except Fuels	258.4	138.3	256.8	143.9	256.7	132.9	259.3	190.1	259.8	361.7
4. Animal and Vegetable Oils and Fats	94.2	4.1	93.6	3.8	98.7	9.6	99.7	6.9	99.7	6.9
5. Chemicals	195.7	227.5	177.4	280.9	154.6	364.6	224.1	320.1	274.4	324.1
6. Manufactured Goods Classified by Material	200.9	233.1	146.7	311.9	145.1	284.7	132.8	445.5	163.2	425.6
7. Machinery and Transport Equipment	209.3	257.9	285.5	134.1	274.6	124.8	277.4	181.5	238.2	328.1
8. Misc. Manufactured Articles	415.1	857.7	379.2	989.1	393.1	831.9	472.4	780.2	400.4	1,145.4
General Index	239.0	245.1	213.1	293.2	210.6	301.3	232.8	326.2	247.0	410.6

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.

Table 35

Price and Quantity Indices of Imports

(1994=100)

	2018		2019		2020		2021		2022 ⁽¹⁾	
	Unit Price	Unit Quantity	Unit Price	Unit Quantity	Unit Price	Unit Quantity	Unit Price	Unit Quantity	Unit Price	Unit Quantity
0. Food and Live Animals	237.2	250.8	202.4	289.0	212.0	292.7	234.7	299.4	260.1	342.0
1. Beverages and Tobacco	118.3	849.0	100.2	865.3	106.5	1,056.4	158.7	733.0	199.9	566.1
2. Crude Materials, Inedible, Except Fuels	198.8	178.3	222.5	164.4	203.4	213.1	328.1	154.3	449.9	116.0
3. Mineral Fuels, Lubricants and Related Materials	504.0	197.8	450.2	180.9	303.5	172.7	485.0	129.1	493.2	230.2
4. Animal and Vegetable Oils and Fats	229.6	64.2	212.7	62.6	196.7	73.6	588.8	37.7	621.6	44.6
5. Chemicals	1,012.3	56.5	897.9	61.5	931.2	67.1	719.8	97.5	717.3	113.5
6. Manufactured Goods Classified by Material	218.6	240.4	177.7	281.8	188.1	235.9	217.4	243.0	214.0	308.5
7. Machinery and Transport Equipment	174.4	320.1	193.5	298.9	222.5	217.1	192.7	267.0	159.3	342.9
8. Misc. Manufactured Articles	268.2	245.8	317.8	217.2	297.9	231.5	342.1	237.5	290.7	303.2
General Index	344.6	177.8	318.7	182.4	313.5	165.9	334.1	194.5	331.9	247.4

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.

Table 36
International Investment Position

(JD Million)

	2018 ⁽¹⁾	2019 ⁽¹⁾	2020 ⁽¹⁾	2021 ⁽¹⁾	2022 ⁽¹⁾
International investment position, (net)	-32,149.6	-32,395.4	-33,703.6	-35,015.7	-36,580.3
Assets	17,859.6	18,494.8	20,276.9	21,891.2	20,943.2
Direct investment	434.1	464.9	483.6	494.9	483.7
Equity capital and reinvested earnings	434.1	464.9	483.6	494.9	483.7
Portfolio investment	495.2	517.6	497.6	533.4	658.1
Equity securities	96.0	104.7	109.9	113.0	109.7
Banks	77.0	85.7	90.9	94.0	90.7
Other sectors	19.0	19.0	19.0	19.0	19.0
Debt securities	399.2	412.9	387.7	420.4	548.4
Bonds and notes	399.2	412.9	387.7	420.4	548.4
Banks	399.2	412.9	387.7	420.4	548.4
Financial derivatives	-	-	-	-	-
Other investments	6,595.3	6,592.4	7,271.0	7,359.8	6,904.5
Trade credit	99.0	99.2	84.4	206.8	317.4
Other sectors	99.0	99.2	84.4	206.8	317.4
Loans	1,422.2	1,441.3	1,379.8	1,454.7	1,431.7
Central bank of Jordan	766.9	766.9	766.9	766.9	766.9
Long-term	766.9	766.9	766.9	766.9	766.9
General government	-	-	-	-	-
Banks	655.3	674.4	612.9	687.8	664.8
Long-term	154.9	186.4	195.2	207.7	208.6
Short-term	500.4	488.0	417.7	480.1	456.2
Other sectors	-	-	-	-	-
Currency and deposits	4,621.1	4,587.7	5,288.0	5,187.6	4,674.6
Banks	4,078.4	4,024.0	4,777.9	4,707.6	4,195.3
Other assets	453.0	464.2	518.8	510.7	480.8
Central bank of Jordan	375.1	382.6	407.6	416.9	419.8
Long-term	375.1	382.6	407.6	416.9	419.8
General government	-	-	-	-	-
Banks	77.9	81.6	111.2	93.8	61.0
Long-term	77.9	81.6	111.2	93.8	61.0
Other sectors	-	-	-	-	-
Reserve assets	10,335.0	10,919.9	12,024.7	13,503.1	12,896.9
Monetary gold	1,302.2	1,519.0	2,646.0	2,646.1	2,837.1
Special drawing rights	22.7	11.7	13.8	11.6	7.6
Reserve position in the fund	0.4	0.4	0.4	0.4	0.4
Foreign exchange	8,961.6	9,354.5	9,342.7	10,831.3	9,992.9
Currency and deposits	5,381.2	5,842.3	6,551.7	7,988.9	7,107.7
Securities	3,580.4	3,512.2	2,791.0	2,842.4	2,885.2
Bonds and notes	3,149.6	2,772.7	2,791.0	2,700.7	2,832.9
Money-market instruments	430.8	739.5	-	141.7	52.3
Other Claims	48.1	34.3	21.8	13.7	58.9

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.

Table 36

International Investment Position (Continued)

(JD Million)

	2018 ⁽¹⁾	2019 ⁽¹⁾	2020 ⁽¹⁾	2021 ⁽¹⁾	2022 ⁽¹⁾
Liabilities	50,009.2	50,890.2	53,980.6	56,907.0	57,523.5
Foreign Direct investment	24,931.0	25,389.7	25,978.8	26,486.6	27,249.7
Equity capital and reinvested earnings	24,931.0	25,389.7	25,978.8	26,486.6	27,249.7
Portfolio investment	8,002.3	7,012.4	7,195.1	7,188.8	6,912.6
Equity securities	2,846.6	2,707.1	2,537.0	2,599.1	2,617.6
Banks	1,816.6	1,721.3	1,618.8	1,741.8	1,828.2
Other sectors	1,030.0	985.8	918.2	857.3	789.4
Debt securities	5,155.7	4,305.3	4,658.1	4,589.7	4,295.0
Bonds and notes	5,155.7	4,305.3	4,658.1	4,589.7	4,295.0
General Government	5,145.4	4,305.3	4,658.1	4,589.7	4,295.0
Other Sectors	10.3	-	-	-	-
Financial derivatives	-	-	-	-	-
Other investments	17,075.9	18,488.1	20,806.7	23,231.6	23,361.2
Trade credit	831.6	795.3	626.2	794.1	971.4
General Government	-	-	-	-	-
Other sectors	831.6	795.3	626.2	794.1	971.4
Short-term	831.6	795.3	626.2	794.1	971.4
Loans	7,115.5	7,990.7	9,250.9	10,444.7	11,455.6
Central Bank of Jordan	623.4	433.3	846.9	1,235.9	1,799.4
Use of IMF credit & loans	536.6	358.5	736.7	1,085.0	1,699.0
Other long-term	86.8	74.8	110.2	150.9	100.4
General Government	4,527.8	5,251.2	5,735.8	6,419.0	6,864.7
Long-term	4,527.8	5,251.2	5,735.8	6,419.0	6,864.7
Banks	168.0	208.8	417.1	563.2	786.3
Short-term	168.0	208.8	417.1	563.2	786.3
Other sectors	1,796.3	2,097.4	2,251.1	2,226.6	2,005.2
Long-term	1,796.3	2,097.4	2,251.1	2,226.6	2,005.2
Currency and deposits	8,733.9	9,261.1	10,456.6	11,106.0	10,392.4
Central Bank of Jordan	1,412.6	1,347.7	1,286.9	1,111.1	806.8
Banks	6,966.6	7,558.7	8,815.0	9,640.2	9,230.9
Other liabilities	394.9	441.0	473.0	886.8	541.8
Banks	235.1	282.1	307.5	399.7	388.9
Short-term	235.1	282.1	307.5	399.7	388.9
Other liabilities	159.8	158.9	165.5	487.1	152.9
Other long-term	159.8	158.9	165.5	487.1	152.9
SDR's allocation	159.8	158.9	165.5	487.1	152.9

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S
REPORT**

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Council of Ministers

To the Chairman and Members of the Board of Directors

Central Bank of Jordan

(Established by Special Law)

Independent Auditor's Report

Amman – The Hashemite Kingdom of Jordan

Qualified Opinion

We have audited the accompanying financial statements of the **Central Bank of Jordan (the "Bank")**, which comprise the statement of financial position as at 31 December 2022, and the statement of income, statement of comprehensive income, statement of changes in capital and reserves and statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion paragraph below, the accompanying financial statements present fairly, in all material aspects, the financial position of the Bank as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance to the Central Bank of Jordan Law and its instructions and the amended International Financial Reporting Standards (IFRS) as disclosed in note (2) to the accompanying financial statements.

Basis for Qualified Opinion

As disclosed in note (10) to the accompanying financial statements, the Bank's assets include overdue debt balances for years against the Central Bank of Iraq in the amount of JD 766,882,210 as at 31 December 2022 resulted from commercial exchange and repayment facility agreements. The recoverability of these debt balances depends on the final outcome of the related negotiations between the Governments of Jordan and Republic of Iraq. The Bank did not provide against these doubtful debts according to International Financial Reporting Standards (9); accordingly, we were unable to determine the required provision against these assets, consequently, we were unable to determine whether any adjustment to be made on the accompanying financial statements. Moreover, these balances were classified as stage (1) while it should be classified as stage (3) in accordance with the requirements of IFRS (9).

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 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 qualified opinion.

Emphasis of a matter

We draw attention to note (2) to the accompanying financial statements which describes the basis of preparation. The financial statements have been prepared to assist the Bank in complying with the financial provisions of the Central Bank of Jordan Law No. (23) of 1971 and its amendments and the instructions issued by the Central Bank of Jordan. As a result, the financial statements of the Central Bank of Jordan may not be suitable for any other purpose.

Other information included in the Bank's 2022 annual report.

Other information consists of the information included in the annual report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The 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 do 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 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 to the Central Bank of Jordan Law and its instructions and the amended International Financial Reporting Standards (IFRS) as disclosed in note (2) to the accompanying financial statements, 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.

For and on behalf of Ernst & Young – Jordan

Osama Fayez Shakhatreh

License No. 1079

Amman - Jordan

29 March 2023

Statement (A)

**CENTRAL BANK OF JORDAN
(ESTABLISHED BY A SPECIAL LAW)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 2022**

	Notes	31 December 2022 JD	31 December 2021 JD
ASSETS-			
Golds and Assets in Foreign Currencies:			
Gold	6 L	2,837,064,835	2,646,135,679
Cash, balances and deposits	7	7,107,682,244	7,988,908,142
Foreign financial securities at fair value through profit or loss	8	-	34,460,010
Foreign financial securities at amortized cost	9	2,885,142,714	2,807,836,605
Past due credit facilities and commercial exchange agreements	10	766,882,210	766,882,210
Special drawing rights	11	7,565,081	11,586,051
Foreign financial assets at fair value through other comprehensive income	12	419,820,853	416,931,315
Miscellaneous other assets in foreign currencies	13	58,898,963	13,668,250
Total Assets in Foreign Currencies		14,083,056,900	14,686,408,262
Assets in Jordanian Currency:			
Financial securities and others	14	607,556,172	503,286,903
Advances granted to local banks and financial institutions	15	1,663,725,604	1,777,021,257
Financial assets in local currency at fair value through other comprehensive income	16	48,796,854	46,436,335
Financing of financial securities repurchase agreements	17	525,000,000	590,000,000
Property, equipment and software - net	18	16,592,983	22,747,865
Miscellaneous other assets in Jordanian currency	19	60,117,582	50,790,903
Total Assets in Jordanian Dinar		2,921,789,195	2,990,283,263
Total Assets		17,004,846,095	17,676,691,525
Off-balance sheet accounts	44 B	854,154,490	805,469,539
LIABILITIES, CAPITAL AND RESERVES-			
Currency issued	20	6,678,204,488	6,834,841,008
Liabilities in Foreign currencies:			
Local licensed banks and financial institutions' deposits		654,115,968	709,941,820
Government deposits	23 A	133,813,193	75,927,826
Government with independent budgets deposits and public institutions deposits		16,781,221	16,698,403
Foreign financial institutions, banks and agencies deposits	23 B	840,178,823	1,114,248,447
Obligations against special drawing rights	21	152,924,180	487,141,407
Deposits and other liabilities in foreign currencies		36,490,545	34,086,921
Total Liabilities in Foreign Currencies		1,834,303,930	2,438,044,824
Liabilities in Jordanian Currency:			
Certificates of deposits	22	600,000,000	-
Local licensed banks and financial institutions' deposits		5,941,805,004	6,774,390,864
Government deposits	23 A	739,561,846	294,030,857
Government with independent budgets deposits and public institutions deposits		314,209,012	180,940,424
International Monetary Fund accounts	24	184,764,734	214,624,760
Foreign financial institutions, banks and agencies deposits	23 C	1,498,661	1,950,962
Other liabilities in Jordanian currency	25	89,848,857	279,400,501
Gold and foreign currencies valuation differences	26	77,366,221	156,292,355
Total Liabilities in Jordanian Currency		7,949,054,335	7,901,630,723
Capital and Reserves:			
Capital		48,000,000	48,000,000
General reserve	27	49,090,230	33,090,230
Financial assets revaluation reserve at fair value through other comprehensive income	28	184,621,280	171,615,127
Special reserves	29	261,571,832	249,469,613
Total Capital and Reserves		543,283,342	502,174,970
Total Liabilities, Capital and Reserves		17,004,846,095	17,676,691,525
Off-balance sheet accounts	44 B	854,154,490	805,469,539

Notes from (1) to (46) represent an integral part of these financial statements

Statement (B)

**CENTRAL BANK OF JORDAN
(ESTABLISHED BY A SPECIAL LAW)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	31 December 2022 JD	31 December 2021 JD
Revenues:			
Revenue from foreign investments	30	263,819,614	127,126,893
Revenue from local investments	31	37,495,570	34,935,644
Miscellaneous other revenue	32	19,876,508	7,473,552
Total Revenues		321,191,692	169,536,089
Expenses:			
Interest paid on certificates of deposits and licensed banks' overnight window deposits	33	132,928,699	57,128,849
Interest paid on Government and public institutions accounts		14,036,681	5,873,657
Interest paid on foreign financial institutions, banks, and agencies' accounts		13,351,450	3,078,158
Other interest, commissions, and expenses	34	9,002,696	4,667,393
Cost of issuance and amortization of currency notes and minted coins		10,764,705	5,275,439
General and administrative expenses	35	46,093,109	42,224,279
Expected credit losses provision (recovered from)	36	1,004,487	(2,202,281)
Recovered from discounting of provision	14	(1,114,692)	(999,785)
Total Expenses		226,067,135	115,045,709
Loss from valuation of the Banks' assets and liabilities from gold and foreign currencies	26	(78,926,134)	(213,690,626)
Profit (loss) before the adjustment of the impact in the treatment of gold and foreign currencies		16,198,423	(159,200,246)
Loss from valuation of the Bank's assets and liabilities in gold and foreign currencies transferred as per the Bank's law	26	78,926,134	213,690,626
Profit after the adjustment of the impact in the treatment of gold and foreign currencies – Statement (B)		95,124,557	54,490,380
Transferred to special reserve as per the Bank's law	29	15,124,557	14,490,380
Transferred to public treasury as per the Bank's law	27	64,000,000	32,000,000
Transferred to general reserve as per the Bank's law	27	16,000,000	8,000,000

Notes from (1) to (46) represent an integral part of these financial statements

Statement (C)

**CENTRAL BANK OF JORDAN
(ESTABLISHED BY A SPECIAL LAW)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
STATEMENT COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	31 December 2022 JD	31 December 2021 JD
Profit after the adjustment of the impact in the treatment of gold and foreign currencies - Statement (B)		95,124,557	54,490,380
Other comprehensive income items:			
Change in financial assets revaluation reserve through other comprehensive income	28	13,006,153	11,473,796
Total Comprehensive Income - Statement (C)		108,130,710	65,964,176

Notes from (1) to (46) represent an integral part of these financial statements

Statement (D)

**CENTRAL BANK OF JORDAN
(ESTABLISHED BY A SPECIAL LAW)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Capital	General reserve	Financial assets revaluation reserve	Special reserves	Profit as per the Bank's law	Total
<u>For the Year Ended 31 December 2022</u>	JD	JD	JD	JD	JD	JD
Balance at 1 January 2022	48,000,000	33,090,230	171,615,127	249,469,613	-	502,174,970
Other adjustments	-	-	-	(3,022,338)	-	(3,022,338)
Adjusted balance at 1 January 2022	48,000,000	33,090,230	171,615,127	246,447,275	-	499,152,632
Profit after the adjustment of the impact in the treatment of gold and foreign currencies – Statement (B)	-	-	-	-	95,124,557	95,124,557
Change in financial assets' fair value	-	-	13,006,153	-	-	13,006,153
Total Comprehensive Income - Statement (C)	-	-	13,006,153	-	95,124,557	108,130,710
Transferred to general reserve	-	16,000,000	-	-	(16,000,000)	-
Transferred to special reserves against the decrease in the Bank's assets	-	-	-	15,124,557	(15,124,557)	-
Transferred to public treasury	-	-	-	-	(64,000,000)	(64,000,000)
Balance as at 31 December 2022	48,000,000	49,090,230	184,621,280	261,571,832	-	543,283,342
<u>For the Year Ended 31 December 2021</u>						
Balance at 1 January 2021	48,000,000	25,090,230	160,141,331	234,979,233	-	468,210,794
Profit after the adjustment of the impact in the treatment of gold and foreign currencies – Statement (B)	-	-	-	-	54,490,380	54,490,380
Change in financial assets' fair value	-	-	11,473,796	-	-	11,473,796
Total Comprehensive Income - Statement (C)	-	-	11,473,796	-	54,490,380	65,964,176
Transferred to general reserve	-	8,000,000	-	-	(8,000,000)	-
Transferred to special reserves against the decrease in the Bank's assets	-	-	-	14,490,380	(14,490,380)	-
Transferred to public treasury	-	-	-	-	(32,000,000)	(32,000,000)
Balance as at 31 December 2021	48,000,000	33,090,230	171,615,127	249,469,613	-	502,174,970

Notes from (1) to (46) represent an integral part of these financial statements

Statement (E)

**CENTRAL BANK OF JORDAN
(ESTABLISHED BY A SPECIAL LAW)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	31 December 2022 JD	31 December 2021 JD
<u>OPERATING ACTIVITIES</u>			
Profit (loss) for the year before the adjustment of the impact in the treatment of gold and foreign currencies - Statement (B)		16,198,423	(159,200,246)
Adjustments:			
Depreciation of property, equipment and software	18	4,474,188	3,887,764
Loss (gain) from sale of property, equipment and software		6,175	(3,000)
Loss from valuation of the Bank's assets of gold	26	82,042,253	208,139,348
(Gain) loss from the valuation of the Bank's assets and liabilities in foreign currencies	26	(3,116,119)	5,551,278
Expected credit losses provision (recovered from)	36	1,004,487	(2,202,281)
Recovered from discounting of Impairment loss against financial securities	14	(1,114,692)	(999,785)
Net Profit before the change in assets and liabilities		99,494,715	55,173,078
<u>Change in assets and liabilities</u>			
Deposits in foreign banks and financial institutions maturing after more than 3 months		1,270,834,448	(1,094,169,795)
Miscellaneous other assets in foreign currencies		(45,230,712)	8,164,547
Miscellaneous other assets in Jordanian Dinar		(9,333,500)	(502,294)
Licensed banks deposits and local financial institutions in foreign Currencies		(55,825,852)	(27,336,832)
Government deposits in foreign currencies		57,885,367	(17,428,589)
Government with independent budgets deposits and public institutions deposits in foreign currencies		82,818	4,540,186
Foreign financial institutions, banks and agencies deposits in foreign currencies maturing after more than 3 months		(183,134,701)	(70,899,999)
Obligations against special drawing rights		(334,217,227)	321,642,977
Deposits and other liabilities in foreign currencies		2,403,624	5,522,865
Deposits of local licensed banks and financial institutions - Jordanian Dinar		(832,585,860)	1,133,637,861
Government deposits - Jordanian Dinar		445,530,988	113,291,030
Government with independent budgets deposits and public institutions - Jordanian Dinar		133,268,588	53,905,672
International Monetary Fund accounts		(29,860,026)	(2,233,511)
Foreign financial institutions, banks and agencies deposits		(452,301)	138,469
Special drawing rights		4,020,970	2,260,814
Increase in currency issued		(156,636,520)	338,344,809
Other liabilities - Jordanian Dinar		(189,551,644)	82,548,162
Net Cash Flows from Operating Activities		176,693,175	906,599,450
<u>INVESTING ACTIVITIES</u>			
Foreign financial securities at fair value through profit or loss		34,460,010	36,477,258
Foreign financial securities at amortized cost		(77,182,823)	(85,334,685)
Financial securities and others in Jordanian Dinar		(103,257,200)	76,150,800
Advances granted to local banks and financial institutions		112,175,644	(105,940,664)
Foreign financial assets at fair value through other comprehensive income		7,756,096	989,316
Local financial assets at fair value through other comprehensive income		-	(1)
Increase in repurchase of securities agreement in more than 3 months		100,000,000	(200,000,000)
Purchase and sale of gold - net		(272,953,801)	(208,270,512)
Purchase of property, equipment, and software	18	(1,354,155)	(3,414,054)
Proceeds from sale of property, equipment and software		6,336	3,000
Net Cash Flows used in Investing Activities		(200,349,893)	(489,339,542)
<u>FINANCING ACTIVITIES:</u>			
Transferred to treasury account		(64,000,000)	(32,000,000)
Net Cash Flows used in Financing Activities		(64,000,000)	(32,000,000)
Valuation of the Bank's assets and liabilities in foreign currencies		3,116,119	(5,551,278)
(Decrease) increase in cash and cash equivalent		(84,540,599)	379,708,630
Cash, balances and deposits at the beginning of the year		5,076,379,842	4,696,671,212
Cash, Balances and Deposits - at the End of the Year	7	4,991,839,243	5,076,379,842

Notes from (1) to (46) represent an integral part of these financial statements

CENTRAL BANK OF JORDAN
(ESTABLISHED BY A SPECIAL LAW)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

1- General

- The Central Bank of Jordan was established in 1964 by a Special Law, and the Bank has an independent legal body, and its objectives are to maintain monetary stability in the Kingdom, ensure the convertibility of the Jordanian Dinar, contribute to achieving banking and financial stability in the Kingdom, and contribute to encouraging steady economic growth in accordance with the general economic policies in the Kingdom.
- According to the Central Bank of Jordan Law and its amendments for the year 1971, if the reserves were not enough to cover any loss incurred by the Bank in the profit and loss account for any financial year, then the Government must pay an adequate amount for such coverage within three months following the year-end of that financial year.
- During June 2016, law number (24) for the year 2016 has been formalized, which represents the amended law for the Central Bank of Jordan law number (23) for the year 1971 and its amendments, the Bank had applied this amended law as soon as it was formalized.
- The Bank's headquarters are located in Amman, with two branches in Irbid and Aqaba.
- The total number of employees in the Central Bank of Jordan as at the end of 2022 was 1,135.
- The accompanying financial statements of the Central Bank of Jordan have been approved by the Board of Directors on its meeting held on 20 March 2023.

