



# CENTRAL BANK OF JORDAN



## ANNUAL REPORT

# 2020



# **CENTRAL BANK OF JORDAN**

## **FIFTY SEVENTH ANNUAL REPORT**

**2020**

### **RESEARCH DEPARTMENT**

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## OUR VISION

To continue maintaining monetary and financial stability and thereby contributing to the achievement of economic and social growth in the kingdom.

## OUR MISSION

Maintaining monetary stability represented in maintaining the stability of the Jordanian Dinar exchange rate and the general prices level. And contributing to providing an investment environment that is both attractive and motivating for the economic and social development through providing a convenient interest rate structure and implementing macro and micro prudential supervision policies that maintain financial and banking stability. In addition to providing safe and efficient national payments systems, promoting financial inclusion, and protecting the financial customer. To this end, the Central Bank of Jordan employs optimally its human, material, financial, technical and knowledge resources.

## OUR VALUES

### Loyalty

Commitment, responsibility, and dedication to the institution, its staff and clients.

### Integrity

Dealing with the highest standards of professionalism and credibility to ensure equality and equal opportunities to all partners, clients, and workers.

### Excellence

To make a difference in the quality of services provided in accordance with international standards and practices.

### Continuous Learning

Aspiring to continuously improve professional and academic levels in accordance with international best practices.

### Transparency

Disclosing information and knowledge, and simplifying and clarifying procedures and regulations in accordance with professional standards and pertinent rules.

### Involvement

Working together, on all levels, in a team spirit to achieve our national and organizational goals with high efficiency.

# **BOARD OF DIRECTORS**

**H.E. DR. ZIAD FARIZ**

*Governor and Chairman*

**H.E. DR. MAHER "SHEIKH HASAN"**

**H.E. DR. ADEL AL SHARKAS**

*Deputy Governors*

**H.E. SAID DARWAZEH**

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**MRS. HALA BSISU**

**MR. GHASSAN NUQUL**

**DR. SHAHM AL-WIR**

**MR. RASLAN DEIERANIEH**

# Jordan Banking System (End of 2020)

**1964** Central Bank of Jordan **3**

## Jordanian Banks

## Foreign Banks

### Commercial Banks

### Commercial Banks

1930	Arab Bank PLC	81	-	125
1956	Jordan Ahli Bank PLC	51	-	11
1960	Bank of Jordan PLC	80	5	18
1960	Cairo Amman Bank	81	14	21
1974	The Housing Bank for Trade and Finance	112	6	16
1977	Jordan Kuwait Bank	64	-	-
1978	Jordan Commercial Bank	32	-	-
1978	Arab Jordan Investment Bank	20	16	1
1989	Arab Banking Corporation (Jordan)	26	-	-
1989	Invest Bank	12	-	-
1991	Bank Al Etihad	52	1	-
1993	Societe Generale De Banque-Jordanie	19	-	-
1996	Capital Bank of Jordan	13	-	-

1951	Egyptian Arab Land Bank	14	2
1957	Rafidain Bank	2	-
1969	Standard Chartered Bank	3	-
1974	Citibank N.A	2	-
2004	National Bank of Kuwait	1	-
2004	Banque Audi SAL	14	-
2004	BLOM Bank	16	1

### Islamic Banks

### Islamic Banks

1979	Jordan Islamic Bank	83	25
1997	Islamic International Arab Bank PLC	45	-
2010	Safwa Islamic Bank	38	-

2011	AL Rajhi Bank	10	-
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## Specialized Credit Institutions

### Public Ownership

1959	Agricultural Credit Corporation	25
1965	Housing & Urban Development Corp.	2
1966	Cities and Villages Development Bank	11

## Money Changers

Headquarters **125**

Branches **163**

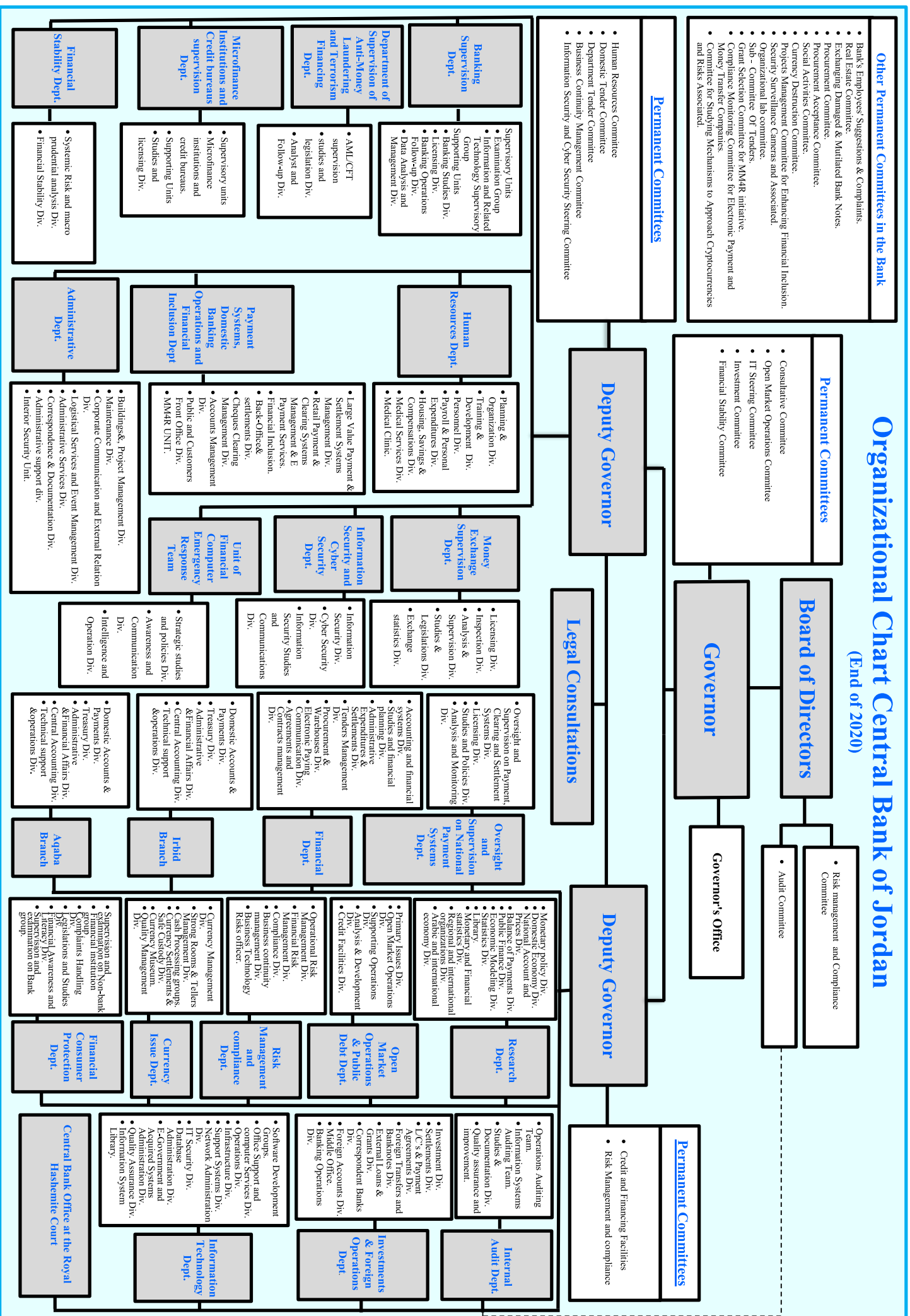
## Representative Offices

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.

(End of 2020)



## Foreword

On behalf of myself and on behalf of the Board of Directors, I am pleased to present the fifty seventh annual report of the Central Bank of Jordan (CBJ), which highlights the most prominent economic developments observed by the Jordanian economy during 2020 in various sectors. In addition, the independent auditor's report, of the financial statements, of the CBJ as of December 31, 2020, is included.

The year 2020 was not an ordinary year, but an exceptional one, full of challenges, in light of the most uncommon health and economic crisis in modern era, which was caused by the Coronavirus pandemic (COVID-19), leaving behind an unfolded shadow in the economies of both developed and developing countries. The global economic activity receded, creating a sudden and unexpected levels of economic stagnation, unemployment, deteriorating in public finance and high level of public debt.

Jordanian Economy was not an exception, as it withstood its first economic contraction in more than three decades; contracting by 1.6 percent, the unemployment rate rose unprecedented levels, exceeding 23 percent, whilst the inflation rate reached 0.3 percent. The external sector was one of the most affected sectors by the repercussions of the pandemic, as reflected by its main indicators, following the decline of both, travel receipts by 75.7 percent, and total exports by 4.5 percent, which contributed to widening the current account deficit to 8.0 percent of GDP; nearly four times its rate in 2019. In terms of public finances, the overall fiscal deficit of the general budget, including foreign grants, increased by 3.7 percentage points, to reach 7.0 percent of GDP in 2020.

In terms of monetary and banking policy of the CBJ during 2020, it has been characterized by high flexibility, rapid and proactive response to the COVID-19 pandemic, with the aim of containing its effects on the domestic economy, and in a way harmonized with the bank's main objectives of maintaining monetary and financial stability, including keeping the inflation rates at appropriate levels, stabilizing the exchange rate of the Jordanian Dinar, preserving the robustness and immunity of the banking system, protecting the rights of depositors and shareholders, as well as contributing to the promotion of economic growth in the Kingdom. The CBJ took a series of proactive and precautionary measures with a total value of JD 2.5 billion (8.0 percent of GDP).

Finally, I would like to take this opportunity to extend my great thanks and gratitude to the government agencies, banks, and financial and non-financial institutions for their decent cooperation and provision of valuable information and data that contributed to the preparation of this report. Also, I would like to extend sincere thanks and appreciation to all employees of the CBJ for their endless efforts, outstanding performance, and dedication to the work, and special thanks to the Research Department staff for the professionalism and objectiveness level they showed during the preparation of this report.

**Dr. Ziad Fariz**

**The Governor and Chairman**



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## **SUMMARY OF ECONOMIC DEVELOPMENTS IN 2020**

At the time when the national economy was expected to recover from the slowdown trend which prevailed during previous years, the COVID-19 pandemic repercussions, accompanied with the closures and health measures, overshadowed the economic scene, affecting both sides of demand and supply, which cumulatively drove the Jordanian economy to enter its first economic contraction in more than three decades, at a rate of 1.6 percent; and the unemployment rate exceeded 23 percent.

The overall fiscal deficit of the general budget, including grants, increased by 3.7 percentage point, to 7.0 percent of GDP, compared to 3.3 percent of GDP in 2019. Whilst the external sector was the most affected by the pandemic, with current account deficit, including grants, increased to 8.0 percent of GDP, compared with 2.1 percent of GDP in 2019.

On the monetary and banking front, in the early of 2020, the CBJ took a set of measures, amounted to JD 2.5 billion (8 percent of GDP) to provide the required liquidity for the economic activity aimed

at enhancing the ability of economic sectors to cope with the pandemic repercussions. The interest rates on all monetary policy instruments have also been reduced, two consecutive time, with a total of 150 basis points, and 125 basis points on the overnight window deposit, in line with interest rate developments in the regional and international financial markets, and in match with maintaining a convenient level of foreign reserves, and a low level of inflation rate. Accordingly, the CBJ's foreign reserves amounted to USD 15.9 billion at the end of 2020, adequate to cover about 9.2 months of the Kingdom's imports of goods and services, which is three times the international standards of the reserve adequacy measure of three months.

Moreover, the CBJ took a set of measures, which aimed to regulate the operation of banks, strengthening their financial positions, and increase their ability to withstand internal and external crises. Consequently, the consolidated balance sheet of operating banks in the Kingdom displayed a growth of 6.3 percent, driven by 5.7 percent increase in credit facilities and 4.2 percent growth in deposits.

## The Real Sector

During 2020, the COVID-19 pandemic dominated the economic scene in Jordan, amidst a state of uncertainty. The economic closures and the health measures that were taken to limit the spread of the virus led to a decline in the performance of many economic key indicators, primarily; travel receipts by 75.7 percent, total remittances of Jordanians working abroad by 9.1 percent, and total exports by 4.5 percent. Moreover, the decline in domestic demand increased the financial pressure on economic establishments, particularly small and medium-sized enterprises (SMEs).

Overall, these developments led the economy to record its first contraction in more than three decades; to register a contraction rate of 1.6 percent. The declining performance included all economic sectors except the sectors of “finance and insurance services”, agriculture, and “producers of government services”, which recorded positive growth rates.

In light of this, the real GDP per capita decreased by 3.8 percent to reach JD 2,738.0, and the unemployment rate among Jordanians increased to reach 23.2 percent, affected by the repercussions of the COVID-19 pandemic, on the one hand, and the structural imbalances that exist in the labor market, especially the crowding out effect of low-paid foreign labor, who took over part of the newly created job opportunities in the economy, on the other hand.

With regard to the general price level, the Consumer Price Index (CPI) increased slightly by 0.3 percent, compared to 0.8 percent in 2019, as a consequence of the decline in domestic demand and the drop in international oil prices by around 33.9 percent.

In order to confront the repercussions of the pandemic, the Government, the Central Bank of Jordan (CBJ), and the Social Security Corporation (SSC), took a set of measures to mitigate the negative impacts of the pandemic on the national economy, particularly on most affected economic sectors and individuals. These measures contributed positively in both addressing some of the pandemic economic consequences, and in partially alleviating the economic contraction level.

## Money, Banking, and Financial Markets

The monetary and banking policy implemented by the CBJ during 2020, was characterized by flexibility, and prompt responsiveness, with the aim of containing the repercussions of the emerging pandemic on the national economy. In line with its mandate of maintaining monetary and financial stability, including maintaining inflation rates within appropriate levels, and sustaining the stability of the exchange rate of the Jordanian Dinar. In addition, to preserving the solidarity and resiliency of the banking system and protecting depositors and shareholders' rights.

Within this context, and with the aim of promoting the resilience of the local economy, preserving jobs, and sustaining the ability of businesses to resume economic activities, the CBJ adopted a set of measures with a total amount of JD 2.5 billion (8 percent of GDP), to provide the necessary liquidity for economic activity, and to boost the capacity of the economic sectors to cope with the negative repercussions of the pandemic. Consequently, during 2020, the CBJ lowered the Required Reserve Ratio (RRR) to reach 5 percent instead of 7 percent, also it reduced interest rates on all monetary policy tools twice in a row, with a total of 150 basis points, and 125 basis points on the overnight deposit window rate. Moreover, the CBJ reduced preferential interest rates on its refinancing program, which targeting selected high value-added economic sectors.

The performance of the licensed banks improved during 2020, as their total assets grew by 6.3 percent to reach JD 57.0 billion. Also, deposits increased by JD 1.5 billion, growing by 4.2 percent, most of which were in JD. Furthermore, credit facilities extended by licensed banks grew by 5.7 percent, most of which were extended to the private sector. Moreover, the interest rate margin in the banking sector reached 3.52 percent.

On terms of banking policy, the CBJ adopted further measures, during 2020, to regulate banks operations and promote their financial positions and enhance their role in financing economic activity. In addition, the CBJ has continued its efforts to provide financing to Small and Medium Enterprises (SMEs), with preferential interest rates and appropriate tenors. The role of the licensed

banks was obvious during the pandemic, following their compliance to the CBJ decisions in postponing the payments of the due installments on loans extended to individuals, retail, and corporates, along with their immediate response to the CBJ decision to cut interest rates, regardless of the interest rate modification date stipulated in the credit contracts. In addition, not to include clients with returned cheques due to financial reasons in the list of defaulted clients. Furthermore, reducing the commission on the returned cheque due to insufficient funds, and the commission on the cheque settlement, to reduce the financial costs on cheque issuers.

### **Public Finance Sector**

The public finance sector was clearly affected by the repercussions of the COVID-19 pandemic during 2020, which resulted in economic contraction that adversely impacted the proceeds of government revenues, led to increase the general budget deficit, including foreign grants, by 3.7 percentage point to reach 7.0 percent of GDP, compared to 3.3 percent in 2019. This came due to a decrease in public revenues (domestic revenues and foreign grants) by 9.4 percent, and an increase in public expenditures by 4.5 percent compared to its registered level in 2019.

On the side of public revenues, domestic revenues decreased by 10.4 percent, to stand at JD 6,338.0 million following a decrease in non-tax revenues by 44.0 percent and an increase in tax revenues by 5.9 percent. Meanwhile, the foreign grants increased by 0.3 percent to reach JD 790.9 million.

On the public expenditures side, current expenditures increased by 6.2 percent, to stand at JD 8,388.5 million, whilst the capital expenditures decreased by 10.1 percent, to stand at JD 822.8 million.

As a result of the rise of current expenditures and the decline of domestic revenues, the self-reliance index, which measured by the coverage ratio of domestic revenues to current expenditures, decreased to 74.4 percent, compared to 88.2 percent in 2019.

Cumulatively this contributed to an increase in the outstanding government debt (domestic and external) by JD 2,955.8 million, to reach JD 33,032.0 million (106.5 percent of GDP) compared to JD 30,076.2 million (95.2 percent of GDP) at the end of 2019. When excluding government securities held by Social Security Investment Fund (SSIF), the outstanding government debt (domestic and external) stand at JD 26,499.3 million (85.4 percent of GDP), compared to JD 23,958.6 million (75.8 percent of GDP) at the end of 2019.

Moreover, and to confront the repercussions of the pandemic, the government has taken a set of fiscal, administrative and price measures, which targeted the most impacted individuals and economic sectors by the pandemic.

### The External Sector

The external sector is considered as the most impacted sector by the COVID-19 pandemic, in accordance to the deterioration of its key determinants, particularly; travel receipts, external trade, and workers' remittances.

During 2019, the current account deficit, including grants, showed an uptrend performance, recorded the lowest deficit level in about fifteen years at 2.1 percent of GDP. This positive trend has continued during the first quarter of 2020 to stand at 2.4 percent of GDP, compared to 4.4 percent of GDP during the corresponding quarter in 2019.

However, the pandemic had adversely impacted the performance of external sector key determinants as of the second quarter of 2020, following the deterioration of both global demand, international transportation and travel across the world, in addition to the closures measures, which had cumulatively impacted the performance of the balance of payments.

Accordingly, the preliminary data of 2020 revealed that the current account deficit, including grants, widened to stand at 8.0 percent of GDP, whilst the deficit, excluding grant, stood at 10.9 percent of GDP.

On the one hand, the goods account deficit continued to show favorable developments, which had contributed positively to limit the widening of the current account deficit, following a decrease in the total exports by 4.5 percent, accompanied with a decline in total imports (FOB) by 11.3 percent. However, the unfavorable impact of the pandemic was witnessed on the services account, as it reverted to record a deficit of JD 459.6 million in 2020, compared to a surplus of JD 2,088.6 million in 2019, following the decline in travel receipts by 75.7 percent.

The other hand, the balance of payment capital and financial transactions showed a net inflow of JD 1,907.8 million, compared to a net inflow of JD 756.5 million in 2019. This was a result of recording a net inflow of the following items; JD 496.7 million in foreign direct investments, JD 301.6 million in portfolio investments, and JD 1,881.0 million in other investments.

Cumulatively, these developments had led to increase the overall balance of payment deficit to stand at JD 1,163.3 million, compared to JD 1,001.1 million in 2019.

Moreover, the international investment position (IIP) showed an increase in the Kingdoms' net obligations to abroad, standing at JD 33,951.2 million, compared to JD 32,372.6 million at the end of 2019.



### Main Economic Indicators 2016-2020, JD Million

	2016	2017	2018	2019	2020
<b>Population (In Million)</b>	<b>9.798</b>	<b>10.053</b>	<b>10.309</b>	<b>10.554</b>	<b>10.806</b>
<b>Unemployment Rate (%)</b>	<b>15.3</b>	<b>18.3*</b>	<b>18.6*</b>	<b>19.1*</b>	<b>23.2*</b>
<b>Output and Prices</b>					
Gross Domestic Product (GDP) at Current Market Prices	28,323.7	29,400.4	30,481.8	31,597.1	31,025.3
Gross National Product (GNP) at Current Market Prices	28,106.7	29,253.7	30,340.0	31,602.4	30,932.7
Growth Rate of GDP at Constant Market Prices (%)	2.0	2.1	1.9	2.0	-1.6
Gross National Disposable Income (GNDI) at Current Prices	31,476.3	32,483.7	33,932.6	35,038.4	34,115.6
Growth Rate of GNDI at Constant Market Prices (%)	-0.1	1.5	2.7	1.6	-2.4
Change in the Consumer Price Index (%)	-0.8	3.3	4.5	0.8	0.3
Change in the GDP Deflator (%)	1.4	1.7	1.7	1.7	-0.3
<b>Money and Banking</b>					
JD Exchange Rate against USD (USD/ JD)	1.410	1.410	1.410	1.410	1.410
Money Supply (M2)	32,876.2	32,957.6	33,359.3	34,969.7	37,011.9
Net Foreign Assets of the Banking System	8,845.4	9,122.6	7,368.3	7,507.4	7,562.0
Net Domestic Assets of the Banking System	24,030.8	23,835.0	25,991.0	27,462.3	29,449.9
Claims on Government (Net)	10,453.8	9,349.7	10,112.5	11,104.7	12,090.9
Claims on Private Sector (Resident)	20,590.3	22,525.8	23,709.6	24,765.7	26,261.5
Other Items (Net) <sup>(1)</sup>	-7,013.3	-8,040.5	-7,831.1	-8,408.1	-8,902.5
JD Deposits at the Licensed Banks	25,968.2	25,642.2	25,667.6	27,107.3	28,233.9
Foreign Currency (F.C.) Deposits at the Licensed Banks	6,931.8	7,555.5	8,180.5	8,198.0	8,555.2
CBJ Main Rate (%)	2.75	4.00	4.75	4.00	2.50
Interest Rate on 6-Month Treasury Bills (%)	2.080	3.101	4.289	3.571	2.212

\* : The methodology of the labor force survey has been modified since the first quarter of 2017.

(1) : Includes claims on public entities, claims on financial institutions, and other items (net) as shown in the Monetary Survey Table.



### Main Economic Indicators (Continued)

2016-2020, JD Million

	2016	2017	2018	2019	2020
<b>Public Finance</b>					
Public Revenues	7,069.6	7,425.3	7,839.6	7,754.3	7,028.9
Percent of GDP (%)	25.0	25.3	25.7	24.5	22.7
Total Expenditures	7,948.2	8,173.2	8,567.3	8,812.7	9,211.3
Percent of GDP (%)	28.1	27.8	28.1	27.9	29.7
Overall Deficit/ Surplus (Including Grants)	-878.6	-747.9	-727.6	-1,058.4	-2,182.4
Percent of GDP (%)	-3.1	-2.5	-2.4	-3.3	-7.0
Government Domestic Debt	15,793.7	15,402.1	16,220.7	17,738.0	18,933.7
Percent of GDP (%)	55.8	52.4	53.2	56.1	61.0
External Debt	10,299.0	11,867.2	12,087.5	12,338.2	14,098.3
Percent of GDP (%)	36.4	40.4	39.7	39.0	45.5
<b>External Trade and Balance of Payments<sup>(2)</sup></b>					
Current Account	-2,734.8	-3,118.9	-2,103.6	-672.0	-2,473.0
Percent of GDP (%)	-9.7	-10.6	-6.9	-2.1	-8.0
Trade Balance (Deficit -)	-6,807.3	-7,593.2	-7,314.5	-6,201.9	-5,103.7
Percent of GDP (%)	-24.0	-25.8	-24.0	-19.6	-16.5
Merchandise Exports (FOB)	5,359.6	5,333.1	5,502.7	5,905.3	5,639.6
Merchandise Imports (FOB) <sup>(3)</sup>	12,166.9	12,926.3	12,817.2	12,107.2	10,743.3
Services Account (Net)	919.9	1,391.0	1,760.1	2,088.6	-459.6
Primary Income (Net)	-217.0	-146.7	-141.8	5.3	-92.6
Secondary Income (Net)	3,369.6	3,230.0	3,592.6	3,436.0	3,182.9
Capital Account	53.0	30.0	24.0	18.0	15.7
Financial Account (Net), o/w:	-2,438.3	-2,361.8	-2,811.7	-738.5	-1,892.1
Foreign Direct Investment (Net)	-1,100.3	-1,436.4	-683.4	-487.3	-496.7

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(2) : According to Balance of Payments and International Investment Position Manual, 6<sup>th</sup> Edition.

(3) : Exclude imports of non-residents.

## CHAPTER ONE

### THE REAL SECTOR

During 2020, the COVID-19 pandemic dominated the economic scene in Jordan, amidst a state of uncertainty. The economic closures and the health measures that were taken to limit the spread of the virus led to a decline in the performance of many economic key indicators, primarily; travel receipts by 75.7 percent, total remittances of Jordanians working abroad by 9.1 percent, and total exports by 4.5 percent. Moreover, the decline in domestic demand increased the financial pressure on economic establishments, particularly small and medium-sized enterprises (SMEs).

Overall, these developments led the economy to record its first contraction in more than three decades; to register a contraction rate of 1.6 percent. The declining performance included all economic sectors except the sectors of “finance and insurance services”, agriculture, and “producers of government services”, which recorded positive growth rates.

In light of this, the real GDP per capita decreased by 3.8 percent to reach JD 2,738.0,

and the unemployment rate among Jordanians increased to reach 23.2 percent, affected by the repercussions of the COVID-19 pandemic, on the one hand, and the structural imbalances that exist in the labor market, especially the crowding out effect of low-paid foreign labor, who took over part of the newly created job opportunities in the economy, on the other hand.

With regard to the general price level, the Consumer Price Index (CPI) increased slightly by 0.3 percent, compared to 0.8 percent in 2019, as a consequence of the decline in domestic demand and the drop in international oil prices by around 33.9 percent.

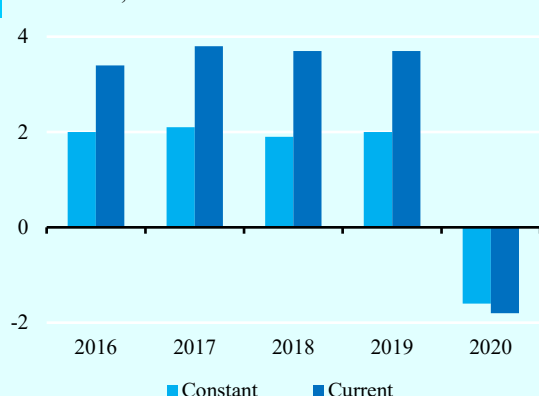
In order to confront the repercussions of the pandemic, the Government, the Central Bank of Jordan (CBJ), and the Social Security Corporation (SSC), took a set of measures to mitigate the negative impacts of the pandemic on the national economy, particularly on most affected economic sectors and individuals. These measures contributed positively in both addressing some of the pandemic economic consequences, and in partially alleviating the economic contraction level.

## Output

The Gross Domestic Product (GDP), at constant market prices, contracted by 1.6 percent to reach JD 29,584.3 million, compared to a growth rate of 2.0 percent in 2019. This contraction comes in light of the repercussions of the pandemic, and the accompanying economic closures. When excluding the “net taxes on products” item, which decreased by 2.6 percent, the GDP at constant basic prices contracted by 1.4 percent compared to a growth rate of 2.2 percent during 2019.

Most of the economic sectors were affected by the repercussions of the pandemic, especially “restaurants and hotels”, transportation, construction, “community, social and personal services”, and manufacturing sectors. By contrast, it was noticed that the impact of the pandemic was less on “financial and insurance services”, agriculture and “mining and quarrying” sectors, which achieved positive growth rates during 2020.

**Growth Rate of GDP at Market Prices**  
2016-2020, Percent



Moreover, the GDP deflator decreased by 0.3 percent, compared to 1.7 percent growth rate in 2019. This was mainly attributed to the decrease of oil prices in international markets by approximately 33.9 percent, which was reflected on the decrease in domestic production costs, on the one hand, and the decline in domestic demand, on the other hand.

Accordingly, the GDP at current market prices contracted by 1.8 percent, to reach JD 31,025.3 million. When adding the “net factor income from abroad”, which recorded a deficit of JD 92.6 million, the Gross National Product (GNP) at current market prices contracted by 2.1 percent, to reach JD 30,932.7 million. In contrary when considering the “net other current transfers from abroad” item, which declined by 7.4 percent, to reach JD 3,182.9 million, the Gross National Disposable Income (GNDI) at current market prices contract by 2.6 percent, to reach JD 34,115.6 million.

### Economic Growth Rates at Current and Constant Prices <sup>(1)</sup>

2017-2020, Percent

	2017	2018	2019	2020
<b>At Current Prices</b>				
GDP	3.8	3.7	3.7	-1.8
GNP*	4.1	3.7	4.2	-2.1
GNDI**	3.2	4.5	3.3	-2.6
<b>At Constant Prices (2016 = 100)</b>				
GDP	2.1	1.9	2.0	-1.6
GNP	2.4	2.0	2.4	-1.9
GNDI	1.5	2.7	1.6	-2.4

(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).

Based on the above-mentioned developments, the average per capita real GDP decreased by 3.8 percent, to reach JD 2,738 (US \$ 3,862).

**Population and Per Capita Income, in Accordance with Various Measures of National Accounts, 2017-2020**

	2017	2018	2019	2020
Population (million)	10.053	10.309	10.554	10.806
Growth rate (%)	2.6	2.5	2.3	2.4
GDP Per capita at constant prices (JD)	2,876	2,859	2,847	2,738
Growth rate (%)	-0.5	-0.6	-0.4	-3.8
GDP Per capita at current prices (JD)	2,925	2,957	2,994	2,871
Growth rate (%)	1.2	1.1	1.3	-4.1
GNP Per capita at current prices (JD)	2,910	2,943	2,994	2,863
Growth rate (%)	1.4	1.1	1.7	-4.4
GNDI Per capita at current prices (JD)	3,231	3,292	3,320	3,157
Growth rate (%)	0.6	1.9	0.9	-4.9

Sources : - Department of Statistics.

- Central Bank of Jordan/ Monthly Statistical Bulletin.

## □ Sectoral Developments

Most of the main economic sectors that make up GDP at constant market prices witnessed a declining performance, ranging from 1.4 percent for the “water and electricity” sector to 8.2 percent for the “restaurants and hotels” sector. In contrast, the sectors of “mining and quarrying”, “agriculture”, and “finance and insurance services”, recorded positive growth rates; ranging from 0.8 percent to 3.0 percent, despite the repercussions of the pandemic.

The commodity-producing sectors contracted by 1.8 percent, compared to a growth rate of 1.6 percent in 2019. Meanwhile, service-producing sectors

contracted by 1.2 percent, compared to a growth of 2.4 percent in 2019. Nevertheless, the relative importance of commodity and service -producing sectors in GDP, at constant basic prices, stabilized at its recorded level in 2019 at about 33.0 percent and 67.0 percent, respectively. Accordingly, the service-producing sectors accounted for the largest share of the contraction in GDP, at constant basic prices, contributing by 0.8 percentage point (out of 1.4 percent of the overall GDP contraction rate). While the commodity-producing sectors contributed to a contraction of 0.6 percentage point.

**The Growth Rates of Economic Sectors at Constant Basic Prices <sup>(1)</sup>**

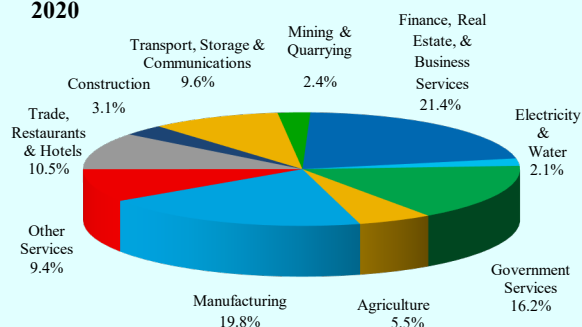
2017-2020, Percent

	2017	2018	2019	2020
Agriculture, hunting, forestry and fishing	4.8	3.2	2.6	1.6
Mining and quarrying	13.0	0.5	5.5	0.8
Manufacturing	1.0	1.4	1.2	-2.7
Electricity and water	2.5	2.2	1.8	-1.4
Construction	-1.1	-0.3	-0.4	-3.8
<b>Total commodity- producing sectors</b>	<b>2.2</b>	<b>1.5</b>	<b>1.6</b>	<b>-1.8</b>
Trade, restaurants and hotels	1.5	1.3	1.0	-3.2
Transport, storage and communications	2.7	3.2	3.2	-5.2
Finance, real estate and business services	3.0	2.9	2.9	1.5
Social and personal services	3.8	3.8	3.3	-3.3
Producers of government services	0.9	1.1	2.1	1.1
Producers of private non-profit services to households	3.8	2.7	2.6	-2.3
Domestic services of households	0.1	0.1	0.1	0.1
<b>Total service-producing sectors</b>	<b>2.2</b>	<b>2.3</b>	<b>2.4</b>	<b>-1.2</b>
<b>GDP at constant basic prices</b>	<b>2.2</b>	<b>2.0</b>	<b>2.2</b>	<b>-1.4</b>

Source : Department of Statistics.

(1) : Preliminary.