2- Basis of Preparation of the Financial Statements

The accompanying financial statements have been prepared in accordance to the Central Bank of Jordan Law and its instructions and the amended International Financial Reporting Standards (IFRS) as shown below.

The financial statements have been prepared on the historical cost basis except for financial assets and gold, which appear at fair value at the date of the financial statements. The accompanying financial statements represent the Bank's combined accounts, including Irbid and Aqaba branches.

The main differences between IFRS as it should be applied and Central Bank of Jordan Law and its Instruction are as follows:

1- Article (9):

- a- Central Bank maintains a general reserve where 20% of the net profit of the Bank is maintained in each financial year and pays the remaining 80% from the net profit for the government.

- b- All net profits are paid to the government when the general reserve exceeds two times the amount of capital.
- c- Net profits for the purposes of this article are determined after deducting all payments, administrative expenses, contributions in the private provident fund staff of the Central Bank and its employees, and any other special reserves to meet any expected expenses or any shortfall Bank's assets.

2- Article (31):

The Central Bank shall maintain assets the value of which at any time shall not be less than the value of the notes and coins in circulation. Such assets shall consist of all or any of the following:

- a- Gold and gold coins in any form.
- b- The Kingdom's contribution to any regional or international financial institution paid in gold or convertible foreign currencies.
- c- The Kingdom's holdings in Special drawing rights.
- d- Convertible foreign currencies in the form of cash, demand or time deposits, certificates of deposit, or bank acceptances provided that their maturities do not exceed two years.
- e- Financial papers issued or guaranteed by a foreign government or any of its official institutions, or by an international financial institution, made in a convertible currency.
- f- Any foreign currency assets including credit balances in favor of the Kingdom under payments and settlement agreements.
- g- Negotiable government securities.

3- Article (56):

- a- Any loss or profit arising from the re-valuation of the assets and liabilities of the Central Bank in gold or foreign currencies as a result of any change in the par value of any foreign currency, shall be excluded from the statement of profit and loss of the Central Bank and shall be carried in a special account. The Central Bank may allocate in subsequent years the funds required for the amortization of such losses carried in this special account, and may use any part of its general reserve, on the recommendation of The Board and with the approval of the Council of Ministers, to cover such losses carried in the special account or any part thereof.
- b- The Board shall determine, for the purpose of the annual balance sheet, the value of all gold and foreign currency assets corresponding to bank notes in circulation.

4- Instructions number (1203 / 2019):

In line with Article No. (12) Paragraph (C) of the Central Bank Law No. 23 for the year 1971 and its amendments, and based on Board of Directors decision No. 91/69 dated December 4, 1969 and according to the applied instructions of the Central Bank of Jordan No. (1203/2019) it was decided to exclude loans granted to banks and specialized institutions from the amortized cost measurement requirements based on International Financial Reporting Standards and to be recorded and presented at its nominal amount, since it is being granted at an interest rate lower than the market interest rate in order to achieve the goals connected with these loans as part of implementing the approved programs by the Central Bank of Jordan and to contribute the encouragement of countries' business growth in accordance with the general economic policies of the Kingdom.

5- Economic Security Committee Resolution for the year 1991:

The government of the Hashemite Kingdom of Jordan advance was excluded under the 1991 Resolutions of the Economic Security Committee from the requirements of International Financial

Reporting Standards in relation to measuring these loans at the amortized cost and calculating the expected credit losses to be recorded and presented at nominal value.

- 6- Financial assets at fair value through other comprehensive income not traded in financial markets were excluded from the requirements of International Financial Reporting Standards for fair value assessment.

3- Functional Currency and Presentation Currency

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

4- Significant Accounting Judgments and Key Sources of Uncertainty Estimates

Preparation of the financial statements and application of the accounting policies require management to make judgments and estimates 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 Statement of Changes in Capital and Reserves. 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.

Following are the significant matters that include the use of uncertain estimates and judgments in the application of the accounting policies that significantly impact the financial statements amounts:

Provision for expected credit losses

Management is required to use significant judgments and estimates to estimate the amounts and timing of future cash flows and assess the risks of a significant increase in credit risks for financial assets after initial recognition and future measurement information for the expected credit losses. The most important policies and estimates used by the Bank's management are detailed in note (39).

Significant increase in credit risk

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

change in credit risk that result in a change in the classification within the three stages (1, 2 and 3) are shown in detail in note (39).

Evaluation of business model

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

Tangible and intangible assets useful life

Management periodically reassesses the economic useful life of tangible and intangible assets, based on the general condition of these assets and the expectation of their useful economic lives in the future. The impairment loss is recognized in income statement for the year.

Litigation allowance

The allowance 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.

Establish groups of assets with similar credit risk characteristics

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

Re-division of portfolios and movements between portfolios

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

Models and assumptions used

The Bank uses various models and assumptions in measuring the fair value of financial assets as well as in assessing the expected credit loss described in note (39). 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.

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.

c) Derivative financial instruments

The fair values of derivative financial instruments measured at fair value are generally obtained by reference to quoted market prices, discounted cash flow models and, where appropriate, recognized pricing models. In the absence of prices, fair values are determined using valuation techniques that reflect observable market data. These techniques include comparison with similar instruments at observable market prices, discounted cash flow analysis, pricing option models and other valuation techniques commonly used by market participants. The main factors that management takes into consideration when applying the model are:

- The expected timing and probability of future cash flows on the instrument where such cash flows are generally subject to the terms of the instrument, although the management's judgment may be required, where the counterparty's ability to repay the instrument in accordance with contractual terms is in doubt; and
- An appropriate discount rate for the instrument. Management determines the instrument discount rate at a rate higher than the non-risk rate. In assessing the instrument by reference to comparative instruments, Management considers the maturity, structure, and degree of classification of the instrument based on the system in which the existing position is compared. When evaluating

tools on a model basis using the fair value of the main components, they also consider the need to adjust for a several factors, such as bid differences, credit status, portfolio service costs, and uncertainty about the model.

Leases

Extension and termination options are included in several leases. These conditions are used to increase operational flexibility in terms of contract management, that most of the held extension and termination options are renewable by both the Bank and the lessor.

When determining the term of the lease, management considers all facts and circumstances that create an economic incentive for the option to extend, or not to terminate. The extension options (or periods after the termination options) are included only in the term of the lease if the lease is reasonably certain to be extended (or not terminated). The evaluation is reviewed in the event of a significant event or a significant change in the circumstances that affect this evaluation and that are under the control of the tenant.

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:

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, taking into account cash flows from collateral and integrated credit adjustments.

Fair Value Measurement and Valuation Procedures

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

The actions taken by the Bank to face the potential impact of the pandemic on the Bank

The impact of such uncertain economic conditions is discretionary, and the Bank will continue to reassess its position and the associated impact on a regular basis. As with any economic forecast, projections and probabilities are subject to a high degree of uncertainty and therefore actual results may differ significantly from those projected.

5- Changes in Accounting Policies

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2021 except for the adoption of new amendments on the standards effective as of 1 January 2022 shown below:

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

These amendments had no impact on the financial statements of the Bank.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the financial statements of the Bank.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the financial statements of the Bank.

IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

These amendments had no impact on the financial statements of the Bank.

6- Significant Accounting Policies

The following are the most important accounting policies adopted by the Bank:

A- Net Interest Income**Calculating Investments Revenues and Interest Paid**

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

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

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

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

B- Net Fees and Commission Income

Fees and commission income and expense include fees other than those that are an integral part of the effective interest rate.

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

A contract with a customer that results in a recognized financial instrument in the Bank's financial statements may be partially in the scope of IFRS (9) and partially in the scope of IFRS (15). If this is the case, then the Bank recognizes the commissions for the part related to IFRS (9) and the remaining part recognized according to IFRS (15).

C- Net Trading Income

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

D- Net Income from other Financial Instruments at Fair Value through Profit or Loss

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

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

E- Dividends Income

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

The presentation of dividend income in the income statement depends on the classification and measurement of the equity investment, i.e.:

- For equity instruments which are held for trading, dividend income is presented in the statement of profit and loss within the profit (loss) of financial assets at fair value through the profit or loss line; and
- For equity instruments classified at fair value through other comprehensive income, dividend income is presented in dividends from financial assets at fair value through other comprehensive income line within the statement of profit and loss; and
- For equity instruments not classified at fair value through other comprehensive income and not held for trading, dividend income is presented as net income from other instruments at fair value through the statement of profit and loss.

F- Financial Instruments**Initial Recognition and Measurement**

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

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

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

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

After initial recognition, the deferred gain or loss will be recognized in the income statement on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability or when derecognizing the instruments.

Financial Assets

Initial Recognition

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

Subsequent Measurement

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

Specifically:

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

However, the Bank may irrevocably make the following selection / designation at initial recognition of a financial asset on an asset-by-asset basis:

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

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

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

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

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

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

Equity Instruments at Fair Value Through Other Comprehensive Income

The Bank recognizes the financial assets at fair value through other comprehensive income which have quoted prices in active financial markets at fair value based on their market prices. The Bank recognizes unquoted financial assets at fair value through comprehensive income at their book value.

Assessment of Business Model

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

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

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

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

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

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

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

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

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

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

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

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss are:

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

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

Reclassifications

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

Fair Value Option

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

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

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

Impairment in Financial Assets:

The Bank recognizes loss allowances for expected credit losses on:

- Financial assets at amortized cost
- Gold deposits
- Balances and deposits

- Foreign financial securities at amortized cost
- Past due direct credit facilities and commercial exchange agreements
- Financial securities and others
- Advances granted to local banks and financial institutions
- Financing of repurchase agreements
- Miscellaneous other assets – Jordanian currency
- Indirect facilities off-balance sheet (in foreign currencies) including letters of credit and SWAP contracts.

No impairment loss is recognized on equity investments.

Except for purchased or originated credit-impaired financial assets (which are considered separately below), expected credit losses are required to be measured through a loss provision at an amount equal to:

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

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

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

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

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

Credit-Impaired Financial Assets

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

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The Bank grants the borrower, for economic or contractual reasons related to the financial difficulty of the borrower, a waiver; or
- The disappearance of an active market for a security because of financial difficulties; or
- The purchase of a financial asset at a deep discount that reflects the incurred credit losses.

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

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

Purchased or Originated Credit-Impaired (POCI) Financial Assets

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

Definition of Default

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

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

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

Significant Increase in Credit Risk

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

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

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

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

Modification and Derecognition of Financial Assets

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

When a financial asset is modified, the Bank assesses whether this modification results in derecognition. In accordance with the Bank's policy, a modification results in derecognition when it gives rise to a substantial difference in terms.

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

In the case where the financial asset is derecognized, the loss provision for expected credit loss is re-measured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month expected credit loss.

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

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

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

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

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

Impairment of Non-Financial Assets

- At each reporting date, the Bank reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.
- An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount.
- The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.
- Impairment losses are recognized in income statement.
- For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Write-off

Financial assets are written off when the Bank has no reasonable expectations of recovering the financial asset. This is the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. In case of a write-off of a financial asset, the Bank proceeds its attempts to retain the financial assets, which is recognized in the income statement when recovered.

Presentation of Provision for Expected Credit Loss in the Statement of Financial Position

Provision for expected credit loss is presented in the statement of financial position as follows:

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

Financial Liabilities

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

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

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

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

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

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

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

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

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

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

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

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

Other Financial Liabilities

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

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

Derecognition of Financial Liabilities

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

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

Credits and Advances Granted

- Loans granted to local banks and financial institutions are excluded from the requirements of International Financial Reporting Standards regarding measuring those loans at amortized cost to be recorded and presented in its nominal amount, since it is being granted at an interest rate lower than the market interest rate in order to achieve the stated goals of these loans in implementation of the various programs approved by the Central Bank of Jordan to contribute in encouraging steady economic growth in accordance with the general economic policies of the Kingdom.
- Expected credit losses provision is made for advances and credit granted if it becomes clear that the amounts owed to the Bank cannot be collected and when there is objective evidence that an event has negatively affected the future cash flows of the advances and credit granted and when this decline can be estimated, the value of the provision is recorded in the income statement.

Derivative Financial Instruments

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

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

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

Embedded Derivatives

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

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

Commitments to Provide a Loan at a Below-Market Interest Rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at fair value through income statement, are subsequently measured:

- The amount of the loss provision determined in accordance with IFRS (9); and
- The amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the Bank's revenue recognition policies, which is higher.

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

The Bank has not designated any commitments to provide a loan below market rate designated at fair value through the income statement based on Bank's application instruction No. (1203 / 2019) and In line with Article No. (12) Paragraph (C) of the Central Bank Law No. 23 of 1971 and its amendments, and based on Board of Directors decision No. 91/69 dated December 4, 1969, it was decided to exclude loans granted to banks and specialized institutions from the requirements of the International Financial Reporting Standards regarding to measuring the loss at amortized cost to be recorded and presented at its nominal amount, since it is being granted at an interest rate lower than the market interest rate in order to achieve the stated goals of these loans in implementation of the various programs approved by the Bank to contribute in encouraging steady economic growth in accordance with the general economic policies of the Kingdom.

Derivatives**Derivatives for Trading**

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

Hedge Accounting

The Bank designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations, as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. The Bank does not apply fair value hedge accounting of portfolio hedges of interest rate risk. In addition, the Bank does not use the exemption to continue using IAS (39) hedge accounting rules, i.e. the Bank applies IFRS (9) hedge accounting rules in full.

At the inception of the hedge relationship, the Bank documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Bank documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Bank actually hedges, and the quantity of the hedging instrument that the Bank actually uses to hedge that quantity of the hedged item.

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

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

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

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

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

Fair Value Hedges

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

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

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

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

Cash Flow Hedges

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

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

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

Hedges of Net Investments in Foreign Operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain/loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated in the foreign currency translation reserve.

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

G- Offsetting

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

H- Accounts Managed on Behalf of Customers

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

I- Employees Benefits

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

J- Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of past events, it is probable that the obligation will be settled and the amount can be estimated reliably. When the Bank expects to pay all or part of the provision (eg. the case of insurance contracts), the payment is made as a separate asset only if there is actual certainty. The expense related to the provision is recorded in the statement of comprehensive income after any payments are made.

K- Fair Value

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

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

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

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

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

L- Gold

Gold is stated in the statement of financial position on the basis of the prevailing international prices of International Markets when preparing the evaluation bulletin approved by the Bank on the last working day of the year amounting to JD 1,282/155 per ounce as of 31 December 2022, the ounces quantity is 2,212,732 (JD 1,275/170 per ounce as of 31 December 2021 the ounces quantity was 2,075,124).

This item consists of the following:

	31 December 2022 JD	31 December 2021 JD
Bank's reserve from gold	2,837,064,835	2,646,135,679
Includes: Gold deposits	32,047,604	261,386,101

All the balances of the gold deposit accounts are classified as part of the stage 1 in accordance with the requirements of IFRS 9, and there are no transfers between (stage 1, 2 and 3), or non-existent balances during the year ended 31 December 2022. The movements on each of the balances of gold deposits and provision for expected credit losses for the balances of these accounts according to the stages of classification were as follows:

The movement on gold deposit balances subject to the expected credit loss measurement on individual level is as follows:

Item	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	261,409,850	-	-	261,409,850
Debit transactions during the year	337,165,465	-	-	337,165,465
Credit transactions during the year	(563,080,240)	-	-	(563,080,240)
	35,495,075	-	-	35,495,075
Gold valuation gains	(3,441,200)	-	-	(3,441,200)
Ending balance	32,053,875	-	-	32,053,875

Item	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	120,616,200	-	-	120,616,200
Debit transactions during the year	535,261,720	-	-	535,261,720
Credit transactions during the year	(389,764,980)	-	-	(389,764,980)
	266,112,940	-	-	266,112,940
Gold valuation gains	(4,703,090)	-	-	(4,703,090)
Ending balance	261,409,850	-	-	261,409,850

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

Item	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	23,749	-	-	23,749
Impact of revaluation	130	-	-	130
Recovered from credit losses during the year	(17,608)	-	-	(17,608)
Ending balance	6,271	-	-	6,271

Item	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	26,632	-	-	26,632
Impact of revaluation	(1,292)	-	-	(1,292)
Recovered from credit losses during the year	(1,591)	-	-	(1,591)
Ending balance	23,749	-	-	23,749

- There are no exposures that have been modified, transferred or written-off during the years 2022 and 2021.

According to the Central Bank of Jordan Law No. (23) for the year 1971 and its amendments, specially regarding to the article No. (56):

- Any loss or profit arising from the re-valuation of the assets and liabilities of the Bank in gold or foreign currencies as a result of any change in the par value of any foreign currency, shall be excluded from the statement of profit and loss of the Bank and shall be carried in a special account. The Bank may allocate in subsequent years the funds required for the amortization of such losses carried in this special account, and may use any part of its general reserve, on the recommendation of The Board and with the approval of the Council of Ministers, to cover such losses carried in the special account or any part thereof.
- The Board shall determine, for the purpose of the annual balance sheet, the value of all Gold and foreign currency assets corresponding to bank notes in circulation.
- Gold balances and deposits that mature during short-term periods (less than three months) amounted to JD Nil as of 31 December 2022 (JD 210,389,275 as of 31 December 2021).

M- Repurchase and Resale Agreements

The financial statements of the sold assets that were concurrently pledged to repurchase them at a future date continue to be recognized in the financial statements, due to the Bank's continued control over these assets and because any risks or benefits that revert to the Bank as they arise, and their evaluation continues in accordance with the followed accounting policies, and the amounts corresponding to the sums received for these contracts are included in the liabilities In the borrowed funds item, the difference between the sale price and the repurchase price is recognized as an interest expense payable over the term of the contract using the effective interest method.

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

N- Property, Equipment and Software

Property, equipment and software are recorded at historical cost after deducting accumulated depreciation or any impairment in their value. Property and equipment (except for land) are depreciated, once they are ready for use, according to their expected economic useful lives using the straight-line method based on the following annual rates:

	%
Buildings	3
Buildings improvements	20
Furniture, fixtures, and decorations	10
Vaults and safe boxes	5
Computers	25
Machinery and equipment	15
Vehicles	15
Softwares	25

- In the event that the recoverable amount of any property and equipment is less than its net book value, the value of the property and equipment is reduced to the recoverable amount, and the impairment loss is charged to the statement of profit or loss.
- At the end of each year, the economic useful lives of property and equipment are reviewed. In case the expected economic useful lives differ from the previously prepared estimates, the change in estimate is recorded in the subsequent years, being a change in estimates.
- Property and equipment are derecognized upon disposal or when no future benefits are expected from their use or disposal.

O-Leases

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

Bank Acting as a Lessee

At commencement or on modification of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Bank has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component. The Bank recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Bank by the end of the lease term or the cost of the right-of-use asset reflects that the Bank will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain premeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Bank uses its incremental borrowing rate.

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

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

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

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

When lease liabilities are measured using this method, the adjustments are made to related right of use asset or in the income statement if the net book value for the related right of use asset was not fully depreciated.

Short-term leases and leases of low-value assets

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

The Bank as lessor

When the Bank acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

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

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

The Bank determines whether the contract is a lease or includes lease clauses. The contract is considered a lease contract or includes a lease if it includes the transfer of control over a specified asset for a specified period in exchange for compensation as defined in the lease contract in the standard.

P- Foreign Currencies

Transactions in foreign currencies occurred during the year are recorded at the prevailing exchange rates at the date of the transaction.

Financial assets' and financial liabilities' balances denominated in foreign currencies are translated at the prevailing average exchange rates on the statement of financial position date as declared by the Bank against the Jordanian Dinar.

Non-monetary assets and liabilities denominated in foreign currencies and presented at fair value are translated on the date when their fair value is determined.