**The Relative Importance of Economic Sectors to GDP at Constant Basic Prices, 2020**



**The Relative Importance of Economic Sectors to GDP at Constant Basic Prices<sup>(1)</sup>**  
2017-2020, Percent

	2017	2018	2019	2020
Agriculture, hunting, forestry and fishing	5.3	5.4	5.4	5.5
Mining and quarrying	2.3	2.3	2.3	2.4
Manufacturing	20.4	20.3	20.1	19.8
Electricity and water	2.1	2.1	2.1	2.1
Construction	3.3	3.3	3.2	3.1
<b>Total commodity-producing sectors</b>	<b>33.4</b>	<b>33.4</b>	<b>33.1</b>	<b>32.9</b>
Trade, restaurants and hotels	10.9	10.8	10.7	10.5
Transport, storage and communications	9.8	9.9	10.0	9.6
Finance, real estate and business services	20.5	20.7	20.8	21.4
Producers of government services	16.0	15.9	15.8	16.2
Other services	9.4	9.3	9.6	9.4
<b>Total service-producing sectors</b>	<b>66.6</b>	<b>66.6</b>	<b>66.9</b>	<b>67.1</b>
<b>GDP at constant basic prices</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source : Based on the Department of Statistics data.

(1) : Preliminary.

## • Developments in Commodity-Producing Sectors:

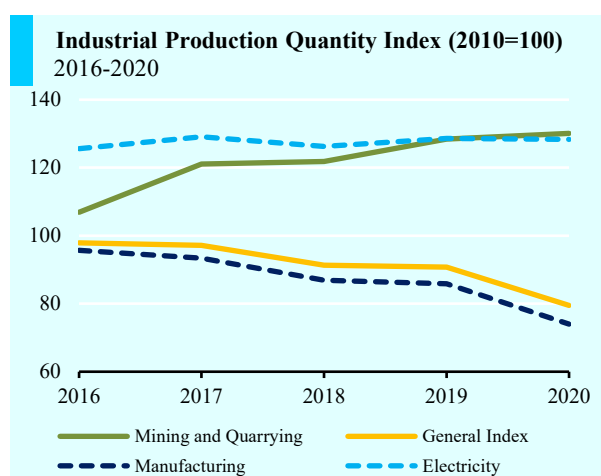
- o **Industry:** The industrial sector (both “mining and quarrying” and manufacturing) witnessed a decline in its performance during 2020, contracting by 2.3 percent, compared to a growth of 1.6 percent in 2019. Consequently, the relative importance of this sector in GDP, at constant basic prices, declined by 0.2 percentage point, to reach 22.2 percent.

In addition, the sector contributed to the overall GDP contraction rate, at constant basic prices, by 0.5 percentage point, compared to a positive contribution of 0.3 percentage point in 2019. The declining performance of the industrial sector was an outcome of the followings:

- **The slowdown of the “mining and quarrying” sector**, which grew by 0.8 percent, compared to 5.5 percent in 2019, in light of the slowdown in the Industrial Production Quantity Index (IPI), which grew by 1.3 percent, compared to 5.4 percent during 2019, and the decline of both the potash production by 1.3 percent, and the phosphate production by 5.2 percent, compared to a growth rate of 2.2 percent and 13.8 percent in 2019, respectively. Moreover, the exports of

both potash and phosphate witnessed a decline by 9.2 percent and 11.9 percent, compared to a growth rate of 9.0 percent and 5.4 percent, respectively, during 2019.

- **The decline in the performance of the manufacturing sector** by 2.7 percent, compared to a growth of 1.2 percent in 2019. This decline comes in light of the economic closures imposed to confront the repercussions of the pandemic, which started in mid-March 2020; resulting in a reduction of the productive capacity of the economic activities in this sector. Moreover, the sector was also negatively impacted by the decline in domestic demand in light of the decline of income levels due to the repercussions of the pandemic, on the one hand, and the decline in external demand, reflected by the decline in total exports by 4.5 percent, compared to a growth of 7.3 percent during 2019, on the other hand. The manufacturing production quantity index fell by 13.8 percent, compared to a contraction of 1.2 percent during 2019. In addition, the number of new companies registered with the Ministry of Industry and Trade in this sector decreased by 20.3 percent (318 companies), compared to a decrease of 7.9 percent (134 companies) during 2019.



**Main Indicators of the Industrial Sector**  
2017-2020

	2017	2018	2019	2020
Value added at current prices (JD million)	5,827.3	6,038.8	6,264.8	6,014.3
Growth rate at constant prices (%)	2.1	1.3	1.6	-2.3
The deflator of the industrial sector (2016 = 100)	101.7	104.0	106.1	104.3
Industrial exports (JD million)*	3,777.1	4,025.1	4,327.7	4,348.6
Industrial production quantity index (2010 = 100)	97.2	91.3	90.8	79.5
Number of registered industrial companies	2,189	1,703	1,569	1,251
Capital of registered industrial companies (JD million)	67.0	35.8	82.7	35.8
Outstanding credit facilities extended by licensed banks (JD million)	2,979.4	3,420.0	3,650.0	3,762.0

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

\* : Domestic exports excluding agricultural exports.

o **Agriculture:** The agricultural sector was one of the least affected sectors by the repercussions of the pandemic, given the different nature of agricultural activities, as well as the result of the mitigating curfew and closure measures imposed on

this sector compared to other economic sectors. This also comes in light of the high external demand, which contributed to alleviating the repercussions of the pandemic, reflected by the growth of agricultural exports by 4.2 percent.

Despite the pandemic, the agriculture sector grew by 1.6 percent, compared to a growth of 2.6 percent in 2019. This sector maintained its contribution to the overall GDP growth rate, at basic constant prices by 0.1 percentage point, while maintaining its relative importance to GDP at 5.5 percent. The slowdown in the performance of this sector was partially attributed to the decline in investment due to the decline in the volume of capital of new agricultural companies registered with the Ministry of Industry and Trade during 2020 to reach JD 12.1 million, compared to JD 23.1 million in 2019. It is worth mentioning that the Agricultural Credit Corporation decided at the end of November 2020 to postpone loan installments owed to farmers for a period of three months. About 30 thousand farmers benefited from this measure, at a total cost of JD 10 million. In contrast, the volume of credit facilities extended by banks

to the agricultural sector increased by 23.9 percent, compared to a decline of 0.1 percent during 2019.

#### Main Indicators of the Agricultural Sector 2017-2020

	2017	2018	2019	2020
Value added at current prices (JD million)	1,400.2	1,475.5	1,552.3	1614.1
Growth rate at constant prices (%)	4.8	3.2	2.6	1.6
The deflator of the agricultural sector (2016 = 100)	104.7	106.9	109.7	112.2
Quantity index of agricultural exports (1994 = 100)	251.1	183.7	279.0	252.4
Price index of agricultural exports (1994 = 100)	322.3	396.6	260.6	302.5
Number of registered agricultural companies	816	810	660	451
Capital of registered agricultural companies (JD million)	120.8	21.6	23.1	12.1
Outstanding credit facilities extended by licensed banks (JD million)	337.3	336.7	336.5	416.8

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

On the other hand, given the importance of the agricultural sector and its role in the economy, the Ministry of Agriculture launched the “National Agricultural Development Strategy 2020-2025”. The strategy aims to develop the agricultural sector and increase its added value in the economy, as well as to create about 65 thousand new job opportunities in the sector, through the implementation of a number of interventions, programs and projects during the duration of the strategy, at an estimated cost of JD 591 million.



- o **Construction:** This sector has been witnessing a contraction since 2017. In light of the pandemic, the declining performance was augmented, to record a contraction of 3.8 percent, compared to a contraction of 0.4 percent during 2019. Subsequently, this sector contributed to the overall GDP contraction rate, at constant basic prices, by 0.1 percentage point, while it approximately maintained its relative importance to the GDP at 3.1 percent. The declining performance of the construction sector was due to the closures and curfew measures that were imposed to limit the spread of the Corona virus. Thus, negatively affecting the working durations of the construction projects.

In addition, the government reduced capital expenditures estimated in the General Budget for 2020, with the aim of expanding emergency health expenditures to confront the repercussions of the pandemic. It is worth mentioning that the imported quantities of intermediate building materials witnessed a decline by 35.2 percent during 2020.

**Main Indicators of the Construction Sector**  
2017-2020

	2017	2018	2019	2020
Value added at current prices (JD million)	857.8	863.6	864.6	815.0
Growth rate at constant prices (%)	-1.1	-0.3	-0.4	-3.8
The deflator of the construction sector (2016 = 100)	101.8	102.8	103.3	101.2
Outstanding credit facilities extended by licensed banks (JD million)	6,601.0	6,830.9	6,975.4	7,261.5
Number of registered construction companies	147	122	156	125
Capital of registered construction companies (JD million)	5.0	3.9	10.3	3.4
Number of permits (permit)	43,277	32,484	22,080	19,200
Licensed areas for building (thousands of sq.m.)	13,908	10,917	7,080	5,721

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

- o **Electricity and Water:** The “electricity and water” sector recorded a decline in its performance by 1.4 percent, compared to a growth of 1.8 percent during 2019. Nevertheless, the sector’s contribution to the growth rate of GDP, at constant basic prices, remained close to zero in light of the decline in its relative importance in the GDP to reach 2.1 percent. The decline in this sector performance comes in light of the decline witnessed by most of the major economic sectors during 2020, thereby reducing their demand for electricity. It is



worth mentioning that the electricity production index fell by 0.2 percent, compared to a growth rate of 1.8 percent in 2019.

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

- **Transport, Storage and Communications:**

This sector recorded a contraction of 5.2 percent compared to a growth of 3.2 percent during 2019. As a result, it contributed about one third of the contraction recorded in GDP, at constant basic prices (0.5 percentage point), compared to a positive contribution of 0.3 percentage point in 2019. Accordingly, its relative importance to the GDP declined by 0.4 percentage point to stand at 9.6 percent.

The decline in the performance of this sector was attributed mainly to the transport side, in light of the decline in tourism traffic and the suspension of land and air transport as of mid-March 2020, aimed at limiting the spread of the Corona virus following the gradual return of land transport with an operational capacity of 50 percent at the end of April, then raised to 75 percent until the end of 2020. Although airports

reopened during the third and fourth quarters of 2020, air traffic remained way below its previous levels, as the number of passengers through Royal Jordanian Airlines decreased by 77.2 percent, and both the cargo shipped through Royal Jordanian and the number of departures decreased by 40.3 percent and 76.6 percent, respectively.

- **Financial and Insurance Services:** This sector witnessed a slowdown in its performance; growing by 3.0 percent, compared to a growth of 3.6 percent during 2019. Consequently, its contribution to the GDP growth rate, at constant basic prices, decreased by 0.1 percentage point to reach 0.2 percentage point, while the sector's relative importance to the GDP increased by 0.3 percentage point to reach 8.5 percent.

The slowdown in this sector comes in light of the slight decline in the interest rate margin to reach 3.52 percentage points until the end of December 2020, compared to 3.54 percentage points at the end of December 2019, given that this indicator is a key indicator of the value-added calculation of the financial services sector. It is worth mentioning

that one of the factors which affected banks' performance during 2020 was the postponement of loan installments for individuals, retail customers and companies to confront the repercussions of the pandemic, which started in March 2020 and continued until the end of May 2020, in addition to allowing for the extension of this deferral for most impacted individuals and sectors until the end of 2021.

- o **Real Estate:** This sector recorded a slowdown in its performance; growing by 0.5 percent, compared to a growth of 2.5 percent in 2019. Thus, its contribution to the growth rate of GDP, at constant basic prices, decreased by 0.2 percentage point, to reach 0.1 percentage point, while its relative importance to the GDP increased by 0.3 percentage point to 12.9 percent.

The slowdown in this sector comes in light of the decline in the “rent item” within the CPI, which is one of the main indicators of the performance of this sector, by 0.2 percent compared to a growth of 2.4 percent during 2019, while the population growth rate stabilized in 2020, growing by 2.4 percent.

Moreover, the sector was affected by the decline in tourism demand, for real estate as a result of the suspension of the tourism traffic, in addition to the decrease in the ability of some individuals and establishments, particularly SMEs to pay their property rental dues, following the negative impacts on their cash flows by the repercussions of the pandemic accompanied by the economic closures.

The real estate asset price index witnessed, almost, a relative stability at the level of 119.6 points, following the decline in real estate prices in a number of governorates, most notably; Aqaba (1.2 percent), Zarqa (1.0 percent), and Amman (0.2 percent), on the one hand, and its increase in a number of other governorates, most notably; Ma'an (6.0 percent), Madaba (4.0 percent), and Jerash (2.4 percent) on the other hand (Statistical Annex/ Table 8).

- o **Producers of Government Services:** This sector witnessed a slowdown in its performance; growing by 1.1 percent, compared to a growth of 2.1 percent during 2019. Consequently, its contribution to the GDP growth rate, at constant basic prices, fell from its 2019

level by 0.1 percentage point to reach 0.2 percentage point, while its relative importance to the GDP increased by 0.4 percentage point to reach 16.2 percent. The slowdown of this sector comes in light of the slowdown in the “compensation of employees” item in the General Budget, which is one of the main indicators of the performance of this sector, to grow by 6.9 percent, compared to a growth of 10.5 percent in 2019. It is worth mentioning that the government suspended its decision to grant annual increases in the salaries of employees in the government and military agencies at rates ranging between 15-20 percent, starting from May 2020 until the end of the year, as a part of its measures to direct spending based on priorities to confront the repercussions of the pandemic.

- **Wholesale and Retail Trade:** This sector witnessed a decline in its performance affected by the weak domestic demand and a decline in the tourism traffic in light of the pandemic, to contract by 2.3 percent, compared to a growth rate of 1.0 percent during 2019. Consequently, its contribution to the GDP growth rate, at constant basic

prices, declined by 0.3 percentage point, thus contributing to the GDP contraction by 0.2 percentage point. However, the sector almost maintained its relative importance to the GDP at 9.0 percent. Among the indicators explaining the decline in this sector is imports, which declined by 11.3 percent, compared to a decline of 5.6 percent in 2019.

- **Restaurants and Hotels Sector:** The “restaurants and hotels” sector was one of the most affected sectors by the pandemic as a result of the curfew and closure measures implemented to limit the spread of the Corona virus, and the accompanying suspension of tourism activity, as well as the decrease in tourism income by 75.7 percent.

Accordingly, the “restaurants and hotels” sector recorded a decline of 8.2 percent, compared to a growth of 1.2 percent during 2019, which contributed to the contraction of the GDP growth rate, at constant basic prices, by 0.1 percentage point. While, the sector’s relative importance to the GDP decreased by 0.2 percentage point, compared to 2019, to reach 1.4 percent.

### Main Indicators of the Tourism Sector 2017-2020

	2017	2018	2019	2020
Number of tourists (thousand)	4,565.2	4,922.2	5,360.5	1,239.9
Gross tourism income/GDP (%)*	11.2	12.2	13.0	3.2
Outstanding credit facilities extended by licensed banks (JD million)	619.7	592.1	638.0	735.6
Number of hotels	601	588	604	610
Number of rooms (thousand)	30.4	30.0	30.3	29.7
Employees in hotels (thousand)	20.7	20.5	20.9	16.9
Employees in the tourism sector (thousand)	51.3	51.5	53.5	41.1

Sources : - Central Bank of Jordan/ Monthly Statistical Bulletin.  
- Ministry of Tourism and Antiquities.

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

## Prices

The general price level witnessed a slight increase during 2020, as a result of the repercussions of the pandemic on both the supply and demand sides, as well as the decline in oil prices in the international markets. Accordingly, the inflation rate, measured by the percentage change in the average CPI, did not exceed 0.3 percent compared to an inflation rate of 0.8 percent in 2019. While the inflation rate, measured by the percentage change in the GDP deflator,

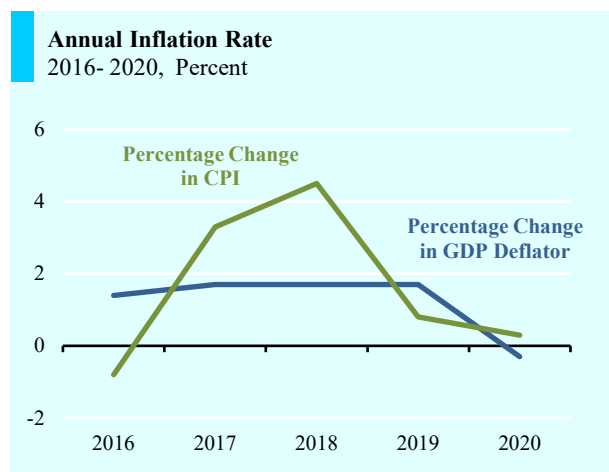
contracted by 0.3 percent, compared to an inflation of 1.7 percent in 2019.

The following is an analysis of the main inflation measures:

### □ GDP Deflator

The inflation rate, measured by the GDP deflator, contracted by 0.3 percent, compared to an inflation rate of 1.7 percent in 2019. This contraction is due, in part, to the decline in oil prices in the international markets. Accordingly, prices fell in several sectors, especially, “mining and quarrying” (3.0 percent), construction (2.0 percent), “transport, storage and communications” (1.6 percent), and manufacturing (1.6 percent), compared to an increase of 9.0 percent, 0.5 percent, 1.6 percent and 1.3 percent, respectively, during 2019.

At the same time, the rate of rise in the prices of a number of sectors slowed down, especially, “electricity and water” sector, which grew by 0.2 percent compared to an increase of 2.1 percent in 2019, agriculture by 2.3 percent compared to an increase of 2.6 percent in 2019, and real estate by 0.8 percent compared to 1.5 percent in 2019.



### □ Consumer Price Index (CPI)

The inflation rate measured by the average change in the CPI, reached 0.3 percent, compared to an inflation rate of 0.8 percent in 2019. This is attributed to a number of internal and external factors. The internal factors are represented by the decline in local demand due to the repercussions of the pandemic, given the decrease in individuals disposable income due to the curfew and closure measures, the accompanying loss of a large number of jobs, and the decline in workers' remittances abroad, which led to a decrease in domestic demand for goods and services. While the external factors were represented by a decrease in oil prices by approximately 33.9 percent, which was reflected on domestic prices.

The inflation rate recorded during 2020 came as a result of the following:

- The decline in the prices of a number of groups and items, most notably; “Fuel and Lighting”, which decreased by 8.5 percent, compared to a decline of 1.5 percent during 2019, influenced by the drop in oil prices in the international markets. The transportation group witnessed a decline of 2.0 percent, compared to an increase of 0.6 percent, affected by the curfew and closures measures that were imposed on individuals and economic establishments.

In addition to the travel bans that were imposed to limit the spread of the Corona virus, which led to a decrease in the demand for all transport services, as well as the decrease in both “clothing and footwear” prices and rents by 0.9 percent and 0.2 percent, respectively.

Collectively, the above groups and items contributed to the contraction of the inflation rate by 0.7 percentage point, compared to a positive contribution of 0.3 percentage point during 2019.

- The slowdown in the prices of a number of groups and items, especially, the “cereals and their products” item, which increased by 1.5 percent compared to an increase of 3.9 percent in 2019. In addition to the increase in the prices of education (1.8 percent), and “restaurants and hotels” (2.1 percent), compared to an increase of 2.6 percent for both groups.

The above groups and items collectively contributed to raising the inflation rate by 0.2 percentage point, compared to a contribution of 0.3 percentage point in 2019.

- The increase in the prices of number of items, especially; “dairy products and eggs” by 4.2 percent, “fruits and nuts” (4.4 percent), and “vegetables, dry legumes and canned” (5.5 percent), compared to a decrease of 2.7 percent, 3.7 percent, and 0.4 percent, respectively. This came in light of the increase in the global Food Price Index by 3.2 percent compared to a decline of 0.9 percent in 2019. Together, these items contributed to raising the inflation rate by 0.5 percentage point, compared to a negative contribution of 0.2 percentage point in 2019.

#### Inflation Rate, 2019-2020

Groups	Relative Imp.	Inflation Rate %		Contribution to inflation (Percentage Point)	
		2019	2020	2019	2020
<b>All Items</b>	<b>100</b>	<b>0.8</b>	<b>0.3</b>	<b>0.8</b>	<b>0.3</b>
<b>1. Food and non-Alcoholic Beverages, of which:</b>	<b>26.5</b>	<b>0.3</b>	<b>2.3</b>	<b>0.1</b>	<b>0.6</b>
Meat and Poultry	4.7	0.5	0.6	0.0	0.0
Vegetables and Legumes Dry and Canned	3.0	-0.4	5.5	0.0	0.2
<b>2. Alcohol and Tobacco and Cigarettes, of which:</b>	<b>4.4</b>	<b>-1.6</b>	<b>3.0</b>	<b>-0.1</b>	<b>0.1</b>
Tobacco and Cigarettes	4.4	-1.6	3.0	-0.1	0.1
<b>3. Clothing and Footwear, of which:</b>	<b>4.1</b>	<b>-1.7</b>	<b>-0.9</b>	<b>-0.1</b>	<b>0.0</b>
Clothing	3.4	-1.9	-1.0	-0.1	0.0
<b>4. Housing, of which:</b>	<b>23.8</b>	<b>1.5</b>	<b>-1.8</b>	<b>0.4</b>	<b>-0.4</b>
Rents	17.5	2.4	-0.2	0.4	0.0
Fuels and Lighting	4.7	-1.5	-8.5	-0.1	-0.4
<b>5. Household Furnishings and Equipment</b>	<b>4.9</b>	<b>1.0</b>	<b>0.6</b>	<b>0.0</b>	<b>0.0</b>
<b>6. Health</b>	<b>4.0</b>	<b>1.9</b>	<b>2.7</b>	<b>0.1</b>	<b>0.1</b>
<b>7. Transportation</b>	<b>16.0</b>	<b>0.6</b>	<b>-2.0</b>	<b>0.1</b>	<b>-0.3</b>
<b>8. Communication</b>	<b>2.8</b>	<b>0.0</b>	<b>0.9</b>	<b>0.0</b>	<b>0.0</b>
<b>9. Culture and Recreation</b>	<b>2.6</b>	<b>-2.4</b>	<b>1.0</b>	<b>-0.1</b>	<b>0.0</b>
<b>10. Education</b>	<b>4.3</b>	<b>2.6</b>	<b>1.8</b>	<b>0.1</b>	<b>0.1</b>
<b>11. Restaurants and Hotels</b>	<b>1.8</b>	<b>2.6</b>	<b>2.1</b>	<b>0.0</b>	<b>0.0</b>
<b>12. Other Goods and Services</b>	<b>4.8</b>	<b>1.4</b>	<b>2.2</b>	<b>0.1</b>	<b>0.1</b>

Source : Department of Statistics.

## Labor Market

The pandemic and its accompanying economic repercussions raised the unemployment rate in the kingdom to 23.2

percent in 2020. In fact, the closure and curfew measures contributed to the inability of tens of thousands of day laborers to reach their work sites, as well as the loss of a large number of workers to their jobs, particularly in unauthorized and informal sectors. The repercussions of the pandemic also limited the capacity of many economic establishments, to expand employment, particularly in the least affected sectors, as their cash flows were adversely affected by the decline in the level of domestic demand in the economy, this is in addition to the government's decision to postpone all hiring in the public sector from 2020 to 2021 with the exception of some hiring in the health sector given the measures taken by the government to reduce the volume of government spending and to provide allocations to confront the repercussions of the pandemic. In addition to this, there was also a decrease in the demand of Jordanian labor by foreign labor markets due to weak economic activity and the economic closure in those countries.

These developments have added a new burden on the Jordanian labor market, which was already suffering from many structural challenges. Primarily, the increasing number of new entrants to the labor market, as well as the crowding out effect of foreign labor (licensed and unlicensed), who took over part of the newly created job opportunities, the weak compatibility between the outputs of the educational system and the needs of the labor market, and the low rate of Jordanians' participation rate in the labor market, particularly among females, which did not exceed 40 percent at best.

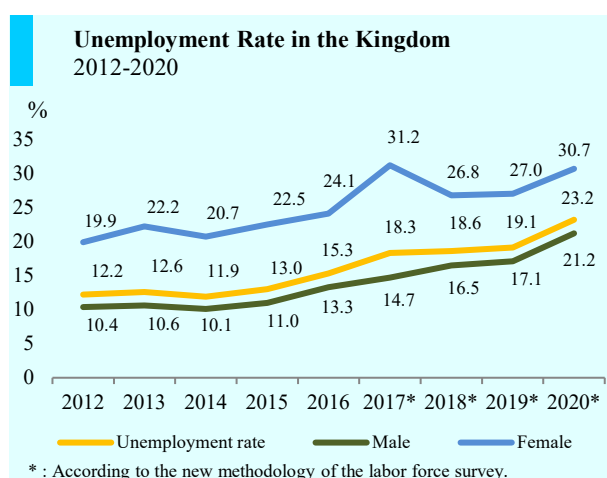
The following is an analysis of the most prominent indicators of the labor market in the Kingdom during 2020:

#### **□ Unemployment**

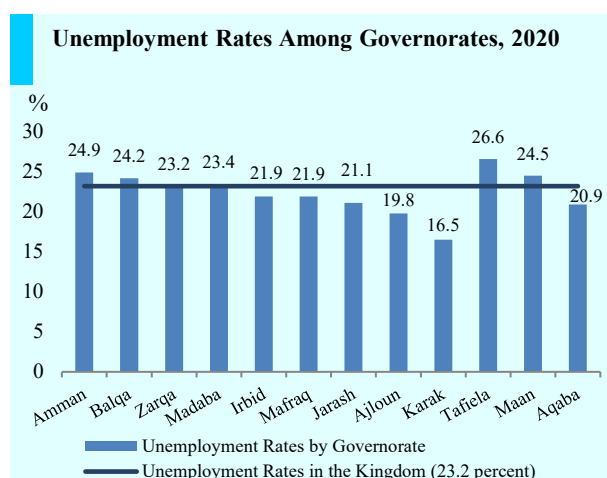
The number of unemployed Jordanians increased by 79.8 thousand, bringing the total of unemployed Jordanians to 404.1 thousand (72.6 percent males, and 24.7 percent



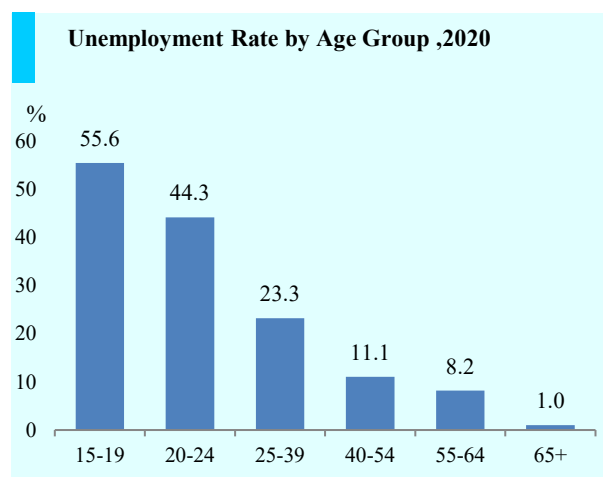
females). As a result, the unemployment rate (the ratio of the unemployed to the total labor force) increased to 23.2 percent (21.2 percent for males and 30.7 percent for females), compared to 19.1 percent during 2019 (17.1 percent for males, 27.0 percent for females).



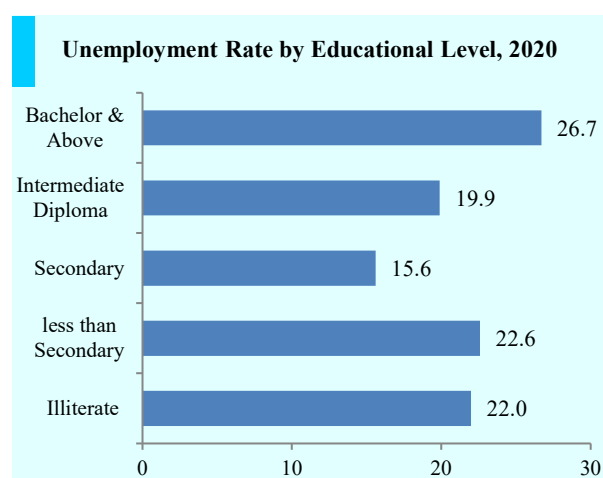
On the governorate level, Karak governorate recorded the lowest unemployment rate, standing at 16.5 percent, while Tafleeh governorate recorded the highest rate, standing at 26.6 percent.



According to age group, the highest unemployment rate was recorded for the age group of 15-19 years, standing at 55.6 percent, while the 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 26.7 percent, which partly reflects the weak compatibility between the educational system outputs and the labor market needs.



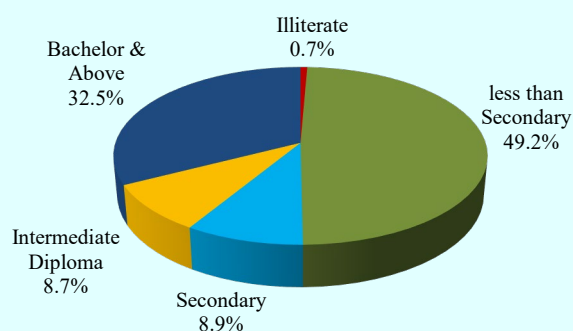


## □ Employment

The number of employed Jordanians in 2020 decreased by 39.6 thousand, bringing the total of employed Jordanians to 1,338.3 thousand workers (81.3 percent for males and 18.7 percent for females). Thus, the ratio of employed to the total population aged 15 years and above reached 26.1 percent.

According to the educational level, workers with high school degree or lower accounted for 58.8 percent of the total number of employed, while workers with bachelor's degree and above accounted for 32.5 percent.

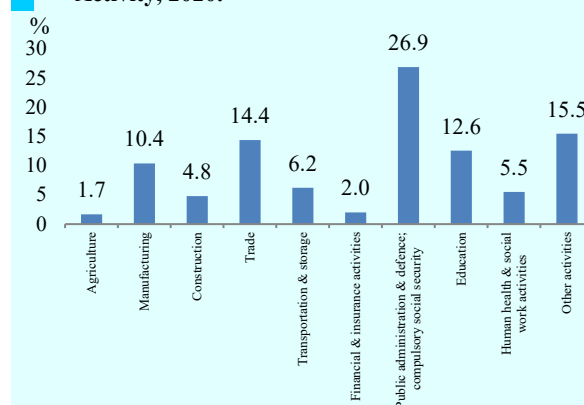
**Distribution of Jordanians Employed by Educational Level, 2020**



At the sectoral level, the service-producing sectors remained the most prominent sector of employing Jordanian labor, employing approximately 83.1 percent of the total number of Jordanian employed, particularly the sectors of “public administration, defence

and social security”, “wholesale and retail trade”, and education sectors.

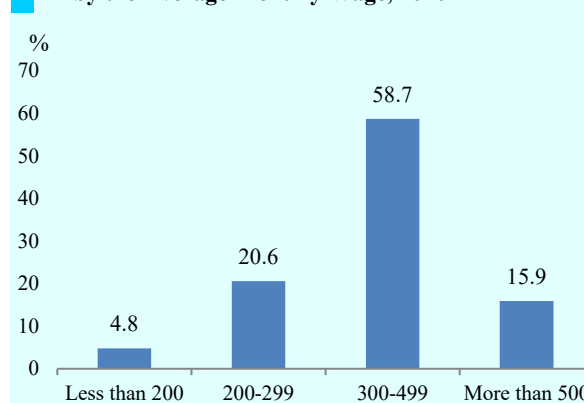
**Distribution of Jordanians Employed by Economic Activity, 2020.**



The private sector employs about 59.8 percent of the total number of Jordanians employed, while the public sector employs about 40.2 percent.

By addressing the average monthly wage for employees, it reveals that 58.7 percent of employees receive wages ranging from JD 300 to JD 499 per month.

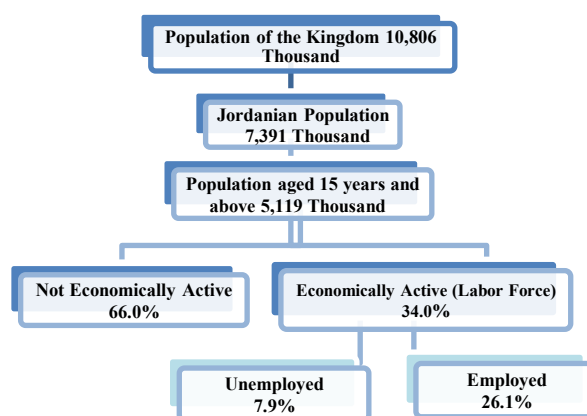
**Distribution of Jordanians Employed by the Average Monthly Wage, 2020**



## ❑ Labor Force (Employed and Unemployed)

The population of the Kingdom reached 10.8 million in 2020. The number of Jordanians was about 7.4 million, of whom 1.7 million were in the labor force. Thus, the crude economic participation rate (the labor force divided by the total population) stood at 23.0 percent compared to 23.5 percent in 2019. While the refined economic participation rate (the labour force divided by the total population aged 15 years and above), which reflects the utilization of human resources in the economy, amounted to 34.0 percent (53.6 percent for males and 14.2 percent for females), compared to 34.3 percent (54.0 percent for males and 14.0 percent for females) in 2019. This indicates that economic participation rates remained close to their levels during 2020. Despite the increase in the unemployment rate, as a result of the repercussions of the COVID-19 pandemic, which indicates that people who lost their jobs, remain within the category of economically active people. Thus, there is a possibility of a rapid return to normal levels of employment, coinciding with the start of the gradual recovery of the economy from the repercussions of the pandemic.

The Structure of Labor Market in Jordan, 2020



The previous analysis shows that the repercussions of the COVID-19 pandemic have added a new challenge to the structural challenges facing the labor market in the Kingdom, and this requires taking measures to ensure that the rise in the unemployment rate is transitory and not structural.