The currency differences arising from the revaluation of the Bank's assets in foreign currencies are transferred to the foreign currency and gold valuation account. Appearing on the assets side if its balance was debit and on the liabilities side if its balance was a credit.

Q- Date of Recognizing Financial Assets

The purchase or sale of financial assets is recognized at the trading date (the date of the Bank's commitment to purchase or sell the financial assets).

R- The costs of printing new currency notes and minted coins are amortized over three years.

S- Interest earned is recognized on the accrual basis except for interest from credit facilities and other commercial payment agreements which is recognized as income only when received.

T- Interest and commissions expenses are recognized on the accrual basis.

U- Under the Law of Central Bank, Article 9/A, the Central Bank of Jordan has to maintain a general reserve of 20% of the net profit of the Bank in each fiscal year and pay the remaining to the government.

7- Cash, Balances and Deposits

This item consists of the following:

	31 December 2022 JD	31 December 2021 JD
Cash at bank	243,714,505	239,252,533
Current accounts	896,470,715	768,373,748
Balances demand accounts and deposits	5,969,971,691	6,983,840,600
	7,110,156,911	7,991,466,881
Expected credit losses provision	(2,474,667)	(2,558,739)
	7,107,682,244	7,988,908,142
Cash and cash equivalent for cash flow purposes*	4,991,839,243	5,076,379,842

Current accounts in convertible foreign currencies balances that subject for expected credit losses are as follows:

Item	31 December 2022			
	Stage 1 JD	Stage 2 JD	Stage 3 JD	Total JD
Beginning balance	614,103,074	-	-	614,103,074
Debit transactions during the year	4,512,930,960	-	-	4,512,930,960
Credit transactions during the year	(4,468,200,960)	-	-	(4,468,200,960)
Ending balance	658,833,074	-	-	658,833,074

Item	31 December 2021			
	Stage 1 JD	Stage 2 JD	Stage 3 JD	Total JD
Beginning balance	628,767,389	-	-	628,767,389
Debit transactions during the year	1,904,518,024	-	-	1,904,518,024
Credit transactions during the year	(1,919,182,339)	-	-	(1,919,182,339)
Ending balance	614,103,074	-	-	614,103,074

Provision for expected credit losses for current account balances in convertible foreign currencies are as follows:

Item	31 December 2022			
	Stage 1 JD	Stage 2 JD	Stage 3 JD	Total JD
Beginning balance	8,272	-	-	8,272
Recovered from credit losses during the year	(3,794)	-	-	(3,794)
Ending balance	4,478	-	-	4,478

Item	31 December 2021			
	Stage 1 JD	Stage 2 JD	Stage 3 JD	Total JD
Beginning balance	10,469	-	-	10,469
Recovered from credit losses during the year	(2,197)	-	-	(2,197)
Ending balance	8,272	-	-	8,272

- There are no exposures that have been modified, transferred or written-off during the years 2022 and 2021.

All of deposits and demand accounts balances are classified in stage 1, in addition there is no transfers between the stages (stage 1, 2 and 3) or written-off balances during year ended December 31, 2022 and the following are the movement for each balances and expected credit losses for those accounts based on their stages.

Deposits balances that is subject to expected credit loss measurement:

Item	31 December 2022			
	Stage 1 JD	Stage 2 JD	Stage 3 JD	Total JD
Beginning balance	6,983,650,000	-	-	6,983,650,000
Debit transactions during the year	17,920,684,000	-	-	17,920,684,000
Credit transactions during the year	(18,934,554,000)	-	-	(18,934,554,000)
Ending balance	5,969,780,000	-	-	5,969,780,000

Item	31 December 2021			
	Stage 1 JD	Stage 2 JD	Stage 3 JD	Total JD
Beginning balance	5,565,650,000	-	-	5,565,650,000
Debit transactions during the year	14,216,159,000	-	-	14,216,159,000
Credit transactions during the year	(12,798,159,000)	-	-	(12,798,159,000)
Ending balance	6,983,650,000	-	-	6,983,650,000

Provision for expected credit losses for deposits and demand accounts as per staging are as follow:

Item	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	2,550,467	-	-	2,550,467
Recovered from credit losses during the year	(80,278)	-	-	(80,278)
Ending balance	2,470,189	-	-	2,470,189

Item	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	3,552,109	-	-	3,552,109
Recovered from credit losses during the year	(1,001,642)	-	-	(1,001,642)
Ending balance	2,550,467	-	-	2,550,467

The following are the details of deposits according to the maturity date:

Demand accounts and deposits	Due within 3 months	Due within a Period from 3 to 6 months	Due within a Period from 6 months to 1 year	Total
	JD	JD	JD	JD
2022	4,187,374,513	873,040,087	907,086,902	5,967,501,502
2021	3,930,408,974	3,015,450,536	35,430,623	6,981,290,133

During the year 2022, interest rates on (USD) currency deposit accounts ranged from 0.30% to 5.95% depending on maturity date. (2021: from 0.15% to 0.65%).

- There are no exposures that have been modified, transferred or written off during the years 2022 and 2021.

* The details of cash and cash equivalent as of December 31, 2022 and 2021 were as follows:

	31 December 2022	31 December 2021
	JD	JD
Cash at bank and current account balances with foreign banks	1,140,185,220	1,007,626,281
Add:		
Balances with banks and banking institutions due within three months	4,187,374,513	3,930,408,974
Securities repurchase agreements mature within three months	425,000,000	390,000,000
Deduct:		
Balances with banks and banking institutions due within three months	(160,720,490)	(251,655,413)
Certificates of deposit maturing within three months	(600,000,000)	-
	4,991,839,243	5,076,379,842

8- Financial Securities at Fair Value Through Profit or Loss

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Foreign bonds with fixed interest rates	-	34,460,010
	-	34,460,010

9- Foreign Financial Securities at Amortized Cost

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
a – Foreign Bonds		
Foreign bonds with fixed interest rates	2,549,856,230	2,206,290,883
Foreign bonds with floating interest rates	283,607,289	460,639,081
	2,833,463,519	2,666,929,964
b – Foreign Commercial Papers		
Foreign commercial papers at amortized cost	52,313,584	141,664,316
	52,313,584	141,664,316
Total foreign financial securities at amortized cost	2,885,777,103	2,808,594,280
Less: Expected credit losses provision	(634,389)	(757,675)
	2,885,142,714	2,807,836,605

a- The maturities of foreign bonds ranged from five weeks to four years and ten months with an interest rate ranging from 0% to 6.125%.

- All of foreign bonds accounts balances are classified in stage 1 in addition there is no transfers between stages (stage 1, 2 and 3) or written-off balances during year ended December 31, 2022. The following are the movement on each of balances and expected credit losses for the accounts balances based on their stages:

Accounts balances for foreign bonds with fixed interest rates:

Item	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	2,206,290,883	-	-	2,206,290,883
Debit transactions during the year	902,764,257	-	-	902,764,257
Credit transactions during the year	(559,198,910)	-	-	(559,198,910)
Ending balance	2,549,856,230	-	-	2,549,856,230

Item	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	1,932,898,967	-	-	1,932,898,967
Debit transactions during the year	632,430,818	-	-	632,430,818
Credit transactions during the year	(359,038,902)	-	-	(359,038,902)
Ending balance	2,206,290,883	-	-	2,206,290,883

Provision for expected credit losses for foreign bonds with fixed interest rates account balances:

Item	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	612,549	-	-	612,549
Recovered from expected credit losses	(91,685)	-	-	(91,685)
Ending balance	520,864	-	-	520,864

Item	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	2,302,277	-	-	2,302,277
Recovered from expected credit losses	(1,689,728)	-	-	(1,689,728)
Ending balance	612,549	-	-	612,549

- There are no exposures that have been modified, transferred, or written-off during the years 2022 and 2021.

Accounts balances for foreign bonds with floating interest rates:

Item	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	460,639,081	-	-	460,639,081
Debit transactions during the year	748	-	-	748
Credit transactions during the year	(177,032,540)	-	-	(177,032,540)
Ending balance	283,607,289	-	-	283,607,289

Item	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	790,360,628	-	-	790,360,628
Debit transactions during the year	3,180	-	-	3,180
Credit transactions during the year	(329,724,727)	-	-	(329,724,727)
Ending balance	460,639,081	-	-	460,639,081

Provision for expected credit losses for foreign bonds with floating interest rates account balances:

Item	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	114,580	-	-	114,580
Recovered from expected credit losses	(50,931)	-	-	(50,931)
Ending balance	63,649	-	-	63,649

Item	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	902,208	-	-	902,208
Recovered from expected credit losses	(787,628)	-	-	(787,628)
Ending balance	114,580	-	-	114,580

- There are no exposures that have been modified, transferred, or written off during the years 2022 and 2021.

b- All of foreign commercial papers accounts balances are classified in stage 1, in addition there is no transfers between stages (stage 1,2 and 3) or written off balances during year ended December 31, 2022, the following are the movement on each of balances and expected credit losses provision for the accounts balances based on their stages:

Accounts balances for foreign commercial papers:

Item	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	141,664,316	-	-	141,664,316
Debit transactions during the year	336,049,268	-	-	336,049,268
Credit transactions during the year	(425,400,000)	-	-	(425,400,000)
Ending balance	52,313,584	-	-	52,313,584

Item	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	-	-	-	-
Debit transactions during the year	460,714,316	-	-	460,714,316
Credit transactions during the year	(319,050,000)	-	-	(319,050,000)
Ending balance	141,664,316	-	-	141,664,316

Provision for expected credit losses for foreign commercial papers account balances:

31 December 2022				
Item	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	30,546	-	-	30,546
Increase in credit losses during the year	19,330	-	-	19,330
Ending balance	49,876	-	-	49,876

31 December 2021				
Item	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	-	-	-	-
(Recovered) from expected credit loss	30,546	-	-	30,546
Ending balance	30,546	-	-	30,546

- There are no exposures that have been modified, transferred, or written off during the years 2022 and 2021.

10- Past Due Direct Credit Facilities and Commercial Exchange Agreements

This item represents balances arising from commercial exchange agreements and past due debts on the Central Bank of Iraq as regards implementation of facilities arrangements. The details are as follows:

31 December 2022		
	Equivalent	Amount
	JD	USD
Past due commercial exchange agreements	93,059,821	131,255,036
Past due debts	673,822,389	950,384,188
	766,882,210	1,081,639,224

31 December 2021		
	Equivalent	Amount
	JD	USD
Past due commercial exchange agreements	93,059,821	131,255,036
Past due debts	673,822,389	950,384,188
	766,882,210	1,081,639,224

- The above balance represents past due facilities, and the related interest in suspense amounted to JD 407,876,300 as of December 31, 2022 (JD 396,069,090 as of December 31, 2021) and recorded by the Bank in special records within the off-balance sheet items.

Distribution of accounts balances for past due direct credit facilities and commercial exchange agreements according to its staging are as follows:

Item	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	766,882,210	-	-	766,882,210
Debit transactions during the year	-	-	-	-
Credit transactions during the year	-	-	-	-
Ending balance	766,882,210	-	-	766,882,210

Item	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	766,882,210	-	-	766,882,210
Debit transactions during the year	-	-	-	-
Credit transactions during the year	-	-	-	-
Ending balance	766,882,210	-	-	766,882,210

- There are no exposures that have been modified, transferred, or written off during the years 2022 and 2021.
- No provision had been booked for past due direct credit facilities and commercial exchange agreements as of December 31, 2022 and 2021.

11- Special Drawing Rights

	31 December 2022 JD	31 December 2021 JD
Special drawing rights	7,565,081	11,586,051
	7,565,081	11,586,051

This item represents Jordan's share from the allocations of special drawing rights at the International Monetary Fund in the amount of SDRs 8,017,552 units as of December 31, 2022 (SDRs 11,675,839 units as of December 31, 2021) and its fair value for according to the average exchange rate of the Jordanian Dinar against SDRs, to JD 7,565,081 as of December 31, 2022 (JD 11,586,051 as of December 31, 2021).

The distribution of accounts balances for special drawing rights according to the staging:

Item	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	11,586,051	-	-	11,586,051
Debit transactions during the year	30,083,303	-	-	30,083,303
Credit transactions during the year	(34,104,273)	-	-	(34,104,273)
Ending balance	7,565,081	-	-	7,565,081

Item	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	13,846,865	-	-	13,846,865
Debit transactions during the year	628,622,395	-	-	628,622,395
Credit transactions during the year	(630,883,209)	-	-	(630,883,209)
Ending balance	11,586,051	-	-	11,586,051

- There are no exposures that have been modified, transferred, or written-off during the years 2022 and 2021.
- No provision had been booked for special drawing rights as of December 31, 2022 and 2021.

12- Foreign Financial Assets at Fair Value Through Other Comprehensive Income

This item consists of the Bank's contributions in International and Regional Financial Institutions as follows:

	Currency	31 December 2022 JD	31 December 2021 JD
Arab Fund for Economic and Social Development	Kuwait Dinar	247,067,883	243,555,173
Arab Monetary Fund	Arabic Dinar	67,364,590	70,020,089
Islamic Development Bank	Islamic Dinar	41,727,664	42,306,786
Arab Bank for Economic Development in Africa	US Dollar	8,369,031	8,160,438
Arab Investment Guarantee Corporation	Kuwait Dinar	3,086,719	3,055,949
IBRD (World Bank)	US Dollar	13,168,487	11,819,079
IBRD (World Bank)	Jordanian Dinar	18,459,305	17,460,877
Islamic Corporation for trade financing	US Dollar	576,565	561,796
Islamic Corporation for Investment and Export Credit	Islamic Dinar	281,802	339,450
Contribution in Arab Monetary Fund	Jordanian Dinar	416,085	433,114
Islamic Corporation for the Private Sector Development	US Dollar	1,718,396	1,644,540
Contribution in Asian Development Bank to invest in infrastructure	US Dollar	17,584,326	17,574,024
		419,820,853	416,931,315

- Contributions in International and Regional Financial Institutions were measured at fair value through other comprehensive income. The international financial contribution assessment reserve has profit of JD 177,454,140 as of December 31, 2022 (profit of JD 166,808,506 as at 31 December 31, 2021).
- The latest audited and issued financial statements were obtained to measure the fair value of these contributions using the bank's contribution percentage in net assets.
- The effect of changes in foreign currencies exchange rate amounted to a loss of JD 8,550,818 for the year ended December 31, 2022, and this amount was transferred to gold and foreign currencies valuation differences loss (JD 1,828,922 for the year ended December 31, 2021).

13- Micellaneous other Assets - Foreign Currencies

This item consists of the following:

	31 December 2022 JD	31 December 2021 JD
Accrued and not received interest on gold deposits	21,762	30,069
Accrued and not received interest on foreign currency current accounts	2,845,349	85,700
Accrued and not received interest on foreign term deposits	42,070,472	4,413,970
Accrued and not received interest on foreign commercial papers	783,105	98,850
Accrued and not received interest on foreign bonds	11,388,769	8,787,644
Accrued and not received Interest on special drawing rights	29,661	1,060
Accrued and not received interest on floating bonds in foreign currencies	1,759,616	203,596
Accrued and not received returns/federal overnight investment	229	1
Reimbursement of fees due and not received on our accounts with our correspondents in Euros	-	46,511
Prepaid commissions and expenses / investments	-	849
	58,898,963	13,668,250

14- Financial Securities and Other

This item consists of the following:

	31 December 2022 JD	31 December 2021 JD
Bond issued from the Ministry of Finance to the order of the Central Bank of Jordan (a)	271,705,032	271,705,032
Bond of the Jordan Mortgage Refinance Company (b)	21,634,869	20,520,177
General institution bonds (c)	152,000	47,468,000
Jordanian treasury bonds (c)	293,759,000	137,756,000
Saving bonds to individuals (c)	-	5,429,800
Credit granted to Jordanian government (d)	20,563,120	20,563,120
	607,814,021	503,442,129
Less: Provision for expected credit losses	(257,849)	(155,226)
	607,556,172	503,286,903

- All of financial securities and others account balances are classified in stage 1, in addition there are no transfers between stages (stage 1,2,3) or written off balances during year ended December 31, 2022. The Bank has taken expected credit losses provision against the Jordan Mortgage Refinance Company's bond and has not taken any expected credit loss provisions on the rest of the financial assets to be considered secured for the Bank and / or guaranteed by the Government of Jordan, including the bond issued by the ministry of finance to the order of Bank and the advance against tranche reserve.
- a) In accordance with the Economic Security Committee's Resolution No. (8/91) dated June 13, 1991, enacted as Law and incorporated in the Law of the Protection of the National Economy for the Year 1992, a bond of JD 390 million with no maturity date was issued by the Ministry of Finance to the order of the Central Bank of Jordan. The purpose of the bond was to settle exceptional advances granted to the Treasury in accordance with the previous resolutions of the Economic Security Committee. Furthermore, the same resolution stipulates that these exceptional advances are non-interest bearing as of the resolution date and considering these assets to cover the currency in circulation based on article (31) of Central Bank of Jordan law. Accordingly, no provision was booked against the advances and considering that its book value equals its present value, and the amount stated as of the end of the year 2022 represents the unsettled balance.
- b) The Council of Ministers approved an offer in accordance with decision No. (615) dated 6 January 2004 submitted by a major shareholder of the Jordan Commercial Bank (previously Jordan Gulf Bank). The offer includes some terms related to the exceptional credit facilities granted by the Central Bank of Jordan to Jordan Gulf Bank with a balance of JD 40,275,411 such as:
 - The credit facilities agreement was amended by extending its maturity date to (30) years.
 - Jordan Commercial Bank (formerly Jordan Gulf Bank) pays the present value of the bond issued to the order of the Central Bank of Jordan of JD 9 million, on the basis of the discount rate of 5/1219%. The bond has been transferred to the Jordan Mortgage Refinance Company so that the above company pays the nominal value of the bond amounting to JD 40,275,412 after 30 years in a single payment, knowing that the present value of the bond is JD 21,634,869 as of December 31, 2022 (JD 20,520,177 as of December 31, 2021) net after deducting the present value provision against it.
 - According to the debt transfer agreement signed on December 30, 2004, the debt bond issued to the Central Bank of Jordan by the Commercial Bank of Jordan (formerly Jordan Gulf Bank) was transferred to the Jordan Mortgage Refinance Company so that the Jordan Mortgage Refinance Company is obliged to pay the facility shall be paid at the end of 30 years from the date of the issuance of the bond to the Central Bank of Jordan, moreover that it is entitled to an annual interest of 5/1219%. The bond and interest shall be due on June 7, 2035. The bank has booked a provision for impairment in the fair value against this bond in the amount of JD (18,640,543) as of December 31, 2022

Balances movement for The Jordan Mortgage Refinance Company bond and expected credit losses provision according to its staging as of December 31, 2022 and 2021 in net after deducting the present value provision as follows:

Item	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	20,520,177	-	-	20,520,177
Debit transactions during the year	1,114,692	-	-	1,114,692
Ending balance	21,634,869	-	-	21,634,869

Item	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	19,520,392	-	-	19,520,392
Credit transactions during the year	999,785	-	-	999,785
Ending balance	20,520,177	-	-	20,520,177

Provision for expected credit losses for The Jordan Mortgage Refinance Company bond balance according to staging as follows:

Item	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	155,226	-	-	155,226
Increase in credit losses	102,623	-	-	102,623
Ending balance	257,849	-	-	257,849

Item	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	51,679	-	-	51,679
Increase in credit losses	103,547	-	-	103,547
Ending balance	155,226	-	-	155,226

- There are no exposures that have been modified, transferred, or written-off during the years 2022 and 2021.
- c) According to articles No. (39), (48) and (49) of the Central Bank of Jordan Law No. (23) for the year 1971 and its amendments, the Bank purchased governmental financial securities as follows:
 - Bonds of public institutions with a maturity extending to August 28, 2024, with an interest rate of 6.411%.
 - Jordanian treasury bonds with maturity ranging between January 24, 2023, to May 18, 2030, with interest rate ranging from 2.847% to 6.230%.
 - There was no provision booked on financial securities (public institutions bonds, Jordanian treasury bonds, individual saving bonds) and others in local currency because it had been considered as secured/ guaranteed from the government which the LGD is zero.
- d) This item represents advances granted to the Government amounting to JD 20,563,120, against the withdrawal of the tranche reserve from the International Monetary Fund purchased by Economic Security Committee Decision No. (9/91) dated June 3, 1991 as one of the assets held to cover the currency in circulation in accordance with Article (31) of the Central Bank of Jordan Law, and therefore no provision was made against it and considering its book value equal to its present value.

15- Advances Granted to Local Banks and Financial institutions

This item consists of the following:

	31 December 2022 JD	31 December 2021 JD
Advances to commercial banks under liquidation - net (a)	10,801,354	13,096,734
Advances to banks and specialized credit institutions (b)	662,592,671	749,912,299
Advances to local commercial banks (c)	831,433,141	795,478,442
Investment agency with Islamic banks (d)	10,792,668	24,483,176
Investment deposits with Islamic banks (e)	148,105,770	194,050,606
	1,663,725,604	1,777,021,257

- Due to the continuing negative effects of the Covid-19 pandemic, and the Bank's awareness of the importance of SME's companies in the national economy, the Central Bank's program continued to support SME's companies to confront the pandemic by extending the support until the end of February 2023, for the purpose of enabling professionals, craftsmen and SME's companies to obtain the necessary financing at affordable costs and conditions to enable them to pay their employees' salaries and to maintain the employees, in addition to financing operating expenses and working capital and maintaining its sustainability by re-lending it to customers through all commercial and Islamic banks in all governorates of the Kingdom, with an interest rate not exceeding 2% annually. Note that all advances/finances are guaranteed by (85%) from the Jordanian Loan Guarantee Company, as this program targets SME's companies whose employees do not exceed 200 workers and whose revenues or assets do not exceed JD 5 million, excluding essential commodities exporters. The program provides financing opportunities for most of the economic sectors, which have been greatly affected in light of the Covid-19 pandemic, with specific ceilings that may reach one million dinars without interest payments from the Central Bank, knowing that some ceilings have been increased for several sectors according to following instructions that the Central Bank of Jordan circulated to banks.
- a- This item includes advances to commercial banks under liquidation, granted in accordance with the Economic Security Committee's (ESC) resolutions, which were enacted as law and incorporated in the Law of Protection of the National Economy for the year 1992. They also include other advances and facilities granted in accordance with management's resolutions. The details are as follows:

	31 December 2022 JD	31 December 2021 JD	Resolution No.
<u>Advances to banks under Liquidation:</u>			
Petra Bank*	211,410,812	211,428,653	2/90,4/90,13/89,20/89
National Islamic Bank **	(151)	(151)	371/2000, 2/91
Amman Investment Bank / under liquidation	(8,294)	(3,362)	
Total Advances to Banks under Liquidation	211,402,367	211,425,140	
<u>Advances to banks and other institutions:</u>			
Credit facilities to Philadelphia Bank Customers – Net ***	25,492,948	27,441,360	1/2005
Jordan Cooperative Society ****	-	324,195	63/11/1/8683
Total Advances to Banks and other institutions	25,492,948	27,765,555	
Total advances for banks under liquidations	236,895,315	239,190,695	
Less: Provision for expected credit losses*	(226,093,961)	(226,093,961)	
	10,801,354	13,096,734	

- * In accordance with the Economic Security Committee Resolution No. (4/90) dated July 15, 1990, which acquired the status of law under the National Economy Protection Law of 1992, it was decided to liquidate Petra Bank and appoint the Central Bank of Jordan (represented by the Governor of Central Bank of Jordan), as liquidator as of July 21, 1990, which is the date in which the ongoing liquidation process started, and these procedures are still going. The decision of ministry's council number (10868) dated April 18, 2018 approved to transfer the liquidation process from Central Bank of Jordan to the Ministry of Finance. In accordance with Prime Minister Decision No. (4958) dated June 17, 2019 designated Jordan Loan Guarantee Corporation as the liquidator of Petra Bank. The liquidation of Petra Bank has been extended to December 31, 2022 as per Board of Directors Resolution No. (179/2021) dated December 14, 2021. The amount is considered a debt payable to the Central Bank of Jordan by Petra Bank in accordance with the Economic Security Committee's Resolution No. (2/90) dated July 10, 1990, enacted as law and incorporated in the Law of Protection of the National Economy for the year 1992. Moreover, there are deposits transferred from Petra Bank to the Central Bank of Jordan not paid yet estimated at JD 423,229 as of December 31, 2022.
- ** In accordance with the Economic Security Committee's Resolution No. (2/91) dated February 28, 1991, it was resolved to liquidate the National Islamic Bank. In accordance with the Central Bank of Jordan Governor's Resolution No. (371/2000) dated August 7, 2000. The resolution provided a mechanism to transfer all the liquidation debts to the Ministry of Finance which is to be responsible for collecting the debts and effecting the required settlements with customers.
- *** This item represents credit facilities provided by the Central Bank of Jordan for handling the deficit in the assets of Philadelphia Bank of which the majority relates to the credit facilities granted to the customers of Philadelphia Bank. According to the resolution of the Central Bank of Jordan Board of Directors No. (1/2005) dated January 12, 2005, it was agreed to merge Philadelphia Bank with the Jordan Ahli Bank during the year 2005. The collected amounts are placed in intermediate accounts at commercial banks which in turn transfer these collections to the Central Bank of Jordan. Moreover, an amount of JD 43,287,189 was transferred to the Central Bank of Jordan up to the year 2022 and offset against the credit facilities balance of Philadelphia Bank customers, the balance amount designated from the treasury bonds owned by the Central Bank portfolio JD (41.3) million from the balance of those collections.
- **** This item represents the advance granted to the Jordan Cooperative Organization which was fully paid on July 27, 2022.

The distribution of advances to banks under liquidation balance according to their staging as follows:

Item	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	-	-	239,190,695	239,190,695
Debit transactions during the year	-	-	14,044,637	14,044,637
Credit transactions during the year	-	-	(16,340,017)	(16,340,017)
Ending balance	-	-	236,895,315	236,895,315

Item	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	-	-	242,294,575	242,294,575
Debit transactions during the year	-	-	3,801,623	3,801,623
Credit transactions during the year	-	-	(6,905,503)	(6,905,503)
Ending balance	-	-	239,190,695	239,190,695

The movement on provision on advances to banks under liquidation according to the staging as follows:

31 December 2022				
Item	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	-	-	226,093,961	226,093,961
Increase in credit loss at the end of the year	-	-	-	-
Recovered from credit loss at the end of the year	-	-	-	-
Ending balance	-	-	226,093,961	226,093,961

31 December 2021				
Item	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	-	-	226,093,961	226,093,961
Increase in credit loss at the end of the year	-	-	-	-
Recovered from credit loss at the end of the year	-	-	-	-
Ending balance	-	-	226,093,961	226,093,961

b- The details of the advances granted to banks and specialized credit institutions are as follows:

	31 December		Interest	Maturity	Payment
	2022	2021	Rate	Date	Method
Agricultural Credit Corporation*	112,593,394	99,913,022	0.5%	July 28, 2030	According to conditions of granting advances
Jordan Loan Guarantee Corporation/Exports **	99,999,277	99,999,277	2%	March 29, 2027	On maturity date
Jordan Loan Guarantee Corporation ***	50,000,000	50,000,000	2%	March 11, 2028	Single payment on the maturity date
Jordan Loan Guarantee Corporation/retirees guarantee****	-	100,000,000	2%	May 30, 2029	Single payment on the maturity date
Jordan Loan Guarantee Corporation/Mortgage loans*****	100,000,000	100,000,000	0.5%	December 22, 2029	Single payment on the maturity date
Jordan Loan Guarantee Corporation/SMEs support to confront Corona Pandemic *****	300,000,000	300,000,000	0.5%	April 13, 2035	Single payment on the maturity date
	662,592,671	749,912,299			

- * Under article (39/b) of the Central Bank law, which allows banks and specialized lending institutions to be granted in advance or financing in the terms and controls they deem appropriate, with their full value guaranteed by any of the papers, credits and bills referred to in paragraph (a) of the same article or any other guarantees or arrangements deemed appropriate by the Board, the Bank has granted the Agricultural Lending Corporation in advance with a balance of JD (112,593,394) as of December 31, 2022. It lasts for 8 years depending on the date of the grants and has an interest rate of 0.5% and is paid in payments related to a repayment schedule set at the grant.

- ** According to loan agreement between Central Bank of Jordan and Jordan Loan Guarantee Corporation on March, 12, 2017 with regard Exports guarantee program which states that the Central Bank of Jordan grants Jordan Loan Guarantee Corporation a JD 100,000,000 advance with 2% interest rate matures in ten years, which the total amount of the advance will be utilized for purchasing governmental financial securities for the company benefits and all securities will be as a mortgage for the banks benefit and the company will use the return from securities in the benefit of Exports insurance guarantee program, the amount utilized from the loan as of December 31, 2022 and 2021 is JD 99,999,277.

- *** According to loan agreement between Central Bank of Jordan and the Jordan Loan Guarantee Corporation dated March 26, 2018 regarding loans guarantee program for small emerging projects which states that Central Bank of Jordan grants Jordan Loan Guarantee Corporation JD 50,000,000 at a rate of 2% for a period of 10 years, which the balance will be used to purchase government securities for the Company's benefit and all securities will be mortgaged to the benefit of Central Bank, and the Company will use the return on investment of financial securities to finance small emerging projects loans guarantee program, the utilized balance of this loan is JD 50,000,000 as of December 31, 2022 and 2021.

- **** According to loan agreement between Central Bank of Jordan and the Jordan Loan Guarantee Corporation dated May 22, 2019 regarding loans guarantee program for banking guarantees support program for contractors to carry out business outside the Kingdom which states that Central Bank of Jordan grants Jordan Loan Guarantee Corporation JD 100,000,000 at a rate of 2% for a period of 10 years, where the agreement was terminated on October 2, 2022 at the request of the Company according to their letter No. (1/2022/2/2752) dated September 25, 2022. The Company also authorized the Central Bank with absolute authorization to dispose of the mortgaged securities provided as a guarantee for the advance granted for the purposes of paying off its balance, in addition to transferring the balance of the advance provision with all its interests according to the maturity dates of the deposits linked to this provision with banks. The Bank had recognized the profit realized from the interest obtained on these bonds, in addition to the provision for these advances and the interests accrued according to the maturity date, in the income statement under the line item "other miscellaneous income" (note 32), noting that there is part of the provision that will be recognized in 2023 according to the maturity date of the corresponding deposit for it.

***** According to loan agreement between Central Bank of Jordan and the Jordan Loan Guarantee Corporation dated December 18, 2019 regarding loans guarantee program for mortgage loan guarantee – affordable housing which states that Central Bank of Jordan grants Jordan Loan Guarantee Corporation JD 100,000,000 at a rate of 0.5% for a period of 10 years, which the balance will be used to purchase government securities for the Company's benefit and all securities will be mortgaged to the benefit of Central Bank, and the Company will use the return on investment of financial securities to finance banking guarantees support program for mortgage loan guarantee – affordable housing, the utilized balance of this loan is JD 100,000,000 as of December 31, 2022 and 2021.

***** According to loan agreement between Central Bank of Jordan and the Jordan Loan Guarantee Corporation dated April 2, 2020 regarding the creation of the National Loan Guarantee Program in response to the Covid-19 pandemic, the Central Bank granted the Jordan Loan Guarantee Corporation an advance of JD 300,000,000 at a rate of 0.5% for a period of 15 years, where the entire balance of the advance will be used to purchase government securities for the benefit of the company and to pledge these securities for the benefit of the Central Bank, provided that the company uses the return on investment of securities to finance the National Loan Guarantee Program in response to the COVID-19 pandemic, the utilized balance of this loan amounted to JD (300,000,000) as of December 31, 2022 and 2021.

The distribution of advances granted to banks and specialized credit institutions balances according to their staging as follows:

Item	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	749,912,299	-	-	749,912,299
Debit transactions during the year	27,728,500	-	-	27,728,500
Credit transactions during the year	(115,048,128)	-	-	(115,048,128)
Ending balance	662,592,671	-	-	662,592,671

Item	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	738,036,984	-	-	738,036,984
Debit transactions during the year	50,299,000	-	-	50,299,000
Credit transactions during the year	(38,423,685)	-	-	(38,423,685)
Ending balance	749,912,299	-	-	749,912,299

- There are no exposures that have been modified, transferred or written-off during the years 2022 and 2021.
- No provision against expected credit losses on advances granted to banks and specialized credit institutions balance had booked as of December 31, 2022 and 2021.
- These advances are presented at their nominal value according to the Bank's application instructions No. (1203 / 2019).

- c- This amount represents advances granted from the Central Bank of Jordan to licensed banks working in Jordan within the program of medium-sized financing to industrial sector according to the licensed banks memorandum No. (54/2011) dated on March 14, 2011 and its subsequent circulates for licensed banks which includes the extension of the program as shown below:

<u>Local Commercial Banks</u>	<u>31 December</u>		<u>Interest rate</u>	<u>Maturity date</u>	<u>Payment method</u>
	<u>2022</u>	<u>2021</u>			
	JD	JD	%		
Arab Bank	104,748,032	102,507,506	0% - 1%	10 years or less	According to the conditions for granting advances
Cairo Amman Bank	126,591,204	118,100,317	0% - 1%	10 years or less	According to the conditions for granting advances
Egyptian Arab Land Bank	6,093,178	8,948,428	0%	10 years or less	According to the conditions for granting advances
Jordan Commercial Bank	35,197,921	30,714,497	0% - 1%	10 years or less	According to the conditions for granting advances
Bank of Jordan	24,608,579	41,323,917	0% - 1%	10 years or less	According to the conditions for granting advances
Jordan Ahli Bank	35,181,395	36,059,481	0% - 1%	10 years or less	According to the conditions for granting advances
Invest Bank	11,324,276	11,152,546	0% - 1%	10 years or less	According to the conditions for granting advances
Arab Banking Corporation	8,839,456	7,068,277	0% - 1%	10 years or less	According to the conditions for granting advances
Jordan Kuwait Bank	49,528,261	51,091,724	0% - 1%	10 years or less	According to the conditions for granting advances
Bank al Etihad	96,532,420	77,116,588	0% - 1%	10 years or less	According to the conditions for granting advances
Arab Investing Bank	31,460,753	27,403,765	0% - 1%	10 years or less	According to the conditions for granting advances
Societe Generale Bank – Jordan*	-	32,556,540	0% - 1%	10 years or less	According to the conditions for granting advances
Housing Bank	95,647,658	80,212,353	0% - 1%	10 years or less	According to the conditions for granting advances
Capital Bank of Jordan	202,040,591	166,085,248	0% - 1%	10 years or less	According to the conditions for granting advances
National Bank of Kuwait – Jordan**	-	722,957	0% - 1%	10 years or less	According to the conditions for granting advances
BLOM Bank	3,639,417	4,414,298	0% - 1%	10 years or less	According to the conditions for granting advances
Total	831,433,141	795,478,442			

* The amount of the outstanding balance of advances granted to the bank is nil as of 31 December 2022 as a result of its merger with Jordan Capital Bank on 29 September 2022.

** The amount of the outstanding balance of advances granted to the bank is nil as of 31 December 2022 as a result of its merger with the Arab Jordan Investment Bank on 25 May 2022.

The distribution on advances granted to local commercial banks balance according to their staging :

Item	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	795,478,442	-	-	795,478,442
Debit transactions during the year	385,081,537	-	-	385,081,537
Credit transactions during the year	(349,126,838)	-	-	(349,126,838)
Ending balance	831,433,141	-	-	831,433,141

Item	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	682,686,939	-	-	682,686,939
Debit transactions during the year	330,553,642	-	-	330,553,642
Credit transactions during the year	(217,762,139)	-	-	(217,762,139)
Ending balance	795,478,442	-	-	795,478,442

- There are no exposures that have been modified, transferred, or written off during the years 2022 and 2021.

No provision against expected credit losses on advances granted to local commercial banks' balance had booked as of December 31, 2022 and 2021 given the fact that those financial assets have guarantees that fully covered the advances.

These advances are presented at their nominal value according to the Bank's application instructions No. (1203 / 2019).

- d- This amount represents funding granted from the Central Bank of Jordan to Islamic Banks in Jordan within the restricted investment proxy with Islamic banks, according to circular No. (3/7487) dated on 17 June 2015, as follows:

<u>Islamic Licensed Banks</u> <i>Jordanian Dinar</i>	31 December		Expected Return %	Maturity Date	Payment method
	2022	2021			
	JD	JD			
Investment Agency/ Islamic International Arab Bank	8,316,133	15,916,348	1% - 1.75%	10 years or less	According to financing conditions
Investment Agency/ Jordan Islamic Bank	6,123,871	8,113,590	1% - 1.75%	10 years or less	According to financing conditions
Investment Agency/ Safwa Islamic Bank	799,958	3,780,523	1% - 1.75%	10 years or less	According to financing conditions
Total	15,239,962	27,810,461			
Deduct: Expected credit losses provision	(4,447,294)	(3,327,285)			
Total	10,792,668	24,483,176			

The distribution of investment agency with Islamic banks (advances granted to customers) balances according to their staging as follows:

Item	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	27,810,461	-	-	27,810,461
Debit transactions during the year	1,884,041	-	-	1,884,041
Credit transactions during the year	(14,454,540)	-	-	(14,454,540)
Ending balance	15,239,962	-	-	15,239,962

Item	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	32,113,859	-	-	32,113,859
Debit transactions during the year	5,703,878	-	-	5,703,878
Credit transactions during the year	(10,007,276)	-	-	(10,007,276)
Ending balance	27,810,461	-	-	27,810,461

The movement on expected credit losses provision against investment contracts with Islamic banks (advances granted to customers):

Item	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	3,327,285	-	-	3,327,285
Increase in credit loss during the year	1,120,009	-	-	1,120,009
Ending balance	4,447,294	-	-	4,447,294

Item	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	2,186,284	-	-	2,186,284
Increase in credit losses at the end of the year	1,141,001	-	-	1,141,001
Ending balance	3,327,285	-	-	3,327,285

- There are no exposures that have been modified, transferred or written-off during the years 2022 and 2021.
- These advances are presented at their nominal value according to the Bank's application instructions No. (1203 / 2019).

- e- This item represents the finance granted from Central Bank to Islamic banks in the kingdom within investment agreements signed with them in order to utilize the Central Bank program to finance the economic sectors, according to the details below:

<u>Islamic licensed banks / investment agreement</u>	<u>31 December</u>		<u>Expected Return</u>	<u>Maturity Date</u>	<u>Payment method</u>
	<u>2022</u>	<u>2021</u>			
	JD	JD	%		
Investment deposit (saving) at Islamic International Arab Bank	16,535,185	15,114,154	0.5% - 1%	10 Years or less	According to financing conditions
Investment deposit (saving) at Jordan Islamic Bank	22,140,825	22,232,644	0.5% - 1%	10 Years or less	According to financing conditions
Investment deposit (time) at Islamic International Arab Bank	27,040,132	26,976,463	1% - 1.75%	10 Years or less	According to financing conditions
Investment deposit (notice) at Jordan Islamic Bank	8,045,265	10,000,922	1% - 1.75%	10 Years or less	According to financing conditions
Investment deposit (inside Amman) at Safwa Islamic Bank	16,627,208	15,230,365	1% - 1.75%	10 Years or less	According to financing conditions
Investment deposit (outside Amman) at Safwa Islamic Bank	10,912,815	12,038,244	0.5% - 1%	10 Years or less	According to financing conditions
Investment deposit (inside Amman) at Alrajih Bank	4,455,910	3,404,164	1% - 1.75%	10 Years or less	According to financing conditions
Investment deposit (outside Amman) at Alrajih Bank	1,631,040	1,217,357	0.5% - 1%	10 Years or less	According to financing conditions
Investment deposit (Inhad Program) at International Islamic Arab Bank	550,094	789,502	1%	7 Years or less	According to financing conditions
Investment deposit (Inhad Program) at Jordan Islamic Bank	1,333,075	1,444,414	1%	7 Years or less	According to financing conditions
Investment deposit (Inhad Program) at Safwa Islamic Bank	256,967	129,610	1%	7 Years or less	According to financing conditions
Investment deposit (Qard Hasan) at the Islamic International Arab Bank	4,596,351	16,675,311	0%	54 months or less	According to financing conditions
Investment deposit (Qard Hasan) at Jordan Islamic Bank	21,934,190	43,089,495	0%	54 months or less	According to financing conditions
Investment deposit (Qard Hasan) at Safwa Islamic Bank	6,742,584	13,214,296	0%	54 months or less	According to financing conditions
Investment deposit (Qard Hasan) at Alrajih Bank	805,463	2,144,131	0%	54 months or less	According to financing conditions
Investment deposit (saving) (Qard Hasan) at Jordan Islamic Bank	336,829	2,022,905	0%	10 Years or less	According to financing conditions
Investment deposit (notice) (Qard Hasan) at Jordan Islamic Bank	4,161,837	8,326,629	0%	10 Years or less	According to financing conditions
Total	148,105,770	194,050,606			

The distribution of investment deposits with Islamic banks balances according to their staging as follows:

Item	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	194,050,606	-	-	194,050,606
Debit transitions during the year	53,942,446	-	-	53,942,446
Credit transitions during the year	(99,887,282)	-	-	(99,887,282)
Ending balance	148,105,770	-	-	148,105,770

Item	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	205,369,481	-	-	205,369,481
Debit transitions during the year	47,353,560	-	-	47,353,560
Credit transitions during the year	(58,672,435)	-	-	(58,672,435)
Ending balance	194,050,606	-	-	194,050,606

- There are no exposures that have been modified, transferred or written-off during the years 2022 and 2021.

These advances are presented at their nominal value according to the Bank's application instructions No. (1203 / 2019).

No provision booked against expected credit losses on investment deposits with Islamic banks as of December 31, 2022 and 2021 as the Bank does not bear any credit risks resulting from the default of any of these banks clients, but rather it is charged to licensed Islamic banks in accordance with the agreements signed with them.

16- Financial Assets in Local Currency at Fair Value Through Other Comprehensive Income

This item consists of the Bank's contribution in local financial institutions as the following:

	31 December 2022	31 December 2021
	JD	JD
Agricultural Credit Corporation	1,321,644	1,303,665
Cities and Villages Development Bank	3,335,709	3,021,136
Jordan Loan Guarantee Corporation	13,122,250	13,122,250
Jordan Mortgage Refinance Company	2,700,000	2,700,000
Jordan Company for Payment and Clearing Systems	6,119,294	5,115,156
Jordan Fund for Entrepreneurship	22,197,957	21,174,128
	48,796,854	46,436,335

- The contributions in local financial institutions were measured at fair value through other comprehensive income and amounted to a loss of JD 7,167,140 as at December 31, 2022 (loss of JD 4,806,621 as of December 31, 2021).
- The latest audited and issued financial statements were used to calculate the fair value of the contributions using the equity method for each of the Agricultural Credit Corporation, Cities and Villages Development Bank, Jordan Company for Payment and Clearing Systems, and Jordan Fund for Entrepreneurship, whereas the fair value has been calculated in accordance with the local share price as of December 31, 2022 for each of Jordan Loan Guarantee Corporation and Jordan Mortgage Refinance Company. Note that the Bank does not have any control on these institutions.