On the other hand, the government continued to implement structural reforms in the labor market, through the implementation of the outcomes of the National Strategy for Human Resources Development (2016-2025), which included many reforms to advance the educational process in the Kingdom, with the aim of creating a workforce that possesses competencies and skills that correspond to the labour market needs. In addition, the

institutions concerned with training and employment continued their efforts to train and qualifying the unemployed in line with the labour market's requirements of trained and qualified local workers.

Within this framework, the second phase of the “Watan Service Program” was implemented with 4 thousand trainees in the age group (18-30). On the other hand, and believing in the importance role of the SMEs in providing job opportunities, the National Microfinance Bank extended loans worth JD 37.1 million.

## Output, Employment, and Price Policies

In light of the economic conditions imposed by the repercussions of the pandemic on the national economy, the government, the CBJ, and the SSC took a wide range of measures to mitigate these repercussions on the economy in general, and on impacted economic enterprises and individuals in particular.

These measures played an important role in facing the economic consequences of the pandemic and alleviating the contraction in the national economy in general (see Box 1,2,3). In addition, the government took other measures in terms of improving the investment environment in the Kingdom, and other measure concavity and wage and price policies. The following are the most prominent of those actions:

- **In terms of stimulating investments,** a number of laws and regulations were issued in 2020 aimed at improving the investment environment in the Kingdom, most prominently:
- The Council of Ministers approved the proposal of the Steering Committee for the “investor’s journey” project and the recommendations for sectoral licenses proposed to be canceled. The “Investor's Journey” aims to simplify the procedures for all investors, whether Arab or foreign investors.

- Endorsement of the Public-Private Partnership (PPP) Projects Law No. (17) of 2020, which provides the legal reference and institutional framework for the implementation of the PPP projects. This law aims to provide funding for government projects and implement them to achieve added-value, establish and develop infrastructure and public utilities, and provide public services, in addition to benefiting from the expertise and technical knowledge of the private sector when implementing partnership projects.
- The Council of Ministers approved the “Companies Liquidation” regulation for the year 2020, with the aim of regulating the procedures for liquidating companies, which the insolvency procedures stipulated in the insolvency law and the regulations issued under it do not apply on them.
- Launching six automated electronic services from the services of the Ministry of Labor at the Jordanina Investment Commission (JIC), which were provided through the Commissioner of the Minister of Labor at the JIC. These services contribute to providing fast and highly efficient electronic services to facilitate the procedures and transactions of investors, which will reflect positively on the investment environment in Jordan.
- **In terms of employment policies**, the Council of Ministers approved the decision of raising the minimum wage from JD 220 to JD 260, to be implemented on January 2021, with the exception of the most affected sectors by the repercussions of the COVID-19 pandemic and the sectors that were not allowed to operate. This decision has been effective since June 2021, in accordance with defence orders, notifications, or decisions specifying these sectors and economic activities.

**Box (1)****Social Security Corporation (SSC) Programs to mitigate the repercussions of the COVID-19 pandemic on the Jordanian labor market**

The SSC, launched a package of programs and measures, following defenses orders, aimed at mitigating the repercussions of COVID-19 on workers and establishments within the most impacted economic activities and sectors, through providing workers with temporary incomes to enable them to meet their living requirements, in addition to abate the obligations on establishments by providing liquidity that enable their continuity. Accordingly, the SSC programs succeeded in benefiting about 1.1 million of existing subscribers and retired workers, with a total cost exceeding JD 225 million. The followings are the most prominent programs launched by the SSC during 2020:

- The **“suspending of old-age insurance”** program: which provides establishments the option to suspend old-age insurance for their employees or part of them, thus reducing social security subscription to 5.25 percent instead of the usual rate of 21.75 percent, for three months during 2020 (March, April, May). About 23 thousand establishments benefited from this program.
- The **“Solidarity (*Tadamon*)”** programs: which were launched with aim to protect employment and establishments. About 106 thousand worker and 11 thousand establishments benefited from this program. these programs consist of:
  - The **“Solidarity 1 (*Tadamon 1*)”** program: which support establishments whose activities have been completely, or partially disrupted, by restoring to SSC to pay a percentage of wages.
  - The **“Soldiarity 2 (*Tadamon 2*)”** program: which benefits establishment that is not covered by the provision of the SSC law, which all or some of its workers stopped performing their work during the pandemic.
  - The **“Supporting (*Musand 1, Musand 2, and Musand 3*)”** programs: These programs aim to help social security fund beneficiaries, both Jordanian and non-Jordanians, to obtain additional income by allowing them to spend from their savings balances in the unemployment fund. About 405 thousand individuals benefited from these programs at a total cost of JD 89 million, and about 40,000 beneficiaries benefited from the modified *Musaned 1* program at a total cost of JD 8 million.

**Box (1) Continued**

- The “**Protection (*Hemaya*)**” program: which aims to prevent the layoffs of Jordanian workers in the most affected economic sectors (tourism and transportation sectors), that are covered by the provisions of the Social Security Law, with the exception of establishments owned entirely by the government, public institutions or municipalities. Which includes the disbursement of 50 percent of the worker’s wage with a minimum of JD 220.0, in return, the employer bears 20 percent of the granted wage. The number of establishments benefiting from the protection program reached about 481.
- The “**Empowerment (*Tamkeen*)**” programs, including:
  - The “**Empowerment 1 (*Tamkeen 1*)**” program, which includes partial coverage of workers with old-age insurance, to reduce the value of the insurance subscription from 21.75 percent to 13.5 percent, about 14 thousand establishment benefited from this program. It has also provided additional liquidity for the private sector, amounted to about JD 60 million.
  - The “**Empowerment 2 (*Tamkeen 2*)**” program, which includes providing emergency advances on a single payment to workers in the private sector, with a maximum limit of JD 200 per subscriber, which was raised at the end of 2020 to JD 500. About 422 thousand individuals benefited from the program, at a total cost of about JD 81 million, meanwhile the number of beneficiaries of the revised *Tamkeen 2* program reached about 78 thousand individuals, at a total cost of about JD 26 million.
- The “**Sustainability (*Estidama*)**” program: which was launched in cooperation between the government and the SSC, at an estimated cost of JD 200 million, through which the government provides an amount of JD 134 million, while the SSC provides an amount of JD 66 million. The program incorporates establishments that are not authorized to operate, as well as the sectors and establishments most affected by the COVID-19 pandemic. It targets every insured beneficiary with the SSC, even if he/she benefited from previous programs that the SSC introduced since the beginning of the pandemic. The number of establishments benefiting from this program reached about 5 thousand establishments, employing about 90 thousand Jordanian workers, including 674 unauthorized establishments and 4,241 establishments within the most affected category.

## CHAPTER TWO

### MONEY, BANKING, AND FINANCIAL MARKETS

The monetary and banking policy implemented by the CBJ during 2020, was characterized by flexibility, and prompt responsiveness, with the aim of containing the repercussions of the emerging pandemic on the national economy. In line with its mandate of maintaining monetary and financial stability, including maintaining inflation rates within appropriate levels, and sustaining the stability of the exchange rate of the Jordanian Dinar. In addition, to preserving the solidarity and resiliency of the banking system and protecting depositors and shareholders' rights.

Within this context, and with the aim of promoting the resilience of the local economy, preserving jobs, and sustaining the ability of businesses to resume economic activities, the CBJ adopted a set of measures with a total amount of JD 2.5 billion (8 percent of GDP), to provide the necessary liquidity for economic activity, and to boost the capacity of the economic sectors to cope with the negative repercussions of the pandemic. Consequently, during 2020, the CBJ lowered the Required Reserve Ratio (RRR) to reach 5 percent instead of 7 percent, also it reduced interest rates on all monetary policy tools twice in a row, with a total of 150 basis points, and 125 basis points on the overnight deposit window rate. Moreover, the CBJ reduced preferential interest rates on its refinancing program, which targeting selected high value-added economic sectors.

The performance of the licensed banks improved during 2020, as their total assets grew by 6.3 percent to reach JD 57.0 billion. Also, deposits increased by JD 1.5 billion, growing by 4.2 percent, most of which were in JD. Furthermore, credit facilities extended by licensed banks grew by 5.7 percent, most of which were extended to the private sector. Moreover, the interest rate margin in the banking sector reached 3.52 percent.

On terms of banking policy, the CBJ adopted further measures, during 2020, to regulate banks operations and promote their financial positions and enhance their role in financing economic activity. In addition, the CBJ has continued its efforts to provide financing to Small and Medium Enterprises (SMEs), with preferential interest rates and appropriate tenors. The role of the licensed banks was obvious during the pandemic, following their compliance to the CBJ decisions in postponing the payments of the due installments on loans extended to individuals, retail, and corporates, along with their immediate response to the CBJ decision to cut interest rates, regardless of the interest rate modification date stipulated in the credit contracts. In addition, not to include clients with returned cheques due to financial reasons in the list of defaulted clients. Furthermore, reducing the commission on the returned cheque due to insufficient funds, and the commission on the cheque settlement, to reduce the financial costs on cheque issuers.



## Central Bank of Jordan and Monetary Policy

The CBJ continued to implement its monetary policy aiming at maintaining monetary and financial stability during 2020, besides boosting the confidence in the Jordanian Dinar as a saving tool, through providing an interest rates structure that is compatible with domestic, regional, and international developments. In addition, the CBJ contributed to achieving the financial stability, through enhancing the solidarity and resiliency of the banking system, while adopting measures aim at regulating banks' operations and strengthening their financial positions.

### □ Interest Rates on Key Monetary Policy Instruments

In light of the domestic, regional, and global economic and monetary developments, and with the aim of containing the repercussions of the emerging pandemic on the national economy, and with low level of inflation rate, along with the positive developments witnessed by the banking sector, and upon maintaining an interest rates structure consistent with regional and global structures, the CBJ has reduced interest rates on all monetary policy tools twice in a row in early time during 2020, with a total of 150 basis points, and 125 basis points on the overnight deposit window rate. Consequently, the CBJ's key interest rates structure at the end of 2020 was as follows:

- The CBJ main rate reached 2.50 percent, against 4.00 percent at the end of 2019.
- The interest rates on one-week and one-month repurchase (Repo) agreements

stood at 2.50 percent for each, against 4.00 percent at the end of 2019.

- The re-discount rate reached 3.50 percent, against 5.00 percent at the end of 2019.
- The overnight Repo agreements rate stand at 3.25 percent, against 4.75 percent at the end of 2019.
- The overnight deposit window rate reached 2.00 percent, against 3.25 percent at the end of 2019.
- The interest rate on one-week certificates of deposit stood at 2.50 percent, against 4.00 percent at the end of 2019.

Furthermore, the CBJ reduced the Required Reserve Ratio (RRR) to 5 percent instead of 7 percent. In addition, the CBJ engaged in Repo agreements with licensed banks for terms up to one year, with an exceptional interest rate of 2.0 percent, aiming at providing the necessary liquidity for economic activity (Box 2).

In order to stimulate economic growth, and the creation of new job opportunities, particularly among youth, the CBJ decided to cut the refinancing program interest rates, which target vital economic sectors, to become 1.00 percent for projects inside Amman governorate, and 0.5 percent for projects located in all other governorates. The CBJ also unified the maturities for all sectors to become 10 years, incorporating the export sector to the program, in addition to financing operational expenditures incorporating salaries and wages to sustain business activities within these sectors.



With the aim of strengthening the resilience of the SMEs, the CBJ launched a program to finance these companies with a total value of JD 500 million, with concessional terms and for a period of 42 months, with a grace period of 12 months, along with financing operational expenses (Box 2).

## □ Exchange Rate and Foreign Reserves

### • Jordanian Dinar Exchange Rate

The CBJ has continued to operate a pegged exchange rate to the US dollar since 1995, equivalent to a mid-price equal to 709 fils per 1 US dollar. In 2020, the exchange rate of the Jordanian Dinar depreciated by 8.7 percent against the Euro, and by 2.5 percent against the Sterling Pound, and by 4.9 percent against the Japanese Yen, compared to the exchange rates registered at the end of 2019.

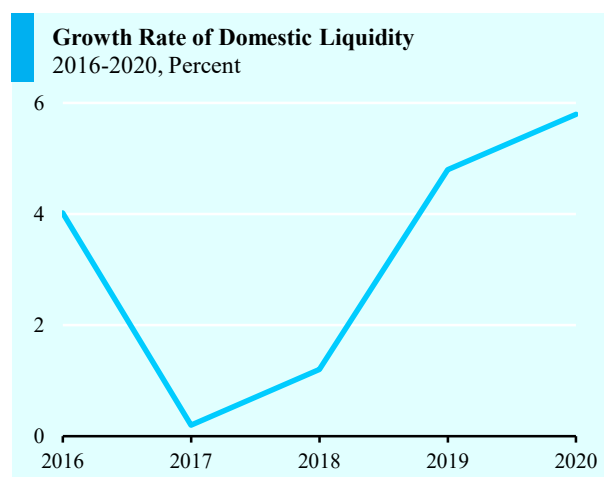
### • The CBJ's Foreign Exchange Reserves

The CBJ's gross foreign reserves including gold and Special Drawing Rights (SDRs), stood at USD 15.9 billion at the end of 2020; of which, USD 12.2 billion in foreign currencies, USD 3.7 billion in gold, and USD 19.5 million in SDRs. According to international measures used to evaluate the foreign reserves adequacy, this level of reserves is considered comfortable and prompting the monetary stability in the Kingdom, as it is sufficient to cover around

9.2 months of the Kingdom's imports of goods and services, which is more than triple the international standards of foreign reserves adequacy of three months.

## □ Domestic Liquidity

Broad money supply (M2) reached JD 37.0 billion at the end of 2020, compared to JD 35.0 billion at the end of 2019, representing a growth rate by 5.8 percent.



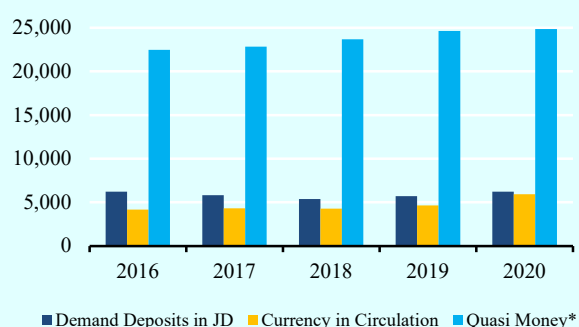
Hence, the developments of domestic liquidity at the end of 2020, according to its components and influencing factors, are clarified as follows:

### • Components of Domestic Liquidity

- The currency in circulation amounted to JD 5.9 billion, compared to JD 4.6 billion recorded at the end of 2019, an increase by 28.3 percent. A part of this increase was due to clients withdrawing part of their deposits in banks during the lockdown period, imposed by the government to limit the

spread of the Corona virus infection, and due to the clients' preference to maintain liquid money (cash) rather than deposits at banks. For this reason, JD deposits at licensed banks decreased during March and April 2020 by about JD 628.5 million.

**Components of Domestic Liquidity**  
2016-2020, JD Million



\* : Quasi-money consists of demand deposits in foreign currency, saving deposits, and time deposits.

- The deposits, according to the liquidity definition, amounted to JD 31.1 billion, compared to JD 30.3 billion at the end of 2019, an increase by 2.4 percent.

## ● Factors Affecting Domestic Liquidity

### ○ Net Domestic Assets

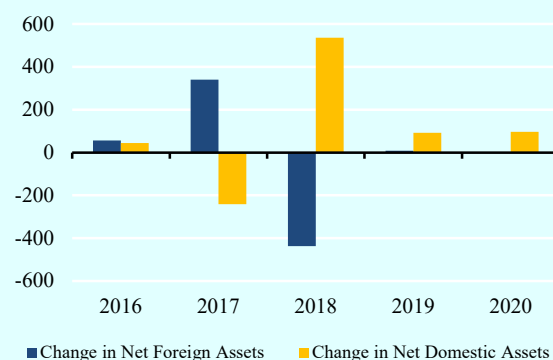
The net domestic assets of the banking system stood at JD 29.4 billion, compared to JD 27.5 billion at the end of 2019.

### ○ Net Foreign Assets

The net foreign assets of the banking system stood at JD 7.6 billion, compared to JD 7.5 billion at the end of 2019. Meanwhile, the net foreign assets of the CBJ stood at JD 10.8 billion.

### Factors Affecting Domestic Liquidity

2016-2020, As a percent of change in Money Supply (M2)



### Factors Affecting Domestic Liquidity

2016-2020, Percent

	2016	2017	2018	2019	2020
<b>Growth rates (%)</b>					
<b>Foreign assets (net)</b>	8.7	3.1	-19.2	1.9	0.7
<b>Domestic assets (net)</b>	2.4	-0.8	9.0	5.7	7.2
Net claims on public sector	-6.3	-9.2	9.2	9.1	8.8
Claims on private sector (resident)	10.1	9.4	5.3	4.5	6.0
Claims on financial institutions	68.9	77.7	25.8	36.5	59.7
Other items (net)	9.8	17.1	0.8	8.7	10.6
<b>Domestic liquidity</b>	<b>4.0</b>	<b>0.2</b>	<b>1.2</b>	<b>4.8</b>	<b>5.8</b>
<b>Percentage changes of the beginning stock of Money Supply (M2)</b>					
<b>Foreign assets (net)</b>	2.2	0.8	-5.3	0.4	0.1
<b>Domestic assets (net)</b>	1.8	-0.6	6.5	4.4	5.7
Net claims on public sector	-2.3	-3.1	2.8	3.0	3.0
Claims on private sector (resident)	6.0	5.9	3.6	3.2	4.3
Claims on financial institutions	0.4	0.7	0.4	0.7	1.5
Other items (net)	-2.2	-4.1	-0.2	-2.4	-3.1

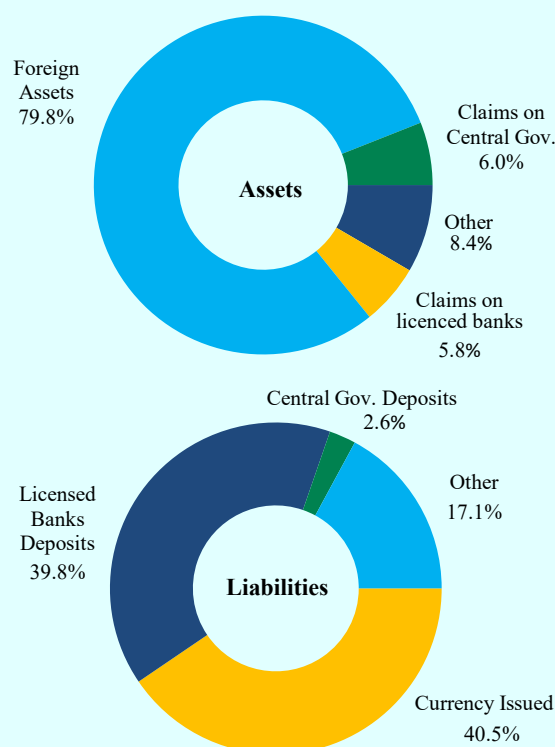
## □ The CBJ's Balance Sheet

The CBJ's balance sheet increased by JD 2,316.1 million (16.9 percent) to reach JD 16.0 billion, compared to JD 13.7 billion at the end of 2019 (Statistical Annex/ Table 12).

- On the assets side, the gross foreign assets increased by JD 1,104.9 million (9.5 percent), this increase was an outcome of the increase in gold by JD 1,127.0 million (74.2 percent), “cash, balances & deposits” by JD 697.1 million (11.9 percent), and SDRs by JD 2.1 million (17.9 percent), contrary to decrease in “bonds and treasury bills” by JD 721.3 million (20.5 percent).
- Similarly, the domestic assets increased by JD 1,211.2 million (59.9 percent), this increase was an outcome of the increase in claims on the licensed banks by JD 593.4 million, following the launch of CBJ program to support the SMEs by JD 500 million to cope with the repercussions of the pandemic. In addition to the increase in claims on the financial institutions by JD 317.0 million (69.9 percent), this increase was a result of extending an advance amounted to JD 300 million by the CBJ to the Jordan Loan Guarantee corporation (JLGC), to guarantee 85 percent of loans value extended within the CBJ program to support SMEs, besides the increase in other assets by JD 169.5 million (44.5 percent), and in claims on the central government by JD 131.1 million (15.9 percent).
- On the liability side, total domestic liabilities increased by JD 2,377.0 million. This increase was driven by the increase in currency issued item by JD 1,334.5 million (25.9 percent), licensed banks’ deposits item by JD 478.6 million (8.1 percent), other liabilities item by JD 456.5 million, “capital reserves and provisions” item by JD 88.0 million (23.1 percent), and central government's deposits item by JD 16.5 million (4.2 percent), and financial institutions’ deposits item by JD 2.9 million.
- In contrast, the gross foreign liabilities decreased by JD 60.9 million (3.9 percent). This decrease was mainly due to the decrease in reserve deposits by JD

58.3 million (4.3 percent), and international institutions’ deposits by JD 2.6 million (1.2 percent).

**Relative Importance of the Central Bank Balance Sheet Components, 2020**



**Components of the CBJ's Balance Sheet  
2016-2020, JD Billion**

	2016	2017	2018	2019	2020
Foreign assets	11.8	11.8	11.1	11.7	12.8
Domestic assets	1.7	1.6	1.8	2.0	3.2
Claims on central government	0.9	0.8	0.8	0.8	1.0
Claims on licensed banks	0.3	0.3	0.4	0.3	0.9
Other	0.5	0.5	0.6	0.9	1.3
<b>Assets = Liabilities</b>	<b>13.5</b>	<b>13.4</b>	<b>12.9</b>	<b>13.7</b>	<b>16.0</b>
Currency issued	4.6	4.8	4.8	5.2	6.5
Licensed banks' deposits, of which:	6.4	6.2	5.4	5.9	6.4
Certificates of Deposit in JD	1.0	0.6	0.6	0.5	0.0
Central government deposits	1.0	1.0	0.5	0.4	0.4
Other	1.5	1.4	2.2	2.2	2.7

**Box (2)****Monetary and precautionary measures taken by the CBJ during COVID-19 pandemic**

During 2020, the CBJ has adopted a set of measures, with a total value of JD 2.5 billion (8 percent of GDP), aimed at providing the necessary liquidity for economic activity, enhancing the ability of economic sectors to confront the negative repercussions of the emerging pandemic, and strengthening the resilience of the local economy by maintaining jobs and sustaining businesses' ability to proceed economic activities. In addition to manage banks operations, strengthening their financial positions, and activating their role in financing economic activity. These measures are summarized as follow:

CBJ interventions during COVID-19 pandemic	Amount (JD million)	Percentage of 2020 GDP
Reducing the RRR from 7 percent to 5 percent.	550	1.8
CBJ program to support the SMEs.	500	1.6
Temporary Repo agreements with banks.	850	2.8
An extended loan to the JLGC.	300	1.0
Permanent Repo agreements (Outright).	254	0.8
<b>Total</b>	<b>2,454</b>	<b>8.0</b>

**1- Reducing interest rates for individuals and companies:**

- During March 2020, the CBJ cut interest rates on monetary policy tools twice in a row, with a total of 150 basis points, and 125 basis points on the overnight deposit window rate.
- Jordanian banks have responded to the above decisions, by reducing the interest rates on the credit facilities extended to retail customers, starting from May 2020, regardless of the interest rate periodicity modification date stipulated in the credit contracts.

**2- Enhancing the loanable liquidity of the banking system:**

- The CBJ lowered the Required Reserve Ratio (RRR), for the first time since 2009, from 7 percent to 5 percent, thus providing banks with additional liquidity of JD 550 million.
- Releasing additional liquidity for banks through Open Market Operations represented by Repo agreements at a value of JD 850 million and for tenors up to one year.
- Stop issuing Certificates of Deposit (CDs) since the end of March 2020, which had a balance of JD 500 million, aiming to provide a comfortable level of liquidity in the banking sector.

**3- Meeting the financing needs of the targeted economic sectors within the CBJ program to finance economic sectors with a value of JD 1.2 billion through banks:**

- The CBJ reduced the interest rates on the CBJ refinancing program to be 1.00 percent instead of 1.75 percent for projects inside Amman governorate, and 0.5 percent instead of 1.0 percent for projects located in all other governorates, so that the interest rate charged by banks does not exceed 4 percent.

**Continued to Box (2)**

- Allowing to finance operating expenses (employee salaries and recurring expenditures) within the program.
- Unifying the maturity of advances for all targeted sectors in the program within Amman governorate along with other governorates to become 10 years, including two years as a grace period for those who want.
- Raising the advances ceiling for all economic sectors to reach JD 3 million, while maintaining the advance ceiling for both the renewable energy and transportation sectors at JD 4 million.
- Incorporating the export sector within the program (noting that the currently sectors are industry, tourism, agriculture, renewable energy, information technology, transportation, health, “technical and vocational education” and engineering consultancy).
- Allowing banks to postpone the installments owed by borrowers within the program until the end of 2020.
- The government bears 2 percent of the interest rate on loans extended to finance five- and four-stars hotels, with a ceiling of JD 750 thousand per hotel.
- About JD 880.5 million was lent in this program (73.4 percent of the total amount available), benefiting about 1,564 projects, which contributed to the creation of 13,233 job opportunities, until the end of 2020.

#### **4- Strengthening the resilience of the SMEs, professionals, craftsmen and individual institutions:**

- The CBJ launched a financing program amounted to JD (500) million to be re-lent through commercial and Islamic banks at an interest rate do not exceed 2 percent, for a period of 42 months, including a grace period of 12 months, and with the guarantee of the JLGC at 85 percent of the loan value, targeting professionals, craftsmen and individual institutions, as well as the SMEs in all governorates of the Kingdom, benefiting about 4,919 projects, valued at JD 447.2 million.
- Allowing the finance of the working capital and operating expenses, including workers' salaries and wages.
- The government bears the interest rate expense on loans extended for the purpose of covering workers' salaries and wages and the full interest on loans extended to finance the tourism sector with a ceiling of JD 250 thousand per single loan.
- Expanding the definition of Medium Enterprises to include companies that employ up to 200 workers and whose total assets or sales are less than JD 5 million annually.
- Providing a zero-risk weight for the purposes of calculating the Capital Adequacy Ratio (CAR) for new loans/ financings that will be extended within the above program until the end of 2020.
- Including tourism guides within this program, where tourism guides are eligible to get loans amounted to JD 5 thousand per each, similar to the tourism sector, with the aim of mitigating the negative impacts of the COVID-19 pandemic.
- During March 2021, the ceiling of the above program was increased to reach JD 700 million instead of JD 500 million, in addition to the followings:
  - ✓ Increasing the loan/ financing maturity to become 54 months instead of 42 months, including a grace period of 12 months (note that the CBJ had issued a circular to banks on 04/11/2020 allowing the extension of the grace period for previously extended loans under this program until the end of 2021).
  - ✓ Increasing the financing ceiling for the wholesale trade sector to become JD 350 thousand instead of JD 250 thousand.

**Continued to Box (2)**

- ✓ Increasing the financing ceiling for the retail trade sector to become JD 75 thousand instead of JD 50 thousand.
- ✓ Increasing the financing ceiling for the education sector to become JD 750 thousand instead of JD 500 thousand.
- ✓ Increasing the financing ceiling for the tourism services sector, excluding hotels, to become JD 350 thousand instead of JD 250 thousand.

**5- Supporting companies and individuals whose cash flows have declined and protecting them from banking default:**

- Allowing banks to postpone the installments due on credit facilities extended to clients of the impacted economic sectors, including companies and individuals, without affecting their credit records, until the end of 2020.
- Banks did not include clients with returned cheques due to financial reasons in the list of defaulted clients during the unemployment period until 21/05/2020. Furthermore, this period has been extended until the end of 2020, given the food trade and medical sectors a settlement period of (30) days, to be counted from the date of returning the cheque, and a settlement period of 45 days for other sectors from the date of returning the cheque.
- Reducing the period of listing in the blacklist of returned cheques for those who settle cheques after the settlement period passed, to become one month instead of the previous period that was up to one year before this procedure, provided that all cheques are settled, as the customer's name is removed from the blacklist after one month from the settlement date, regardless of the number of cheques returned to the customer, until the end of 2021.
- Reducing the value of the returned cheques commission due to insufficient funds, and the settlement fee to become JD 5 for each of them, compared to JD 40 before these amendments, aimed to reduce the financial costs for the issuers of these cheques.
- The CBJ issued a circular to licensed banks on 22/11/2020, allowing them to postpone the installments due to the most effected clients, in accordance to their estimates and study of the cash flows without considering this as a structuring or scheduling until 30/06/2021.
- Extending the work on CBJ circulars issued on 15/03/2020 and 12/11/2020 that regulate the process of postponing installments due on credit facilities until 30/12/2021, as follows:
  - ✓ The banks postpone the installments due owed by the companies affected by the COVID-19 pandemic, without considering this as structuring of credit facilities, and without affecting the companies' credit rating with CRIF Company – Jordan, and without charge a commission or impose delay interest on these companies.
  - ✓ The banks conduct scheduling of the clients' loans, who apply to scheduling concept, without cash payment and delay interest charges.
  - ✓ Postponing the installments due on retail customers who are affected by the COVID-19 pandemic, including credit card payments, housing, and personal loans without any commission or delay interest charges. However, the affected clients concept includes individuals whose income has been cut off, or whose salary has been reduced due to the COVID-19 pandemic, and all individuals whose wages allowance and/ or their premium have been postponed.



**Continued to Box (2)****6- Supporting clients of the microfinance sector:**

- In order to mitigate the economic impacts on the microfinance sector clients, the microfinance companies were asked by the CBJ to postpone the installments due for loans/ financings extended to clients affected by the pandemic, during April and May 2020, provided that the companies do not charge any additional interest/ returns, commissions, or any fees. In addition to allowing companies, according to their discretion, to consider postponing the remaining installments or making appropriate arrangements, upon the request of the client, without impacting the credit record of clients with CRIF Company-Jordan, until the end of 2020.

**7- Enhancing the resilience of Entrepreneur and start-ups companies:**

- Allocating a tranche of the Innovative Startups and SMEs Fund (ISSF) for providing direct investment in these companies in the stance of crisis circumstances, while discussing with the Social Security Investment Fund (SSIF) the possibility of finding sufficient capital to be allocated to invest in these companies, through restructuring the investments of the ISSF by transferring USD 7.5 million from indirect investment to direct investment in entrepreneur companies affected by the pandemic.

**8- Supporting farmers:**

- The CBJ Provided the Agricultural Credit Corporation an additional advance amounted to JD 10 million at a fixed interest rate of 0.5 percent, with the aim of re-lending it through the Agricultural Credit Corporation to farmers for a period of 10 years, including a two-years as grace period.
- Postponing the installments and interest due on the Agricultural Credit Corporation since 18/03/2020 until the end of June 2020 and allowing the Agricultural Credit Corporation to reschedule its loans to farmers for the same period.

**9- Enhancing electronic payments:**

- Ensuring the continuity of the electronic payment systems and services aim at continuing money circulation in the economy.
- Enabling payment companies to provide customers with e-wallet opening service remotely without any costs.
- Providing modern technologies that support the acceptance of electronic payments within the points of sales located at merchants and retail business sectors.
- Regulating and encouraging contactless electronic payments.
- Enabling customers to carry out cash deposits and withdrawals from electronic wallets through the ATMs of the most widespread banks in the Kingdom without the need to use the card.
- Clients were not charged any commissions for cash withdrawals.



## Licensed Banks' Operations

Despite the negative impact of the COVID-19 pandemic, indicators of licensed banks operating in the Kingdom continued to improve during 2020, due to its response to the decisions and measures taken by the CBJ, as their consolidated balance sheet grew by 6.3 percent, deposits grew by 4.2 percent, while the credit facilities grew by 5.7 percent.

The number of licensed banks operating in Jordan stood at 24 banks at the end of 2020. Among these banks, there are 16 Jordanian banks (3 of them are Islamic banks) and 8 branches of foreign banks, including one branch of a foreign Islamic bank. These banks carried out their operations via a network of 871 branches and 70 representative offices, compared to 861 branches and 81 representative offices at the end of 2019. According to preliminary data the index of population to the total number of branches reached approximately 12.4 thousand citizens per branch at the end of 2020.

Meanwhile, the number of Jordanian banks' branches operating abroad at the end of 2020, reached 192 branches, 5 representative offices, 22 offices, and 2 offshore units. Among these, there are 93 branches and 22 offices operating in the Palestinian territories.

## Consolidated Balance Sheet of Licensed Banks

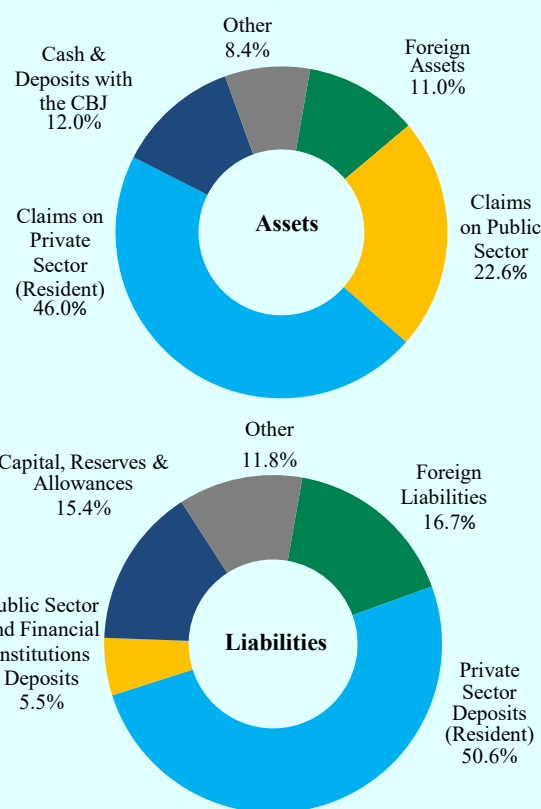
The consolidated balance sheet of licensed banks continued to grow during 2020 by JD 3,396.0 million (6.3 percent) to reach JD 57.0 billion, compared to an increase by JD 2,724.2 million (5.4 percent) during 2019. Which reflects the continuous improvement of banks' activities (Statistical Annex/ Table 14).