17- Financing of Financial Securities Repurchase Agreements

According to articles No. (39) And (49) of the Central Bank of Jordan Law No. (23) for the year 1971 and its amendments, and according to amended law No (24) for 2016, the Bank has the right to repurchase the balances of the governmental financial securities guaranteed from the Government, repurchases amounted to JD (525) million as of December 31, 2022, of which JD (300) million matures in January 2, 2023, JD (25) million matures in January 4, 2023, JD (100) million matures in February 19, 2023, and JD (100) million matures in May 16, 2023, while the balance of repurchase agreements was JD (590) million as of December 31, 2021.

The Bank has not taken any provisions on the repurchase agreements used by the Bank for the purpose of injecting liquidity since these agreements are considered 100% guaranteed for the Bank. The sole owner of securities during the period of the contract is the Bank and has the right to dispose of them because of the transfer of ownership from Commercial Bank to Central Bank of Jordan.

The distribution of repurchase agreements balances according to their staging is as follows:

Item	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	590,000,000	-	-	590,000,000
Debit transactions during the year	3,486,015,387	-	-	3,486,015,387
Credit transactions during the year	(3,551,015,387)	-	-	(3,551,015,387)
Ending balance	525,000,000	-	-	525,000,000

There are no exposures that have been modified, transferred or written-off during the years 2022 and 2021.

Item	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	455,000,000	-	-	455,000,000
Debit transactions during the year	3,991,101,068	-	-	3,991,101,068
Credit transitions during the year	(3,856,101,068)	-	-	(3,856,101,068)
Ending balance	590,000,000	-	-	590,000,000

18- Property, Equipment and Software - net

<u>2022</u>	Land	Buildings	Buildings improvements	Furniture, fixtures and decorations	Vaults and safe boxes	Computer hardware	Machinery and equipment	Vehicles	Computer software	Projects under construction	Total
Cost	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Beginning balance	3,043,979	13,584,403	5,953,052	1,131,017	246,170	9,665,344	12,956,804	1,741,905	9,929,458	4,731,401	62,983,533
Additions	-	-	36,281	16,926	15,022	39,700	53,255	-	333,935	859,036	1,354,155
Disposals	-	-	(11,040)	(38,086)	(2,792)	(343,602)	(614,114)	-	-	-	(1,009,634)
Transferred from projects under construction	-	-	1,459,579	270,340	-	370,055	166,109	-	454,356	(2,720,439)	-
Ending Balance	3,043,979	13,584,403	7,437,872	1,380,197	258,400	9,731,497	12,562,054	1,741,905	10,717,749	2,869,998	63,328,054
Accumulated Depreciation											
Beginning balance	-	11,181,790	1,992,575	912,048	157,799	7,786,187	9,098,089	1,584,002	7,523,178	-	40,235,668
Additions	-	282,578	621,850	53,626	9,813	945,780	1,136,179	55,329	1,369,033	-	4,474,188
Other adjustments	-	-	3,047,701	-	(25,363)	-	-	-	-	-	3,022,338
Disposals	-	-	(11,041)	(35,452)	(2,529)	(343,559)	(604,542)	-	-	-	(997,123)
Ending Balance	-	11,464,368	5,651,085	930,222	139,720	8,388,408	9,629,726	1,639,331	8,892,211	-	46,735,071
Net Book Value as of 31 December 2022	3,043,979	2,120,035	1,786,787	449,975	118,680	1,343,089	2,932,328	102,574	1,825,538	2,869,998	16,592,983
2021											
Cost											
Beginning balance	3,043,979	13,584,403	5,925,900	1,129,923	233,589	8,842,981	11,785,834	1,741,905	9,524,054	3,758,932	59,571,500
Additions	-	-	27,152	2,155	12,581	116,906	155,166	-	239,078	2,861,016	3,414,054
Disposals	-	-	-	(1,061)	-	(960)	-	-	-	-	(2,021)
Transferred from projects under construction	-	-	-	-	-	706,417	1,015,804	-	166,326	(1,888,547)	-
Ending Balance	3,043,979	13,584,403	5,953,052	1,131,017	246,170	9,665,344	12,956,804	1,741,905	9,929,458	4,731,401	62,983,533
Accumulated Depreciation											
Beginning balance	-	10,899,212	1,851,224	873,269	145,813	6,844,256	8,104,085	1,519,255	6,112,811	-	36,349,925
Additions	-	282,578	141,351	39,840	11,986	942,891	994,004	64,747	1,410,367	-	3,887,764
Disposals	-	-	-	(1,061)	-	(960)	-	-	-	-	(2,021)
Ending Balance	-	11,181,790	1,992,575	912,048	157,799	7,786,187	9,098,089	1,584,002	7,523,178	-	40,235,668
Net Book Value as of 31 December 2021	3,043,979	2,402,613	3,960,477	218,969	88,371	1,879,157	3,858,715	157,903	2,406,280	4,731,401	22,747,865

- The fully depreciated property and equipment amounted to JD 29,119,061 as of 31 December 2022 (JD 23,099,048 as of 31 December 2021).

19- Miscellaneous Other Assets - Jordanian Dinar

This item consists of the following:

	31 December 2022 JD	31 December 2021 JD
Accrued and not received interest/revenue	5,463,517	8,933,255
Housing loans for employees *	26,807,337	26,125,219
Gold, silver and metal coins	8,390,073	8,397,845
Deferred expenses - printing of bank notes and metal coins – net **	15,932,986	5,612,746
Miscellaneous other assets	3,791,742	1,983,090
	60,385,655	51,052,155
Less: Expected credit losses provision	(268,073)	(261,252)
	60,117,582	50,790,903

* All balances of loan balances and housing finance granted to employees of Bank were classified within the first, second and third stages, there are no written-off balances during the years ended December 31, 2022 and 2021. The Bank has taken a provision on the total employees housing loans to meet any risks that may arise as a result of default or failure to pay their installments. The market value of the collateral against these loans is much higher than the carrying value plus first-degree property mortgage in favor of the bank, and a life insurance on the employees and an insurance on the property against earthquakes, fires and floods, and a written pledge of employees to pay the premiums and deducted directly from the salaries transferred to them. The movement of each balance of loans and housing financing granted to employees of the Bank are as follows.

The movement of housing loans and housing finance balances:

Item	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	23,775,734	512,411	1,837,074	26,125,219
Debit transactions during the year	6,202,574	108,848	157,040	6,468,462
Credit transactions during the year	(5,132,349)	(103,671)	(550,324)	(5,786,344)
Ending Balance	24,845,959	517,588	1,443,790	26,807,337

Item	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	21,592,585	999,060	2,997,180	25,588,825
Debit transactions during the year	5,098,069	649,769	1,548,963	7,296,801
Credit transactions during the year	(2,914,920)	(1,136,418)	(2,709,069)	(6,760,407)
Ending Balance	23,775,734	512,411	1,837,074	26,125,219

The movement on expected credit losses provision for housing loans and financing:

Item	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	237,757	5,124	18,371	261,252
Increase in credit loss during the year	10,702	52	-	10,754
Recovered from credit loss during the year	-	-	(3,933)	(3,933)
Ending Balance	248,459	5,176	14,438	268,073

Item	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	25,584	76,753	153,504	255,841
Increase in credit losses during the year	212,173	-	-	212,173
Recovered from credit loss during the year	-	(71,629)	(135,133)	(206,762)
Ending Balance	237,757	5,124	18,371	261,252

- The rating of credit exposures has been modified to be inline within the three stages, and the annual provision value has been distributed over the three stages.

** Deferred expenses relating to the printing of bank notes and metal coins are stated at net value after the deduction of accumulated amortization.

20- Currency Issued

This item represents the currency issued by the Central Bank of Jordan and in circulation outside the Bank's treasury, representing a liability on the Bank.

According to the Bank's Law, the Bank shall maintain assets the value of which at any time shall not be less than the value of the notes and coins in circulation. Such assets shall consist of all or any of the following:

- Gold and gold coins in any form;
- The Kingdom's contribution to any regional or international financial institution paid in gold or convertible foreign currencies;
- The Kingdom's holdings in special drawing rights;
- Convertible foreign currencies in the form of cash, demand or time deposits, certificates of deposit, or bank acceptances provided that their maturities do not exceed two years;
- Financial papers issued or guaranteed by a foreign government or any of its official institutions, or by an international financial institution, made in a convertible currency;
- Any foreign currency assets including credit balances in favour of the Kingdom under payments and offsetting agreements; and
- Tradable government securities.

- After the elapse of the grace period specified by the Council of Ministers for the replacement of the cancelled currency, the value of the bank notes and coins not replaced is credited to the treasury account at the Bank. If the Bank notes and coins are presented afterwards, the Bank pays them and charges their value to the treasury account. The Council of Ministers has the right to determine the period it deems appropriate in order to stop the payment of those notes and coins based on a recommendation by the Bank.

21 - Obligations Against Special Drawing Rights

This item represents the Bank's liability in connection with Jordan's share of the special drawing rights allocations at the International Monetary Fund of SDRs 162,070,636 as of December 31, 2022 (490,916,555 SDRs, as of December 31, 2021). According to the average exchange rate of the Jordanian Dinar against SDRs, this liability amounted to JD 152,924,180 of December 31, 2022 (JD 487,141,407 as of December 31, 2021). This amount is a long-term liability to be repaid by the Government in the future upon request.

22 - Certificates of Deposits

The bank issued certificates of deposit during the year 2022 amounted to JD 600,000,000 as at December 31, 2022, mature on January 3, 2023, at a fixed interest rate ranged during the year from 2.75% to 6.5%, noted that no certificates of deposit were issued during 2021.

23 - Government Deposits and Foreign financial institution, Banks and agencies deposits

A- Government deposits

- Local: This item represents government accounts within the budget, including accounts that receive interest either 50% or 100% of the deposit window interest rate, which ranged during the year from 2% to 6.25% with regard to balances in Jordanian Dinars.
- Foreign: This item represents government accounts within the budget or in independent budgets and public institutions in foreign currencies and their balances are not due within a specified period, some of which receive interest as follows:
 - Great British Pound at a rate of 0.14% to 3.5%
 - US dollar at a rate of 0.0% to 4.61%
 - Euro at a rate of 0.0% to 1.78%

B - Deposits of foreign financial institution, banks, and agencies in foreign currency.

The details of deposits and call accounts in total according to their maturity dates is as follows:

	Matures Within 3 Months JD	Matures From 3 Months to 6 Months JD	Matures from 6 Months to a Year JD	Without Maturity JD	Total JD
Deposits of foreign financial institution, banks and agencies as at 31 December 2022	149,031,386	324,958,333	354,500,000	11,689,104	840,178,823
Deposits of foreign financial institution, Banks and agencies as at 31 December 2021	243,775,783	271,783,334	590,809,700	7,879,630	1,114,248,447

- The interest rates for (US dollar) currency on deposit balances during the year 2022 ranged from 0.05% to 4.04% according to the maturity dates, while the interest rates for the (US dollar) currency on deposit balances during the year 2021 ranged from 0.03% to 1.5% according to the maturity dates.

C- Deposits of foreign financial institution, banks and agencies in the local currency:

This item represents current accounts with the Bank that are not subject to interest and have no fixed maturity within a specified period.

24 - International Monetary Fund Accounts

This item represents the Bank's account in the International Monetary Fund. These balances are fixed due within a specific period and receive interest.

	31 December 2022 JD	31 December 2021 JD
International Monetary Fund Account No. (1)*	184,761,247	214,449,748
International Monetary Fund Account No. (2)**	3,487	175,012
	184,764,734	214,624,760

* This item represents Bank's account in the international Monetary Fund that are subject to interest and have maturity within a specified period.

** This item represents current accounts with the Bank that are not subject to interest and have no maturity within a specified period.

	Matures within 3 months JD	Matures From 3 months to 6 months JD	Matures from 6 months to a year JD	More than a year to 3 years JD	More than 3 years JD	Without maturity JD	Total JD
2022							
International Monetary Fund Account Number (1)	4,087,638	4,087,638	17,713,099	106,278,591	51,776,753	817,528	184,761,247
International Monetary Fund Account Number (2)	-	-	-	-	-	3,487	3,487
2021							
International Monetary Fund Account Number (1)	4,366,442	4,366,442	8,732,884	103,339,128	93,150,767	494,085	214,449,748
International Monetary Fund Account Number (2)	-	-	-	-	-	175,012	175,012

- The interest rates for the (SDR) currency on the IMF loan during the year 2022 ranged from 1.05% to 3.916% according to the maturity dates, while the interest rates for the (SDR) currency on the IMF loan during the year 2021 from 1.05% to 1.115%, according to the maturity dates.

25 - Other Liabilities in Jordanian Currency

This item consists of the following:

	31 December 2022 JD	31 December 2021 JD
Accrued and unpaid interest	9,182,720	3,916,505
Cash margins on letters of credit	8,083,548	16,788,687
Jordanian treasury bonds secretariats	-	100,000,000
Other deposit accounts	72,519,187	158,676,162
Miscellaneous other liabilities	63,402	19,147
	89,848,857	279,400,501

26- Gold and Foreign Currencies Valuation Differences

This item consists of the following:

	31 December 2022 JD	31 December 2021 JD
Beginning balance of gold and foreign currencies valuation differences	156,292,355	369,982,981
Losses from valuation of gold and foreign currencies transferred according to the Central Bank's Law *	(78,926,134)	(213,690,626)
Ending Balance of Gold and Foreign Currencies Valuation Differences	77,366,221	156,292,355

* According to Article (56/a) of the Bank's Law No. (23) for the Year 1971 and its amendments and the amended law No (24) 2016, any gain or loss raised from the revaluation of the Bank's gold or foreign currencies (assets and liabilities) are excluded from the profit and loss account and are recorded to a special account, as a result of a change in the equivalent price in any foreign currency. The differences in the valuation of gold and foreign currencies as of year-end are transferred to gold and foreign currencies valuation differences account as follows:

	31 December 2022 JD	31 December 2021 JD
Debit differences resulting from valuation of Bank's contributions in the international and regional financial institutions in foreign currencies (a)	(8,550,818)	(1,828,922)
(Debit) credit differences resulting from the valuation of Bank's assets and liabilities in foreign currencies (a)	(1,780,471)	7,139,859
Credit (debit) valuation differences resulted from valuation of SDR currency related to (IMF/EFF) loan (a)	13,629,529	(10,861,519)
Debit differences resulted from valuation of foreign trade systems foreign currencies (a)	(182,121)	(696)
Debit differences resulting from gold valuation (b)	(81,982,451)	(207,723,481)
Debit differences resulted from gold coins valuation (b)	(61,390)	(415,867)
Credit differences resulting from valuation of gold and silver ounces and coins (b)	1,588	-
Total Valuation Differences of Gold and Foreign Currencies During the Year	(78,926,134)	(213,690,626)

a. The movement on the foreign currencies' valuation is as follows:

	31 December 2022 JD	31 December 2021 JD
Balance of the valuation differences of foreign currencies at the beginning of the year	(375,797,376)	(370,246,098)
Debit differences resulting from valuation of Bank's contributions in the international and regional financial institutions in foreign currencies	(8,550,818)	(1,828,922)
(Debit) credit differences resulting from the valuation of Bank's assets and liabilities in foreign currencies	(1,780,471)	7,139,859
Credit (debit) valuation differences resulted from valuation of SDR currency related to (IMF/EFF) loan	13,629,529	(10,861,519)
Debit differences resulted from valuation of foreign trade systems foreign currencies	(182,121)	(696)
Balance of the valuation differences of foreign currencies at the end of the year	(372,681,257)	(375,797,376)

b. The movement on the gold valuation is as follows:

	31 December 2022 JD	31 December 2021 JD
Balance of the valuation differences of gold at the beginning of the year	532,089,731	740,229,079
Credit (debit) gold valuation difference	(81,982,451)	(207,723,481)
Credit (debit) gold coins valuation difference *	(61,390)	(415,867)
Credit differences resulting from valuation of gold and silver ounces and coins (b)	1,588	-
Balance of the valuation differences of gold at the end of the year	450,047,478	532,089,731

* The valuation of the memorial gold coins which appear in other assets in Jordanian Dinar-note (19) and the reliance of the international prices in the market are done when the Bank valuation bulletin is made at the last working day of the year.

27 - General Reserve

This item consist of the following:

	31 December 2022	31 December 2021
	JD	JD
Balance of the general reserve at the beginning of the year	33,090,230	25,090,230
Transferred from current year profit according to the Bank's law for general reserve *	16,000,000	8,000,000
Balance of the General Reserve at the end of the year	49,090,230	33,090,230

* According to the Central Bank of Jordan law No. (9/a) which states that the Bank must maintain a general reserve at 20% of its net profit in each fiscal year, according to the provisions of Article (9/c) the net profits of the Bank decides, after deducting all payments and administrative expenses and contributions to private provident fund staff of Bank and its users, and any special provisions for other unexpected expenses or to meet any shortage of Bank assets, accordingly the annual Bank's profits was distributed according to the following:

- Transfer 20% from the Bank's net profits to the general reserve account.
- Transfer 80% from the Bank's net profits to the government (general treasury account).

28 - Financial Assets Revaluation Reserve

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Special reserves balance for valuation of the financial assets at the beginning of the year	171,615,127	160,141,331
Gains from valuation of the contributions in the regional and foreign financial institutions	10,645,634	10,327,543
Gains from valuation of the contributions in the local financial institutions	2,360,519	1,146,253
Special reserves balance for valuation of the financial assets at the end of the year	184,621,280	171,615,127

29 - Special Reserve

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Special reserves Beginning balance	249,469,613	234,979,233
Other adjustments	(3,022,338)	-
Transferred from gain for the year as per the Bank's law on special reserves	15,124,557	14,490,380
Special reserves Ending balance	261,571,832	249,469,613

30 - Revenue from Foreign Investments

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Interest received on time deposits, current and notice accounts with correspondents	118,840,902	17,827,242
Interest on foreign bonds	46,519,404	34,788,048
Income recognition from foreign bonds	3,037,831	952,102
Income from dealing with gold	90,379,946	72,560,655
Revenue from option contracts	2,216,632	-
Gains (losses) on foreign currency trading	724,154	(7,058)
Income on commercial papers	1,850,168	427,083
Fees of accounts management of our correspondents abroad	250,577	466,446
IMF accounts income	-	112,375
	263,819,614	127,126,893

31 - Revenue from Local Investments

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Interest on advances granted to specialized credit institutions and licensed banks	10,806,564	10,906,789
Income from swap contracts	2,287,253	3,013,328
Income from forward contracts	2,183,694	3,866,568
Interest on Jordanian treasury bonds and notes	6,813,792	6,338,631
Interest on general institutions' bonds	243,626	1,067,157
Interest on individuals' savings bonds	16,754	565,927
Revenue against risk on investment contracts with Islamic banks	1,120,009	1,141,001
Income from contribution in local institutions	270,000	-
Income from repurchase of financial securities	13,357,966	7,698,685
Income from payment systems	395,912	337,558
	37,495,570	34,935,644

32 - Miscellaneous Other Revenues

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Annual fees from banks, and license fees from banks, financial corporations and representative offices	5,011,734	4,806,153
Annual exchange dealers license and flat fees	1,009,334	428,208
Supervisory and control fees on insurance companies	2,376,263	1,458,583
Income from sale of available for sale issuances	61,744	99,738
Net interest on housing loans	3,523	20,806
Expense commissions collected from customers	74,420	74,319
Revenue from the finance of housing	481,792	452,760
Other revenue *	10,857,698	132,985
	19,876,508	7,473,552

* This item includes nearly JD 10.7 million, which represent the profit realized from the interest obtained from the sale of Jordanian treasury bonds, in addition to the provision for these advances granted to specialized banks and lending institutions, and the interest accrued according to the maturity date in the income statement, noting that the rest of the provision will be recognized during the year 2023 according to the maturity date of the corresponding deposit (note 15).

33 - Interest Paid on Certificates of Deposits and Licensed Banks' Overnight Window Deposits

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Interest paid on certificates of deposits	8,919,863	-
Interest paid on overnight deposits	124,008,836	57,128,849
	132,928,699	57,128,849

34 - Other Interest, Commissions and Other Expenses

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
IMF accounts expenses	6,028,397	2,311,787
Commissions and expenses for managing the Bank's accounts with correspondents	2,049,696	2,190,579
Government transfers expenses	10,692	8,196
Other paid commissions and expenses	1,603	1,584
Interest paid on other accounts	912,308	155,247
	9,002,696	4,667,393

35 - General and Administrative Expenses

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Salaries, Bonuses, Wages and Allowances:		
Salaries, bonuses, wages and allowances	17,182,894	16,140,251
Overtime	1,097,785	1,068,843
	18,280,679	17,209,094
Travel, Training and Educational Expenses:		
Travel expenses and allowances	517,726	487,184
Training and educational expenses	418,373	102,030
	936,099	589,214
Other Employees' and Laborer's Benefits:		
Staff and users' insurance premiums	225,425	219,825
Medical treatment expenses	5,472,708	5,369,003
Customer service and users' uniforms	9,451	33,765
Social activities expenses	515,000	440,450
Canteen expenses	8,400	8,400
	6,230,984	6,071,443
Contribution to Employees Saving Fund,		
Social Security and Staff Indemnity:		
Bank's contribution to employees saving fund	1,237,245	1,168,113
Bank's social security contribution	1,848,557	1,739,361
Staff indemnity benefits and leave payments	4,390,588	4,151,161
	7,476,390	7,058,635
Board of Directors' Remuneration	13,935	14,073
Stationery and Printing:		
Stationery and printing	97,312	59,687
Books and subscriptions in newspapers and magazines	129,892	134,994
Subscriptions in scientific and intellectual Institutions	71,981	149,269
	299,185	343,950
Institute of Banking Studies Expenses	287,374	297,544
Anti-Money Laundry and Counter Terrorist Financing Unit Expenses	900,000	800,000
Telecommunication Expenses:		
Postage and telephone	86,995	81,424
Subscriptions to reuter's agency, SWIFT and internet services	704,214	806,170
	791,209	887,594
Aqaba and Irbid Branches Expenses	879,260	869,594
Maintenance and Repair Banks assets:		
Fuel and vehicles maintenance	88,331	80,693
Furniture, equipment, and computer maintenance	1,305,874	1,049,967
	1,394,205	1,130,660
Buildings expenses		
Electricity, water and fuel	884,496	844,325
Security, maintenance and cleaning of the Bank's buildings	664,157	597,566
Rent and rented buildings expenses	12,190	12,932
Insurance of buildings and bank's assets	187,225	154,114
	1,748,068	1,608,937
Depreciation	4,474,188	3,887,764
Other Expenses	2,381,533	1,455,777
Total	46,093,109	42,224,279

- Salaries and bonuses (key management) amounted to JD 767,648 for the year 2022. (2021: JD 669,023).