- When examining the assets side, it clearly shows the importance of banks role in providing the necessary financing and liquidity for all economic sectors. It should be noted that the increase in domestic assets by JD 2,675.3 million (5.6 percent), attributed to the increase in claims on the private sector (resident) by JD 1,495.6 million (6.0 percent), and claims on the public sector by JD 627.0 million (5.1 percent), in addition to the increase in both banks' balances with the CBJ in Jordanian Dinar by JD 455.5 million (8.9 percent), and the increase in claims on financial institutions by JD 192.9 million (48.2 percent). Contrary to the decrease in other domestic assets by JD 92.1 million (2.2 percent), and banks' balances with the CBJ (in foreign

currencies) by JD 29.7 million (3.9 percent). On the other hand, the foreign assets increased by JD 720.7 million (12.9 percent), due to the increase in both domestic banks' balances holding by foreign banks abroad by JD 677.3 million (17.7 percent), cash in vaults (in foreign currencies) by JD 76.6 million (37.0 percent), and other foreign assets by JD 29.5 million (36.2 percent), and the decrease in both credit facilities extended to the private sector (non-resident) by JD 61.6 million (9.1 percent), and securities portfolio (non-residents) by JD 1.1 million (0.1 percent).

- On the liabilities side, the domestic liabilities showed an increase by JD 1,906.2 million (4.2 percent), was an outcome of the increase in the borrowing from central bank item by JD 742.7 million (84.4 percent), "capital, reserves and allowances" item by JD 562.6 million (6.9 percent), and private sector (resident) deposits by JD 559.1 million (2.0 percent). In contrast to the decrease in "other liabilities" by JD 162.5 million (3.1 percent), and "time and saving deposits" by JD 99.3 million (0.4 percent). In the same context, the foreign liabilities on licensed banks increased by JD 1,489.8 million (18.5 percent).

**Relative Importance of the licenced Banks Consolidated Balance Sheet, 2020**



**Components of the Consolidated Balance Sheet of Licensed Banks**  
2016-2020, JD Billion

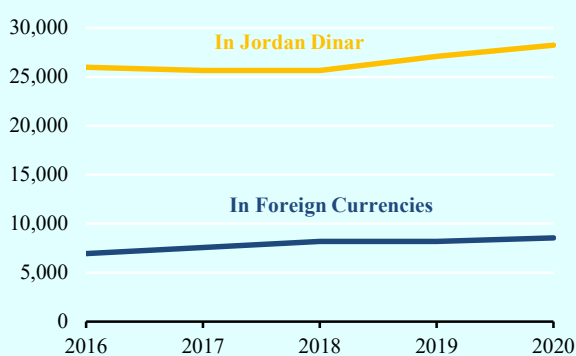
	2016	2017	2018	2019	2020
Foreign assets	5.4	5.7	5.6	5.6	6.3
Claims on public sector	11.1	10.3	11.2	12.2	12.9
Claims on private sector (resident)	20.6	22.5	23.7	24.7	26.2
Cash in vaults and balances with the Central Bank	6.8	6.7	5.9	6.4	6.9
Other	4.5	3.9	4.5	4.7	4.7
<b>Assets = Liabilities</b>	<b>48.4</b>	<b>49.1</b>	<b>50.9</b>	<b>53.6</b>	<b>57.0</b>
Foreign liabilities	6.4	6.8	7.3	8.0	9.5
Private sector (resident) deposits	27.0	26.9	26.9	28.3	28.9
Borrowing from Central Bank	0.5	0.5	0.8	0.9	1.6
Capital, reserves and allowances	7.3	7.6	7.9	8.2	8.7
Other	7.2	7.3	8.0	8.2	8.3

## □ Deposits Structure at Licensed Banks

During 2020, the balance of total deposits witnessed a recovery after being affected by the uncertainty caused by the COVID-19 pandemic, and the lockdown during the months (March-May 2020), as it decreased during this phase by JD 830.5 million, followed by an increase after math of the lockdown through (June-December 2020) by an amount of JD 1,941.7 million. Thereby, the total deposits balance at licensed banks amounted to JD 36.8 billion, increased by JD 1,483.8 million (4.2 percent) compared to the end of 2019. The private sector accounts for 78.4 percent of the total deposits (Statistical Annex/ Table 15).

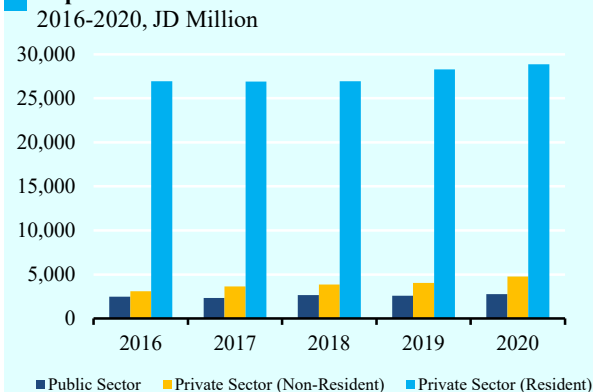
- According to deposits structure in terms of currency, it reveals that JD deposits amounted to JD 28.2 billion compared to JD 27.1 billion at the end of 2019. Meanwhile, foreign currency deposits amounted to JD 8.6 billion compared to JD 8.2 billion at the end of 2019.

**Deposits at Licensed Banks According to Currency**  
2016-2020, JD Million



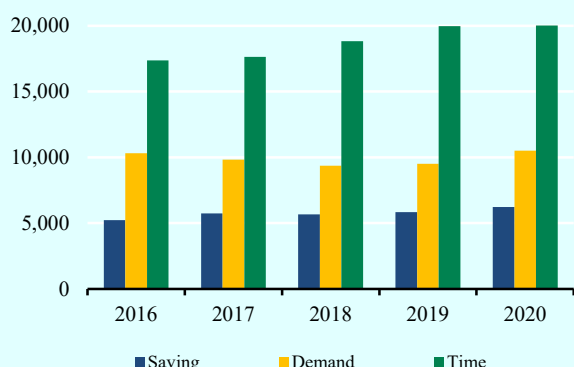
- According to deposits structure in terms of deposit holders, deposits of the private sector (resident) reached to JD 28.9 billion at the end of 2020, accounting for 78.4 percent of total deposits at licensed banks. Whilst deposits of the private sector (non-resident) amounted to JD 4.8 billion. Additionally, deposits of the public sector and the non-banking financial institutions amounted to JD 2.8 billion and JD 411.3 million, respectively.

**Deposits at Licensed Banks According to Depositor**  
2016-2020, JD Million



- According to deposits categories, the time deposits accounted for more than half of the total deposits in licensed banks (54.5 percent), followed by demand deposits (28.6 percent), and finally, savings deposits (16.9 percent).

**Deposits at Licensed Banks According to Maturity**  
2016-2020, JD Million



**Relative Importance of Deposits at Licensed Banks**  
2016-2020, Percent

	2016	2017	2018	2019	2020
<b>According to depositor</b>					
Public sector	7.5	7.0	7.9	7.3	7.5
Private sector (resident)	81.9	81.1	79.6	80.1	78.4
Private sector (non-resident)	9.4	11.0	11.3	11.5	13.0
Non-banking financial institutions	1.2	0.9	1.2	1.1	1.1
<b>According to maturity</b>					
Demand deposits	31.3	29.6	27.7	26.9	28.6
Saving deposits	15.9	17.3	16.7	16.5	16.9
Time deposits	52.8	53.1	55.6	56.6	54.5
<b>According to currency</b>					
In Jordanian Dinar	78.9	77.2	75.8	76.8	76.7
In foreign currencies	21.1	22.8	24.2	23.2	23.3

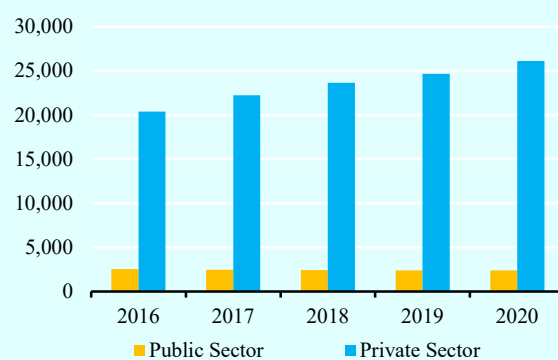
## □ Credit Facilities Extended by Licensed Banks

- As a result of the CBJ adopted measures to contain the repercussions of the COVID-19 pandemic, that aimed at enhancing and supporting

liquidity and stimulating credit, the outstanding balance of credit facilities extended by licensed banks continued its positive growth pace in 2020, as it increased by JD 1,556.9 million (5.7 percent) to reach JD 28.6 billion, compared to JD 27.1 billion at the end of 2019 (Statistical Annex/ Table 16).

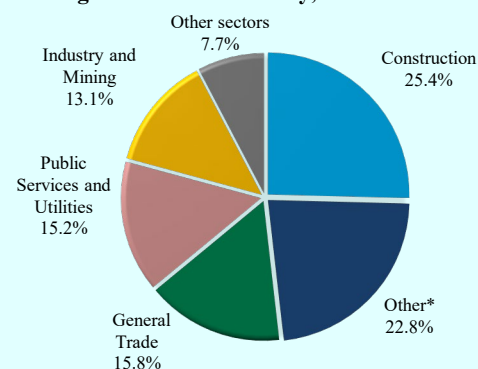
- According to the extended credit in terms of borrowers, credit facilities extended to the private sector (resident) increased by JD 1,527.9 million (6.4 percent) to reach JD 25.5 billion, accounting for 89.1 percent of total credit facilities extended by licensed banks. While public sector accounted for 8.3 percent of total credit facilities extended by licensed banks.

**Credit Facilities Extended by Licensed Banks**  
According to Borrower  
2016-2020, JD Million



- The structure of credit facilities in accordance to economic activity revealed that the credit facilities extended within the “other” item increased by JD 532.4 million (8.9 percent). This item consists mainly of credit facilities extended to households for consumption purposes, credit facilities extended to the “general trade” increased by JD 293.2 million (6.9 percent), construction sector by JD 286.1 million (4.1 percent), industrial sector by JD 171.8 million (5.1 percent), as well as “tourism, hotels, and restaurants” sector by JD 97.6 million (15.3 percent), and “public services and utilities” sector by JD 91.9 million (2.2 percent), as well as agriculture sector by JD 80.3 million (23.9 percent), and “transportation services” sector by JD 42.5 million (12.4 percent), “financial services” sector by JD 20.9 million (3.3 percent). In contrast, credit facilities extended to mining sector decreased by JD 59.8 million (20.2 percent).

**Relative Importance of Credit Facilities According to Economic Activity, 2020**



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

- It is worth mentioning that the credit facilities in foreign currency accounted for 12.2 percent of total credit facilities extended, maintaining approximately the same level registered in 2019.

## □ Market Interest Rates

The weighted average interest rates on all deposits and credit facilities extended by licensed banks decreased in 2020, as Jordanian banks have responded to CBJ decision of reducing interest rates, regardless of the interest rate periodicity modification date stipulated in the credit contracts with their clients. Detailed developments of interest rates are as follows:

### • Interest Rates on Credit Facilities:

- The interest rate on overdraft reached 7.30 percent, compared to 8.47 percent at the end of 2019, decreased by 117 basis points.

- The interest rate on “loans and advances” stood at 7.17 percent compared to 8.46 percent at the end of 2019, decreased by 129 basis points.
  - The interest rate on “discounted bills and bonds” stood at 8.51 percent compared to 9.55 percent at the end of 2019, decreased by 104 basis points.
  - The prime lending rate reached 8.33 percent, decreased by 100 basis points compared to its level at the end of 2019.
- **Interest Rates on Deposits:**
    - The interest rate on demand deposits stood at 0.27 percent compared to 0.33 percent recorded at the end of 2019, decreased by 6 basis points.
    - The interest rate on saving deposits stood at 0.34 percent, compared to 0.63 percent at the end of 2019, decreased by 29 basis points.
    - The interest rate on time deposits stood at 3.65 percent compared to 4.92 percent at the end of 2019, a decrease by 127 basis points.
    - In light with the previously mentioned, the interest rate margin, measured by the difference between the rate on “loans and advances” and

the rate on time deposits, decreased by 2 basis points compared to its level at the end of 2019, to reach 3.52 percent.

**Banks' Weighted Average Interest Rates on Deposits and Credit Facilities \***  
2016-2020, Percent

	2016	2017	2018	2019	2020
<b>Deposits</b>					
Demand	0.26	0.34	0.38	0.33	0.27
Saving	0.56	0.55	0.71	0.63	0.34
Time	3.04	3.80	4.73	4.92	3.65
<b>Credit facilities</b>					
Overdrafts	7.60	8.77	8.41	8.47	7.30
Loans and advances	7.83	8.64	8.69	8.46	7.17
Discounted bills & bonds	10.42	10.23	9.64	9.55	8.51

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

### □ Jordanian Banks' Activities in the Palestinian Territories

The performance of Jordanian banks did not only improve locally, but they also continued to show a positive performance in the Palestinian territories. The consolidated balance sheet of the branches of Jordanian banks operating in the Palestinian territories exhibited an increase in its consolidating balance sheet by JD 532.5 million (10.8 percent) to reach JD 5,465.6 million at the end of 2020, compared to JD 4,933.1 million at the end of 2019 (Statistical Annex/ Table 17).

The increase in the assets side was an outcome of the increase in the balances in the banking system by JD 335.0 million (20.8 percent), credit facilities by JD 186.2 million (8.4 percent), as well as the “portfolio” increased by JD 24.6 million (4.4 percent), against a decrease in the cash in vaults by JD 33.7 million (9.8 percent).

In contrast, the increase in liabilities was due to the increase in customers' deposits by JD 371.8 million (10.0 percent), “capital, reserves and provisions” by JD 94.7 million (14.9 percent) and the deposits of banking system by JD 71.3 million (30.0 percent).

## Insurance Companies

The number of insurance companies operating in Jordan stood at 24 companies at the end of 2020; 15 of them are licensed to offer both types of insurance (general and life insurance), 8 are licensed to offer general insurance services, and one of them is licensed to offer life insurance.

The available data on the consolidated balance sheet of insurance companies at the end of 2019, reveals that their total assets increased by JD 38.2 million (4.0 percent), compared to its level at the end of 2018, to reach JD 996.2 million (Statistical Annex/ Table 18).

On the assets side, it could be noted that the “investments and other assets” item increased by JD 18.2 million (3.7 percent), “cash balances and deposits” item by JD 11.0 million (4.0 percent), and “accounts receivables” item by JD 9.0 million (4.8 percent), at the end of 2019, compared to their levels at the end of 2018.

On the liabilities side, the “technical reserves” item increased by JD 22.3 million (5.1 percent), “other liabilities and equity” item by JD 5.5 million (10.9 percent), and “paid-up capital and reserves” item by JD 5.3 million (1.7 percent), as well as “accounts payable” item by JD 2.7 million (1.8 percent), in addition to “provisions” item by JD 2.4 million (31.2 percent), at the end of 2019, compared to their levels at the end of 2018.

By looking at the insurance companies' activity related to the collected premiums and the compensation paid during 2020, it is noted that the collected premiums decreased by JD 21.3 million (3.5 percent) to reach JD 594.0 million in 2020, and the compensations paid by insurance companies had also declined by JD 79.2 million (16.2 percent) to reach JD 411.1 million.

According to the collected premiums during 2020, it is noted that the fall in the



collected premiums, was mainly attributed to the decrease in the collected premiums of “motor vehicle insurance” by JD 20.8 million (8.9 percent), and “medical insurance” by JD 11.2 million (5.9 percent). The collected premiums of “motor vehicle insurance” accounted for 36.0 percent of the total collected premiums, followed by “medical insurance” at 30.0 percent. Other insurance types, namely, life, fire, general accidents, and maritime, accounted for 15.5 percent, 12.6 percent, 3.2 percent, and 2.7 percent of the total collected premiums, respectively (Statistical Annex/ Table 19).

**Relative Importance of Insurance Written Premiums**  
2016-2020, Percent

	2016	2017	2018	2019	2020*
Motor vehicle	38.6	39.2	37.6	38.1	36.0
Medical	29.4	28.4	30.1	30.8	30.0
Life	12.1	13.4	14.2	13.9	15.5
Accident	3.5	3.6	3.6	3.5	3.2
Maritime	3.5	3.1	2.9	2.6	2.7
Fire	12.8	12.3	11.6	11.1	12.6

Source : Ministry of Industry Trade and Supply.

\* : Preliminary.

In terms of the paid-up compensations during 2020, it is noted that the decrease was concentrated in the compensations paid for “motor vehicle insurance” by JD 47.6 million (20.3 percent), and “life insurance” by JD 18.4 million (34.0 percent). The

“motor vehicle insurance” accounted for 45.5 percent of the total paid-up compensations, whilst medical insurance accounted for 36.6 percent of the total paid-up compensations by insurance companies. (Statistical Annex/ Table 20).

**Relative Importance of Paid Claims by Insurance Companies**

2016-2020, Percent

	2016	2017	2018	2019	2020*
Motor vehicle	46.4	48.8	50.6	47.8	45.5
Medical	32.6	34.8	33.3	33.0	36.6
Life	8.2	9.5	9.6	11.0	8.6
Accident	1.4	1.3	1.3	1.0	1.4
Maritime	0.9	1.0	1.1	1.6	1.4
Fire	10.5	4.7	4.1	5.6	6.5

Source : Ministry of Industry Trade and Supply.

\* : Preliminary.

## Amman Stock Exchange

The performance indicators of Amman Stock Exchange (ASE) during 2020 witnessed a decline in its performance compared to the previous year, due to the suspension of the ASE’s activity since 17<sup>th</sup> March 2020 until 9<sup>th</sup> May 2020, due to the repercussions of the COVID-19 pandemic.

The trading volume decreased by 33.8 percent, and the share price index weighted by the market value of the free-floating shares, decreased by 8.7 percent, and the market capitalization fell by 13.5 percent to reach JD 12.9 billion, equivalent to 41.6 percent of GDP. In contrast, the non-Jordanian net investments at ASE recorded an outflow by JD 67.5 million.

The following is a summary of the main indicators of ASE performance in 2020:

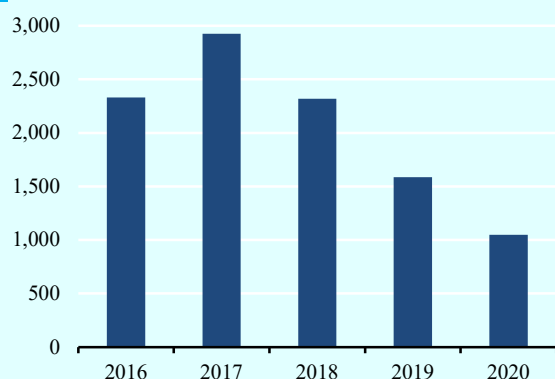
- The trading volume decreased by JD 536.6 million (33.8 percent) to reach JD 1,048.8 million, compared to a decrease by JD 733.9 million (31.6 percent) in 2019. This decrease came as an outcome of the decrease in the trading volume of the financial sector by JD 383.3 million (36.9 percent), along with industry sector by JD 107.0 million (37.0 percent), in addition to the services sector by JD 46.3 million (18.0 percent) (Statistical Annex/ Table 21).

**Relative Importance of Shares Traded by Sectors**  
2016-2020, Percent

	2016	2017	2018	2019	2020
Industry	30.2	22.4	42.2	18.2	17.4
Services	18.2	12.8	9.8	16.2	20.1
Financial	51.6	64.8	48.0	65.6	62.5

Source : Amman Stock Exchange.

**Value Traded at Amman Stock Exchange**  
2016-2020, JD Million



- The market capitalization of the listed shares declined by JD 2,007.0 million (13.5 percent) to stand at JD 12.9 billion, representing 41.6 percent of the GDP, compared to a decrease of JD 1,207.9 million (7.5 percent), representing 47.2 percent of the GDP in 2019.
- The number of traded shares decreased by 104.5 million shares (8.4 percent) to reach a total of 1,142.7 million shares, compared to an increase by 1.3 million shares (0.1 percent) in 2019. Furthermore, the number of executed contracts decreased by 82.0 thousand contract (16.3 percent) to reach 421.0 thousand contracts. An analysis of the traded shares by sectors indicated that the financial sector accounted for most traded shares at 55.2 percent, followed by the industry sector at 23.7 percent, and the services sector at 21.1 percent.
- The non-Jordanian investments at ASE recorded a net outflow by JD 67.5 million, compared to an inflow by JD 114.1 million in 2019. The purchases of non-Jordanian investors amounted to JD 96.8 million in 2020, while their sales were JD 164.4 million.

### Shares Traded by Non-Jordanians at Amman Stock Exchange

2016-2020, JD Million

	2016	2017	2018	2019	2020
<b>Total purchases</b>	<b>666.5</b>	<b>994.9</b>	<b>1,231.8</b>	<b>528.7</b>	<b>96.8</b>
Arab	520.3	638.7	214.4	352.5	75.7
Foreigners	146.2	356.3	1,017.4	176.2	21.1
<b>Total sales</b>	<b>429.4</b>	<b>1,329.2</b>	<b>747.3</b>	<b>414.6</b>	<b>164.4</b>
Arab	304.1	1,177.6	177.1	293.8	94.1
Foreigners	125.3	151.6	570.2	120.9	70.3
<b>Net investment</b>	<b>237.1</b>	<b>-334.3</b>	<b>484.5</b>	<b>114.1</b>	<b>-67.5</b>
Arab	216.2	-539.0	37.3	58.8	-18.4
Foreigners	20.9	204.7	447.2	55.3	-49.1

Source : Amman Stock Exchange.

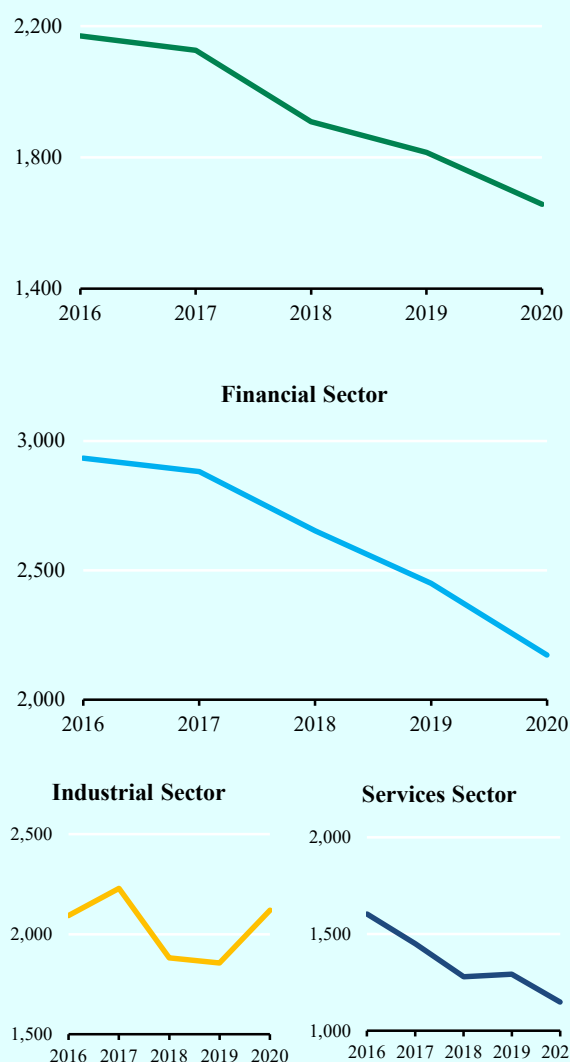
### General Share Price Index (GSPI):

- The General Share Price Index (GSPI), weighted by the market capitalization declined in 2020 by 464.2 points (13.2 percent), compared to its level at the end of 2019, to stand at 3,049.6 points. This decrease was an outcome of the decline in the share price indices of “banks, corporates and financial institutions” by 1,685.0 points (23.7 percent), services companies by 31.5 points (4.3 percent), and the increase in the shares price of “mining and industrial companies” by 204.8 points (7.8 percent), and insurance companies by 26.7 points (2.1 percent) (Statistical Annex/ Table 22).
- The Share Price Index (SPI), weighted by the market value of the free-floating shares, closed at 1,657.2 points, declined by 158.0 points (8.7 percent) from its level at the end of 2019,

compared to a decline by 93.6 points (4.9 percent) recorded in 2019. This decline was an outcome of the drop in the indices of the financial sector by 278.3 points (11.4 percent), the services sector by 145.0 points (11.2 percent), and an increase of the general price index of industrial sector by 262.7 points (14.1 percent) (Statistical Annex/ Table 23).

### General Share Price Index Weighted by Free Float Shares

2016-2020 (Closing December 1999=1000)



## Other Financial Institutions

In addition to the above-mentioned institutions, many other non-banking financial institutions provide supportive 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 a review of other financial institutions' main activities in 2020:

### □ Jordan Deposit Insurance Corporation

In 2020, Jordan Deposits Insurance Corporation (JDIC) continued its activities in order to achieve its objectives of protecting depositors with licensed banks, through guaranteeing their deposits aiming at encouraging savings, along with strengthening confidence and stability of the banking system, in line with its continuous commitment to protect depositors through expanding its plans and operations.

On the financial side, the annual membership fees collected from member banks reached JD 35.0 million in 2020, compared to JD 33.8 million in 2019, furthermore, the corporation achieved a net investment income amounted to JD 45.3 million. Accordingly, the corporation's

reserves reached JD 928.9 million, compared to JD 849.8 million at the end of 2019, with a growth rate of 9.3 percent. Thus, the reserves coverage to insured deposits ratio reached 4.6 percent at the end of 2020, compared to 4.2 percent at the end of 2019.

The book value of the corporation's investments portfolio stood at JD 915.3 million at the end of 2020, with an average return of 5.1 percent, and growth rate of 9.6 percent compared to JD 835.0 million recorded in 2019.

Moreover, the value of insured deposits amounted to JD 20.3 billion, representing 71.8 percent of the total deposits denominated in Jordanian Dinar held in the banking system, compared to JD 20.0 billion, representing 73.8 percent of the total deposits denominated in Jordanian Dinar held in the banking system at the end of 2019. Furthermore, the value of insured deposits held at Islamic banks stood at JD 7.1 billion at the end of 2020.

### □ Jordan Loan Guarantee Corporation

The Jordan Loan Guarantee Corporation (JLGC) sustained its working toward achieving its objectives of providing loan guarantees for the SMEs, contributing to the bolstering of the national economy, and providing job opportunities. Consequently, the corporation during 2020 guaranteed 530 loans with a nominal value of JD 39.2 million.

Considering that, the number of outstanding guaranteed loans at the end of 2020 stood at 2,749 loans with a total guaranteed amount of JD 81.0 million, compared to 4,299 loans with a total guaranteed amount of JD 104.0 million during 2019.

The outstanding portfolio of guaranteed loans consisted of 2,094.0 productive loans with a guaranteed value of JD 37.2 million, 938 mortgage loans with a guaranteed value of JD 15.5 million, in addition to 310 loans within the services and industrial sector fund programs, with a guaranteed value of JD 32.0 million, and lastly about 345 of start-up projects loans with a guaranteed value of JD 11.8 million.

At the financial level, the JLGC's operational revenues stood at JD 2,366.0 thousand, compared to JD 1,874.0 thousand in 2019. Hence, the JLGC's net profits stood at about JD 645.0 thousand, compared to JD 1.0 million in 2019.

In addition, the JLGC continued to provide support to Jordanian exports through its Export Credit Guarantee (ECG) program, as the number of guaranteed shipments increased to 1,800 shipments at a value of JD 113.6 million, compared to 1,515 shipments at a value of JD 107.4 million in 2019.

The JLGC has adopted a series of measures and decisions in response to COVID-19 pandemic and to face the impact of its repercussions on corporation's activities and operational outcomes, the most

important measure was the reduction in the loan guarantee commission for the industrial and services financing program from 1.5 percent to 0.75 percent, and the start-up projects loan guarantee program commission from 1.0 percent to 0.75 percent. This is for all loans and financing that will be guaranteed by the corporation since 15<sup>th</sup> March 2020 until the end of 2021.

Furthermore, launching the National Program for loans financing and guarantee to cope up with the COVID-19 crisis, at a value of JD 500 million for all economic sectors operating in the Kingdom, where the CBJ provided the financing and loans to banks without interest, to be re-lend at a ceiling interest rate of 2 percent per annum, provided that the JLGC guarantees all of these loans and financing at 85 percent in return for a guarantee commission of 0.35 percent, noting that the CBJ provided a loan of JD 300 million to the company at an interest rate of 0.5 percent for this purpose.

Through this Program, The JLGC, has guaranteed a total of 5,113 loans with a nominal value of JD 414.2 million, accordingly the number of outstanding secured loans reached 5,070 loans with a nominal value of JD 327.5 million.

### **□ Jordan Mortgage Refinance Company**

The Jordan Mortgage Refinance Company (JMRC) continued its effective involvement in developing and stimulating the mortgage market and meeting the

housing needs for low-income segment of the population. In 2020, the JMRC signed 32 agreements with a total amount of JD 243.5 million. Upon that, the number of refinancing housing loan agreements, which the company signed, since its inception in 1996 and until the end of 2020, stand at a total of 326 agreements with a total amount of JD 1,932.6 million. In addition, the outstanding balance of the refinancing loans, since the inception until the end of 2020, amounted to JD 582.5 million.

These loans have contributed to increase the demand of Jordanian citizens for home ownership, and increasing the amounts allocated by banks for the purpose of granting housing loans, which has led to increase competition in the banking sectors in the aspect of improving the terms of housing lending and lengthening maturities, thus helps to enhance the ability to pay the installments of housing loans for a larger segment of borrowers.

In regard to funding sources, which the JMRC relied on to provide loans, represented by the issuance of corporate bonds in the local capital market amounted to JD 238.5 million, bringing the accumulated value of issued bonds, since its inception until the end of 2020, to JD 2,029.2 million, with maturities ranging from one year and less up to five years.

Noting that these issuances were conducted through private or public written, and have been sold to individuals, as well as financial and investment institutions, in both the public and private sectors. Thus, the outstanding balance of corporate bonds issued by the JMRC stood at JD 562.0 million at the end of 2020.

During the exceptional circumstances due to the repercussions of the emerging pandemic, the company was keen to focus its efforts on providing liquidity to many banks and financial institutions, in line with the direction and measures taken by the CBJ, as it extended refinancing loans to banks and financial leasing companies with a value of JD 243.5 million during 2020.

#### **□ Social Security Investment Fund**

The Social Security Corporation (SSC) plays a vital role at both social and economic levels. Since it strengthens the protection of workers who are covered by the Social Security umbrella. Moreover, the SSC invests in economic and financial projects based on investment experience, balanced investment decisions, and performance controlling to optimizing the real value of its assets, and hence, enhancing its ability to meet its obligations toward the insured, to this end, the Social Security Investment Fund (SSIF) was established, and launched its operations in the beginning of 2003.

The SSIF has achieved an increase in its total assets at the end of 2020, amounted to JD 194.9 million (1.8 percent) compared to the end of 2019, to reach JD 11,191.9 million. By examining the assets side, the increase was concentrated in “bonds portfolio” item by JD 437.7 million (7.3 percent), as well as to the increase in the money market “financial instruments portfolio” by JD 81.6 million (6.0 percent), and “loan portfolio” by JD 61.3 million (18.5 percent), in addition to the increase in both the “real estate portfolio” by JD 58.3 million (8.8 percent), and the “tourism investment portfolio” by JD 3.0 million (1.0 percent). In contrast, the “equity investment portfolio (public and private)” item decreased by JD 357.4 million (18.3 percent), and “other assets” by JD 88.6 million (19.9 percent) (Statistical Annex/Table 24).

The relative distribution of the SSIF’s assets indicates the high dependence on the investment in “bonds portfolio”, which accounted for (57.3 percent) of the total assets, followed by the “equity investment portfolio” at (14.2 percent), and money market “financial instruments portfolio” at (12.8 percent) of the total assets in 2020.





## CHAPTER THREE

### PUBLIC FINANCE SECTOR

The public finance sector was clearly affected by the repercussions of the COVID-19 pandemic during 2020, which resulted in economic contraction that adversely impacted the proceeds of government revenues, led to increase the general budget deficit, including foreign grants, by 3.7 percentage point to reach 7.0 percent of GDP, compared to 3.3 percent in 2019. This came due to a decrease in public revenues (domestic revenues and foreign grants) by 9.4 percent, and an increase in public expenditures by 4.5 percent compared to its registered level in 2019.

On the side of public revenues, domestic revenues decreased by 10.4 percent, to stand at JD 6,338.0 million following a decrease in non-tax revenues by 44.0 percent and an increase in tax revenues by 5.9 percent. Meanwhile, the foreign grants increased by 0.3 percent to reach JD 790.9 million.

On the public expenditures side, current expenditures increased by 6.2 percent, to stand at JD 8,388.5 million, whilst the capital expenditures decreased by 10.1 percent, to stand at JD 822.8 million.

As a result of the rise of current expenditures and the decline of domestic revenues, the self-reliance index, which measured by the coverage ratio of domestic revenues to current expenditures, decreased to 74.4 percent, compared to 88.2 percent in 2019.