36 - Expected Credit Losses

This item consists of the following:

	31 December 2022 JD	31 December 2021 JD
Expected credit losses on gold	(17,608)	(1,591)
Expected credit losses on deposits and bank balances	(84,072)	(1,003,839)
Expected credit losses from foreign financial securities at amortized cost	(123,286)	(2,446,810)
Expected credit losses on financial securities and others	102,623	103,547
Expected credit losses on advances granted to banks and financial institutions	1,120,009	1,141,001
Expected credit losses on miscellaneous other assets in Jordanian Dinar	6,821	5,411
	<u>1,004,487</u>	<u>(2,202,281)</u>

37 - Bank Deposits/ Required Cash Reserves

Deposits by banks in foreign currencies and Jordanian Dinar stated under liabilities in the statement of financial position as of December 31, 2022 include required cash reserves as follows:

	31 December 2022 JD	31 December 2021 JD
Jordanian Dinar	1,457,092,864	1,335,505,399
Foreign currencies	544,663,004	505,758,948
Total required cash reserves	<u>2,001,755,868</u>	<u>1,841,264,347</u>

38- Financial Instruments Derivatives

- Financial derivatives represent forward and swap contracts, and it is represented as follows:
 - a) Forward contracts represent contracts made by the bank with licensed banks in order to purchase Dinar in exchange of selling USD on exchange date to support the trust of Jordan domestic market in Jordanian Dinar, the balance of forward contracts is JD 546,465,000 as at December 31, 2022 for six contracts. The fair value of the assets and obligations of forward contracts are zero as at December 31, 2022.
 - b) There are swap contracts in foreign currencies (US Dollar against Jordanian Dinar) at the Bank shown off the statement of financial position totalling JD 112,368,074 as at 31 December 2022. They are represented by two contracts with licensed bank in Jordan amounted to of JD 66,129,803 against the banks' capital and the related reserves, and seven contracts with international financial institution for the amount of JD 46,238,272 against the facilities granted by it for the licensed banks within the agreement of supporting small and medium projects and for local institutions outside the small and medium projects. The fair value of the assets and liabilities of these swap of barter contracts are JD 143,384 and JD 22,130, respectively, as of December 31, 2022.

39 - Risk Management

The Central Bank of Jordan adopts a general framework for managing the overall risks it may be exposed to, which includes financial risks (credit risks, market risks, and liquidity risks) and non-financial risks (strategic risks, operational risks, and reputational risks), where policies and instructions emerge from it to manage various types of risks and reduce them to an acceptable level of risk appetite, which is in line with the strategic objectives of the Bank.

Management of risks at the Bank is congruent with the volume of its activities, the variety of its operations, as follows:

- The Bank Law and its approved policies on credit granting and related collaterals.
- The Board of Directors assumes several responsibilities, the most important of which is supervising the implementation of the general framework for the management risk in the Central Bank of Jordan and approving the policies and strategies that emerge from it.
- Risk management and compliance committees (which emerged from the Bank's Board of Directors and the executive committee) and in cooperation with the various relevant committees (audit committee, investment committee and credit committee) in addition to the support and systems management department in the investments and external operations department and the information security and cybersecurity department.
- The internal audit department responsible for evaluating the effectiveness of risk management processes and contributing to their improvement through its assurance and advisory activities.

a. Credit Risk and Application Methodology for IFRS (9)

- Open market operations and loans granting:

The credit facilities offered by the Bank are characterized with low risks. This is due to the creditworthiness of customers such as the government, banks, and specialized credit institutions. Moreover, the coverage rate of the offered credit facilities in addition to the nature of these low-risk guarantees leads to limit the exposure to credit risk.

Credit risk consists of two parts: default risk and credit rating degrading risk.

- Default Risk:

- Setting up a minimum credit rate for the correspondent banks with which the Bank deals with in the field of the employment of funds in addition to their total assets, capital, and capital adequacy ratio.
- Establishing a minimum credit rate for issuances subscribed to or invested in.

- Credit Rating Degrading Risk:

- Following up on the conditions of correspondent banks and publications of international credit rating agencies periodically and regularly.
- Implementing conservative measures for concern of degradation of credit rating through reducing the deposits at these banks:
 - The application of International Financial Reporting Standard (IFRS) 9 has substantially changed the credit loss calculation methodology of the Bank by replacing the once-materialized impairment loss recognition methodology, according to the International Accounting Standard (IAS) 39, with the expected credit loss recognition methodology as of January 1st, 2018.
 - The expected credit losses (ECL) for each of the expected credit losses for the entire lifetime of the credit exposure and expected credit losses by probability of default of credit exposure shall be calculated within 12 months either on an individual basis or on a portfolio basis of the financial instruments based on the nature of financial instruments in the portfolio.

- All the Bank's debt instruments that carry credit risks shall be subject to the measurement of expected credit loss except for the following:
- Financials instruments at fair value through profit or loss (FVTPL). This portfolio includes debt instruments (bonds) and equity instruments (shares) which shall be measured at fair value. Moreover, the change in fair value shall be recorded in the statement of profit and loss and these instruments have to be traded in the short term. The debt instruments in this portfolio shall not be subject to the calculation of the ECL.
- Financial instruments at fair value through other comprehensive income (FVOCI). This portfolio includes debt instruments (bonds) and equity instruments (shares) which shall be measured at fair value. Furthermore, subsequent changes in fair value have to be recorded in the statement of other comprehensive income (under conditions). Debt instruments within this portfolio, although measured at fair value, are also subject to the calculation of ECL.

Accordingly, the Bank has developed a policy to conduct an assessment at the end of each financial period in case of an increase in credit risk of the financial instrument at the date of initial recognition taking into consideration the change in the risk of default over the remaining life of the financial instrument. Therefore, the Bank has implemented a policy showing how the assessment procedures are applied on an individual basis of the financial instrument or on a portfolio basis through the distribution of credit requirements into (3) stages or levels according to the degree of risk presented therein as follows:-

- Stage (1): which includes debt instruments of low risk and high repayment ability that lack indicators showing that changes in the macroeconomy will negatively affect the probability of collection as reflected by the credit rating of the instrument, in addition to future forecasts both at the level of instrument or economy. Moreover, this stage is characterized, according to the standard, that it calculates the probability of default (PD) for the next 12 months as of the date of each financial statement.
- Stage (2): which includes high risk debt instruments or those instruments that have a significant increase in their credit risk since their initial recognition. (This means that they have become below the investment grade in the absolute term or that they have a decrease in their risk by two degrees on the credit risk scale (in the relative term)). Furthermore, PD is calculated here for the entire lifetime of the asset and not for the next 12 months as in case of the first stage.
- Stage (3): which includes debt instruments that have objective evidence of an actual impairment (default) and it has become almost certain to have a loss in the credit or great part of it.

Calculation of ECL:

Identification of provisions for impairment of financial assets requires issuance of terms and inferences by the management of the Bank in order to estimate future cash flows, along with their maturity dates, in addition to estimating any fundamental increase in the credit risk of financial assets after being initially recognized. Moreover, information on future measurement of ECL shall be considered as well.

The Bank shall measure loss provisions by an amount equals to the ECL over the lifetime of financial assets except for the following, where the ECL are measured for 12 months:-

- Gold deposits within gold accounts.
- US dollar term deposits within cash balances and deposits accounts.
- Securities in foreign currency within accounts of foreign securities at amortized cost.

The Bank has recognized expected credit losses on each of the following financial assets:

- Gold deposits within gold accounts.
- Foreign securities at amortized cost (in foreign currency).
- Term deposits (in foreign currency).
- Off-balance sheet indirect facilities (in foreign currency), which includes letters of credit and swap contracts.
- Financial securities and others (in Jordanian Dinar) which includes Jordanian treasury bonds, public institution bonds, individual saving bonds, bonds issued under extraordinary advances to the government, the reserve segment, and Jordan Mortgage Refinance Company's bond.
- Credit granted to banks and local financial institutions (in Jordanian Dinar) which includes advances granted to commercial and Islamic banks, and the advance of Petra Bank, other banks and financial institutions under liquidation.
- Repurchase agreements (REPOs) (in Jordanian Dinar).
- Other assets in local currency (housing loans in Jordanian Dinar).

The following table sets out the provision for expected credit losses according to its classification stages as at December 31 2022:

Item	Stage (1)	Stage (2)	Stage (3)	Total
	JD	JD	JD	JD
Gold deposits	6,271	-	-	6,271
Cash, balances, and deposits	2,474,667	-	-	2,474,667
Foreign financial securities at amortized cost	634,389	-	-	634,389
Financial securities and others	257,849	-	-	257,849
Advances granted to local banks and financial institutions	4,447,294	-	226,093,961	230,541,255
Miscellaneous other assets in Jordanian Dinar	248,459	5,176	14,438	268,073
Total	8,068,929	5,176	226,108,399	234,182,504

The following table sets out the provision for ECL according to its classification stages for the financial year as of 31 December 2021:

Item	Stage (1)	Stage (2)	Stage (3)	Total
	JD	JD	JD	JD
Gold deposits	23,749	-	-	23,749
Cash, balances, and deposits	2,558,739	-	-	2,558,739
Foreign financial securities at amortized cost	757,675	-	-	757,675
Financial securities and others	155,226	-	-	155,226
Advances granted to local banks and financial institutions	3,327,285	-	226,093,961	229,421,246
Miscellaneous other assets in Jordanian Dinar	237,757	5,124	18,371	261,252
Total	7,060,431	5,124	226,112,332	233,177,887

The Bank's Internal Credit Rating System and its Working Mechanism

In order to measure the degree of risk pertaining to any credit exposure, the Bank has adopted methods and strategies globally recognized. Three levels of risk were used as follows:-

Level/ stage	Credit rating score	Customer grade	Average ratio of PD	Level of credit quality
First	Aaaa-Baaa	1-4	0.8%	High credit quality with a credit risk score from significantly low to low
Second	Ba-Caa	5-7	42%	Moderate credit quality with a moderate credit risk score
Third	Ca-C	8-10	100%	Significantly low credit quality with a very high credit risk score

The Mechanism Adopted to Calculate the ECL on Each item of Financial Instruments Separately.

The definition and mechanism of calculation and monitor of probability of default (PD), exposure at default (EAD), and loss given default (LGD) are explained below:

- **Probability of Default (PD):** It is the percentage of probability of losses or default to pay instalments or obligations to the Bank in their due dates. In measuring the degree of risk associated with any credit exposure, the bank relied on globally recognized methods and methodologies, by subscribing to Moody's to obtain the values of the probability of default variable (PD) used in the ECL where it has identified three levels of risk.
- **Loss Given Default (LGD):** It is the percentage representing that part of the exposure which will be lost in the event of default.
- Expected Credit Losses are a probability-weighted estimate of credit losses. In this regard, the Bank has measured ECL on financial instruments based on many economic indicators relating to the financial instrument. For instance, when it comes to secured debt instruments for which collaterals are available, the recovery rate at default is calculated; this includes some collaterals provided against some advances granted to the Islamic banks customers. As for unsecured debt instruments for which collaterals are not available, the LGD is considered to be (45%) of senior claims, and (75%) of subordinate claims.
- ECL for financial instruments issued by the Jordanian government are considered to be zero, and therefore the provisions allocated will be zero as well. Accordingly, LGD for the following assets has been used as follows:
 - Foreign currency deposits: LGD is considered to be (45%) based on the following indicators:
 - Historically, the Bank has not faced any case of default of its deposits with its foreign correspondents.
 - Deposits are held with high rating correspondent banks; each of which is given a ceiling on the deposits it holds based on many factors.
 - Such deposits are not renewed automatically; rather, all deposits will be transferred and then re-held.
 - Bonds at amortized cost: LGD is (45%) as it is considered one of the senior claims in case of repayment of debts at default.

- Jordan Mortgage Refinance Company's bond: LGD is (45%) as it is considered one of the senior claims in case of repayment of debts at default.
- Advances granted to Islamic banks. These are divided into two types:
- Advances granted against collaterals by the Jordan Loan Guarantee Corporation (JLGC) at different ratios of the advance value is considered as the recovery rate for these advances and the LGD is thereby calculated based on $(1 - \text{recovery rate})$.
- Advances granted with no collaterals by the JLGC; instead, real estate collaterals or personal guarantees are provided. (LGD) is (45%) as it is considered one of the senior claims in case of repayment of debts at default.
- **Exposure at Default EAD:**
IFRS 9 requires an examination of the pattern of amounts provided to debtors as well as an identification of the amount employed at time of default (whether in a form of facilities, or direct or indirect loans). However, most of the components of the Bank portfolio are bonds, and debts instruments, along with their amounts which can be determined from the outstanding balance.
- **Governance of the adoption of the IFRS 9 which includes responsibilities of the Board of Directors and executive management to ensure commitment to the IFRS 9 application requirements.**

Finance Department:

- Participating with the Bank's departments in the development and construction of a business model which includes the classification of financial assets of the Bank according to the principles of IFRS 9.
- Ensuring that reconciliation and accounting entries are prepared after approving results and verifying that all products have been subjected to the calculation.
- Participating with the Bank's departments in the preparation of a clear framework for the calculation of ECL and classification of financial instruments into three stages in accordance with the IFRS 9 application requirements.
- Preparing necessary disclosures in cooperation with the related departments in the Bank and in line with the Bank law and IFRS 9 application requirements.
- Preparing the required statements from the Bank.

Internal Audit Department:

- Examining, evaluating, and improving the efficiency and adequacy of internal control, risk management, and corporate governance systems in the Bank.
- Reviewing credibility and reliability of financial information and the extent to which they can be relied on.
- Reviewing work systems and procedures to check their compatibility and correspondance with the laws, regulations, instructions, policies, methodologies, and plans, in addition to determining their adequacy and degree of commitment thereon.
- Evaluating available resources to ensure optimal utilization.
- Providing advice and making recommendations related to the development and update of work systems and procedures applied in the Bank, so as to raise their efficiency and effectiveness.

Risk and Compliance Management Department:

- Developing and implementing the general framework for management risk which includes mechanisms for determining, assessing, controlling, and monitoring risks on an ongoing basis.

Information Security and Cybersecurity Department

- Developing related policies to maintain and protect information security in such a way as to ensure sustainability in meeting the Bank's objectives efficiently and effectively.

Audit Committee

This Committee provides necessary recommendations and suggestions in order to help the Board of Directors perform its duties and supervisory role with regards to the following:

- Internal control system.
- Performance, independence, and effectiveness of the internal audit.
- Reliability of financial data and the mechanism for the preparation and presentation of financial statements.
- The Bank's compliance with laws, regulations, legislation, and codes of conduct.
- Reviewing financial data after the adoption of the standard; particularly, in order to verify the adequacy of provisions before being presented to the Board of Directors.
- Reviewing observations indicated in the Bank's report as well as the external auditor's report, in addition to following up procedures taken thereon.
- Following up accounting issues which have a fundamental impact on the financial data of the Bank and ensure the accuracy and soundness of accounting and supervisory procedures, and the degree of abidance thereon.

Risk Management and Compliance Committee

This Committee provides necessary recommendations and suggestions that contribute to enable the Board of Directors perform its supervisory role pertaining to the application of the general framework for management risk. The key tasks of the Committee are as follows:

- Reviewing the general framework for management risk and providing recommendations thereof to the Board of Directors.
- Reviewing the risk appetite statement as well as the policies and methodologies emerging from the general framework, in addition to providing necessary related recommendations and suggestions to the Board of Directors.
- Reviewing and controlling risk description and providing necessary recommendations to the Board of Directors.
- Reviewing and monitoring the main risks reports and methods of treatment and making recommendations regarding them to the Board of Directors.
- Cooperating with other committees; particularly, the audit committee issued by the Board of Directors so as to exchange information necessary for the committee's work.

1- Exposure to Credit Risk:

The following are the details of on-statement of financial position and off-statement of financial position items subject to credit risk as of 31 December 2022 and 2021:

	31 December 2022	31 December 2021
	JD	JD
On-balance sheet items:		
Gold deposits	32,047,604	261,386,101
Cash balances and deposits	6,863,967,739	7,749,655,609
Financial securities at fair value through profit or loss	-	34,460,010
Foreign financial securities at amortized cost	2,885,142,714	2,807,836,605
Past due direct credit facilities and commercial exchange agreements	766,882,210	766,882,210
Special drawing rights	7,565,081	11,586,051
Miscellaneous other assets in foreign currencies	58,898,963	13,668,250
Financial securities and others	607,556,172	503,286,903
Advances granted to local banks and financial institutions	1,663,725,604	1,777,021,257
Financing of financial securities repurchase agreements	525,000,000	590,000,000
Miscellaneous other assets in Jordanian Dinar	35,794,523	36,780,312
Total	13,446,580,610	14,552,563,308
Off-balance sheet accounts:		
Letters of credit	195,321,416	191,366,466
Foreign obligations against currencies forward contracts	546,465,000	497,367,000
Swaps contracts	112,368,074	116,736,073
Total	854,154,490	805,469,539
	14,300,735,100	15,358,032,847

2- Distribution of exposure to credit risk according to the degree of risk:

A- Foreign financial securities at amortized cost as at 31 December 2022:

- Foreign commercial papers:

Classification	Rating Institution	Issuing Institution	Financial securities at fair value
			JD
P-1	Moody's	Korean Development Bank	52,263,709
Total foreign commercial papers at amortized cost			52,263,709

- Foreign Bonds

<u>Classification</u>	<u>Rating Institution</u>	<u>Issuing Institution</u>	<u>Balance</u>
			JD
Aa1	Moody's	Oesterreichische Kontroll Bank	35,363,299
Aaa	Moody's	Kreditanst F Wiederaufbau	35,408,305
Aaa	Moody's	Landeskreditbank Baden	106,286,455
B1	Moody's	The Jordanian Government	33,263,586
Aaa	Moody's	Asian Development Bank	106,211,216
Aaa	Moody's	Asian Infrastructure Investment Bank	49,494,468
Aa1	Moody's	European Council / Brussels	56,651,199
Aa1	Moody's	Inter-American Investment Corporation	120,405,671
Aaa	Moody's	International American Development Bank - Washington	70,802,055
Aaa	Moody's	International Development Association	14,172,025
Aaa	Moody's	International Finance Corporation	109,806,613
Aa1	Moody's	International Finance Facility For Immunisation	24,797,469
Aaa	Moody's	Islamic Development Bank	680,471,188
AA+	S&P	New Development Bank - BRICS	106,223,602
Aaa	Moody's	Nordic Investment Bank	28,299,478
Aa2	Moody's	Government of Abu Dhabi	70,754,336
Aaa	Moody's	United States Treasury	1,184,468,041
Total foreign bonds at amortized cost			2,832,879,006
Total foreign financial securities at amortized cost			2,885,142,714

3 - Distribution of the collaterals fair value against credit exposures for the year 2022:

Distribution of the collaterals fair value against gross exposures:

First: Distribution of the collaterals fair value against gross exposures:

	Gross Exposure	Cash Margins	Government Financial Securities	Non-Government financial securities	Mortgage	Gross Collaterals	Net Exposure after Collaterals	Expected Credit Losses
	JD	JD	JD	JD	JD	JD	JD	JD
On-balance sheet items:								
Gold	32,053,875	-	-	-	-	-	32,053,875	6,271
Cash balances and deposits	6,866,442,407	-	-	-	-	-	6,866,442,407	2,474,667
Financial Securities at fair value through profit or loss - foreign currencies	-	-	-	-	-	-	-	-
Foreign financial securities at amortized cost	2,885,777,103	-	-	-	-	-	2,885,777,103	634,389
Past due direct credit facilities and commercial exchange agreements	766,882,210	-	-	-	-	-	766,882,210	-
Special drawing rights	7,565,081	-	-	-	-	-	7,565,081	-
Miscellaneous other assets - foreign currencies	58,898,963	-	-	-	-	-	58,898,963	-
Financial securities and others	607,814,021	-	683,911,000	40,275,412	-	724,186,412	21,634,869	257,849
Advances granted to local banks and financial institutions *	1,657,371,544	-	549,999,277	1,668,599,806	-	2,218,599,083	15,239,962	4,447,294
Financing of financial securities repurchasing agreements	525,000,000	-	544,099,757	-	-	544,099,757	-	-
Miscellaneous other assets in Jordanian currency **	34,101,218	-	-	-	36,299,073	36,299,073	-	248,459
Total	13,441,906,422	-	1,778,010,034	1,708,875,218	36,299,073	3,523,184,325	10,654,494,470	8,068,929
Off-balance sheet items:								
Letters of credit	195,321,416	8,083,548	-	-	-	8,083,548	187,237,868	-
Foreign obligations against currencies forward contracts	546,465,000	-	-	-	-	-	-	-
Swaps contracts	112,368,074	-	-	-	-	-	-	-
Total Exposures amount	14,296,060,912	8,083,548	1,778,010,034	1,708,875,218	36,299,073	3,531,267,873	10,841,732,338	8,068,929
Second: Credit exposures in stage 2:								
Miscellaneous other assets - Jordanian currency	517,588	-	-	-	756,178	756,178	-	5,176
Total	517,588	-	-	-	756,178	756,178	-	5,176
Third: Credit exposures in stage 3:								
Advances granted to local banks and financial institutions	236,895,315	-	-	-	-	-	236,895,315	226,093,961
Miscellaneous other assets - Jordanian currency	1,443,790	-	-	-	2,109,326	2,109,326	-	14,438
Total	238,339,105	-	-	-	2,109,326	2,109,326	236,895,315	226,108,399

* This item includes exposures that do not have collaterals for the balances of investment with Islamic banks (advances granted to customers), where a provision against investment contracts with Islamic banks was calculated.