Cumulatively this contributed to an increase in the outstanding government debt (domestic and external) by JD 2,955.8 million, to reach JD 33,032.0 million (106.5 percent of GDP) compared to JD 30,076.2 million (95.2 percent of GDP) at the end of 2019. When excluding government securities held by Social Security Investment Fund (SSIF), the outstanding government debt (domestic and external) stand at JD 26,499.3 million (85.4 percent of GDP), compared to JD 23,958.6 million (75.8 percent of GDP) at the end of 2019.

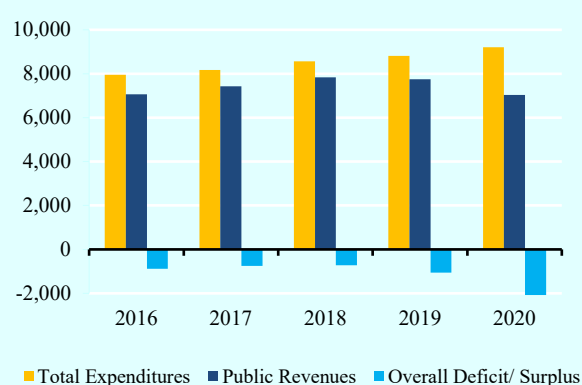
Moreover, and to confront the repercussions of the pandemic, the government has taken a set of fiscal, administrative and price measures, which targeted the most impacted individuals and economic sectors by the pandemic.

## General Budget

The repercussions of the pandemic on the national economy, directly impacted the performance of the general budget during 2020, particularly the public revenues side, resulted in widening the overall fiscal deficit of the general budget, including foreign grants, by JD 1,124.0 million, to reach JD 2,182.4 million (7.0 percent of GDP), compared to a fiscal deficit of JD 1,058.4 million (3.3 percent of GDP) during 2019. Once foreign grants had excluded (JD 790.9 million), the overall fiscal deficit would have widened to JD 2,973.3 million, or 9.6 percent of GDP, compared to 5.8 percent of GDP in 2019. The decline in the general budget performance was a consequence of the decrease in public revenues by JD 725.4 million, and an increase in public expenditures by JD 398.6 million.

As a result of the broadening gap between government revenues and expenditures, the coverage ratio of public revenues to public expenditures decreased by 11.7 percentage point, compared to its level in 2019, to reach 76.3 percent.

**Summary of Central Government Budget**  
2016-2020, JD Million



**Developments in Public Revenues and Public Expenditures, 2017-2020, JD Million**

	2017	2018	2019	2020
<b>Public revenues</b>	7,425.3	7,839.6	7,754.3	7,028.9
Growth rate (%)	5.0	5.6	-1.1	-9.4
<b>Total expenditures</b>	8,173.2	8,567.3	8,812.7	9,211.3
Growth rate (%)	2.8	4.8	2.9	4.5
<b>Overall deficit/surplus</b>	-747.9	-727.6	-1,058.4	-2,182.4
Ratio to GDP (%)	-2.5	-2.4	-3.3	-7.0

Source : Ministry of Finance/ General Government Finance Bulletin, January 2021.

### □ Public Revenues

Public revenues (domestic revenues and foreign grants) decreased by JD 725.4 million (9.4 percent), compared to its achieved level in 2019, to reach JD 7,028.9 million during 2020. This decrease was an outcome of a decrease in domestic revenues by JD 727.9 million, and an increase in foreign grants by JD 2.5 million.

Main Indicators of Public Revenues 2017-2020, JD Million				
	2017	2018	2019	2020
<b>Domestic revenues</b>	<b>6,717.4</b>	<b>6,944.9</b>	<b>6,965.9</b>	<b>6,238.0</b>
Ratio to public revenues (%)	90.5	88.6	89.8	88.7
Ratio to current expenditures (%)	94.4	91.1	88.2	74.4
Ratio to GDP (%)	22.8	22.8	22.0	20.1
<b>Foreign grants</b>	<b>707.9</b>	<b>894.7</b>	<b>788.4</b>	<b>790.9</b>
Ratio to public revenues (%)	9.5	11.4	10.2	11.3
Ratio to GDP (%)	2.4	2.9	2.5	2.5
<b>Public revenues</b>	<b>7,425.3</b>	<b>7,839.6</b>	<b>7,754.3</b>	<b>7,028.9</b>
Ratio to total expenditures (%)	90.8	91.5	88.0	76.3
Ratio to GDP (%)	25.3	25.7	24.5	22.7
Source : Ministry of Finance/ General Government Finance Bulletin, January 2021.				

### ● Domestic Revenues

The ban and closure measures taken by the government to confront the pandemic had resulted in both an economic downturn,

which contributed to the decline of domestic revenues, and its insufficiency in achieving the estimated targeted level stipulated in the Budget Law for the year 2020. Accordingly, domestic revenues decreased by JD 727.9 million (10.4 percent), compared to its level in 2019, to reach JD 6,238.0 million, forming only 80.4 percent of targeted level estimated in the 2020 General Budget Law. This decrease was an outcome of the decrease in non-tax revenues by JD 1,005.7 million (44.0 percent) to reach JD 1,279.4 million, and an increase in tax revenues by JD 277.8 million (5.9 percent), to reach JD 4,958.6 million. Consequently, tax revenues formed the largest part of domestic revenues by 79.5 percent, this was mainly due to government reclassifying the proceeds of taxes on oil derivatives, since the second half of 2019, from non-tax revenues to tax revenues, specifically within the taxes on good and services item, in addition to government efforts in strengthening the operations of combating tax evasion, increasing tax field inspections, audits, and tax settlements with a large number of taxpayers.

The developments in tax revenues main components revealed that the proceeds of the general sales taxes on goods and services have witnessed an increase by JD 231.5 million (7.0 percent) to reach JD 2,533.9 million, compared to an increase of 3.7 percent in 2019, despite the negative impacts caused by the pandemic on both economic and commercial activities. The proceeds of the general taxes on goods and services constituted the largest bulk of the tax revenues, accounted for 71.3 percent. Among the most prominent items whose proceeds increased were both the proceeds of sales tax on domestic goods and commercial sector by 35.9 percent and 3.3 percent, respectively. On the other hand, the proceeds of tax revenues on both services and imported goods decreased by 22.7 percent and 0.2 percent, respectively.

Moreover, the proceeds of income and profit taxes increased by JD 83.4 million (8.2 percent), to reach JD 1,103.6 million. This

increase was mainly due to the collection of JD 65.8 million revenues from the national contribution account during 2020. It is worth noting that this account was included for the first time within the provisions of the Amendment of Income Tax Law No. (38) of 2018, in which the revenues consist of a tax rate that ranges between (1-7 percent) on companies' income, and based on the company economic activity.

In addition to the rise in the proceeds of income tax from individuals by JD 29.4 million, to reach JD 263.9 million, or 23.9 percent of the total proceeds of income and profit taxes. In contrast, the proceeds of income taxes from companies and other projects decreased by JD 11.9 million, forming 70.1 percent of the total proceeds of income and profit taxes, to reach JD 773.8 million.

Moreover, the impact of lockdowns was noticeably demonstrated on the proceeds of taxes on financial transactions (real-estate tax), which decreased by JD 34.8 million (42.6 percent), to reach JD 46.8 million.

The proceeds of taxes on international trade and transactions decreased by JD 2.2 million (0.8 percent), to reach JD 274.4 million, were slightly affected by the pandemic due to the decrease in Kingdom's imports. This decrease was a result of the anti-smuggling operations taken by the Jordanian Customs Department during 2020, which prevented the tax proceeds from being significantly affected.

In regard to non-tax revenues, the proceeds of other revenues item decreased by JD 1,004.0 million (44.1 percent) to reach JD 1,272.1 million, following the reclassification of the tax proceeds on oil derivatives, from non-tax revenues to tax revenues (as mentioned previously), in addition to the decrease in the proceeds of government fees due to the decline in imports. Meanwhile, the decline of other revenues can be distributed as following: miscellaneous revenues item by 57.9 percent, property income by 46.1 percent, revenues from selling goods and services by 28.2 percent. Moreover, the proceeds of pension contributions decreased by JD 1.7 million (18.9 percent), to reach JD 7.3 million.

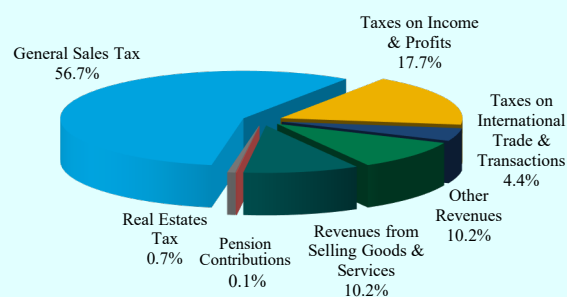
#### Components of Domestic Revenues

2017-2020, JD Million

	2017	2018	2019	2020
<b>Tax revenues</b>	<b>4,343.6</b>	<b>4,535.6</b>	<b>4,680.8</b>	<b>4,958.6</b>
Ratio to domestic revenues (%)	64.7	65.3	67.2	79.5
Ratio to GDP (%)	14.8	14.9	14.8	16.0
<b>Other revenues</b>	<b>2,362.2</b>	<b>2,398.4</b>	<b>2,276.1</b>	<b>1,272.1</b>
Ratio to domestic revenues (%)	35.2	34.5	32.7	20.4
Ratio to GDP (%)	8.0	7.9	7.2	4.1
<b>Pension contributions</b>	<b>11.6</b>	<b>10.9</b>	<b>9.0</b>	<b>7.3</b>
Ratio to domestic revenues (%)	0.2	0.2	0.1	0.1
Ratio to GDP (%)	0.04	0.04	0.03	0.02
<b>Total domestic revenues</b>	<b>6,717.4</b>	<b>6,944.9</b>	<b>6,965.9</b>	<b>6,238.0</b>

Source : Ministry of Finance/ General Government Finance Bulletin, January 2021.

#### Structure of Domestic Revenues of the Budgetary Central Government, 2020



## • Foreign Grants

Foreign grants, which are directed to support the general budget, increased by JD 2.5 million (0.3 percent) to reach JD 790.9 million in 2020.

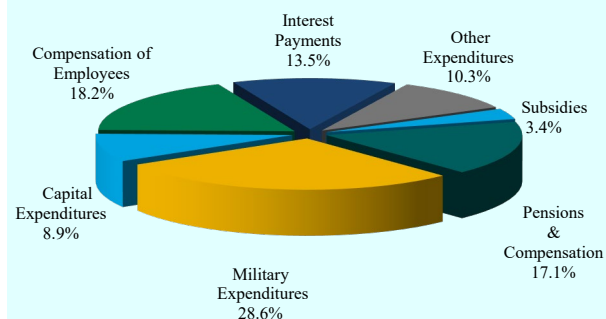
Following are the allocation of these grants:

- The USA grant of JD 599.2 million.
- The European Union grant of JD 49.9 million.
- The Gulf Fund for Development grant of JD 48.2 million.
- Other grants worth JD 93.6 million.

## □ Public Expenditures

Despite the government's set of measures taken during 2020 to control public expenditures within the context of the pandemic repercussions, the public expenditures recorded an increase by JD 398.6 million (4.5 percent), to reach JD 9,211.3 million, forming 95.9 percent of the estimated total public expenditures stipulated in the General Budget Law for the year 2020. This rise was an outcome of an increase in the current expenditures by JD 491.3 million, and a decrease in the capital expenditures by JD 92.7 million.

**Structure of Public Expenditures of the Budgetary Central Government, 2020**



**Main Indicators of Public Expenditures**

2017-2020, JD Million

	2017	2018	2019	2020
<b>Current expenditures</b>	<b>7,113.0</b>	<b>7,619.6</b>	<b>7,897.2</b>	<b>8,388.5</b>
Ratio to total expenditures (%)	87.0	88.9	89.6	91.1
Ratio to GDP (%)	24.2	25.0	25.0	27.0
<b>Capital expenditures</b>	<b>1,060.2</b>	<b>947.7</b>	<b>915.5</b>	<b>822.8</b>
Ratio to total expenditures (%)	13.0	11.1	10.4	8.9
Ratio to GDP (%)	3.6	3.1	2.9	2.7
<b>Total expenditures</b>	<b>8,173.2</b>	<b>8,567.3</b>	<b>8,812.7</b>	<b>9,211.3</b>
Ratio to GDP (%)	27.8	28.1	27.9	29.7

Source : Ministry of Finance/ General Government Finance Bulletin, January 2021.

## • Current Expenditures

The government has taken a set of measures to control current expenditures to provide more space for health and social spending (Box No. 3), most notably from which were deducting a percentage from the



salaries of higher-level employees as a donation to support Himmat Watan Fund, the Charity Account, and the Ministry of Health Account. As well as, postponing salaries increase and bonuses for all public sector employees, until the end of 2020. Despite these measures, current expenditures grow by 6.2 percent (JD 491.3 million), compared to 3.6 percent in 2019, to stand at JD 8,388.5 million. Thus, it completely depleted the allocation estimated in the General Budget Law for the year 2020. Mentioning that, the current expenditures accounted for the largest portion of the public expenditures by 91.1 percent (27.0 percent of GDP).

As a result of higher current expenditures and lower domestic revenues, the self-reliance index, measured by the ratio of domestic revenues to current expenditures, decreased to 74.4 percent, compared to 88.2 percent in 2019.

The increase in current expenditures was a result of the surge in many of its components, foremost of which were the “purchases of goods and services” item by

23.6 percent, and the interest payments of debt (domestic and external) on commitment basis by 11.7 percent, in addition to the increase in the compensation of employees item by 6.9 percent, and the military expenditures item by 1.7 percent. In contrast, the subsidies item (including goods subsidies) decreased by 11.6 percent.

By examining the structure of the current expenditures (Statistical Annex/ Table 27), it is noted that most of its components are inflexible expenditures, which form about 84.9 percent of total current expenditures, while the flexible current expenditures items form the remaining 15.1 percent. Military expenditures captured the largest share of inflexible expenditures, constitutes 31.4 percent of total current expenditures, whereas, compensation of employees (salaries, wages, and social security contributions) accounted for 20.0 percent, followed by pension and compensations expenditures (18.7 percent), and interest payments (14.8 percent). Subsequently,

“purchases of goods and services” constitute the largest portion from the flexible current expenditures, accounted for 4.9 percent of the total current expenditures, followed by subsidies item (3.7 percent).

As for the functional classification of the current expenditures, social protection expenses accounted for the largest share of current expenditures, accounted for 23.8 percent, followed by the expenditures of general public services by 20.4 percent, defense expenditures (15.4 percent), “public order and safety” (14.6 percent), education (12.5 percent), and health (9.3 percent), whereas the remaining 4.0 percent was distributed among other expenses.

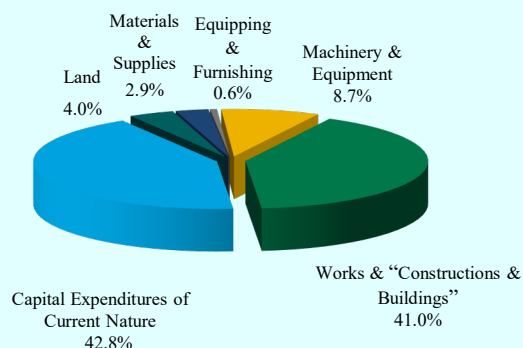
#### • Capital Expenditures

To provide the necessary financing needs to face the expenditures created by repercussions of the pandemic, the government has reduced capital expenditures, and limited it to implement priority projects, while postponing the implementation of other projects.

Correspondingly, Capital expenditures decreased by 10.1 percent (JD 92.7 million), compared to a decrease of 3.4 percent in 2019, to reach JD 822.8 million, thereby, the ratio of achievement (the ratio of actual capital expenditures to estimated capital expenditures in the Budget Law 2020) decreased to reach 64.6 percent compared to 73.7 percent in 2019. Thereby, Capital expenditures accounted for 8.9 percent of public expenditures and 2.7 percent of GDP.

By looking at the components of capital expenditures, it is noted the majority of its items are with current nature (including subsidies for government units, “sustainability, operation and maintenance expenditure”, compensation of employees, and “studies and research”). There constituted for 42.8 percent of capital expenditures. While “works and constructions” and buildings items, constituted about 41.0 percent. The remaining 16.2 percent was distributed among other items, particularly, machines, equipment, vehicles, lands, furniture, and supplies.

#### Economic Classification of Capital Expenditures, 2020



By viewing, the functional classification of capital expenditures, it revealed that the expenditures on economic affairs have formed the largest share of capital expenditures accounted for 28.7 percent, while the expenditures on "housing and community facilities" accounted for 21.5 percent, followed by the expenditures on education (11.9 percent), and health (10.4 percent), while the remaining share of 27.5 percent was distributed among other expenses.

#### □ Fiscal Deficit/ Surplus

In light of the foregoing, the developments occurred in both sides of public revenues and expenditures during

2020, were reflected on the general budget deficit, within its various measures, as follows:

- The overall fiscal deficit of the general budget, including foreign grants, increased to JD 2,182.4 million (7.0 percent of GDP), compared to a deficit of JD 1,058.4 million (3.3 percent of GDP) in 2019, exceeding the estimated deficit stipulated in the General Budget Law for the year 2020 by JD 1,136.3 million. Albeit excluding foreign grants, the overall fiscal deficit of the general budget rise to JD 2,973.3 million (9.6 percent of GDP), compared to a deficit of JD 1,846.9 million (5.8 percent of GDP) in 2019.
- The general budget recorded a primary deficit including foreign grants, public revenues *minus* public expenditures after excluding interest payments on debt (domestic and external) of JD 939.0 million (3.0 percent of GDP), compared to a primary surplus of JD 55.0 million (0.2

percent of GDP) in 2019. When foreign grants were excluded, the general budget recorded a primary deficit of JD 1,729.9 million (5.6 percent of GDP), compared to a primary deficit of JD 733.4 million (2.3 percent of GDP) in 2019.

- Current deficit (domestic revenues *minus* current expenditures) stood at JD 2,150.5 million (6.9 percent of GDP), compared to JD 931.3 million (2.9 percent of GDP) in 2019.

**Measures of Budget Deficit/ Surplus**  
2017-2020, as a Percent of GDP (%)

	2017	2018	2019	2020
Overall deficit/ surplus (Including grants)	-2.5	-2.4	-3.3	-7.0
Overall deficit/ surplus (Excluding grants)	-5.0	-5.3	-5.8	-9.6
Primary deficit/ surplus (Including grants)	0.4	0.9	0.2	-3.0
Primary deficit/ surplus (Excluding grants)	-2.0	-2.0	-2.3	-5.6
Current deficit/ surplus	-1.3	-2.2	-2.9	-6.9

Source : Ministry of Finance/ General Government Finance Bulletin, January 2021.

## Own-Budget Agencies

The consolidated budget of own-budget agencies for 2020 revealed an increase in the

number of agencies that recorded a fiscal deficit to 8 governmental agencies (out of 25 governmental agencies) by JD 256.2 million, compared to a fiscal deficit of 6 governmental agencies (out of 28 governmental agencies) by JD 274.4 million in 2019. As a result, the fiscal deficit of the own-budget agencies reached JD 48.7 million, compared to a fiscal deficit of JD 143.2 million in 2019, a decrease of JD 94.5 million. It is worth mentioning that the National Electric Power Company (NEPCO) has reverted to record a fiscal deficit, which amounted to JD 33.7 million in 2020, compared to a fiscal surplus of JD 3.0 million in 2019. Moreover, Water Authority of Jordan (WAJ) recorded a fiscal deficit of JD 188.9 million in 2020, compared to a fiscal deficit of JD 266.8 million in 2019.

It worth mentioning that, the government had merged 3 own-budget agencies within the transportation sector during 2020. They

are: The Jordanian Maritime Commission, the Land Transport Regulatory Commission, and the Jordan Hejaz Railway Corporation, to become under one entity the Transport Commission. Likewise during 2019, the government has transferred the budgets of 29 own-budget agencies from the Government Units Budget Law to the General Budget Law, covering them with the Government Financial Information Management System (GFIMS), aimed to enhance the comprehensiveness of the general budget and inclusiveness of financial data, in addition to improve the government control over the expenses of own-budget agencies, as well as to control their accounting records and classifications. Accordingly, the number of own-budget agencies decreased to 25 governmental agencies, compared to 57 governmental agencies in 2018.

By analyzing the public revenue and expenditure sides of governmental own-budget agencies during 2020, it is noted that their revenues declined by JD 191.7 million to reach JD 1,137.1 million. “Total revenues from sales of goods and services” topped the list of own-budget agencies revenues with 89.2 percent (JD 1,014.6 million). Meanwhile, property income amounted to JD 68.1 million, government subsidies (current and capital), granted for these agencies totaled JD 24.5 million, and foreign grants reached to JD 17.5 million.

In like manner, the total expenditures of own-budget agencies decreased by 19.4 percent, to reach JD 1,185.8 million in 2020. This decline was a result of the decrease in the current expenditures by 15.2 percent, to account for 75.1 percent of own budget agencies total expenditures, and the decrease in capital expenditures by 30.1 percent, which account for the remaining 24.9 percent (Statistical Annex/ Table 25-B).

## Outstanding Government Debt

The impact of COVID-19 pandemic was clearly reflected on the outstanding government debt during 2020. On one hand, the rise of the deficit led to more reliance on borrowing, and thus, extending the volume of debt in an absolute value. On the other hand, the decline in GDP contributed to the increase in indebtedness ratio to GDP, to reach high levels.

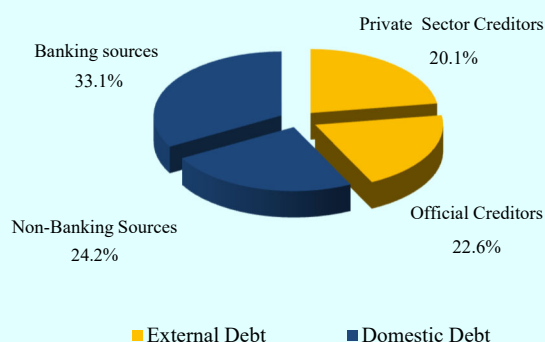
Therefore, the outstanding government debt (domestic and external) increased by JD 2,955.8 million to reach JD 33,032.0 million (106.5 percent of GDP) at the end of 2020, compared to 95.2 percent of GDP at the end of 2019. This rise was a result of the increase in the outstanding government domestic debt by JD 1,195.7 million, to reach JD 18,933.7 million (61.0 percent of GDP), and the increase in the external debt by JD 1,760.1 million, to reach JD 14,098.3 million (45.5 percent of GDP). In this regard, it is worth noting that the indebtedness of the NEPCO

and the WAJ constituted about 23.3 percent of the outstanding government debt at the end of 2020 (24.8 percent of GDP).

When excluding the government securities held by the SSIF, the outstanding government debt (domestic and external) decline to reach JD 26,499.3 million (85.4 percent of GDP), compared to JD 23,958.6 million (75.8 percent of GDP) at the end of 2019.

In terms of the classification of outstanding government debt according to creditors, it reveals that the debt extended by banks accounted for 33.1 percent of the outstanding government debt, whereas debt extended by non-bank institutions (especially the SSIF) accounted for 24.2 percent. In the matter of external debt sources, debt from official creditors (governments, international and regional financial institutions) made up 22.6 percent of the outstanding government debt, while external debt from private sector creditors accounted for 20.1 percent.

**Outstanding Government Debt Structure, According to Sources, 2020**



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

**Major Debt Indicators**  
2017-2020, Percent

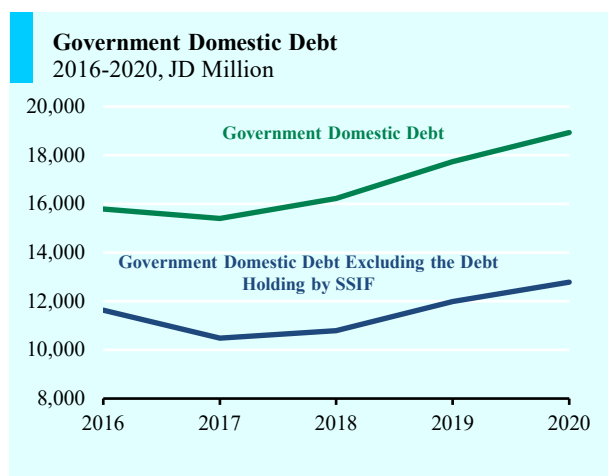
	2017	2018	2019	2020
<b>First: Financial solvency indicators</b>				
<b>Outstanding government debt/ GDP</b>	<b>92.8</b>	<b>92.9</b>	<b>95.2</b>	<b>106.5</b>
Outstanding government debt/ Domestic revenues	405.9	407.6	431.8	529.5
External debt/ Domestic revenues	176.7	174.0	177.1	226.0
External debt/ Exports of goods and non-factor services	116.9	112.8	107.5	191.6
<b>Second: Liquidity indicators</b>				
External debt service/ Domestic revenues	17.6	18.7	30.8	33.4
External debt service/ Exports of goods and non-factor services	11.6	12.1	18.7	28.3
Debt interest/ Domestic revenues	12.7	14.5	16.0	19.9

Source : Ministry of Finance/ General Government Finance Bulletin, January 2021.

## □ Government Domestic Debt

The exceeding of domestic debt issuance over amortization during 2020, led to an increase of the government domestic debt (budgetary and guaranteed) by JD 1,195.7 million, to reach JD 18,933.7 million. Accordingly, the ratio of government domestic debt to GDP increased to reach 61.0 percent, compared to 56.1 percent of GDP at the end of 2019. The increase was attributed to the government's tendency to borrow through domestic bonds to finance both budget and WAJ deficit, in addition to the repayment of matured loans and amortization of bonds owed by the WAJ. However, when excluding government securities held by the SSIF, the government domestic debt (budgetary and guaranteed) decline to reach JD 12,784.0 million (41.2 percent of GDP).





The increase of the government domestic debt was an outcome of the rise in the domestic budgetary debt by JD 1,278.5 million, to reach JD 16,494.7 million, forming about 87.1 percent of government domestic debt, and the decrease of the domestic guaranteed debt by JD 82.7 million to reach JD 2,439.1 million, forming the remaining portion of 12.9 percent.

Reviewing the structure of domestic debt according to its sources indicates that debt extended through banks increased by JD 438.1 million, to reach JD 10,933.5 million at the end of 2020, accounted for 57.7 percent of government domestic debt, compared to 59.2 percent at the end of 2019.

This debt can be decomposed into “treasury bills and bonds” of JD 8,802.9 million (46.5 percent of government domestic debt), loans and advances of JD 2,130.6 million (11.3 percent of government domestic debt). Whilst, the debt granted through non-banking institutions amounted to JD 8,000.2 million, which accounted for 42.3 percent of government domestic debt (Statistical Annex/ Table 28).

In regard to the turnover of domestic debt securities (treasury bills and bonds including own-budget agencies), it revealed that the volume of its issuances during 2020 stood at JD 3,864.3 million, a decrease of JD 1,935.7 million compared to its level in 2019. The issuance of these securities is distributed as below:

- Treasury bills for JD 485.0 million.
- Treasury bonds for JD 3,379.3 million.

In contrast, the amortization of domestic debt securities decreased by JD 1,422.5

million, to reach JD 2,585.0 million. Since the issuance exceeded the amortization, the net issuance amounted to JD 1,279.3 million, compared to a net issuance of JD 1,792.5 million in 2019.

In the same context, the interests paid on domestic debt securities increased during 2020 by JD 135.0 million, to reach JD 879.0 million, accounted for 14.1 percent of domestic revenues, and an increase by 3.4 percentage point, compared to its level in 2019.

In regard to the interest rates on governmental securities (domestic debt securities), on average, they stood at 3.85 percent on the 5-year maturity treasury bonds, 3.71 percent on a 7-year maturity, 4.931 percent on a 10-year maturity, and 5.78 percent on a 15-year maturity, compared to 5.28 percent, 5.632 percent, 6.187 percent, and 6.90 percent in 2019, respectively.

#### Selected Government Domestic Debt Indicators 2017-2020, JD Million

	2017	2018	2019	2020
<b>Government domestic debt</b>	15,402.1	16,220.7	17,738.0	18,933.7
Ratio to GDP (%)	52.4	53.2	56.1	61.0
<b>Domestic debt holding by the Social Security Investment Fund (SSIF)</b>	4,918.7	5,428.3	5,749.9	6,149.7
Ratio to GDP (%)	16.7	17.8	18.2	19.8
<b>Government domestic debt excluding the debt holding by SSIF</b>	10,483.4	10,792.4	11,988.1	12,784.0
Ratio to GDP (%)	35.7	35.4	37.9	41.2
<b>Transactions in domestic debt instruments <sup>(1)</sup></b>				
Issue	3,931.0	4,166.4	5,800.0	3,864.3
Amortization	4,415.0	3,411.9	4,007.5	2,585.0
Interests	625.0	684.8	744.0	879.0

Source : Ministry of Finance/ General Government Finance Bulletin, January 2021.

(1) : Includes public entities bonds.

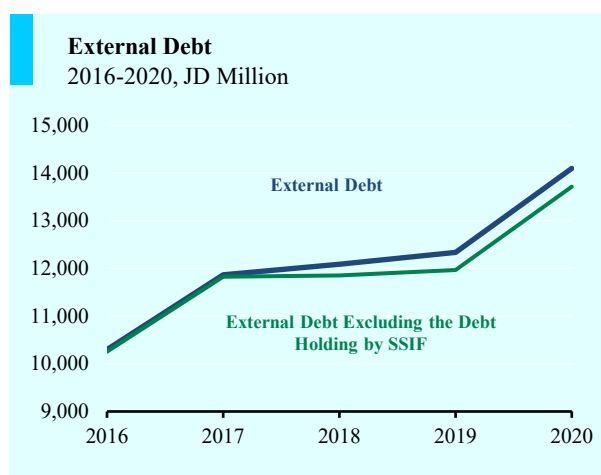
#### External Debt

The external debt (budget and guaranteed) increased by JD 1,760.1 million at the end of 2020 to stand at JD 14,098.3 million (45.5 percent of GDP), compared to JD 12,338.2 million (39.0 percent of GDP) at the end of 2019. When excluding governmental securities denominated in USD held by the SSIF, the external debt (budgetary and guaranteed) decline to stand at JD 13,715.2 million (44.2 percent of GDP).

This increase was attributed to the issuance of domestic treasury bills in the USD of 400 million (JD 283.6 million) in June 2020, with an annual coupon rate of 2.5 percent, which was redeemed in December during the same year, in addition to the issuance of USD domestic treasury bills in October 2020, in the amount of USD 200 million (JD 141.8 million), with a coupon rate of 2.475 percent, and a maturity date in October 2021.

Despite the shadows of uncertainty in the Global Financial Markets during the pandemic, the government succeeded in issuing a double tranche Eurobond in July 2020, with a total amount of USD 1.75 billion (JD 1.24 billion). The first tranche amounted to USD 500 million (JD 354.5 million), over a 5-year maturity, at 4.95 percent annual coupon rate, whereas, the second tranche amounted at USD 1.25 billion (JD 886.3 million), over a 10-year maturity, at 5.85 percent annual coupon rate.

This issuance came with the aim to amortize the mature Eurobond in October 2020, with an amount of USD 1.25 billion, in addition to the redemption of other domestic bonds, which matured in December 2020, while the remaining was employed to meet the additional financing needs of the general budget due to the pandemic.



The increase of external debt was a result of the rise in net external borrowing (disbursements - repayments) by JD 1,542.7 million (USD 2,175.9 million), and the increase of the exchange rates of major creditors' currencies against the Jordanian Dinar by JD 202.1 million (USD 285.1 million).

The external debt according to its sources at the end of 2020, showed that the stock of bonds (including the Eurobonds and domestic bonds in USD) accounted about 46.3 percent of the external debt, while the debt from the regional and international institutions accounted for 32.9 percent, most of which extended by the World Bank (16.8 percent), and the International Monetary Fund (5.2 percent).

Meanwhile, the debt owed to Arab and foreign governments (bilateral and export credit guarantees) accounted for 20.0 percent of the external debt, in which the stock of bilateral loans accounted for the majority share of these loans, standing at JD 2,614.0 million, compared to JD 2,266.6 million at the end of 2019, whilst, the export credit guarantees loans declined to reach JD 17.7 million, compared to JD 26.5 million at the end of 2019. It is worth mentioning that Japan topped the list of creditor countries to the Kingdom, with 6.1 percent of the external

debt, followed by loans extended from France with 5.0 percent (Statistical Annex/ Table 29).

In the context of the currency composition of the external debt, it reveals that the largest portion was denominated in the USD, accounting for 70.6 percent, followed by debt denominated in Euro (12.0 percent), followed by SDRs (6.4 percent), the Japanese Yen (4.6 percent) and the Kuwaiti Dinar (4.3 percent). The high portion of debt denominated in the USD, was due to the government's strategy which aimed to orient borrowing to the USD instead of other currencies in order to reduce the exposure risk of exchange rate fluctuations.

On the other side, the total disbursements of external loans increased by JD 1,237.3 million, to stand at JD 3,223.5 million. Disbursements from several creditors (domestic bonds denominated in USD and

Eurobonds) accounted for 51.8 percent of total disbursements, standing at JD 1,668.5 million, whereas disbursements from the regional and international institutions accounted for 38.6 percent of total disbursements, standing at JD 1,243.9 million, whilst, disbursements from the industrial countries, accounted of 9.6 percent (JD 309.9 million). (Statistical Annex/ Table 30).