** The bank has taken a provision on the total portfolio of loans and housing financing of employees at a rate of (1%) to meet any risks that may arise as a result of default or non-payment of installments on time, as the market value of collateral against these loans is much higher than the book value.

- Distribution of the collaterals fair value against credit exposures for the year 2021:

First: Distribution of the collaterals fair value against gross exposures:

	Gross Exposure JD	Cash Margins JD	Government Financial Securities JD	Non-Government Financial securities JD	Mortgage JD	Gross Collaterals JD	Net Exposure after Collaterals JD	Expected Credit Losses JD
On-balance sheet items:								
Gold	261,409,850	-	-	-	-	-	261,409,850	23,749
Cash balances and deposits	7,752,214,348	-	-	-	-	-	7,752,214,348	2,558,739
Financial Securities at fair value through profit or loss - foreign currencies	34,460,010	-	-	-	-	-	34,460,010	-
Foreign financial securities at amortized cost	2,808,594,280	-	-	-	-	-	2,808,594,280	757,675
Past due direct credit facilities and commercial exchange agreements	766,882,210	-	-	-	-	-	766,882,210	-
Special drawing rights	11,586,051	-	-	-	-	-	11,586,051	-
Miscellaneous other assets - foreign currencies	13,668,250	-	-	-	-	-	13,668,250	-
Financial securities and others	503,442,130	-	462,358,832	40,275,412	-	502,634,244	20,520,177	155,226
Advances granted to local banks and financial institutions *	1,767,251,808	-	649,999,277	1,403,157,269	-	2,053,156,545	27,810,461	3,327,285
Financing of financial securities repurchasing agreements	590,000,000	-	590,017,191	-	-	590,017,191	-	-
Miscellaneous other assets in Jordanian currency **	34,692,079	-	-	-	34,967,830	34,967,830	-	237,757
Total	14,544,201,016	-	1,702,375,300	1,443,432,681	34,967,830	3,180,775,810	11,697,145,637	7,060,431
Off-balance sheet items:								
Letters of credit	191,366,466	16,788,687	-	-	-	16,788,687	174,577,778	-
Foreign obligations against currencies forward contracts	497,367,000	-	-	-	-	-	497,367,000	-
Swaps contracts	116,736,073	-	-	-	-	-	116,736,073	-
Total Exposures amount	15,349,670,555	16,788,687	1,702,375,300	1,443,432,681	34,967,830	3,197,564,497	12,485,826,488	7,060,431
Second: Credit exposures in stage 2:								
Miscellaneous other assets - Jordanian currency	512,411	-	-	-	753,621	753,621	-	5,124
Total	512,411	-	-	-	753,621	753,621	-	5,124
Third: Credit exposures in stage 3:								
Advances granted to local banks and financial institutions	239,190,696	-	4,253,600	-	-	4,253,600	234,937,096	226,093,961
Miscellaneous other assets - Jordanian currency	1,837,074	-	-	-	2,701,851	2,701,851	-	18,371
Total	241,027,770	-	4,253,600	-	2,701,851	6,955,451	234,937,096	226,112,332

* This item includes exposures do not have collaterals for the balances of investment with Islamic banks (advances granted to customers), where a provision against investment contracts with Islamic banks was calculated.

** The bank has taken a provision on the total portfolio of loans and housing financing of employees at a rate of (1%) to meet any risks that may arise as a result of default or non-payment of installments on time, as the market value of collateral against these loans is much higher than the book value.

Distribution of credit exposures according to geographical distribution according to IFRS (9):

Item	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Inside the Kingdom	3,475,146,146	517,588	12,245,143	3,487,908,877
GCC Countries	3,705,488,355	-	-	3,705,488,355
Other Countries	768,067,382	-	-	768,067,382
Europe	3,435,000,544	-	-	3,435,000,544
Asia	591,787,439	-	-	591,787,439
America	2,312,027,548	-	-	2,312,027,548
Canada	454,955	-	-	454,955
Total 2022	<u>14,287,972,369</u>	<u>517,588</u>	<u>12,245,143</u>	<u>14,300,735,100</u>
Total 2021	<u>15,342,586,628</u>	<u>512,411</u>	<u>14,933,808</u>	<u>15,358,032,847</u>

4 - Geographical distribution of credit risk exposure

	Inside the Kingdom	GCC Countries	Other Countries	Europe	Asia *	America	Canada	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Gold	-	-	-	32,047,604	-	-	-	32,047,604
Cash balances and deposits	-	2,881,154,096	1,185,172	2,937,799,145	253,430,618	789,943,753	454,955	6,863,967,739
Foreign financial securities at fair value through profit or loss	-	-	-	-	-	-	-	-
Foreign financial securities at amortized cost	33,263,586	751,225,523	-	286,806,205	314,192,995	1,499,654,405	-	2,885,142,714
Past due direct credit facilities and commercial exchange agreements	-	-	766,882,210	-	-	-	-	766,882,210
Special drawing rights	-	-	-	-	-	7,565,081	-	7,565,081
Miscellaneous other assets - foreign currencies	853,042	22,735,054	-	22,229,050	2,949,263	10,132,554	-	58,898,963
Financial securities and others	607,556,172	-	-	-	-	-	-	607,556,172
Advances granted to local banks and financial institutions	1,663,725,604	-	-	-	-	-	-	1,663,725,604
Financing of financial securities repurchasing agreements	525,000,000	-	-	-	-	-	-	525,000,000
Miscellaneous other assets in Jordanian currency	35,794,523	-	-	-	-	-	-	35,794,523
Total on-balance sheet items	2,866,192,927	3,655,114,673	768,067,382	3,278,882,004	570,572,876	2,307,295,793	454,955	13,446,580,610
Off-balance sheet items:								
Letters of credit	9,121,147	50,373,682	-	109,880,269	21,214,563	4,731,755	-	195,321,416
Foreign obligations against currencies forward contracts	546,465,000	-	-	-	-	-	-	546,465,000
Swaps contracts	66,129,803	-	-	46,238,271	-	-	-	112,368,074
Total for the Year 2022	3,487,908,877	3,705,488,355	768,067,382	3,435,000,544	591,787,439	2,312,027,548	454,955	14,300,735,100
Total for the Year 2021	3,524,270,452	4,241,602,826	855,049,846	4,514,285,017	542,245,332	1,665,576,014	15,003,360	15,358,032,847

* Except for Middle Eastern Countries

5 - Exposure to credit risk according to economic sector:

Item / Economic Sector	Financial JD	Government and Public Sector JD	Total JD
Gold	32,047,604	-	32,047,604
Cash balances and deposits	6,438,226,753	425,740,986	6,863,967,739
Foreign financial securities at fair value through profit or loss	-	-	-
Foreign financial securities at amortized cost	-	2,885,142,714	2,885,142,714
Past due direct credit facilities and commercial exchange agreements	-	766,882,210	766,882,210
Special drawing rights	-	7,565,081	7,565,081
Miscellaneous other assets - foreign currencies	44,407,091	14,491,872	58,898,963
Financial securities and other	21,377,020	586,179,152	607,556,172
Advances granted to local banks and financial institutions	1,551,132,210	112,593,394	1,663,725,604
Financing of financial securities repurchase agreements	525,000,000	-	525,000,000
Miscellaneous other assets in Jordanian currency	35,794,523	-	35,794,523
Total on-balance sheet items	8,647,985,201	4,798,595,409	13,446,580,610
Off-balance sheet items:			
Letters of credit	-	195,321,416	195,321,416
Foreign obligations against currencies forward contracts	546,465,000	-	546,465,000
Swaps contracts	66,129,803	46,238,271	112,368,074
Total for the Year 2022	9,260,580,004	5,040,155,096	14,300,735,100
Total for the Year 2021	10,897,101,773	4,460,931,074	15,358,032,847

Distribution of credit exposures by economic sector according to IFRS (9)

Item	Stage 1 JD	Stage 2 JD	Stage 3 JD	Total JD
Financial	9,247,817,272	517,588	12,245,144	9,260,580,004
Government and public sector	5,040,155,096	-	-	5,040,155,096
Total 2022	14,287,972,368	517,588	12,245,144	14,300,735,100
Total 2021	15,342,586,628	512,411	14,933,808	15,358,032,847

Interest Rate Repricing Gap:

Classification is based on interest repricing periods or maturities, whichever are nearer.

<u>December 31, 2022</u>	<u>Up to 3 Months JD</u>	<u>More than 3 to 6 Months JD</u>	<u>More than 6 Months up to 1Year JD</u>	<u>More than 1 Year to 3 Years JD</u>	<u>More than 3 Years JD</u>	<u>Without Interest JD</u>	<u>Total JD</u>
<u>Assets</u>							
Gold and foreign currencies assets:							
Gold	-	32,047,604	-	-	-	2,805,017,231	2,837,064,835
Cash balances and deposits	5,083,840,751	873,040,087	907,086,902	-	-	243,714,504	7,107,682,244
Foreign financial securities at fair value through profit or loss	-	-	-	-	-	-	-
Foreign financial securities at amortized cost	211,754,243	99,206,857	201,995,802	1,415,634,124	956,551,688	-	2,885,142,714
Past due direct credit facilities and commercial exchange agreements	-	-	-	-	-	766,882,210	766,882,210
Special drawing rights	-	-	-	-	-	7,565,081	7,565,081
Foreign financial assets at fair value through other comprehensive income	-	-	-	-	-	419,820,853	419,820,853
Miscellaneous other assets - foreign currencies	37,152,366	10,038,050	11,708,547	-	-	-	58,898,963
<u>Assets in Jordanian currency:</u>							
Financial securities and other	47,500,000	8,492,000	-	2,952,000	256,344,020	292,268,152	607,556,172
Advances granted to local banks and financial institutions	109,383,779	100,455,107	221,592,219	484,761,460	696,586,459	50,946,580	1,663,725,604
Financial assets in local currency at fair value through other comprehensive income	-	-	-	-	-	48,796,854	48,796,854
Financing of financial securities repurchase agreements	425,000,000	100,000,000	-	-	-	-	525,000,000
Property and equipment and software (net)	-	-	-	-	-	16,592,983	16,592,983
Miscellaneous other assets in Jordanian Dinar	-	-	-	-	26,539,264	33,578,318	60,117,582
Total Assets	<u>5,914,631,139</u>	<u>1,223,279,705</u>	<u>1,342,383,470</u>	<u>1,903,347,584</u>	<u>1,936,021,431</u>	<u>4,685,182,766</u>	<u>17,004,846,095</u>

Interest Rate Repricing Gap:

Classification is based on interest repricing periods or maturities, whichever are nearer.

	Up to 3 Months	More than 3 to 6 Months	More than 6 Months up to 1 Year	More than 1 Year to 3 Years	More than 3 Years	Without Interest	Total
	JD	JD	JD	JD	JD	JD	JD
<u>December 31, 2022</u>							
Liabilities							
Currency issued	-	-	-	-	-	6,678,204,488	6,678,204,488
Liabilities in foreign currencies:							
Local licensed banks and financial institutions' deposits	654,115,968	-	-	-	-	-	654,115,968
Government deposits	133,813,193	-	-	-	-	-	133,813,193
Governmental deposits with independent budgets public institutions deposits	16,781,221	-	-	-	-	-	16,781,221
Foreign financial institutions, banks and independent agencies' deposits	149,031,386	324,958,333	354,500,000	-	-	11,689,104	840,178,823
Obligations against special drawing rights	-	-	-	-	-	152,924,180	152,924,180
Deposits and other liabilities	-	-	-	-	-	36,490,545	36,490,545
Liabilities in Jordanian Currency:							
Certificate of deposits	600,000,000	-	-	-	-	-	600,000,000
Local licensed banks and financial institutions deposits	3,459,500,000	-	-	-	-	2,482,305,004	5,941,805,004
Government deposits	739,561,846	-	-	-	-	-	739,561,846
Governmental deposits with independent budgets public institutions deposits	314,209,012	-	-	-	-	-	314,209,012
International Monterey Fund accounts	4,087,638	4,087,638	17,713,099	106,278,591	51,776,753	821,015	184,764,734
Foreign financial institutions, banks and independent agencies' deposits	-	-	-	-	-	1,498,661	1,498,661
Other liabilities in Jordanian currency	17,266,268	-	-	-	-	72,582,589	89,848,857
Gold and foreign currencies valuation differences	-	-	-	-	-	77,366,221	77,366,221
Total Liabilities	6,088,366,532	329,045,971	372,213,099	106,278,591	51,776,753	9,513,881,807	16,461,562,753
Interest rate re-pricing gap	(173,735,393)	894,233,734	970,170,371	1,797,068,993	1,884,244,678	(4,828,699,041)	543,283,342
<u>31 December 2021</u>							
Total Assets	5,696,588,073	3,394,434,149	803,418,748	1,569,949,217	1,887,613,813	4,324,687,525	17,676,691,525
Total Liabilities	5,328,386,748	276,149,775	599,542,584	103,339,128	93,150,767	10,773,947,553	17,174,516,555
Interest rate re-pricing Gap	368,201,325	3,118,284,374	203,876,164	1,466,610,089	1,794,463,046	(6,449,260,028)	502,174,970

B- Market Risks

It is the risk of fluctuation of the fair value and cash flows of financial instruments as a result of a change in market prices, such as the risk of a change in exchange rates, the risk of a change in gold prices, and the risk of a change in interest rates. Market risk is measured by the bank's management in several ways, including:

- Monitoring risks through the Investments and External Operations Department and the Risk Management and Compliance Department and submitting periodic reports thereon to the competent committees (the Risk Management and Compliance Committees and the Investment Committee).
- Establishing a pattern for the measurement of interest rate risk such as using the sensitivity analysis method based on the assessment of risks relating to incurring losses in fair value due to the changes in interest rates and exchange rates of foreign currencies.
- Scenario analysis by assuming several scenarios for interest rate fluctuations and analyzing the extent to which the bank's portfolio is affected by these fluctuations.
- Adopting the value – at – risk (VAR) method to statistically assess the potential losses in an instrument or portfolio due to the prevailing adverse changes in the market. The maximum potential loss is shown at a determined confidence level of (95%) and a specified retention period.
- The Bank continues to tie the Jordanian Dinar to the US Dollar while maintaining most of the Bank of assets in US Dollar for rates not less than (82%), from the net Bank assets in foreign currencies (after netting local banks deposits from foreign currencies and other outside short-term obligations).

Exchange Rate Risk

This is the most important risk encountered in the investment activity due to the tie of the Jordanian Dinar to the US Dollar at a fixed exchange rate. In addition, the Bank's foreign assets are evaluated according to this exchange rate because the Bank is entitled to keep up to 18% of its net assets in foreign currencies other than the US Dollar. Any negative changes in their exchange rates against the US Dollar will lead to diminishing the size of the Bank assets in proportion to the change.

Nevertheless, the percentage has been set up for strategic objectives to diversify and maintain the balance between the Bank's assets and liabilities denominated in various foreign currencies. Moreover, the legislator, through Article (56/b) of the Bank's law, emphasized on the subject of the treatment of this condition due to his conviction of the importance and necessity that the Central Bank of Jordan should keep part of its assets in other foreign currencies to fulfill its needs and those of the Country and its organizations. The effects of the exchange rate fluctuations in foreign currencies have been isolated in the Bank's profit or loss through recording them in a special account for the evaluation differences as the fluctuation in exchange rates is a repetitive and permanently recurring process. The present utilization rate is (1.259%).

Foreign Currency Risk:

Sensitivity analysis for 2022:

Currency	Effect of Raising the Exchange Rate by 5% on Assets or Liabilities	Effect of Reducing the Exchange Rate by 5% on Assets or Liabilities
	JD	JD
Euro	4,557,411	(4,557,411)
Great British Pound	1,527,517	(1,527,517)
Japanese Yen	11,182	(11,182)
Canadian Dollar	22,748	(22,748)
Swiss Franc	5,687	(5,687)
Other Currencies	164,729	(164,729)

Sensitivity analysis for 2021:

Currency	Effect of Raising the Exchange Rate by 5% on Assets or Liabilities	Effect of Reducing the Exchange Rate by 5% on Assets or Liabilities
	JD	JD
Euro	9,678,483	(9,678,483)
Great British Pound	1,281,001	(1,281,001)
Japanese Yen	42,434	(42,434)
Canadian Dollar	41,327	(41,327)
Swiss Franc	7,127	(7,127)
Other Currencies	186,938	(186,938)

Change in Gold Price Risk

Gold price risk is the risk of exposure of the Bank's financial condition to fundamental movements in the price of gold.

The Bank is exposed to gold price risk principally through its holdings of gold investment assets. These gold investment assets are held in custody with foreign commercial banks and agencies. The Bank's net gold investment assets were 2,212,732 ounces with a value of JOD 2,837,064,835 (2021: 2,075,124 ounces, JD 2,646,135,679), approximately 16.68% of its assets (2021: 14.97%). The Bank occasionally also has small exposures to gold price risk arising from its banking activities with central and commercial banks. Gold price risk is measured within the Bank's methodology, including its economic capital framework and stress tests.

Change in Interest Rate Risk

Interest rate risk is the risk resulting from the change in market interest rates. This risk is one of the most prevalent risks to which the Bank is exposed. Moreover, deposits constitute a great percentage of the Bank investments in addition to other instruments related to interest rate such as debts instruments (fixed income).

The Bank manages these interest rate risks through applying the sensitivity analysis to the instruments subject to interest rate in the portfolio (Moody's analysis +, - 1% on the same interest).

The details of the sensitivity analysis of the accounts exposed to changes in interest rates according to currency type during the years 2022 and 2021 are as follows:

Sensitivity analysis for 2022:

Currency	Effect of Raising the Interest Rate by 1% on the income statement	Effect of Reducing the Interest Rate by 1% on the income statement
	JD	JD
US Dollar	88,524,525	(88,524,525)
Jordanian Dinar	(36,780,918)	36,780,918

Sensitivity analysis for 2021:

Currency	Effect of Raising the Interest Rate by 1% on the income statement	Effect of Reducing the Interest Rate by 1% on the income statement
	JD	JD
US Dollar	98,233,961	(98,233,961)
Jordanian Dinar	(28,564,425)	28,564,425

Concentration of Foreign Currencies Risks

	US Dollar	Great British Pound	Swiss Franc	Japanese Yen	Canadian Dollar	Euro	Others	Total
<u>December 31, 2022</u>	JD	JD	JD	JD	JD	JD	JD	JD
<u>Assets</u>								
Gold	-	-	-	-	-	-	2,837,064,835	2,837,064,835
Cash accounts	223,795,087	601,336	19,502	-	-	19,280,427	18,153	243,714,505
Current accounts	790,694,074	29,949,004	339	223,641	454,955	71,867,799	3,276,425	896,466,237
Demand accounts	97,792	-	93,899	-	-	-	-	191,691
Term accounts	5,967,309,811	-	-	-	-	-	-	5,967,309,811
Financial securities at fair value through profit or loss	-	-	-	-	-	-	-	-
Foreign financial securities at amortized cost – fixed rate	2,601,599,074	-	-	-	-	-	-	2,601,599,074
Foreign financial securities at amortized cost – floating rate	283,543,640	-	-	-	-	-	-	283,543,640
Past due Direct Credit facilities and commercial exchange agreements	766,882,210	-	-	-	-	-	-	766,882,210
Special drawing rights	-	-	-	-	-	-	7,565,081	7,565,081
Foreign financial assets at fair value through other comprehensive	-	-	-	-	-	-	-	-
Income	41,416,805	-	-	-	-	-	378,404,048	419,820,853
Miscellaneous other assets in foreign currencies	58,847,540	-	-	-	-	-	51,423	58,898,963
Total	10,734,186,033	30,550,340	113,740	223,641	454,955	91,148,226	3,226,379,965	14,083,056,900
<u>Liabilities:</u>								
Current and demand accounts	402,935,561	30,386,697	422	-	-	84,872,281	-	518,194,961
Term accounts / reserve	544,663,004	-	-	-	-	-	-	544,663,004
Term accounts	592,156,386	-	-	-	-	-	-	592,156,386
Other term accounts	15,598,000	-	-	-	-	-	-	15,598,000
Obligations against special drawing rights allocations	-	-	-	-	-	-	152,924,180	152,924,180
Total	1,555,352,951	30,386,697	422	-	-	84,872,281	152,924,180	1,823,536,531
Net concentration	9,178,833,082	163,643	113,318	223,641	454,955	6,275,945	3,073,455,785	12,259,520,369
31 December 2021								
Assets	11,426,691,214	25,620,032	142,534	848,682	826,558	193,616,176	3,038,663,065	14,686,408,261
Liabilities	1,793,780,086	25,344,108	430	-	-	130,602,417	487,141,407	2,436,868,448
Net concentration	9,632,911,128	275,924	142,104	848,682	826,558	63,013,759	2,551,521,658	12,249,539,813

C- Liquidity Risk

- Liquidity is defined as the Bank's ability to finance the increase of its assets and face its liabilities when due without incurring unacceptable losses. The bank uses various methods to measure and analyse the liquidity of the financial position that help the bank to plan and manage its financial resources in addition to identifying mismatches in assets and liabilities which is possible to exposes the Bank to liquidity risk.

- The maturities of assets against liabilities are distributed as follows:
 1. The Bank's custody volume of any issue should not exceed 10% of the total issue or US Dollar 100 million, whichever is less.
 2. The Bank should keep a minimum amount of liquidity in current accounts representing at least 20% of the issued credits.
 3. The Bank should maintain assets that can be easily liquidated as protection against any unforeseen shortage in liquidity.
 4. Liquidity is measured through the daily balances statement in addition to the analysis and distribution of financial assets according to the expected dates of their maturities and contingent liabilities required payments.

Liquidity Risk

The schedual below classifies the distribution of undiscounted liabilities based on the remaining period for the contractual maturity at the date of the financial statements:

	Less than One Month	From 1 to 3 Months	From 3 to 6 Months	From 6 Months up to 1Year	From 1 to 3 Years	More than 3 Years	Without Maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
31 December 2022								
Liabilities:								
Currency issued	-	-	-	-	-	-	6,678,204,488	6,678,204,488
Liabilities in foreign currencies:								
Local licensed banks and financial institutions' deposits	544,663,004	-	-	-	-	-	109,452,964	654,115,968
Government deposits	-	-	-	-	-	-	133,813,193	133,813,193
Governmental deposits with independent budgets								
public institutions deposits	-	-	-	-	-	-	16,781,221	16,781,221
Foreign financial institutions, banks and independent agencies' deposits	39,176,347	110,891,784	327,051,571	360,090,621	-	-	11,689,103	848,899,426
Obligations against special drawing rights	-	-	-	-	-	-	152,924,180	152,924,180
Deposits and other liabilities	-	2,127,000	4,963,000	4,963,000	3,545,000	-	20,892,545	36,490,545
Liabilities in Jordanian Currency:								
Government deposits	600,747,945	-	-	-	-	-	-	600,747,945
Local licensed banks and financial institutions deposits	3,461,869,521	-	-	-	-	-	2,482,305,004	5,944,174,525
Government deposits	-	-	-	-	-	-	739,561,846	739,561,846
Governmental deposits with independent budgets								
public institutions deposits	-	-	-	-	-	-	314,209,012	314,209,012
International Monterey Fund accounts	-	4,087,638	4,087,638	17,713,099	106,278,591	51,776,753	821,015	184,764,734
Foreign financial institutions, banks and independent agencies' deposits	-	-	-	-	-	-	1,498,661	1,498,661
Other liabilities in Jordanian currency	17,266,268	-	-	-	-	-	72,582,589	89,848,857
Gold and foreign currencies valuation differences	-	-	-	-	-	-	77,366,221	77,366,221
Total Liabilities	4,663,723,085	117,106,422	336,102,209	382,766,720	109,823,591	51,776,753	10,812,102,042	16,473,400,822
Total Assets (according to its anticipated maturity)	3,173,393,501	2,741,237,638	1,223,279,705	1,342,383,470	1,903,347,584	1,936,021,431	4,685,182,766	17,004,846,095
31 December 2021								
Total Liabilities	4,376,091,753	181,796,294	276,798,564	601,511,831	117,519,128	93,150,767	11,530,371,558	17,177,239,895
Total Assets (according to its anticipated maturity)	2,528,384,094	3,168,203,979	3,394,434,149	803,418,748	1,569,949,217	1,887,613,813	4,324,687,525	17,676,691,525

Financial Derivatives / Liabilities that is settled in gross which includes:

Foreign Currencies Derivatives: Currencies SWAP and Forward contracts

	Less than One Month	From 1 to 3 Months	From 3 to 6 Months	From 6 Months up to 1Year	From 1 to 3 Years	More than 3 Years	Total
	JD	JD	JD	JD	JD	JD	JD
<u>31 December 2022</u>							
Trading Financial Derivatives currency contracts							
SWAP Contracts	21,359,483	24,878,788	66,129,803	-	-	-	112,368,074
Currencies Forward Hedging contracts / Currencies Forward contracts	102,844,750	443,620,250	-	-	-	-	546,465,000
Total	124,204,233	468,499,038	66,129,803	-	-	-	658,833,074
<u>31 December 2021</u>							
Trading Financial Derivatives currency contracts							
SWAP Contracts	21,403,946	29,566,683	65,765,444	-	-	-	116,736,073
Currencies Forward Hedging contracts / Currencies Forward contracts	355,295,000	142,072,000	-	-	-	-	497,367,000
Total	376,698,946	171,638,683	65,765,444	-	-	-	614,103,073

Off statement of financial position items

	For 1 Year	From 1 to 5 Years	More than 5 Years	Total
	JD	JD	JD	JD
<u>31 December 2022</u>				
Off statement of financial position items				
Letters of credit	175,207,109	20,114,307	-	195,321,416
Foreign obligations against currencies forward contracts	546,465,000	-	-	546,465,000
Swaps Contracts	112,368,074	-	-	112,368,074
	834,040,183	20,114,307	-	854,154,490
<u>31 December 2021</u>				
Off statement of financial position items				
Letters of credit	172,257,723	19,108,743	-	191,366,466
Foreign obligations against currencies forward contracts	497,367,000	-	-	497,367,000
Swaps Contracts	116,736,073	-	-	116,736,073
	786,360,796	19,108,743	-	805,469,539

40- Capital Management

Through the management of its capital, the Bank aims at:

- a. Complying with the Central Bank of Jordan law.
- b. Maintaining its ability as a going concern through establishing a strong base to support its objectives represented in preserving monetary stability and guaranteeing the convertibility of the Jordanian Dinar and the stability of the financial sector which is conducted in a manner that contributes to economic growth in the Kingdom, and thus, makes available an attractive investment environment in addition to the safety and fortitude of the banking system and the national payments system through the application of an effective monetary policy and the employment of the optimal human, financial, technical and knowledge resources.

The Bank maintains a general reserve at 20% of its net profit in each fiscal year. The rest of net profit is paid to the Ministry of Finance after taking all the necessary provisions and reserves. In case the general reserve exceeds twice the amount of capital, all net profits are paid to the Ministry of Finance. Should the reserves be inadequate to cover any losses in profit or loss account for any fiscal year, the government has to pay an adequate amount for this coverage. The amount is considered a preferred debt to the government deductible from the profit achieved in subsequent periods.

Capital Items:

	2022 JD	2021 JD
Capital	48,000,000	48,000,000
General reserve	49,090,230	33,090,230
Financial assets valuation reserve	184,621,280	171,615,127
Special reserves	261,571,832	249,469,613
Total Capital and Reserves	543,283,342	502,174,970

41- Analysis of the Maturities of Assets and Liabilities

The following table shows the analysis of assets and liabilities according to the expected recoverability or settlement period:

	31 December 2022		
	Up to One Year	More than One Year	Total
	JD	JD	JD
Assets:			
Gold	2,837,064,835	-	2,837,064,835
Cash balances and deposits	7,107,682,244	-	7,107,682,244
Foreign financial securities at fair value through profit and loss	-	-	-
Foreign financial securities at amortized cost	512,956,902	2,372,185,812	2,885,142,714
Past due direct credit facilities and commercial exchange agreements	-	766,882,210	766,882,210
Special drawing rights	-	7,565,081	7,565,081
Foreign financial assets at fair value through other comprehensive income	-	419,820,853	419,820,853
Miscellaneous other assets – Foreign currencies	58,898,963	-	58,898,963
Financial securities and others	55,992,000	551,564,172	607,556,172
Advances granted to local banks and financial institutions	431,431,105	1,232,294,499	1,663,725,604
Local-currencies Financial assets at fair value through other comprehensive income.	-	48,796,854	48,796,854
Financial securities repurchasing agreements	525,000,000	-	525,000,000
Property and Equipment and software-net	-	16,592,983	16,592,983
Miscellaneous other assets in Jordanian Dinar	-	60,117,582	60,117,582
Total	11,529,026,049	5,475,820,046	17,004,846,095
Liabilities:			
Currency issued	-	6,678,204,488	6,678,204,488
Local licensed banks and financial institutions deposits in foreign currencies	654,115,968	-	654,115,968
Government deposits in foreign currencies	133,813,193	-	133,813,193
Government deposits with independent budgets and Public Institutions	16,781,221	-	16,781,221
Foreign financial institutions, banks and independent agencies' deposits	828,489,719	11,689,104	840,178,823
Obligations against special drawing rights	-	152,924,180	152,924,180
Deposits and other liabilities in foreign currencies	-	36,490,545	36,490,545
Certificates of deposits - JD	600,000,000	-	600,000,000
Local licensed banks and financial institutions deposits – JD	3,459,500,000	2,482,305,004	5,941,805,004
Government deposits – JD	739,561,846	-	739,561,846
Government deposits with independent budgets and Public institutions – JD	314,209,012	-	314,209,012
International Monetary Fund accounts	25,888,375	158,876,359	184,764,734
Foreign financial institutions, banks and independent agencies' deposits- JD	-	1,498,661	1,498,661
Other liabilities – JD	17,266,268	72,582,589	89,848,857
Gold and foreign currencies valuation differences	-	77,366,221	77,366,221
Total	6,789,625,602	9,671,937,151	16,461,562,753
Net	4,739,400,447	(4,196,117,105)	543,283,342

	31 December 2021		
	Up to One	More than One	Total
	Year	Year	
	JD	JD	JD
Assets:			
Gold	2,646,135,679	-	2,646,135,679
Cash balances and deposits	7,988,908,142	-	7,988,908,142
Foreign financial securities at fair value through profit and loss	-	34,460,010	34,460,010
Foreign financial securities at amortized cost	870,469,941	1,937,366,664	2,807,836,605
Past due direct credit facilities and commercial exchange agreements	-	766,882,210	766,882,210
Special drawing rights	-	11,586,051	11,586,051
Foreign financial assets at fair value through other comprehensive income	-	416,931,315	416,931,315
Miscellaneous other assets – Foreign currencies	13,668,250	-	13,668,250
Financial securities and others	84,245,800	419,041,103	503,286,903
Advances granted to local banks and financial institutions	325,015,269	1,452,005,988	1,777,021,257
Local-currencies Financial assets at fair value through other comprehensive income.	-	46,436,335	46,436,335
Financial securities repurchasing agreements	590,000,000	-	590,000,000
Property and Equipment and software-net	-	22,747,865	22,747,865
Miscellaneous other assets in Jordanian Dinar	-	50,790,903	50,790,903
Total	12,518,443,081	5,158,248,444	17,676,691,525
Liabilities:			
Currency issued	-	6,834,841,008	6,834,841,008
Local licensed banks and financial institutions deposits in foreign currencies	709,941,820	-	709,941,820
Government deposits in foreign currencies	75,927,826	-	75,927,826
Government deposits with independent budgets and Public institutions	16,698,403	-	16,698,403
Foreign financial institutions, banks and independent agencies' deposits	1,106,368,817	7,879,630	1,114,248,447
Obligations against special drawing rights	-	487,141,407	487,141,407
Deposits and other liabilities in foreign currencies	-	34,086,921	34,086,921
Local licensed banks and financial institutions deposits – JD	3,782,000,000	2,992,390,864	6,774,390,864
Government deposits – JD	294,030,857	-	294,030,857
Government deposits with independent budgets and Public institutions – JD	180,940,424	-	180,940,424
International Monetary Fund accounts	17,465,768	197,158,992	214,624,760
Foreign financial institutions, banks and independent agencies' deposits- JD	-	1,950,962	1,950,962
Other liabilities – JD	20,705,192	258,695,309	279,400,501
Gold and foreign currencies valuation differences	-	156,292,355	156,292,355
Total	6,204,079,107	10,970,437,448	17,174,516,555
Net	6,314,363,974	(5,812,189,004)	502,174,970

42- Accounts Managed on Behalf of Customers

Open market operations and public debt:

The accounts managed on behalf of customers amounted to JD 22,436 million as at the end of the year 2022 compared to JD 20,768 million for the year 2021, distributed as follows:

<u>Account</u>	<u>In JD Million</u>	
	<u>2022</u>	<u>2021</u>
Treasury bonds / USD	1,879	1,879
Ministry of finance / treasury bonds	17,835	17,235
Ministry of finance / treasury bills	775	300
Public institutions / public institutions bonds	193	518
Public institutions / public institutions bills	125	-
Floating Jordanian treasury bonds	50	50
Saving bonds for individuals	-	11
National electricity Company's Skuk	736	450
Individual natunalization bonds	14	13
Treasury Bills / USD	829	312
	<u>22,436</u>	<u>20,768</u>

43- Fair Value Hierarchy

a. The fair value of financial assets and liabilities specified at fair value on an ongoing basis:

Some of the bank's assets and liabilities are evaluated using the fair value at the end of each financial period, the following table shows information about the method of determining the fair value of those assets and liabilities (evaluation method and inputs used).

Financial Assets / Financial Liabilities	Fair value 31 December		Fair value level	Evaluation method and Inputs used	Material intangible inputs	The relation between material intangible inputs and fair value
	2022	2021				
	JD	JD				
Financial Assets at Fair Value						
Gold	2,837,064,835	2,646,135,679	First level	Fair Market Value	Not Applicable	Not Applicable
Foreign Financial Securities at Fair Value through Profit or Loss						
Foreign bonds	-	34,460,010	First and second level	Fair Market Value	Not Applicable	Not Applicable
Foreign Financial Assets at Fair Value through Other Comprehensive Income:						
Contributions with available market prices	15,822,250	15,822,250	First level	Fair Market Value	Not Applicable	Not Applicable
Contributions with no available market prices	452,795,457	447,545,400	Second level	According to Net Assets Value Method (Equity Method)	Not Applicable	Not Applicable
Special Drawing Rights	<u>7,565,081</u>	<u>11,586,051</u>	Second level	Prices published by International Monetary Fund	Not Applicable	Not Applicable
Total Financial Assets at Fair Value	<u>3,313,247,623</u>	<u>3,155,549,390</u>				

There were no transfers between the first and second level during the year 2022 and 2021.

b. The fair value of financial assets and liabilities that is not specified at fair value on an ongoing basis:

Except for what is included in the table below, we believe that the book value of the financial assets and liabilities that is shown in the bank's financial statements is similar to its fair value because the bank's management believes that the book value of those items below almost equals its fair value because of their short maturity date and the interest is repriced during the year.

	31 December 2022		31 December 2021		Fair Value Level
	Book Value JD	Fair Value JD	Book Value JD	Fair Value JD	
Financial assets that are not specified at fair value					
Balances at central banks	32,250,124	32,250,353	5,578,783	5,578,783	Second level
Balances at financial institutions and banks	864,407,804	867,253,153	762,977,293	763,062,309	Second level
Deposits at financial institutions and banks	5,967,309,811	6,009,380,283	6,981,099,533	6,985,513,503	Second level
Grants, facilities and other financial assets	2,275,729,070	2,249,646,907	2,283,635,446	2,257,925,137	Second level
Financial assets at amortized cost	2,885,142,714	2,899,074,204	2,807,836,605	2,816,926,695	First and Second level
Total financial assets that are not specified at fair value on an ongoing basis	12,024,839,523	12,057,604,900	12,841,127,660	12,829,006,427	
Financial liabilities that are not specified at fair value					
Deposits at financial institutions and banks	4,604,163,004	4,604,163,004	4,287,758,948	4,287,758,948	Second level
Deposits	828,489,720	837,210,323	1,106,368,817	1,107,043,437	Second level
Cash margins	8,083,548	8,083,548	16,788,687	16,788,687	Second level
Total financial liabilities that are not specified at fair value	5,440,736,272	5,449,456,875	5,410,916,452	5,411,591,072	

For the items above, the fair value of the financial assets and liabilities were determined for the first and second level according to the agreed on – pricing method that reflects credit risk of the parties dealt with.

44- Commitments and Contingent Liabilities

This item consists of the following:

a- Contractual commitments:

	2022 JD	2021 JD
Construction projects contracts	616,550	535,100
Subscriptions in international contributions (callable)**	426,490,824	434,974,428
Installments for international contributions*	2,406,900	826,594
	429,514,274	436,336,122

* The above amount represents future payments as International Financial Institutions contributions within scheduled payments determined as at the end of the current year.

** The above amount represents callable shares in case that the contributing institutions are unable to meet their obligations. The above institutions are rated with the highest rate (AAA rating) according to the rating agency (Moody's) and none of those shares have been called before.

b- Systematic Accounts:

	2022 JD	2021 JD
Letters of credit	195,321,416	191,366,466
Foreign obligations against currencies forward contracts*	546,465,000	497,367,000
Swap contracts**	112,368,074	116,736,073
	854,154,490	805,469,539

* Forward contracts, and it represents contracts made by the bank with other licensed banks in order to buy Jordanian Dinar in exchange of selling US Dollar on exchange date to support the trust of Jordan domestic market in Jordanian Dinar. Note that the outstanding balance of forward contracts is JD 546,465,000 as at 31 December 2022 (JD 497,367,000 as at 31 December 2021) for six contracts, matures on January and March 2023, the details as below:

31 December 2022				
Value of forward contract USD	Fair value for assets/ JD	Fair value for liabilities/ JD	Bank classification long / short-term**	Maturity date
75,000,000	-	-	B1 / NP	January 3, 2023
10,000,000	-	-	A1 / P1	January 12, 2023
50,000,000	-	-	B1 / NP	January 17, 2023
10,000,000	-	-	A1 / P1	January 19, 2023
150,000,000	-	-	Ba3 / NP	March 28, 2023
475,000,000	-	-	Ba2 / NP	March 29, 2023
770,000,000	-	-		

** This item represents nine swap contracts to exchange US Dollars for Jordanian Dinars between Bank and a licensed bank in exchange of the bank's capital and reserves, for two contracts with the amount of JD 66,129,803 as at December 31, 2022, the maturity of these contracts are on April and June 2023, and an international financial institution against facilities granted by it for the licensed banks within the agreement of supporting small and medium projects and for local institutions outside the small and medium projects concerning seven contracts for the amount of JD 46,238,272 as at December 31, 2022 with their maturity dates during January, February and March 2023, their details are as follows:

31 December 2022				
Swap contract amount (USD)	Assets fair value (JD)	Liabilities fair value (JD)	Bank classification long / short-term**	Maturity Date
30,042,313	-	3,136	Aaa – P1	January 11, 2023
2,651,622	-	1,332	Aaa – P1	February 16, 2023
26,798,308	-	13,459	Aaa – P1	February 16, 2023
1,625,000	-	816	Aaa – P1	February 16, 2023
1,833,568	-	1,788	Aaa – P1	March 8, 2023
950,000	-	939	Aaa – P1	March 14, 2023
1,142,454	-	660	Aaa – P1	March 22, 2023
21,808,690	13,195	-	Aa3 – P1	April 6, 2023
70,521,862	130,189	-	Aa3 – P1	June 1, 2023
157,373,817	143,384	22,130		

31 December 2021				
Swap contract amount (USD)	Assets fair value (JD)	Liabilities fair value (JD)	Bank classification long / short-term**	Maturity Date
30,042,313	-	195	Aaa – P1	January 10, 2022
32,440,056	-	814	Aaa – P1	February 17, 2022
2,651,622	-	66	Aaa – P1	February 17, 2022
1,625,000	-	41	Aaa – P1	February 17, 2022
1,974,612	-	88	Aaa – P1	March 9, 2022
2,256,700	-	941	Aaa – P1	March 23, 2022
564,175	-	235	Aaa – P1	March 23, 2022
20,787,956	-	560	Aa3 – P1	April 7, 2022
70,521,862	6,062	-	Aa3 – P1	June 2, 2022
<u>162,864,296</u>	<u>6,062</u>	<u>2,940</u>		

** Long/short-term credit ratings issued by Moody's global credit ratings.

- c. According to the resolution of the Board of Directors No. (105/97) dated October 2, 1997, it was agreed to sell the assets and liabilities of Amman Investment Bank (under liquidation) to the Arab Bank according to a mechanism clarified in the sale agreement and appendices. Moreover, the Bank, if necessary, guarantees compensating the Arab Bank for the losses and non-collection of the assets of Amman Investment Bank according to the compensation mechanism shown in the sale agreement and the resolution of the Board of Directors and for any loss balance the Bank did not recover.
- d. There are lawsuits filed against the Bank amounting to JD 31,000 as at 31 December 2022 (JD 134,001 as at 31 December 2021), representing financial claims. These lawsuits are still pending in the specialized courts. According to the Bank's legal consultant, no provisions should be taken against these claims.
- e. Swap contracts are stated at forward rates at the date of the statement of financial position.

45- The measures taken by the Bank to address the potential impact of Covid-19 Pandemic and to support the Jordanian economic to mitigate the Pandemic effects

In regards to the spread of the new Coronavirus pandemic (COVID-19) across multiple geographic regions during 2022, and the caused challenges to the national economy., the Bank has continued the measures taken in the year 2020 to contain the negative repercussions on the national economy, most importantly:

- Reducing interest rates on the Bank's program to finance and support the economic sectors that have affected existing and future facilities.
- Postpone the credit instalments granted within the Bank's program to finance and support the economic sectors.
- The launch of the Bank program to support SME's to face the emerging Coronavirus pandemic (COVID-19) crisis.
- Reducing the required reserve ratio on deposits with local banks from 7% to 5%.
- Follow up with correspondent banks and what is published by international credit rating agencies on a regular basis.
- Taking precautionary measures in case there is a fear of a drop in the credit rating by reducing deposits with these banks.

The Bank is working to assess any potential financial impact on the financial statements. Management and those charged with governance will continue to monitor the situation. In view of the business levels for the period, the Bank does not expect any fundamental effects on its operations or its financial position if things return to normal within a reasonable period of time.

46- Comparative Figures

Some comparative figures have been reclassified for the year 2021 to conform with the statements' numbers for the year 2022, this amendment did not have any impact on the profit or capital and reserves for the year 2021.



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