Meanwhile, the contracted external loans (budget and guaranteed) during 2020, reached JD 4,594.5 million (USD 6,480.2 million), distributed as follows: (Statistical Annex/ Table 31).

- Issuing a Eurobond, amounted to JD 1,240.8 million.
- A loan from the International Monetary Fund, amounted to JD 1,169.7 million.
- A loan from European Union, amounted to JD 583.0 million.
- A loan from the World Bank and the International Development Association, amounted to JD 506.6 million.
- Issuing domestic treasury bills in USD, amounted to JD 425.4 million.
- A loan from the European Investment Bank, amounted to JD 259.5 million.
- A loan from the Germany government, amounted to JD 166.1 million.
- A loan from the Arab Fund for Economic and Social Development, amounted to JD 96.2 million.
- A loan from the French government, amounted to JD 59.2 million.
- A loan from the Kuwaiti Fund, amounted to JD 57.9 million.
- A loan from the Arab Monetary Fund, amounted to JD 30.1 million.

In term of the external debt service, it reveals that the cash repayments (interests and principals) stood at JD 2,083.8 million (6.7 percent of GDP), compared to JD 2,146.2 million in 2019 (6.8 percent of GDP), indicating a decrease of JD 62.4 million. As a result of the declining in exports, the external debt service ratio (measured by the ratio of cash repayments to total exports of goods and non-factor services) increased to reach 28.3 percent, compared to 18.7 percent during 2019.

**Selected External Debt Indicators**

2017-2020, JD Million

	2017	2018	2019	2020
<b>External debt</b>	<b>11,867.2</b>	<b>12,087.5</b>	<b>12,338.2</b>	<b>14,098.3</b>
Ratio to GDP (%)	40.4	39.7	39.0	45.5
<b>External debt holding by the Social Security Investment Fund (SSIF)</b>	<b>44.0</b>	<b>231.0</b>	<b>367.8</b>	<b>383.1</b>
Ratio to GDP (%)	0.1	0.8	1.2	1.2
<b>External debt excluding the debt holding by SSIF</b>	<b>11,823.2</b>	<b>11,856.5</b>	<b>11,970.4</b>	<b>13,715.2</b>
Ratio to GDP (%)	40.2	38.9	37.9	44.2
<b>Repayments</b>	<b>1,179.7</b>	<b>1,300.1</b>	<b>2,146.2</b>	<b>2,083.8</b>
Principal	888.3	921.9	1,724.1	1,676.5
Interest	291.4	378.2	422.1	407.3
Debt service ratio (%) <sup>(1)</sup>	11.6	12.1	18.7	28.3

Source : Ministry of Finance/ General Government Finance Bulletin, January 2021.

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

**Fiscal Measures and Legislations**

The COVID-19 pandemic and its economic repercussions cast a shadow on the government's fiscal policy during 2020 and affected the government's ability to move forward with reforms as previously planned, as it was forced to counter the challenge of containing the pandemic, save lives, and prioritize the health sector on the one hand,

and to mitigate the economic repercussions, support impacted categories by the pandemic, and saving livelihood on the other hand. Doing so, the government had taken a set of fiscal, administrative and price measures, such as, halting appointment in public entities, terminating employees' salaries increases and bonuses, postponing sales and income taxes, slashing tax rates, particularly on tourism sector, which is the most impacted sector by the pandemic. Moreover, the government had taken a number of other measures related to the pandemic in terms of tax, customs, and price measures.

**The following are the most prominent government measures taken in 2020:**

■ **In terms of Confronting the Pandemic Repercussions:**

The government had taken a set of measures to limit and mitigate the repercussions of the pandemic (Box 3).

**■ In terms of Tax Revenues:**

- Reducing the GST of 54 essential commodities subject to 4 percent to become 2 percent, and on other 22 essential commodities subject to 10 percent to become 5 percent (January).
- Increasing the special tax rate imposed on hybrid cars by 5 percentage points to reach 40 percent, effective on 1/1/2020 until 31/12/2020 (January).

**■ In terms of Customs Duties:**

- Approval of By-laws No. (82) amendment to the Customs Service Allowance regulation on imported goods, to be attached with the By-laws No. (47) for the year 2014, starting from 16/9/2020. The amendments included collecting an allowance for the imported goods as follows (September):
  - JD 5 on exempted goods whose value does not exceed JD 100.
  - JD 10 on exempted goods whose value exceeds JD 100 and does not exceed JD 200.

**■ In terms of Non-Tax Revenues:**

- Dispensation 80 percent of the fines charges due to non-renewal of working permits for non-Jordanian, who wish to stay in the Kingdom, which expiration exceeded 90 days, until 31/1/2021 (December).

**■ Other Measures:**

- Amending the fuel price difference clause attached on the electricity monthly bill during 2020, by fixing it at zero, starting from April until the end of 2020, compared to 10 fils during the first three months of the same year.
- Extending the previous decision related to the exemption of inheritance transfer and exit fees for heirs from registration fees, and the exemption of apartments and lands from registration fees and real-estates tax until 30/6/2021 (December).



### ■ Liberalization of Fuel Prices Policy:

- Prices of all oil derivatives have been adjusted at varying rates, ranging from -30.4 percent to 5.7 percent, meanwhile the price of liquid gas cylinder maintained unchanged, according to the following table:

**Developments in the Prices of Oil Derivatives, 2020**

Product	Unit	December 2019	December 2020	Change (%)
Unleaded Gasoline 90	Fils/ Liter	775.0	665.0	-14.2
Unleaded Gasoline 95	Fils/ Liter	1,010.0	880.0	-12.9
Unleaded Gasoline 98	Fils/ Liter	1,160.0	1,030.0	-11.2
Gas Oil (Diesel)	Fils/ Liter	595.0	470.0	-21.0
Kerosene	Fils/ Liter	595.0	460.0	-22.7
Liquid Gas (12.5kg)	JD/ Cylinder	7.0	7.0	0.0
Fuel Oil (1%)	JD/ Ton	301.5	318.3	5.6
Fuel for Airplanes (Local Companies)	Fils/ Liter	434.0	302.0	-30.4
Fuel for Airplanes (Foreign Companies)	Fils/ Liter	439.0	307.0	-30.1
Fuel for Unplanned Flights	Fils/ Liter	454.0	322.0	-29.1
Asphalt	JD/ Ton	296.4	313.2	5.7

Source : Jordan Petroleum Refinery Company.

**Box (3)****Fiscal Policy Measures to Confront the Repercussions of COVID-19 Pandemic**

The COVID-19 pandemic and its economic repercussions cast a shadow on the government's fiscal policy during 2020. To counter this, the government took a set of measures targeting individuals and most impacted sectors by the pandemic. The following are the most prominent of these measures:

**□ In terms of Taxes:**

- Extending the period for submitting tax returns for income and sales tax declarations until 30/6/2020.
- Exemption of fines imposed on both income and sales taxes, and installment of the amounts due on companies and institutions within the most impacted sectors by the pandemic.
- Postponing the entitlement of sales tax until the amounts are received rather than the time of the sale (with a possibility of postponing the entitlement without bearing interest, as a gradual further step).
- Reducing the sales tax on industrial production inputs aimed to remove tax distortions related to industrial production inputs, compared to production outputs.
- Lowering the general sales tax imposed on hotels and tourist restaurants to become 8 percent instead of 16 percent.
- Diminution the service tax for hotels and tourist restaurants to become 5 percent instead of 10 percent.
- Installments of the income tax amounts owed by the tourism sector for 2019, subject to no interest or fines, according to an increasing payment schedule, effective from July to December 2020.
- Granting a discount on the buildings, land, and knowledge tax due, for the year 2020 and the previous years for residential and agricultural buildings, within or out the organization, and whether they are used by their owners or leased, at a rate of 10 percent in case of cash payment, or at a rate of 15 percent in case of e-payment, until the end of 31/12/2020.
- Permitting a discount on the building, land, and knowledge tax due, for the year 2020 and the previous years, for commercial, industrial and multi-used buildings, tourism and investment facilities, at a rate of 20 percent in the case of cash payment, or at a rate of 25 percent in case of e-payment, until the end of 31/12/2020.

**Box (3) Continued****☐ In terms of Fees:**

- Allowing companies registered in the gold and silver list to pay 30 percent of custom duties and postpone 70 percent.
- Exempting professional association and tourism from licensing fees and fines for the year 2020.
- Granting a grace period to renew transportation license, without counting fines for delaying the renewal of the license.
- Reducing work permit fees for non-Jordanian workers in the agriculture and bakery sectors by JD 200 out of JD 400.
- Exempting employer from import stamps fees charged on work permits.

**☐ In terms of Supporting Economic Sectors:**

- Payment of arrears and financial dues for the private sector.
- Establishing Corona Fund at the Ministry of Finance, to meet the expense of infected, provide equipment and medical supplies, and cover emergency and any other expenses.
- Supporting economic protection programs, through the government bearing of interest payments on loans extended to private sector, to the use of paying workers payrolls.

**☐ In terms of Controlling and Rationalizing Public Expenditures:**

- Deducting a percentage from the salaries of high- level employees, as a donation to support Himmat Watan Fund, the Charity Account, and the Ministry of Health Account.
- Suspending salaries increase for the public sector employees until the end of 31/12/2020.
- Cancellation of additional obligation on the public sector, such as salaries of the thirteenth, fourteenth and fifteenth, transportation allowance, and monthly bonuses and incentives.
- Suspension of hiring in all ministers and governmental entities, until the end of 2020.

## CHAPTER FOUR

### THE EXTERNAL SECTOR

The external sector is considered as the most impacted sector by the COVID-19 pandemic, in accordance to the deterioration of its key determinants, particularly; travel receipts, external trade, and workers' remittances.

During 2019, the current account deficit, including grants, showed an uptrend performance, recorded the lowest deficit level in about fifteen years at 2.1 percent of GDP. This positive trend has continued during the first quarter of 2020 to stand at 2.4 percent of GDP, compared to 4.4 percent of GDP during the corresponding quarter in 2019.

However, the pandemic had adversely impacted the performance of external sector key determinants as of the second quarter of 2020, following the deterioration of both global demand, international transportation and travel across the world, in addition to the closures measures, which had cumulatively impacted the performance of the balance of payments.

Accordingly, the preliminary data of 2020 revealed that the current account deficit, including grants, widened to stand at 8.0 percent of GDP, whilst the deficit, excluding grant, stood at 10.9 percent of GDP.

On the one hand, the goods account deficit continued to show favorable developments, which had contributed positively to limit the widening of the current account deficit, following a decrease in the total exports by 4.5 percent, accompanied with a decline in total imports (FOB) by 11.3 percent. However, the unfavorable impact of the pandemic was witnessed on the services account, as it reverted to record a deficit of JD 459.6 million in 2020, compared to a surplus of JD 2,088.6 million in 2019, following the decline in travel receipts by 75.7 percent.

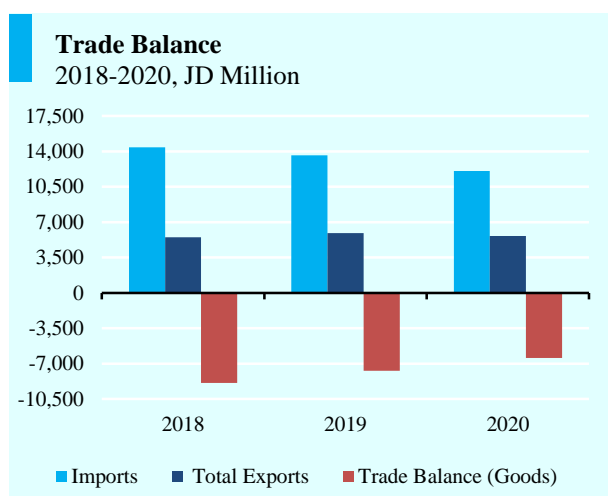
On the other hand, the balance of payment capital and financial transactions showed a net inflow of JD 1,907.8 million, compared to a net inflow of JD 756.5 million in 2019. This was a result of recording a net inflow of the following items; JD 496.7 million in foreign direct investments, JD 301.6 million in portfolio investments, and JD 1,881.0 million in other investments.

Cumulatively, these developments had led to increase the overall balance of payment deficit to stand at JD 1,163.3 million, compared to JD 1,001.1 million in 2019.

Moreover, the international investment position (IIP) showed an increase in the Kingdom's net obligations to abroad, standing at JD 33,951.2 million, compared to JD 32,372.6 million at the end of 2019.

## Trade Balance

The trade balance showed an improved performance, as its deficit declined by 16.5 percent, to reach JD 6,438.1 million. The following are the most prominent developments in commodity trade:



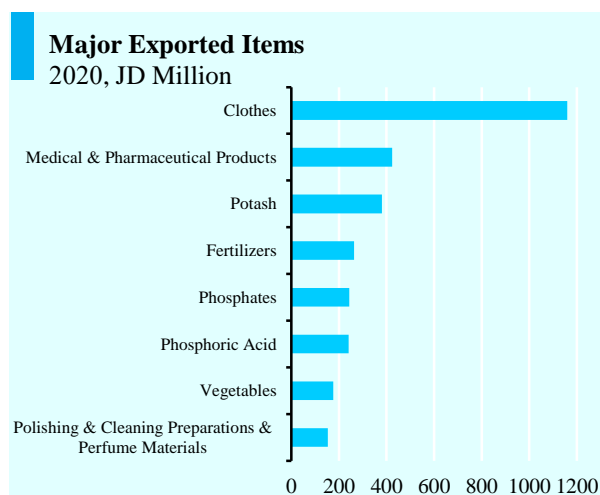
## Total Merchandise Exports

The Kingdom's total exports decreased by 4.5 percent, to reach JD 5,639.7 million, impacted by the decline in re-exports by 34.6 percent, to reach JD 595.3 million, while domestic exports witnessed an improved by recording an increase of 1.0 percent, to reach JD 5,044.4 million, despite the challenges confronted the international trade due to the pandemic.

### Domestic Exports

By analyzing the developments of domestic exports, it reveals the followings:

- An increase in the domestic exports of phosphoric acid (77.0 percent), fertilizers (42.4 percent), and “polishing & cleaning preparations & perfume materials” (19.4 percent), whose demand has surged due to the pandemic. Meanwhile, a decrease in the domestic exports of clothes (16.2 percent), potash (9.3 percent), phosphates (11.9 percent), “medical & pharmaceutical products” (2.9 percent), and vegetables (5.2 percent).

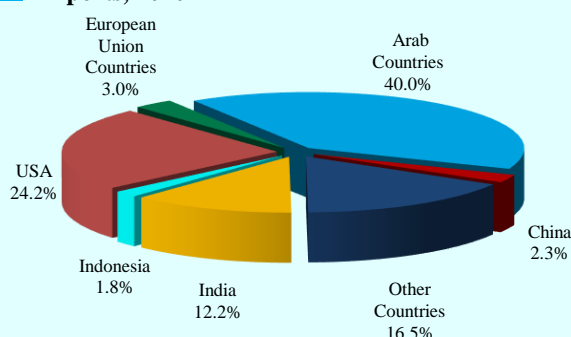


- The relative importance of domestic exports of clothes, “medical & pharmaceutical products”, potash, fertilizers, phosphates, phosphoric acid, vegetables, and “polishing & cleaning preparations & perfume materials” constituting 60.3 percent of total domestic exports, compared to 63.1 percent during 2019.

The commodity structure of domestic exports according to economic functions, showed that the exports of “raw materials and intermediate goods” during 2020 increased by 12.5 percent, accounting for 48.1 percent of total domestic exports. Meanwhile, exports of “consumer goods” decreased by 7.6 percent, consisting 50.0 percent of total domestic exports, in addition, the exports of “capital goods” decreased by 14.2 percent.

As for the geographical distribution of domestic exports, it indicates that, eight major markets accounted for 67.8 percent of total domestic exports in 2020, including the USA, India, Saudi Arabia, Iraq, the UAE, Kuwait, China and Palestine, compared to 70.2 percent in 2019.

**Geographic Distribution of Domestic Exports, 2020**



**Major Domestic Exports by Commodity**  
2019-2020, JD Million

	2019	2020 <sup>(1)</sup>	Percentage Change
<b>Domestic Exports of which:</b>	<b>4,995.7</b>	<b>5,044.4</b>	<b>1.0</b>
<b>Clothes</b>	<b>1,384.6</b>	<b>1,160.7</b>	<b>-16.2</b>
USA	1,231.6	1,015.4	-17.6
<b>Medical &amp; Pharmaceutical Products</b>	<b>435.7</b>	<b>423.2</b>	<b>-2.9</b>
Saudi Arabia	108.7	94.6	-13.0
Iraq	79.9	75.0	-6.1
USA	35.7	49.4	38.4
Algeria	37.7	46.3	22.8
<b>Potash</b>	<b>419.1</b>	<b>380.3</b>	<b>-9.3</b>
China	132.7	99.7	-24.9
India	112.1	92.3	-17.7
Malaysia	23.6	33.8	43.2
<b>Fertilizers</b>	<b>185.3</b>	<b>263.8</b>	<b>42.4</b>
India	89.6	130.5	45.6
USA	0.0	34.2	-
Bangladesh	0.0	20.6	-
<b>Phosphates</b>	<b>275.8</b>	<b>243.1</b>	<b>-11.9</b>
India	174.7	160.5	-8.1
Indonesia	70.7	63.6	-10.0
<b>Phosphoric Acid</b>	<b>135.9</b>	<b>240.6</b>	<b>77.0</b>
India	103.3	216.5	109.6
Bangladesh	5.3	7.9	49.1
<b>Vegetables</b>	<b>185.7</b>	<b>176.0</b>	<b>-5.2</b>
Saudi Arabia	53.9	49.2	-8.7
Kuwait	39.9	39.5	-1.0
UAE	27.0	19.6	-27.4
Bahrain	20.1	17.8	-11.4
<b>Polishing &amp; Cleaning Preparation &amp; Perfume Materials</b>	<b>128.6</b>	<b>153.5</b>	<b>19.4</b>
Iraq	71.1	85.3	20.0
Saudi Arabia	26.5	28.3	6.8

Source : Department of Statistics.

(1) : Preliminary.

## • Re-Exports

Re-exported goods recorded a decrease of JD 314.4 million, (34.6 percent) to reach JD 595.3 million, compared to an increase of 9.9 percent during 2019. It is worth mentioning that the markets of the UAE, Iraq, the USA, Saudi Arabia, Egypt, and Turkey accounted for 27.4 percent of total re-exported goods during 2020.

By observing the commodity structure of re-exported goods in terms of economic functions, it showed that “capital goods” accounted for 35.5 percent of total re-exported goods, while, “raw materials and intermediate goods” and “consumer goods” accounted for 35.2 percent and 24.4 percent, respectively.

## □ Merchandize Imports

The economic contraction caused by the pandemic, accompanied with a decline of aggregate domestic demand, had led to lessen the Kingdom's imports during 2020 by JD 1,533.2 million, (11.3 percent), to reach JD 12,077.8 million, as non-energy imports reached to JD 10,820.6 million, to account for 89.6 percent of total imports, and the energy imports reached to JD 1,257.2 million, to constitute 10.4 percent of total imports.

### Domestic Exports by Geographical Distribution 2019-2020, JD Million

	2019	2020 <sup>(1)</sup>	Percentage Change
<b>Domestic Exports of which:</b>	<b>4,995.7</b>	<b>5,044.4</b>	<b>1.0</b>
<b>USA</b>	<b>1,381.9</b>	<b>1,220.4</b>	<b>-11.7</b>
Clothes	1,231.6	1,015.4	-17.6
Medical & Pharmaceutical Products	35.7	49.4	38.4
<b>India</b>	<b>496.1</b>	<b>613.5</b>	<b>23.7</b>
Phosphoric Acid	103.3	216.5	109.6
Phosphates	174.7	160.5	-8.1
Fertilizers	89.6	130.5	45.6
Potash	112.1	92.3	-17.7
<b>Saudi Arabia</b>	<b>549.0</b>	<b>576.0</b>	<b>4.9</b>
Medical & Pharmaceutical Products	108.7	94.6	-13.0
Vegetables	53.9	49.2	-8.7
Live Animals	25.6	40.9	59.8
<b>Iraq</b>	<b>425.0</b>	<b>444.3</b>	<b>4.5</b>
Polishing & Cleaning Preparation & Perfume Materials	71.1	85.3	20.0
Medical & Pharmaceutical Products	79.9	75.0	-6.1
Fruits and Nuts	32.3	25.7	-20.4
<b>UAE</b>	<b>186.4</b>	<b>183.0</b>	<b>-1.8</b>
Medical & Pharmaceutical Products	29.1	31.2	7.2
Vegetables	27.0	19.6	-27.4
Fruits and Nuts	6.6	7.9	19.7
<b>Kuwait</b>	<b>209.5</b>	<b>160.9</b>	<b>-23.2</b>
Live Animals	73.4	56.6	-22.9
Vegetables	39.9	39.5	-1.0
<b>China</b>	<b>141.6</b>	<b>114.8</b>	<b>-18.9</b>
Potash	132.7	99.7	-24.9
Clothes	4.9	8.5	73.5
<b>Palestine</b>	<b>115.2</b>	<b>107.8</b>	<b>-6.4</b>
Cement	40.2	31.9	-20.6
Paper Cardboard	3.1	6.9	122.6

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

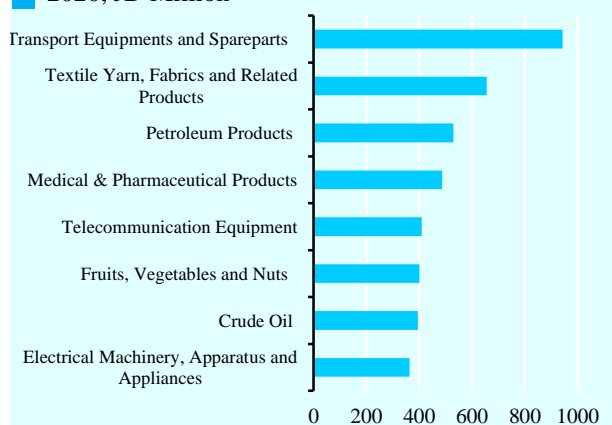


By examining the developments of the Kingdom's merchandise imports during 2020, the following can be noted:

- A decline in the imports of petroleum products (45.5 percent), crude oil (49.5 percent), “electrical machinery, apparatus and appliances” (35.7 percent), “transport equipment & spare parts” (10.9 percent), “textile yarn, fabrics and related products” (12.9 percent), and “telecommunication equipment” (3.7 percent). Meanwhile, the Kingdom's imports of “medical & pharmaceutical products” increased by (9.8 percent), “fruits, vegetables and nuts” rose (6.4 percent), as a consequence to the excess demand driven by the pandemic.

- The relative importance of imports of “transport equipment & spare parts”, “textile yarn, fabrics and related products”, petroleum products, “medical & pharmaceutical products”, “telecommunication equipment”, “fruits, vegetables and nuts”, crude oil and “electrical machinery, apparatus and appliances”, decreased to reach 34.6 percent of the Kingdom's total merchandise imports, compared to 39.5 percent during 2019.

**Major Imported Items**  
2020, JD Million



**Major Imports by Commodity**  
2019-2020, JD Million

	2019	2020 <sup>(1)</sup>	Percentage Change
<b>Total Imports of which:</b>	<b>13,611.0</b>	<b>12,077.8</b>	<b>-11.3</b>
<b>Transport Equipment &amp; Spare Parts</b>	<b>1,059.0</b>	<b>943.1</b>	<b>-10.9</b>
South Korea	151.8	173.4	14.2
USA	208.9	163.3	-21.8
Japan	178.3	148.5	-16.7
Germany	155.6	133.2	-14.4
<b>Textile Yarn, Fabrics and Related Products</b>	<b>752.0</b>	<b>655.2</b>	<b>-12.9</b>
China	362.3	311.1	-14.1
Taiwan	166.1	125.2	-24.6
Turkey	53.3	53.1	-0.4
<b>Petroleum Products</b>	<b>971.3</b>	<b>529.7</b>	<b>-45.5</b>
Saudi Arabia	554.7	378.0	-31.9
UAE	6.4	43.8	584.4
India	270.7	31.7	-88.3
<b>Medical &amp; Pharmaceutical Products</b>	<b>443.7</b>	<b>487.3</b>	<b>9.8</b>
Germany	61.2	69.3	13.2
USA	45.8	50.6	10.5
France	36.9	38.2	3.5
<b>Telecommunication Equipment</b>	<b>424.8</b>	<b>408.9</b>	<b>-3.7</b>
China	260.1	307.3	18.1
Vietnam	85.2	50.7	-40.5
India	40.2	12.1	-69.9
<b>Fruits, Vegetables, and Nuts</b>	<b>377.1</b>	<b>401.2</b>	<b>6.4</b>
Egypt	59.1	66.0	11.7
USA	47.0	49.2	4.7
Saudi Arabia	30.4	22.1	-27.3
<b>Crude Oil</b>	<b>782.2</b>	<b>395.4</b>	<b>-49.5</b>
Saudi Arabia	741.5	354.0	-52.3
Iraq	40.7	41.4	1.7
<b>Electrical Machinery, Apparatus and Appliances</b>	<b>564.2</b>	<b>363.0</b>	<b>-35.7</b>
China	258.9	129.2	-50.1
Italy	43.4	22.6	-47.9
Germany	30.1	20.1	-33.2

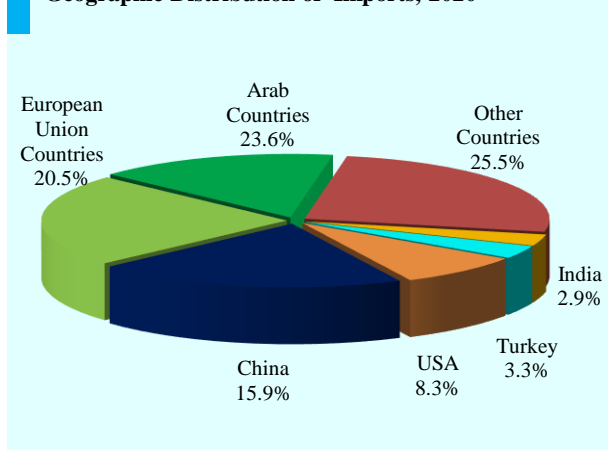
Source : Department of Statistics.

(1) : Preliminary.

- In the aspect of the imports according to economic functions, it showed a decrease in imports of both “raw materials and intermediate goods” by 22.8 percent, to account for 44.9 percent of total imports, and a decrease in “capital goods” by 19.4 percent, to account for 15.1 percent of total imports. While imports of “consumer goods” increased by 3.5 percent, to account for 34.7 percent of total imports.

- Looking at the geographical distribution of imports, eight major markets accounted for 54.4 percent of total imports during 2020, which included China, Saudi Arabia, the USA, Germany, the UAE, Egypt, Turkey, and Italy, compared to 58.3 percent during 2019.

Geographic Distribution of Imports, 2020

Major Imports by Geographical Distribution  
2019-2020, JD Million

	2019	2020 <sup>(1)</sup>	Percentage Change
<b>Total Imports of which:</b>	<b>13,611.0</b>	<b>12,077.8</b>	<b>-11.3</b>
<b>China</b>	<b>2,220.8</b>	<b>1,922.8</b>	<b>-13.4</b>
Textile Yarn, Fabrics and Related Products	362.3	311.1	-14.1
Telecommunication Equipment	260.1	307.3	18.1
Clothing and Footwear	166.3	165.0	-0.8
Electrical Machinery, Apparatus and Appliances	258.9	129.2	-50.1
<b>Saudi Arabia</b>	<b>2,265.8</b>	<b>1,490.5</b>	<b>-34.2</b>
Petroleum Products	554.7	378.0	-31.9
Crude Oil	741.5	354.0	-52.3
Plastic Materials & Thereof	200.0	166.5	-16.8
<b>USA</b>	<b>1,108.9</b>	<b>1,003.3</b>	<b>-9.5</b>
Transport Equipment & Spare Parts	208.9	163.3	-21.8
Power Generating Machinery and Equipment	139.2	107.8	-22.6
Rice	51.4	52.1	1.4
Medical & Pharmaceutical Products	45.8	50.6	10.5
<b>Germany</b>	<b>599.6</b>	<b>522.8</b>	<b>-12.8</b>
Transport Equipment & Spare Parts	155.6	133.2	-14.4
Medical & Pharmaceutical Products	61.2	69.3	13.2
Other Machinery and Equipment	48.3	35.0	-27.5
<b>UAE</b>	<b>367.9</b>	<b>448.9</b>	<b>22.0</b>
Petroleum Products	6.4	43.8	584.4
Dairy Products & Eggs	29.4	24.7	-16.0
Plastic Materials & Thereof	27.5	23.7	-13.8
<b>Egypt</b>	<b>546.6</b>	<b>422.8</b>	<b>-22.6</b>
Fruits, vegetables, and Nuts	59.1	66.0	11.7
Dairy Products & Eggs	19.1	29.8	56.0
Iron & Steel	22.4	21.7	-3.1
Polishing & Cleaning Preparation & Perfume Materials	26.0	20.1	-22.7
<b>Turkey</b>	<b>394.6</b>	<b>396.9</b>	<b>0.6</b>
Textile Yarn, Fabrics and Related Products	53.3	53.1	-0.4
Clothing and Footwear	43.3	44.4	2.5
Iron & Steel	28.5	41.7	46.3
<b>Italy</b>	<b>432.4</b>	<b>363.7</b>	<b>-15.9</b>
Other Machinery and Equipment	51.2	45.0	-12.1
Machinery Specialized for Agriculture, Industry	30.9	35.5	14.9
Medical & Pharmaceutical Products	29.4	35.0	19.0

Source : Department of Statistics.

(1) : Preliminary.

## External Trade

In light of the previously mentioned, the volume of external trade (domestic exports plus imports) recorded a decrease by 8.0 percent to reach JD 17,122.2 million during 2020, compared to a decrease by 2.6 percent during 2019. Accordingly, the trade openness ratio (The volume of external trade to GDP) declined to reach 55.2 percent compared to 58.9 percent in 2019, while the coverage ratio of total exports to imports, it is increased by about 3.3 percentage points from its level in 2019 to reach 46.7 percent.

**External Trade Indicators**  
2016-2020

	2016	2017	2018	2019	2020 <sup>(1)</sup>
<b>Annual Growth Rate (%)</b>					
<b>External Trade</b>	<b>-6.3</b>	<b>5.2</b>	<b>0.2</b>	<b>-2.6</b>	<b>-8.0</b>
Total Exports	-3.6	-0.5	3.2	7.3	-4.5
Domestic Exports	-8.4	2.5	3.8	6.9	1.0
Re-Exports	26.1	-13.9	-0.1	9.9	-34.6
Imports*	-5.6	6.1	-0.9	-5.6	-11.3
<b>Trade Balance</b>	<b>-6.8</b>	<b>10.3</b>	<b>-3.3</b>	<b>-13.6</b>	<b>-16.5</b>
<b>As a Percent of GDP (%)</b>					
<b>External Trade</b>	<b>64.0</b>	<b>64.8</b>	<b>62.6</b>	<b>58.9</b>	<b>55.2</b>
Total Exports	18.9	18.1	18.1	18.7	18.2
Domestic Exports	15.5	15.3	15.3	15.8	16.3
Re-Exports	3.4	2.8	2.7	2.9	1.9
Imports*	48.4	49.5	47.3	43.1	38.9
<b>Trade Balance</b>	<b>-29.5</b>	<b>-31.4</b>	<b>-29.3</b>	<b>-24.4</b>	<b>-20.8</b>

\* : Including imports of non-residents.  
(1) : Preliminary.

## Commodity Terms of Trade

- The price terms of trade indicator improved (the ratio of exports price index to imports price index), as it increased by 0.4 percent to reach 67.2 points, compared to 66.9 points in 2019. This improvement was a result of the decrease in both imports price index by 1.6 percent, and exports price index by 1.2 percent.
- Moreover, the quantum terms of trade indicator had improved (the ratio of imports quantity index to exports quantity index), as it decreased by 11.5 percent, to reach 55.1 points. This decrease was due to the increase of exports quantity index by 2.8 percent and the decrease of imports quantity index by 9.1 percent.
- The indicator of capacity to import increased by 3.2 percent to reach 202.4 points in 2020. This indicator is calculated by multiplying the price terms of trade by the exports quantity index, and reflects the purchasing power of the exports value measured by the prices of imports.

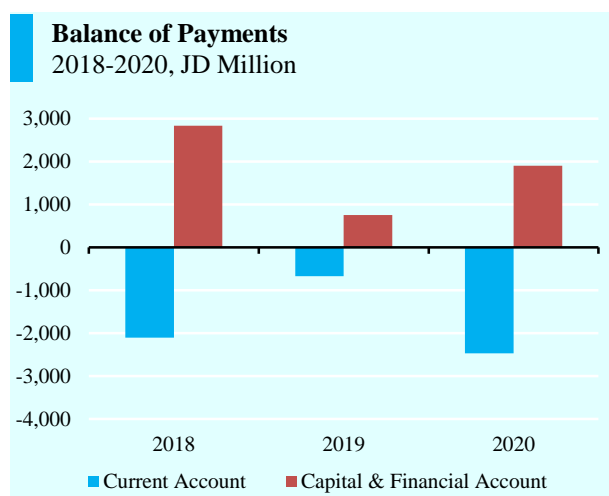
**Commodity Terms of Trade**  
2016-2020, (1994=100)

	2016	2017	2018	2019	2020 <sup>(1)</sup>
Price Terms of Trade	63.5	65.0	69.4	66.9	67.2
Quantum Terms of Trade	67.6	71.4	72.5	62.2	55.1
Capacity to Import	155.7	164.6	170.0	196.1	202.4

(1) : Preliminary.

## Balance of Payments

Jordan's economic current transactions with the rest of the world had led to an increase in the current account deficit (including grants) to reach 8.0 percent of GDP, and (excluding grants) to 10.9 percent of GDP. Meanwhile, capital and financial transactions resulted in a net inflow of JD 1,907.8 million. Accordingly, the overall balance of payments deficit increased to reach JD 1,163.6 million, compared to a deficit of JD 1,001.1 million in 2019.



### □ Current Account

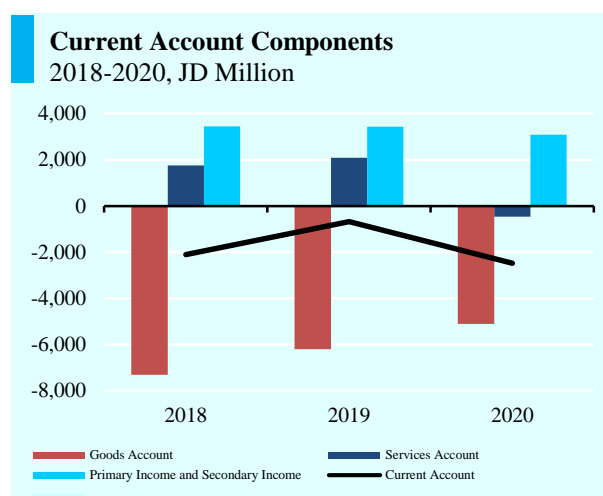
The current account deficit, including grants, increased during 2020 to reach JD 2,473.0 million (8.0 percent of GDP), compared to a deficit of JD 672.0 million (2.1 percent of GDP) during 2019. This was a result of recording a deficit in the services

account due to declining of travel receipts, despite the improvement in the goods account deficit. The current account deficit, excluding grants, increased to reach JD 3,371.2 million (10.9 percent of GDP), compared to JD 1,616.0 million (5.1 percent of GDP) during 2019. However the non-oil current account, including grants, recorded a deficit of 2.9 percent of GDP, compared to a surplus of 6.0 percent of GDP in 2019. The followings highlight the prominent developments in the current transactions with the rest of the world:

- A decrease in the deficit of goods account by JD 1,098.2 million (17.7 percent) to stand at JD 5,103.7 million, compared to a deficit amounted to JD 6,201.9 million in 2019.
- The service account recorded a deficit by JD 459.6 million, compared to a surplus amounted to JD 2,088.6 million during 2019, following the decrease in both services exports by JD 3,855.8 million, and services imports by JD 1,307.6 million. The recorded deficit in the service account is mainly attributed to the decrease in the surplus achieved in the net travel by JD 2,341.1 million to stand at JD 729.5 million.

- Primary income account recorded a deficit of JD 92.6 million, compared to a surplus of JD 5.3 million during 2019. This was mainly attributed to the increase in the deficit of net investment income by JD 86.5 million and the decrease in the net surplus of compensation of employees by JD 11.4 million. It is worth mentioning that the primary current account deficit (the current account excluding paid interests) had increased to reach 6.7 percent of GDP, compared to a deficit of 0.6 percent of GDP during 2019.
- The secondary income account surplus decreased by JD 253.1 million to reach JD 3,182.9 million, compared to a surplus of JD 3,436.0 million during 2019. This was a result of the decrease in net public current transfers' surplus (foreign grants) by JD 45.8 million, and the decline in the surplus of net current transfers of other sectors by JD 207.3 million, as the net of workers' remittances decreased by 6.0 percent to reach JD 1,905.8 million.

Accordingly, the coverage ratio of current receipts to current payments decreased to 82.2 percent, compared to 96.0 percent during 2019, as the current receipts stood at JD 11,457.4 million, while current payments amounted to JD 13,930.4 million.



### Capital and Financial Account

Capital and financial transactions resulted in a net inflow of JD 1,907.8 million in 2020, compared to a net inflow of JD 756.5 million in 2019. This was mainly due to the followings:

- Direct investment recorded a net inflow of JD 496.7 million, compared to a net inflow of JD 487.3 million during 2019, an increase of 1.9 percent. Mentioning that, the CBJ decision to postpone the distribution of banks earnings related to 2019, played a crucial role in the stability of foreign direct investment, through re-investing the undistributed earnings of non-residents.

The direct investment inflows were centered among the followings:

- Re-invested earnings amounted to JD 194.1 million.
- Purchase of lands and real estate by non-residents (Arab and foreigners) at JD 179.0 million.

- Investments in energy projects of JD 120.1 million.
- New and added investments of JD 39.9 million by Arab and foreigners registered at the Ministry of Industry and Trade.
- The portfolio investments registered a net inflow of JD 301.6 million, driven mainly by the issuing of Eurobonds amounted to USD 1,750.0 million, and amortized Eurobond amounted to USD 1,250.0 million, compared to a net outflow of JD 757.3 million during 2019.
- Other investments recorded a net inflow of JD 1,881.0 million, compared to a net inflow of JD 1,413.6 million in 2019. This was mainly due to the increase in deposits of non-residents held by the banking system by JD 1,195.4 million, the increase of government loans withdrawing by JD 1,008.6 million, the increase of other sectors loans withdrawing by JD 191.8 million, and the increase of net IMF credit facilities by JD 349.7 million.
- Reserve assets of the CBJ increased by JD 787.2 million, compared to an increase by JD 405.1 million during 2019. This was an outcome of the increase holdings of monetary gold by JD 813.9 million, and increase of currency and deposits in foreign currencies by JD 705.0 million, and the decrease of the CBJ's portfolio of foreign investment in securities by JD 721.3 million.

## International Investment Position

The international investment position (which represents the stock of net positions of external financial assets and liabilities) at the end of 2020, showed an increase of net obligation to abroad of JD 33,951.2 million, compared to JD 32,372.6 million at the end of 2019. This was an outcome of the followings:

### □ External Assets

The stock of external assets (stock of claims, obligations, and financial assets) for all resident economic sectors in the Kingdom, increased at the end of 2020, by JD 1,735.9 million to reach JD 20,253.5 million compared to the end of 2019. This was mainly due to the increase in the stock of the reserve assets of the CBJ by JD 1,104.9 million, and the increase of currency and deposits of licensed banks abroad by JD 753.9 million.

### □ External Liabilities

The stock of external liabilities (stock of claims, obligations and financial assets) on all resident economic sectors in the Kingdom increased by JD 3,314.6 million, to reach JD 54,204.8 million, compared to the end of 2019. This was mainly due to the followings:

- An increase in the deposits of non-residents at the banking system by JD 1,195.5 million, to reach JD 10,456.6 million (an increase by JD 1,256.3 million for the licensed banks, and a decrease by JD 60.8 million for the CBJ).
- An increase in the outstanding balance of general government long-term loans by JD 725.7 million, to stand at JD 5,976.9 million.
- An increase in the stock of foreign direct investment (FDI) by JD 564.7 million to reach JD 25,954.5 million.
- An increase in the outstanding balance of the IMF credit facilities by JD 378.2 million to reach JD 736.7 million.
- An increase in the stock of portfolio's investments by JD 190.2 million to stand at JD 7,202.6 million.
- A decrease in trade credits by JD 169.1 million, to stand at JD 626.2 million.



## **STATISTICAL TABLES ANNEX**

## STATISTICAL TABLES ANNEX

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**Table 1**  
**Gross Domestic Product at Current Prices**  
**by Economic Activity\***

	(JD Million)				
	2016 <sup>(1)</sup>	2017 <sup>(1)</sup>	2018 <sup>(1)</sup>	2019 <sup>(1)</sup>	2020 <sup>(1)</sup>
Agriculture	1,276.4	1,400.2	1,475.5	1,552.3	1,614.1
Mining and Quarrying	513.8	520.9	583.5	671.4	656.1
Manufacturing	5,099.8	5,306.4	5,455.3	5,593.3	5,358.2
Electricity and Water	520.9	548.5	575.0	597.5	590.0
Construction	852.8	857.8	863.6	864.6	815.0
Trade, Restaurants, and Hotels	2,708.2	2,777.1	2,873.8	2,962.7	2,848.0
Transport, Storage, and Communications	2,396.5	2,527.3	2,662.4	2,790.4	2,602.7
Finance, Insurance, Real Estate and Business Services	5,017.4	5,227.4	5,444.1	5,688.2	5,832.5
Social and Personal Services	2,403.1	2,537.0	2,660.8	2,778.3	2,682.8
Producers of Government Services	4,002.9	4,076.3	4,182.1	4,342.9	4,455.6
Producers of Private Non-Profit Services for Households	197.2	208.2	217.8	226.3	220.0
Domestic Services of Households	465.4	465.6	465.9	466.2	466.4
Less: Imputed Bank Service Charge	775.7	811.6	843.7	881.4	915.2
<b>GDP at Basic Prices</b>	<b>24,678.7</b>	<b>25,641.0</b>	<b>26,616.0</b>	<b>27,652.8</b>	<b>27,226.3</b>
Net Taxes on Products	3,645.0	3,759.4	3,865.8	3,944.3	3,799.0
<b>GDP at Market Prices</b>	<b>28,323.7</b>	<b>29,400.4</b>	<b>30,481.8</b>	<b>31,597.1</b>	<b>31,025.3</b>
Net Factor Income from Abroad	-217.0	-146.7	-141.8	5.3	-92.6
<b>GNP at Market Prices</b>	<b>28,106.7</b>	<b>29,253.7</b>	<b>30,340.0</b>	<b>31,602.4</b>	<b>30,932.7</b>

Source : Department of Statistics.

(1) : Preliminary.

\* : New Methodology.

**Table 2**  
***Expenditure on Gross Domestic Product***  
***at Current Prices***

(JD Million)

	2012 <sup>(1)</sup>	2013 <sup>(1)</sup>	2014 <sup>(1)</sup>	2015 <sup>(1)</sup>	2016 <sup>(1)</sup>
<b>Total Consumption</b>	<b>21,646.1</b>	<b>25,015.6</b>	<b>26,125.7</b>	<b>26,693.9</b>	<b>27,338.9</b>
Public	4,292.7	4,468.5	4,767.0	4,883.0	4,886.4
private	17,353.4	20,547.1	21,358.7	21,810.9	22,452.5
<b>Gross Capital Formation</b>	<b>6,969.4</b>	<b>6,507.0</b>	<b>6,752.2</b>	<b>6,804.1</b>	<b>6,629.3</b>
Gross Fixed Capital Formation	5,462.6	5,468.3	5,816.0	5,981.2	5,676.0
Change in Stocks	1,506.8	1,038.7	936.2	822.9	953.3
<b>Total Domestic Demand</b>	<b>28,615.5</b>	<b>31,522.6</b>	<b>32,877.9</b>	<b>33,498.0</b>	<b>33,968.2</b>
<b>Net Exports of Goods and (Non-Factor Services)</b>	<b>-6,155.0</b>	<b>-7,060.0</b>	<b>-6,716.0</b>	<b>-6,101.0</b>	<b>-5,644.4</b>
Exports	10,158.0	10,102.0	11,023.0	10,012.0	9,742.3
Imports	16,313.0	17,162.0	17,739.0	16,113.0	15,386.7
<b>GDP at Market Prices</b>	<b>22,460.5</b>	<b>24,462.6</b>	<b>26,161.9</b>	<b>27,397.0</b>	<b>28,323.8</b>

Source : Department of Statistics.

(1) : Preliminary.

**Table 3**  
**Industrial Production Quantity Index**

(2010=100)

	Weight	2016	2017	2018	2019	2020 <sup>(1)</sup>
<b>Mining Quarrying:</b>	<b>8.224</b>	<b>106.9</b>	<b>121.1</b>	<b>121.8</b>	<b>128.4</b>	<b>130.1</b>
Extraction of crude petroleum and natural gas	0.077	58.4	50.4	47.3	48.6	75.6
Quarrying of stone, sand and clay	0.370	84.8	82.7	82.4	103.7	104.4
Mining of chemical and fertilizer minerals	7.777	108.8	124.5	125.2	131.2	132.4
<b>Manufacturing:</b>	<b>86.013</b>	<b>95.7</b>	<b>93.4</b>	<b>86.9</b>	<b>85.8</b>	<b>74.0</b>
Food products	13.101	84.8	80.7	70.4	66.0	53.2
Beverages	2.939	90.5	87.5	96.5	104.7	88.1
Tobacco products	5.074	138.2	133.9	124.2	133.0	137.0
Textiles	0.771	108.1	113.5	111.1	131.2	100.9
Wearing apparel	4.760	328.2	307.6	294.3	275.2	193.3
Leather and related	0.146	282.9	288.9	253.5	227.5	300.7
Wood and of products of wood except furniture	0.447	147.5	208.5	248.6	260.1	250.3
Paper and paper products	1.839	97.8	93.4	77.4	71.4	83.9
Printing and reproduction of recorded media	1.607	66.2	63.6	59.1	55.2	27.6
Refined petroleum products	20.430	84.0	77.9	64.7	66.8	55.6
Chemicals and chemical products	7.970	87.7	88.0	112.4	129.4	146.8
Pharmaceuticals, medicinal chemical and botanical products	4.891	78.1	86.8	87.2	101.6	115.5
Rubber and plastic products	2.763	146.3	200.8	192.6	170.1	127.1
Other non-metallic mineral products	5.659	91.3	93.0	87.8	79.9	57.3
Basic metals	3.589	78.0	73.5	70.2	60.7	55.4
Fabricated metal products, except machinery and equipment	3.886	76.3	83.0	69.2	63.0	90.8
Computer, electronic and optical products	0.206	48.4	41.1	30.3	27.7	27.2
Electrical equipment	2.901	100.8	61.4	37.7	37.0	31.2
Machinery and equipment n.e.c.	1.015	64.2	71.5	61.3	22.4	30.3
Motor vehicles, trailers and semi-trailers	0.294	66.1	61.7	79.1	75.8	56.6
Furniture	1.584	226.4	254.0	351.5	369.8	303.9
Other manufacturing	0.143	83.1	81.9	105.6	108.7	90.8
<b>Electricity, Gas, Steam and air conditioning supply</b>	<b>5.763</b>	<b>125.6</b>	<b>129.1</b>	<b>126.3</b>	<b>128.6</b>	<b>128.3</b>
<b>General Index</b>	<b>100.0</b>	<b>97.9</b>	<b>97.2</b>	<b>91.3</b>	<b>90.8</b>	<b>79.5</b>

Source : Department of Statistics.

(1) : Preliminary.

**Table 4**  
***Quantities Produced by Major Industries***

	Unit	2016	2017	2018	2019	2020 <sup>(1)</sup>
<b>Mining and Quarrying</b>						
Phosphate	1000 Ton	7,988.9	8,665.6	7,986.6	9,088.5	8,616.0
Potash	1000 Ton	2,003.5	2,320.0	2,434.5	2,486.7	2,455.5
<b>Manufacturing</b>						
Fertilizers	1000 Ton	547.4	695.3	882.0	747.8	929.2
Chemical Acids	1000 Ton	1,083.0	1,308.6	1,375.4	1,291.9	1,391.7
Clinker	1000 Ton	574.5	543.0	587.2	282.1	292.9
Petroleum Products	1000 Ton	2,793.3	2,603.8	2,212.8	2,274.0	1,855.1
<b>Electricity</b>	Mill.K.W.H.	4,536.2	4,721.8	2,270.2	973.3	1,030.8

Source : Industrial Companies in Jordan.

(1) : Preliminary.

**Table 5**  
***Registered Companies According to Economic Activity***

(Capital in JD Million)

	2016		2017		2018		2019		2020 <sup>(1)</sup>	
	Number	Capital	Number	Capital	Number	Capital	Number	Capital	Number	Capital
Agriculture	810	15.5	816	120.8	810	21.6	660	23.1	451	12.1
Industry	2,455	42.1	2,189	67.0	1,703	35.8	1,569	82.7	1,251	35.8
Construction	121	5.2	147	5.0	122	3.9	156	10.3	125	3.4
Trade	1,374	20.5	1,436	23.9	955	18.2	970	14.9	852	10.2
Services	2,301	44.1	2,237	133.2	1,876	70.6	1720	67.5	1,455	40.9
<b>Total</b>	<b>7,061</b>	<b>127.4</b>	<b>6,825</b>	<b>349.9</b>	<b>5,466</b>	<b>150.1</b>	<b>5,075</b>	<b>198.5</b>	<b>4,134</b>	<b>102.3</b>

Source : Ministry of Industry and Trade / Companies Control Department.

(1) : Preliminary.



**Table 6**  
**Construction Activity in the Kingdom**

(Area in Thousands of Sq. M.)

	2016	2017	2018	2019	2020 <sup>(1)</sup>
<b>(A) Residential</b>					
<b>No. of Permits</b>	<b>36,367</b>	<b>39,792</b>	<b>29,451</b>	<b>20,147</b>	<b>17,929</b>
Amman	7,172	7,164	6,520	4,836	3,845
Irbid	11,293	11,392	8,071	5,420	5,102
Zarqa	3,292	5,010	4,067	2,313	2,137
Other	14,610	16,226	10,793	7,578	6,845
<b>Area</b>	<b>10,799.7</b>	<b>10,987.4</b>	<b>8,219.4</b>	<b>5,494.6</b>	<b>4,960.0</b>
Amman	4,019.7	3,968.1	3,266.0	2,221.2	2,046.4
Irbid	2,599.3	2,353.3	1,608.4	1,130.4	1,066.5
Zarqa	1,076.3	1,374.6	1,145.5	639.7	537.8
Other	3,104.3	3,291.4	2,199.5	1,503.4	1,309.3
<b>(B) Other Purposes</b>					
<b>No. of Permits</b>	<b>3,043</b>	<b>3,485</b>	<b>3,033</b>	<b>1,933</b>	<b>1,271</b>
Amman	1,373	1,519	1,516	1,061	598
Irbid	547	520	430	106	101
Zarqa	600	942	695	416	278
Other	523	504	392	350	294
<b>Area</b>	<b>2,510.5</b>	<b>2,920.7</b>	<b>2,697.4</b>	<b>1,585.4</b>	<b>760.8</b>
Amman	1,618.5	1,857.8	1,937.0	1,101.1	383.0
Irbid	188.6	194.4	195.5	48.4	56.8
Zarqa	294.4	473.3	296.9	188.8	152.5
Other	409.0	395.2	268.0	247.0	168.6
<b>Total (A+B)</b>					
<b>No. of Permits</b>	<b>39,410</b>	<b>43,277</b>	<b>32,484</b>	<b>22,080</b>	<b>19,200</b>
<b>Area</b>	<b>13,310.1</b>	<b>13,908.1</b>	<b>10,916.8</b>	<b>7,080.0</b>	<b>5,720.8</b>

Source : Department of Statistics.

Note : Starting June 2015 the data on construction activity are based on Department of Statistics rather than Jordan Engineers Association.

(1) : Preliminary.

**Table 7**  
**Consumer Price Index**

(2018=100)

	Weight	2016	2017	2018	2019	2020
<b>Food and non-Alcoholic Beverages</b>	<b>26.524</b>	<b>97.3</b>	<b>96.9</b>	<b>100.0</b>	<b>100.3</b>	<b>102.6</b>
<b>Food items, of which:</b>	<b>23.796</b>	<b>97.3</b>	<b>96.8</b>	<b>100.0</b>	<b>100.3</b>	<b>102.9</b>
Cereal and its Products	4.171	82.7	82.5	100.0	103.9	105.4
Meat and Poultry	4.686	105.3	100.1	100.0	100.5	101.2
Dairy Products and Eggs	3.720	98.5	98.5	100.0	97.3	101.4
Oils and Fats	1.697	92.6	95.8	100.0	99.0	99.2
Fruits and Nuts	2.567	103.7	100.2	100.0	96.3	100.5
Vegetables and Legumes Dry and Canned	2.962	97.0	101.8	100.0	99.6	105.0
Sugar and its Products	2.313	97.6	100.1	100.0	101.4	103.8
Spices and Food additives	1.266	100.1	101.0	100.0	102.8	104.8
<b>Non-Alcoholic Beverages</b>	<b>2.728</b>	<b>96.8</b>	<b>98.0</b>	<b>100.0</b>	<b>99.7</b>	<b>100.4</b>
<b>Alcohol and Tobacco and Cigarettes</b>	<b>4.374</b>	<b>80.9</b>	<b>87.3</b>	<b>100.0</b>	<b>98.4</b>	<b>101.4</b>
Alcoholic Beverages	0.008	95.4	98.0	100.0	100.4	106.3
Tobacco and Cigarettes	4.367	80.8	87.2	100.0	98.4	101.4
<b>Clothing and Footwear</b>	<b>4.115</b>	<b>103.9</b>	<b>101.5</b>	<b>100.0</b>	<b>98.3</b>	<b>97.5</b>
<b>Housing, of which:</b>	<b>23.776</b>	<b>94.0</b>	<b>96.6</b>	<b>100.0</b>	<b>101.5</b>	<b>99.7</b>
Rents	17.541	95.0	97.4	100.0	102.4	102.3
Fuels and Lighting	4.693	89.8	92.5	100.0	98.5	90.2
<b>Household Furnishings and Equipment</b>	<b>4.941</b>	<b>96.8</b>	<b>98.3</b>	<b>100.0</b>	<b>101.0</b>	<b>101.5</b>
<b>Health</b>	<b>3.996</b>	<b>87.3</b>	<b>94.7</b>	<b>100.0</b>	<b>101.9</b>	<b>104.6</b>
<b>Transportation</b>	<b>15.983</b>	<b>80.6</b>	<b>91.0</b>	<b>100.0</b>	<b>100.6</b>	<b>98.6</b>
<b>Communication</b>	<b>2.827</b>	<b>98.1</b>	<b>99.8</b>	<b>100.0</b>	<b>100.0</b>	<b>100.9</b>
<b>Culture and Recreation</b>	<b>2.551</b>	<b>91.2</b>	<b>97.9</b>	<b>100.0</b>	<b>97.6</b>	<b>98.5</b>
<b>Education</b>	<b>4.350</b>	<b>94.7</b>	<b>97.4</b>	<b>100.0</b>	<b>102.6</b>	<b>104.4</b>
<b>Restaurants and Hotels</b>	<b>1.793</b>	<b>93.1</b>	<b>93.3</b>	<b>100.0</b>	<b>102.6</b>	<b>104.8</b>
<b>Other Goods and Services</b>	<b>4.769</b>	<b>92.4</b>	<b>98.2</b>	<b>100.0</b>	<b>101.4</b>	<b>103.6</b>
<b>Consumer Price Index</b>	<b>100.0</b>	<b>92.6</b>	<b>95.7</b>	<b>100.0</b>	<b>100.8</b>	<b>101.1</b>

Source : Department of Statistics.

**Table 8**  
***Jordan Real Estate Price Index by Governorates***

(2012=100)

	Weight	2016	2017	2018	2019	2020 <sup>(1)</sup>
Amman	74.3	120.5	119.1	119.6	119.0	118.8
Irbid	9.0	131.0	130.1	129.3	126.8	126.6
Zarqa	4.5	123.1	123.7	123.7	123.1	121.8
Balqa	4.5	123.7	122.3	122.9	122.0	121.5
Mafrq	1.5	121.6	122.0	122.2	121.3	122.2
Karak	0.8	129.1	128.0	127.9	128.0	128.3
Tafila	0.2	114.2	116.0	117.0	119.7	120.8
Maan	0.3	125.1	116.3	114.9	114.3	121.2
Madaba	1.8	98.5	107.4	103.4	111.5	116.0
Jarash	1.4	108.2	105.0	105.4	103.6	106.1
Ajloun	0.7	111.5	111.7	108.7	108.8	111.2
Aqaba	1.1	119.4	121.0	118.7	119.8	118.3
<b>General Index</b>	<b>100.0</b>	<b>121.2</b>	<b>120.1</b>	<b>120.3</b>	<b>119.7</b>	<b>119.6</b>

Sources : Department of Lands and Survey &amp; Central Bank of Jordan.

(1) : Preliminary

**Table 9**  
***Relative Distribution of Jordanian Workers Aged 15 Years and Above  
 by Economic Activity***

	2016	2017 <sup>*</sup>	2018 <sup>*</sup>	2019 <sup>*</sup>	2020 <sup>*</sup>
<b>Total Labor Force</b>	<b>1,660,256</b>	<b>1,794,860</b>	<b>1,734,248</b>	<b>1,702,187</b>	<b>1,742,413</b>
<b>Total Number of Workers</b>	<b>1,406,640</b>	<b>1,465,746</b>	<b>1,411,265</b>	<b>1,377,905</b>	<b>1,338,308</b>
<b>Relative Distribution of Workers by Economic Activity</b>					
Agriculture, Forestry and Fishing	1.9	1.6	1.7	1.7	1.7
Mining and Quarrying	0.8	0.6	0.6	0.6	0.6
Manufacturing	9.7	10.2	9.6	9.5	10.4
Construction	6.1	4.9	5.0	4.9	4.8
Wholesale and Retail Trade	15.4	16.0	15.3	14.9	14.4
Transport, Storage and Communications	8.9	8.8	8.5	8.3	7.8
Financial and Insurance Activities	1.9	1.9	1.9	1.8	2.0
Public Administration, Defence and Social Security	26.1	25.2	26.4	27.1	26.9
Education	11.5	12.6	13.3	12.9	12.6
Human Health and Social Service	5.1	5.1	5.5	5.4	5.5
Others	12.6	13.1	12.2	12.9	13.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Sources : - Department of Statistics.

- Al-Manar Project/ National Center for Human Resources Development.

\* : The Department of Statistics has developed a methodology of the labor force survey since the first quarter of 2017.

**Table 10**  
***Monetary Survey of the Banking System <sup>(1)</sup>***

(JD Million)

	2016	2017	2018	2019	2020
<b>Foreign Assets (Net)</b>	<b>8,845.4</b>	<b>9,122.6</b>	<b>7,368.3</b>	<b>7,507.4</b>	<b>7,562.0</b>
Central Bank	9,831.5	10,260.0	9,151.3	9,974.8	10,798.6
Licensed Banks	-986.1	-1,137.4	-1,783.0	-2,467.4	-3,236.6
<b>Domestic Assets (Net)</b>	<b>24,030.8</b>	<b>23,835.0</b>	<b>25,991.0</b>	<b>27,462.3</b>	<b>29,449.9</b>
<b>Net Claims on Public Sector</b>	<b>10,999.1</b>	<b>9,989.7</b>	<b>10,909.4</b>	<b>11,905.7</b>	<b>12,956.8</b>
A) Net Claims on Central Government General Budget	8,244.9	7,342.2	8,118.6	9,230.3	10,243.5
B) Net Claims on Central Government Own-Budget	2,208.9	2,007.5	1,993.9	1,874.4	1,847.4
C) Claims on Public Entities	545.3	640.0	796.9	801.0	865.9
<b>Claims on Private Sector (Resident)</b>	<b>20,590.3</b>	<b>22,525.8</b>	<b>23,709.6</b>	<b>24,765.7</b>	<b>26,261.5</b>
<b>Claims on Financial Institutions</b>	<b>279.8</b>	<b>497.2</b>	<b>625.7</b>	<b>853.8</b>	<b>1,363.6</b>
<b>Other Items (Net)</b>	<b>-7,838.4</b>	<b>-9,177.7</b>	<b>-9,253.7</b>	<b>-10,062.9</b>	<b>-11,132.0</b>
<b>Money Supply (M2)</b>	<b>32,876.2</b>	<b>32,957.6</b>	<b>33,359.3</b>	<b>34,969.7</b>	<b>37,011.9</b>
<b>Money Supply (M1)</b>	<b>10,386.9</b>	<b>10,135.2</b>	<b>9,676.3</b>	<b>10,322.8</b>	<b>12,150.3</b>
Currency in Circulation	4,181.3	4,326.5	4,296.4	4,631.0	5,939.4
Demand Deposits in Jordan Dinar	6,205.6	5,808.7	5,379.9	5,691.8	6,210.9
<b>Quasi-Money</b>	<b>22,489.3</b>	<b>22,822.4</b>	<b>23,683.0</b>	<b>24,646.9</b>	<b>24,861.6</b>
Demand Deposits in Foreign Currencies	2,776.9	2,660.8	2,576.7	2,436.1	2,750.1
Time and Saving Deposits, of which:	19,712.4	20,161.6	21,106.3	22,210.8	22,111.5
In Foreign Currencies	2,642.0	3,035.7	3,591.3	3,801.5	3,469.5

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

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

**Table 11**  
***Changes in Money Supply (M2) and Factors Affecting it<sup>(1)</sup>***

	(JD Million)				
	2016	2017	2018	2019	2020
<b>Foreign Assets (Net)</b>	<b>708.1</b>	<b>277.2</b>	<b>-1,754.3</b>	<b>139.1</b>	<b>54.6</b>
Central Bank	-292.7	428.5	-1,108.7	823.5	823.8
Licensed Banks	1,000.8	-151.3	-645.6	-684.4	-769.2
<b>Domestic Assets (Net)</b>	<b>562.6</b>	<b>-195.8</b>	<b>2,156.0</b>	<b>1,471.3</b>	<b>1,987.6</b>
<b>Net Claims on Public Sector</b>	<b>-740.7</b>	<b>-1,009.4</b>	<b>919.7</b>	<b>996.3</b>	<b>1,051.1</b>
A) Net Claims on Central Government General Budget	-928.6	-902.7	776.4	1,111.7	1,013.2
B) Net Claims on Central Government Own-Budget	-4.0	-201.4	-13.6	-119.5	-27.0
C) Claims on Public Entities	191.9	94.7	156.9	4.1	64.9
<b>Claims on Private Sector (Resident)</b>	<b>1,885.8</b>	<b>1,935.5</b>	<b>1,183.8</b>	<b>1,056.1</b>	<b>1,495.8</b>
<b>Claims on Financial Institutions</b>	<b>114.1</b>	<b>217.4</b>	<b>128.5</b>	<b>228.1</b>	<b>509.8</b>
<b>Other Items (Net)</b>	<b>-696.6</b>	<b>-1,339.3</b>	<b>-76.0</b>	<b>-809.2</b>	<b>-1,069.1</b>
<b>Money Supply (M2)</b>	<b>1,270.7</b>	<b>81.4</b>	<b>401.7</b>	<b>1,610.4</b>	<b>2,042.2</b>
<b>Money Supply (M1)</b>	<b>506.7</b>	<b>-251.7</b>	<b>-458.9</b>	<b>646.5</b>	<b>1,827.5</b>
Currency in Circulation	248.1	145.2	-30.1	334.6	1,308.4
Demand Deposits in Jordan Dinar	258.6	-396.9	-428.8	311.9	519.1
<b>Quasi-Money</b>	<b>764.0</b>	<b>333.1</b>	<b>860.6</b>	<b>963.8</b>	<b>214.7</b>
Demand Deposits in Foreign Currencies	266.5	-116.1	-84.1	-140.7	314.0
Time and Saving Deposits, of which:	497.5	449.2	944.7	1,104.5	-99.3
In Foreign Currencies	442.8	393.7	555.6	210.2	-332.0

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

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

Table 12

*Assets and Liabilities of the Central Bank of Jordan*

(JD Million)

	2016	2017	2018	2019	2020
<b>Foreign Assets</b>	<b>11,784.8</b>	<b>11,813.8</b>	<b>11,101.6</b>	<b>11,686.4</b>	<b>12,791.3</b>
Gold & SDRs	1,146.3	1,516.8	1,324.9	1,530.7	2,659.8
Cash, Balances & Deposits	4,851.3	4,889.7	5,429.4	5,876.5	6,573.6
Bonds & Treasury Bills	5,020.3	4,640.4	3,580.4	3,512.3	2,791.0
Other Foreign Assets <sup>(1)</sup>	766.9	766.9	766.9	766.9	766.9
<b>Domestic Assets</b>	<b>1,668.2</b>	<b>1,553.8</b>	<b>1,800.0</b>	<b>2,023.1</b>	<b>3,234.3</b>
Claims on Central Government	938.4	824.8	752.9	822.8	953.9
Claims on Deposit-Money Banks	338.2	349.8	365.4	342.5	935.9
Claims on Financial Institutions	97.0	194.3	254.2	453.8	770.8
Claims on Private Sector	22.9	22.9	22.8	22.9	23.1
Other Assets	271.7	162.0	404.7	381.1	550.6
<b>Assets = Liabilities</b>	<b>13,453.0</b>	<b>13,367.6</b>	<b>12,901.6</b>	<b>13,709.5</b>	<b>16,025.6</b>
Currency Issued	4,620.8	4,836.5	4,802.4	5,162.0	6,496.5
Banks' Deposits	6,406.2	6,216.6	5,443.4	5,894.9	6,373.5
In Jordan Dinar, of which:	5,668.7	5,373.5	4,603.8	5,134.9	5,636.2
Certificates of Deposit	1,030.9	600.0	600.0	500.0	0
In Foreign Currencies	737.5	843.1	839.6	760.0	737.3
Public Entities Deposits	1.4	0.5	0.3	0.2	0.2
Central Government Deposits	1,031.0	959.7	513.5	396.6	413.1
Financial Institutions Deposits	15.1	24.5	3.6	1.7	4.6
Foreign Liabilities	817.7	765.7	1,514.3	1,567.4	1,506.5
Total Capital and Reserves	293.5	325.0	368.8	380.2	468.2
Other Liabilities	267.3	239.1	255.3	306.5	763.0

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Includes Loans Arising From Payment Agreements.



**Table 13*****Average Exchange Rate of the Jordanian Dinar  
in Major Foreign Currency Units***

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Euro	1.337	1.192	1.240	1.270	1.159
US Dollar	1.410	1.410	1.410	1.410	1.410
Pound Sterling	1.128	1.053	1.114	1.077	1.050
Japanese Yen	163.5	159.2	158.5	154.0	146.4

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

Table 14

*Assets and Liabilities of Licensed Banks*

(JD Million)

	2016	2017	2018	2019	2020
<b>Foreign Assets</b>	<b>5,444.6</b>	<b>5,661.7</b>	<b>5,551.9</b>	<b>5,582.3</b>	<b>6,303.0</b>
Cash in Vaults (In Foreign Currencies)	174.5	201.6	241.7	207.2	283.8
Balances with Foreign Banks	3,934.9	4,064.8	3,836.7	3,816.8	4,494.1
Portfolio (Non-Resident)	716.9	757.2	740.5	802.3	801.2
Credit Facilities to Private Sector (Non-Resident)	479.8	500.2	655.3	674.4	612.8
Other Foreign Assets	138.5	137.9	77.7	81.6	111.1
<b>Domestic Assets</b>	<b>42,938.9</b>	<b>43,440.8</b>	<b>45,365.9</b>	<b>48,059.7</b>	<b>50,735.0</b>
Claims on Public Sector	11,086.2	10,292.6	11,180.8	12,247.8	12,874.8
Claims on Central Government	10,540.9	9,652.5	10,383.9	11,446.8	12,008.9
Claims on Public Entities <sup>(1)</sup>	545.3	640.0	796.9	801.0	865.9
Claims on Private Sector (Resident)	20,567.4	22,502.9	23,686.8	24,742.8	26,238.4
Claims on Financial Institutions	182.8	302.9	371.4	399.9	592.8
Cash in Vaults & Deposits with the CBJ	6,768.0	6,690.6	5,906.0	6,405.3	6,857.2
Other Assets	4,334.5	3,651.8	4,220.9	4,263.9	4,171.8
<b>Assets = Liabilities</b>	<b>48,383.5</b>	<b>49,102.5</b>	<b>50,917.8</b>	<b>53,642.0</b>	<b>57,038.0</b>
Capital, Reserves and Provisions	7,261.2	7,564.2	7,865.8	8,152.6	8,715.2
Foreign Liabilities	6,430.7	6,799.1	7,334.9	8,049.8	9,539.6
Central Government Deposits	1,130.2	955.9	946.8	912.5	944.9
Public Entities Deposits <sup>(1)</sup>	1,339.9	1,380.3	1,724.4	1,665.5	1,805.2
Private Sector Deposits (Resident)	26,952.9	26,916.3	26,944.5	28,292.1	28,851.2
Financial Institutions Deposits	385.5	309.5	390.2	379.1	411.3
Credit from the CBJ	499.3	527.4	753.8	880.2	1,622.9
Other Liabilities	4,383.8	4,649.8	4,957.4	5,310.2	5,147.7

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

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

Table 15

*Deposits Structure at Licensed Banks According to Currency and Depositor*

(JD Million)

	2016	2017	2018	2019	2020
<b>Public Sector</b>	<b>2,470.2</b>	<b>2,336.2</b>	<b>2,671.2</b>	<b>2,578.0</b>	<b>2,750.2</b>
- Demand Deposits	461.9	251.5	307.7	286.8	334.3
In Jordan Dinar	419.1	231.9	274.2	272.9	322.2
In Foreign Currencies	42.8	19.6	33.5	13.9	12.1
- Saving Deposits	2.8	18.9	3.1	4.5	4.9
In Jordan Dinar	2.7	18.9	2.8	4.5	4.9
In Foreign Currencies	0.1	0.0	0.3	0.0	0.0
- Time Deposits	2,005.5	2,065.8	2,360.4	2,286.7	2,411.0
In Jordan Dinar	1,895.5	1,943.0	2,228.9	2,195.4	2,320.1
In Foreign Currencies	110.0	122.8	131.5	91.3	90.9
<b>Private Sector (Resident)</b>	<b>26,952.9</b>	<b>26,916.3</b>	<b>26,944.5</b>	<b>28,292.1</b>	<b>28,851.1</b>
- Demand Deposits	8,647.7	8,261.8	7,716.3	7,960.9	8,673.0
In Jordan Dinar	5,894.1	5,619.0	5,172.6	5,560.7	5,959.4
In Foreign Currencies	2,753.6	2,642.8	2,543.7	2,400.2	2,713.6
- Saving Deposits	4,725.2	5,116.9	5,041.8	5,166.1	5,426.8
In Jordan Dinar	3,758.6	4,071.5	3,970.6	4,077.6	4,283.5
In Foreign Currencies	966.6	1,045.4	1,071.2	1,088.5	1,143.3
- Time Deposits	13,580.0	13,537.6	14,186.4	15,165.1	14,751.3
In Jordan Dinar	11,920.2	11,567.7	11,703.2	12,492.2	12,465.7
In Foreign Currencies	1,659.8	1,969.9	2,483.2	2,672.9	2,285.6
<b>Private Sector (Non-Resident)</b>	<b>3,091.4</b>	<b>3,635.6</b>	<b>3,842.3</b>	<b>4,056.1</b>	<b>4,776.5</b>
- Demand Deposits	1,135.6	1,255.7	1,229.2	1,180.4	1,430.2
In Jordan Dinar	392.5	445.6	399.2	414.8	465.7
In Foreign Currencies	743.1	810.1	830.0	765.6	964.5
- Saving Deposits	488.8	603.3	625.4	663.1	793.4
In Jordan Dinar	235.1	257.8	278.0	316.5	389.0
In Foreign Currencies	253.7	345.5	347.4	346.6	404.4
- Time Deposits	1,467.0	1,776.6	1,987.7	2,212.6	2,552.9
In Jordan Dinar	1,086.2	1,194.0	1,275.0	1,425.0	1,647.2
In Foreign Currencies	380.8	582.6	712.7	787.6	905.7
<b>Non-Banking Financial Institutions</b>	<b>385.5</b>	<b>309.6</b>	<b>390.1</b>	<b>379.1</b>	<b>411.3</b>
- Demand Deposits	67.4	64.2	110.9	69.5	70.9
In Jordan Dinar	53.7	53.0	86.6	43.3	43.3
In Foreign Currencies	13.7	11.2	24.3	26.2	27.6
- Saving Deposits	1.3	0.2	1.2	1.3	1.8
In Jordan Dinar	0.5	0.2	1.0	1.1	1.6
In Foreign Currencies	0.8	0.0	0.2	0.2	0.2
- Time Deposits	316.8	245.2	278.0	308.3	338.6
In Jordan Dinar	310.0	239.6	275.5	303.3	331.3
In Foreign Currencies	6.8	5.6	2.5	5.0	7.3
<b>Total</b>	<b>32,900.0</b>	<b>33,197.7</b>	<b>33,848.1</b>	<b>35,305.3</b>	<b>36,789.1</b>

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

Table 16

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

(JD Million)

	2016	2017	2018	2019	2020
<b>By Economic Activity</b>					
Agriculture	304.5	337.3	336.7	336.5	416.8
Mining	288.4	255.2	355.7	296.4	236.6
Industry	2,203.4	2,724.2	3,064.3	3,353.6	3,525.4
General Trade	4,075.5	4,230.9	4,470.6	4,231.1	4,524.3
Construction	5,827.7	6,601.0	6,830.9	6,975.4	7,261.5
Transportation Services	355.8	354.3	328.9	343.1	385.6
Tourism, Hotels and Restaurants	597.7	619.7	592.1	638.0	735.6
Public Services and Utilities	3,296.2	3,707.2	3,852.9	4,269.0	4,360.9
Financial Services	577.2	632.5	768.2	634.8	655.7
Other, of which:	5,379.4	5,274.5	5,511.5	6,004.3	6,536.7
Buying Shares	168.6	158.0	152.1	212.2	268.7
<b>Total</b>	<b>22,905.8</b>	<b>24,736.8</b>	<b>26,111.8</b>	<b>27,082.2</b>	<b>28,639.1</b>
of which in Foreign Currencies	2,719.2	2,595.4	2,931.5	3,265.6	3,496.8
<b>By Borrower</b>					
Central Government	2,154.9	2,114.8	1,994.7	1,878.0	1,804.1
Public Entities	358.2	357.6	429.0	501.3	566.0
Financial Institutions	11.6	17.0	21.5	29.9	129.7
Private Sector (Resident)	19,901.4	21,747.1	23,011.3	23,998.6	25,526.5
Private Sector (Non-Resident)	479.7	500.3	655.3	674.4	612.8

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

Table 17

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

(JD Million)

	2016	2017	2018	2019	2020
<b>Cash in Vaults</b>	202.5	275.1	268.3	343.3	309.6
<b>Balances with the Banking System</b>	1,788.3	1,529.6	1,553.6	1,612.8	1947.8
<b>Credit Facilities</b>	1,917.5	2,266.3	2,270.7	2,224.6	2410.8
In Jordan Dinar	244.1	297.4	351.3	359.9	327.5
In US Dollar	855.2	920.5	950.2	965.8	1051.0
In Other Foreign Currencies	818.2	1,048.4	969.2	898.9	1032.3
<b>Portfolio</b>	504.6	494.8	552.5	561.0	585.6
<b>Other Assets</b>	153.9	186.9	167.0	191.4	211.8
<b>Assets = Liabilities</b>	4,566.8	4,752.7	4,812.1	4,933.1	5465.6
<b>Deposits of Banking System</b>	280.8	211.6	233.1	237.7	309.0
<b>Customers' Deposits</b>	3,438.3	3,610.7	3,604.7	3,711.2	4083.0
In Jordan Dinar	974.6	1,028.1	974.5	1,006.8	1063.0
In US Dollar	1,270.3	1,273.2	1,290.9	1,310.9	1388.0
In Other Foreign Currencies	1,193.4	1,309.4	1,339.3	1,393.5	1632.0
<b>Capital, Reserves and Provisions</b>	593.5	641.2	668.7	635.1	729.8
<b>Other Liabilities</b>	254.2	289.2	305.6	349.1	343.8

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

Table 18

*Assets and Liabilities of Insurance Companies Operating in Jordan*

	(JD Million)				
	2015	2016	2017	2018	2019
Balances and Deposits	271.5	268.2	275.3	277.8	288.8
Accounts Receivable (Net)	163.7	192.6	191.3	187.3	196.3
Customers (Debtors) <sup>(1)</sup>	135.2	158.8	158.8	156.8	159.9
Receivables from Reinsurers	28.5	33.8	32.5	30.5	36.4
Investments and Other Assets	434.5	454.8	485.8	492.9	511.1
<b>Assets = Liabilities + Equity</b>	<b>869.7</b>	<b>915.6</b>	<b>952.4</b>	<b>958.0</b>	<b>996.2</b>
Paid-up Capital and Reserves <sup>(2)</sup>	305.0	313.1	313.3	312.5	317.8
Accounts Payable	104.2	122.9	131.0	146.0	148.7
Creditors	37.5	45.3	46.6	43.4	49.1
Reinsurers Payable	63.0	74.0	70.9	81.8	81.6
Creditor Banks	3.7	3.6	13.5	20.8	18.0
Provisions	11.5	11.3	8.9	7.7	10.1
Technical Reserves	387.1	406.2	433.1	441.5	463.8
Accounting Reserve	93.3	105.6	122.6	136.4	155.1
Unexpired Risks Reserve <sup>(3)</sup>	133.5	140.5	148.1	148.0	151.1
Outstanding Claims Reserve	160.3	160.1	162.4	157.1	157.6
Other Liabilities and Equities	61.9	62.1	66.1	50.3	55.8

Source : Ministry of Industry Trade and Supply.

(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 19*****The Premiums Underwritten of Insurance Companies*****(JD Million)**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020<sup>(1)</sup></b>
Maritime	20.6	18.0	17.8	16.0	16.1
Fire	74.8	73.2	70.0	68.1	74.7
Motor vehicle	225.2	233.0	227.5	234.4	213.6
Accidents <sup>(2)</sup>	20.4	21.2	22.0	21.8	19.2
Life	70.6	79.8	86.1	85.7	92.3
Medical	171.5	168.9	182.4	189.3	178.1
<b>Total</b>	<b>583.1</b>	<b>594.1</b>	<b>605.8</b>	<b>615.3</b>	<b>594.0</b>

Source : Ministry of Industry Trade and Supply.

(1) : Preliminary.

(2) : Includes insurance on credit, guarantees, aviation and other general insurances.

**Table 20*****Compensations Paid by Insurance Companies*****(JD Million)**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020<sup>(1)</sup></b>
Maritime	4.0	4.7	5.4	7.6	5.8
Fire	46.8	21.4	19.7	27.6	26.5
Motor vehicle	207.3	223.7	242.1	234.4	186.8
Accidents <sup>(2)</sup>	6.2	5.9	6.0	5.0	5.9
Life	36.7	43.4	46.1	54.1	35.7
Medical	145.8	159.6	159.5	161.6	150.4
<b>Total</b>	<b>446.8</b>	<b>458.7</b>	<b>478.8</b>	<b>490.3</b>	<b>411.1</b>

Source : Ministry of Industry Trade and Supply.

(1) : Preliminary.

(2) : Includes insurance on credit, guarantees, aviation and other general insurances.



Table 21

*Sectorial Distribution of Shares Traded*

Sector	Value of Shares Traded (JD Million)					Number of Shares Traded (Millions of Shares)				
	2016	2017	2018	2019	2020*	2016	2017	2018	2019	2020*
Industry	703.7	655.7	978.9	289.3	182.3	362.9	281.7	264.3	193.8	270.6
Services	423.6	375.0	227.0	256.7	210.4	396.5	383.8	226.2	255.4	241.3
Financial	1,202.1	1,895.5	1,113.5	1,039.4	656.1	1,077.3	1,051.2	755.4	798.0	630.8
<b>Total</b>	<b>2,329.5</b>	<b>2,926.2</b>	<b>2,319.3</b>	<b>1,585.4</b>	<b>1,048.8</b>	<b>1,836.7</b>	<b>1,716.7</b>	<b>1,245.9</b>	<b>1,247.2</b>	<b>1,142.7</b>

Source : Amman Stock Exchange.

\* : The trading of ASE has been suspended as of March 17, 2020 because of repercussions of COVID-19 the trading has been resumed from 10, May 2020.

**Table 22**

***Share Price Index Weighted by Market Capitalization<sup>(1)</sup>***  
***(Closing December 1991=1000)***

Sector	2016	2017	2018	2019	2020*
Industry	2,648.7	2,615.8	2,311.4	2,613.2	2,818.0
Banks	8,444.5	8,335.2	8,246.0	7,095.6	5,410.6
Services	954.5	933.7	796.8	735.7	704.2
Insurance companies	1,385.4	1,261.2	1,376.5	1,282.5	1,309.2
<b>General Index</b>	<b>4,069.7</b>	<b>4,009.4</b>	<b>3,797.1</b>	<b>3,513.8</b>	<b>3,049.6</b>

Source : Amman Stock Exchange.

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

\* : The trading of ASE has been suspended as of March 17, 2020 because of repercussions of COVID-19 the trading has been resumed from 10, May 2020.

**Table 23**

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

Sector	2016	2017	2018	2019	2020*
Industrial	2,093.0	2,229.5	1,882.7	1,857.0	2,119.7
Services	1,604.7	1,449.7	1,279.8	1,293.0	1,148.0
Financial <sup>(1)</sup>	2,933.2	2,881.5	2,652.7	2,450.0	2,171.7
<b>General Index</b>	<b>2,170.3</b>	<b>2,126.8</b>	<b>1,908.8</b>	<b>1,815.2</b>	<b>1,657.2</b>

Source : Amman Stock Exchange.

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

\* : The trading of ASE has been suspended as of March 17, 2020 because of repercussions of COVID-19 the trading has been resumed from 10, May 2020.

Table 24

*Assets Distribution of Social Security Investment Fund*

(JD Million)

	2016	2017	2018	2019	2020 <sup>(1)</sup>
<b>Assets</b>					
Financial instruments portfolio	854.9	962.8	1,374.7	1,353.0	1,434.6
Bonds portfolio	3,957.3	4,680.7	5,135.4	5,970.0	6,407.7
Loans portfolio	168.0	229.6	252.8	331.0	392.3
Equity Investment for trading portfolio	2,131.1	2,071.3	2,053.4	1,950.0	1,592.6
Real estate portfolio	581.1	581.1	598.4	659.0	717.3
Investments in hotels	250.3	250.3	285.8	288.0	291.0
Other assets	382.6	462.2	490.3	445.0	356.4
<b>Total Assets</b>	<b>8,325.3</b>	<b>9,238.0</b>	<b>10,190.8</b>	<b>10,997.0</b>	<b>11,191.9</b>

Source: Social Security Corporation.

(1) : Preliminary.

Table 25

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

(JD Million)

	2016	2017	2018	2019	2020	
					Budget Law	Actual
<b>Budgetary Central Government</b>						
<b>Public Revenues</b>	<b>7,069.6</b>	<b>7,425.3</b>	<b>7,839.6</b>	<b>7,754.3</b>	<b>8,560.9</b>	<b>7,028.9</b>
Domestic Revenues	6,233.6	6,717.4	6,944.9	6,965.9	7,754.0	6,238.0
Foreign Grants	836.0	707.9	894.7	788.4	806.9	790.9
<b>Total Expenditures</b>	<b>7,948.2</b>	<b>8,173.2</b>	<b>8,567.3</b>	<b>8,812.7</b>	<b>9,607.0</b>	<b>9,211.3</b>
Current Expenditures	6,919.1	7,113.0	7,619.6	7,897.2	8,334.0	8,388.5
Capital Expenditures	1,029.1	1,060.2	947.7	915.5	1,273.0	822.8
<b>Overall Deficit/ Surplus (Including Grants)</b>	<b>-878.6</b>	<b>-747.9</b>	<b>-727.6</b>	<b>-1,058.4</b>	<b>-1,046.1</b>	<b>-2,182.4</b>
<b>Own-Budget Agencies</b>						
<b>Public Revenues</b>	<b>1,642.2</b>	<b>1,481.2</b>	<b>1,421.2</b>	<b>1,328.8</b>	<b>1,301.9</b>	<b>1,137.1</b>
Domestic Revenues	1,586.1	1,451.5	1,397.3	1,302.4	1,231.8	1,119.6
Foreign Grants	56.1	29.7	23.9	26.4	70.1	17.5
<b>Total Expenditures</b>	<b>1,660.1</b>	<b>1,577.9</b>	<b>1,669.2</b>	<b>1,472.0</b>	<b>1,539.3</b>	<b>1,185.8</b>
Current Expenditures	1,079.9	1,077.9	1,160.4	1,050.0	1,054.3	890.8
Capital Expenditures	580.2	500.0	508.8	422.0	485.0	295.0
<b>Overall Deficit/ Surplus (Including Grants)</b>	<b>-17.9</b>	<b>-96.8</b>	<b>-248.0</b>	<b>-143.2</b>	<b>-237.4</b>	<b>-48.7</b>
<b>Central Government (Budgetary and Own-Budget Agencies)</b>						
<b>Public Revenues</b>	<b>8,711.8</b>	<b>8,906.5</b>	<b>9,260.8</b>	<b>9,083.1</b>	<b>9,862.8</b>	<b>8,166.0</b>
Domestic Revenues	7,819.7	8,168.9	8,342.2	8,268.3	8,985.8	7,357.6
Foreign Grants	892.1	737.6	918.6	814.8	877.0	808.4
<b>Total Expenditures</b>	<b>9,608.3</b>	<b>9,751.1</b>	<b>10,236.5</b>	<b>10,284.7</b>	<b>11,146.3</b>	<b>10,397.1</b>
Current Expenditures	7,999.0	8,190.9	8,780.0	8,947.2	9,388.3	9,279.3
Capital Expenditures	1,609.3	1,560.2	1,456.5	1,337.5	1,758.0	1,117.8
<b>Overall Deficit/ Surplus (Including Grants)</b>	<b>-896.5</b>	<b>-844.7</b>	<b>-975.6</b>	<b>-1,201.6</b>	<b>-1,283.5</b>	<b>-2,231.1</b>

Source : Ministry of Finance.

**Table 25-A**  
**Summary of Central Government Budget**

(JD Million)

	2016	2017	2018	2019	2020	
					Budget Law	Actual
<b>Public Revenues</b>	<b>7,069.6</b>	<b>7,425.3</b>	<b>7,839.6</b>	<b>7,754.3</b>	<b>8,560.9</b>	<b>7,028.9</b>
Domestic Revenues	6,233.6	6,717.4	6,944.9	6,965.9	7,754.0	6,238.0
Tax Revenues	4,254.3	4,343.6	4,535.6	4,680.8	5,651.0	4,958.6
Pension Contributions	15.2	11.6	10.9	9.0	10.0	7.3
Other Revenues	1,964.1	2,362.2	2,398.4	2,276.1	2,093.0	1,272.1
Foreign Grants	836.0	707.9	894.7	788.4	806.9	790.9
<b>Total Expenditures</b>	<b>7,948.2</b>	<b>8,173.2</b>	<b>8,567.3</b>	<b>8,812.7</b>	<b>9,607.0</b>	<b>9,211.3</b>
Current Expenditures, of which:	6,919.1	7,113.0	7,619.6	7,897.2	8,334.0	8,388.5
Interest Payments (Commitment Basis)	835.3	856.2	1,004.4	1,113.4	1,254.0	1,243.4
Capital Expenditures	1,029.1	1,060.2	947.7	915.5	1,273.0	822.8
<b>Overall Deficit/ Surplus</b>						
Including Grants	-878.6	-747.9	-727.6	-1,058.4	-1,046.1	-2,182.4
Excluding Grants	-1,714.6	-1,455.9	-1,622.3	-1,846.9	-1,853.0	-2,973.3
<b>Primary Deficit/ Surplus (Excluding Grants)</b>	<b>-879.3</b>	<b>-599.6</b>	<b>-618.0</b>	<b>-733.5</b>	<b>-599.0</b>	<b>-1,729.9</b>

Source : Ministry of Finance.

**Table 25-B**  
**Summary of Government Units Budgets**  
**(Own-Budget Agencies)**

(JD Million)

	2016	2017	2018	2019	2020	
					Budget Law	Actual
<b>Public Revenues</b>	<b>1,642.2</b>	<b>1,481.2</b>	<b>1,421.2</b>	<b>1,328.8</b>	<b>1,301.9</b>	<b>1,137.1</b>
Domestic Revenues, of which:	1,586.1	1,451.5	1,397.3	1,302.4	1,231.8	1,119.6
Tax Revenues	7.0	7.0	7.7	6.7	8.5	4.5
Government Subsidy	168.0	136.6	149.6	26.3	28.2	24.5
Revenues from Selling Goods and Services	1,340.9	1,240.8	1,153.6	1,201.6	1,114.0	1,014.6
Foreign Grants	56.1	29.7	23.9	26.4	70.1	17.5
<b>Total Expenditures</b>	<b>1,660.1</b>	<b>1,577.9</b>	<b>1,669.2</b>	<b>1,472.0</b>	<b>1,539.3</b>	<b>1,185.8</b>
Current Expenditures	1,079.9	1,077.9	1,160.4	1,050.0	1,054.3	890.8
Wages, Salaries and Allowances	359.2	362.3	371.1	257.7	276.4	273.6
Interest Payments	161.5	164.4	176.1	175.0	167.7	140.5
Purchases of Goods and Services	494.9	486.0	542.9	565.5	558.7	419.9
Other Current Expenditures	64.3	65.2	70.3	51.8	51.5	56.8
Capital Expenditures	580.2	500.0	508.8	422.0	485.0	295.0
<b>Overall Deficit/ Surplus (Including Grants)</b>	<b>-17.9</b>	<b>-96.8</b>	<b>-248.0</b>	<b>-143.2</b>	<b>-237.4</b>	<b>-48.7</b>

Source : General Budget Department/ Government Units Budgets Law.

**Table 26**  
**Components of Domestic Revenues**  
**(Budgetary Central Government)**

(JD Million)

	2016	2017	2018	2019	2020
<b>First: Tax Revenues</b>	<b>4,254.3</b>	<b>4,343.6</b>	<b>4,535.6</b>	<b>4,680.8</b>	<b>4,958.6</b>
1- Taxes on Income and Profits	944.7	938.1	965.0	1,020.2	1,103.6
Income Tax from Individuals	193.9	195.3	202.8	234.5	263.9
Income Tax from Companies & Projects	750.8	742.7	762.3	785.7	773.8
National Contribution Account	0.0	0.0	0.0	0.0	65.8
2- Taxes on Financial Transactions	114.8	107.7	93.0	81.6	46.8
3- Taxes on Goods and Services*	2,883.8	2,993.5	3,184.6	3,302.4	3,533.9
4- Taxes on International Trade & Transactions**	311.0	304.3	292.9	276.6	274.4
<b>Second: Pension Contributions</b>	<b>15.2</b>	<b>11.6</b>	<b>10.9</b>	<b>9.0</b>	<b>7.3</b>
<b>Third: Other Revenues</b>	<b>1,964.1</b>	<b>2,362.2</b>	<b>2,398.4</b>	<b>2,276.1</b>	<b>1,272.1</b>
1- Revenues from Selling Goods & Services	828.3	916.1	901.8	883.6	634.1
2- Property Income, of which:	292.2	358.0	305.1	436.4	235.2
Financial Surplus	261.0	319.4	271.3	393.4	206.7
3- Miscellaneous Revenues, of which:	843.6	1,088.1	1,191.5	956.2	402.8
Mining Revenues	54.3	36.9	42.9	42.8	26.8
Repayments	28.7	19.6	36.3	20.1	17.1
<b>Total Domestic Revenues</b>	<b>6,233.6</b>	<b>6,717.4</b>	<b>6,944.9</b>	<b>6,965.9</b>	<b>6,238.0</b>

Source : Ministry of Finance.

\* : Represents general sales taxes on goods &amp; services.

\*\* : Represents customs duties &amp; fees.



**Table 27**  
**Components of Public Expenditures**  
**(Budgetary Central Government)**

	(JD Million)				
	2016	2017	2018	2019	2020
<b>First: Current Expenditures</b>	<b>6,919.1</b>	<b>7,113.0</b>	<b>7,619.6</b>	<b>7,897.2</b>	<b>8,388.5</b>
1- Compensations of Employees	1,370.0	1,385.5	1,418.9	1,568.3	1,676.8
Wages, Salaries and Allowances	1,264.1	1,272.7	1,297.8	1,420.7	1,495.3
Social Security	105.9	112.8	121.2	147.7	181.5
2- Purchases of Goods & Services	443.8	379.6	295.5	335.8	415.2
3- Interest Payments (Commitment Basis)	835.3	856.2	1,004.4	1,113.4	1,243.4
Internal	622.0	587.3	647.7	713.2	847.2
External	213.3	268.8	356.8	400.2	396.2
4- Subsidies, of which:	241.4	291.5	391.4	351.5	310.8
Subsidies for Non-Financial Public Institutions	108.4	170.5	170.4	187.3	193.7
Goods Subsidies	131.4	119.2	55.7	0.0	0.0
Social Safety Net/ Cash Support	0.0	0.0	161.1	160.0	113.1
5- Grants	123.5	110.0	122.4	21.1	18.9
6- Social Benefits	1,476.1	1,480.2	1,541.8	1,633.2	1,840.2
Pensions and Compensation	1,212.7	1,277.1	1,331.5	1,369.9	1,570.5
Social Assistances	263.4	203.1	210.3	263.3	269.7
7- Miscellaneous Expenditures, of which:	213.4	284.9	363.1	283.0	247.6
Scholarships and Training	24.8	22.9	22.9	17.5	21.5
8- Military Expenditures	2,215.5	2,325.1	2,482.1	2,590.8	2,635.7
<b>Second: Capital Expenditures</b>	<b>1,029.1</b>	<b>1,060.2</b>	<b>947.7</b>	<b>915.5</b>	<b>822.8</b>
<b>Total Expenditures</b>	<b>7,948.2</b>	<b>8,173.2</b>	<b>8,567.3</b>	<b>8,812.7</b>	<b>9,211.3</b>

Source : Ministry of Finance.

**Table 28**  
**Government Domestic Debt**  
**(Budgetary and Guaranteed)**

(JD Million)

	2016	2017	2018	2019	2020
<b>Government Domestic Debt Including the Debt Holding by Social Security Investment Fund (SSIF)</b>	<b>15,793.8</b>	<b>15,402.1</b>	<b>16,220.7</b>	<b>17,738.0</b>	<b>18,933.7</b>
<b>1) Domestic Debt (Budgetary)</b>	<b>13,174.9</b>	<b>12,546.8</b>	<b>13,352.2</b>	<b>15,216.2</b>	<b>16,494.7</b>
<b>A) Treasury Bills and Bonds</b>	<b>12,723.0</b>	<b>12,194.0</b>	<b>13,075.3</b>	<b>14,940.3</b>	<b>16,219.6</b>
- Held by the Banking System	7,875.7	6,601.2	6,979.7	7,972.8	8,508.7
- Held by Non Banks	4,847.3	5,592.8	6,095.6	6,967.5	7,710.9
<b>B) Loans and Advances</b>	<b>451.9</b>	<b>352.8</b>	<b>276.9</b>	<b>275.9</b>	<b>275.0</b>
- From Central Bank	431.7	351.7	271.7	271.7	271.7
- From Commercial Banks	20.2	1.1	5.2	4.2	3.3
<b>2) Domestic Debt (Guaranteed)</b>	<b>2,618.9</b>	<b>2,855.3</b>	<b>2,868.5</b>	<b>2,521.8</b>	<b>2,439.1</b>
<b>A) Corporate Bonds</b>	<b>532.5</b>	<b>657.5</b>	<b>610.5</b>	<b>538.0</b>	<b>538.0</b>
- Held by the Banking System	410.2	381.9	340.4	296.1	294.2
- Held by Non Banks	122.3	275.6	270.1	241.9	243.8
<b>B) Loans and Advances, of which:</b>	<b>2,086.4</b>	<b>2,197.8</b>	<b>2,258.0</b>	<b>1,983.8</b>	<b>1,901.1</b>
- Held by the Banking System	2,050.1	2,169.2	2,227.1	1,950.6	1,855.6
<b>Gross Central Government's Deposits with the Banking System</b>	<b>2,013.3</b>	<b>1,833.5</b>	<b>1,407.7</b>	<b>1,278.1</b>	<b>1,336.0</b>
<b>1) Budgetary</b>	<b>1,816.4</b>	<b>1,506.0</b>	<b>1,134.9</b>	<b>999.6</b>	<b>1,133.0</b>
<b>A) Ministry of Finance Deposits</b>	<b>-86.5</b>	<b>-207.9</b>	<b>-664.1</b>	<b>-849.0</b>	<b>-1,095.7</b>
- With the Central Bank <sup>(1)</sup>	-94.2	-221.4	-699.9	-873.2	-1,115.8
- With Commercial Banks	7.7	13.5	35.8	24.1	20.0
<b>B) Other Ministries Deposits</b>	<b>1,902.9</b>	<b>1,713.9</b>	<b>1,799.0</b>	<b>1,848.7</b>	<b>2,228.8</b>
- With the Central Bank	966.5	930.5	1,039.2	1,103.4	1,417.5
- With Commercial Banks	936.3	783.4	759.8	745.3	811.2
<b>2) Own-Budget Agencies Deposits</b>	<b>196.9</b>	<b>327.5</b>	<b>272.8</b>	<b>278.5</b>	<b>203.0</b>
<b>Domestic Debt Holding by SSIF</b>	<b>4,161.2</b>	<b>4,918.7</b>	<b>5,428.3</b>	<b>5,749.9</b>	<b>6,149.7</b>

Source : Ministry of Finance.

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

Table 29

*External Debt (Budget and Guaranteed)*

(JD Million)

	2016	2017	2018	2019	2020
<b>1) Long-Term Loans</b>	<b>5,724.0</b>	<b>5,882.5</b>	<b>5,616.3</b>	<b>6,303.1</b>	<b>7,566.3</b>
<b>A) Arab and Foreign Governments, of which:</b>	<b>2,060.2</b>	<b>2,408.9</b>	<b>2,353.7</b>	<b>2,480.6</b>	<b>2,824.9</b>
Japan	714.3	794.7	736.4	751.1	862.2
Germany	233.5	235.0	329.5	452.1	548.9
United States	53.2	46.9	40.7	35.0	31.0
France	415.1	567.1	618.0	607.4	707.5
<b>B) Regional and International Institutions, of which:</b>	<b>3,544.2</b>	<b>3,418.6</b>	<b>3,262.6</b>	<b>3,716.0</b>	<b>4,634.9</b>
World Bank and International Development Association	1,318.6	1,332.2	1,599.1	2,119.3	2,363.6
Arab Fund for Economic and Social Development	517.9	506.4	472.1	440.6	424.2
European Investment Bank	76.2	75.7	82.3	91.6	83.9
Arab Monetary Fund	191.8	203.1	167.6	126.3	198.2
Islamic Development Bank	76.0	70.1	77.2	109.3	110.4
International Monetary Fund	1,137.4	901.4	536.6	358.5	736.7
<b>C) Foreign Banks &amp; Companies</b>	<b>119.6</b>	<b>55.0</b>	<b>0.0</b>	<b>106.5</b>	<b>106.5</b>
<b>2) Others<sup>(1)</sup>, of which:</b>	<b>4,574.9</b>	<b>5,984.6</b>	<b>6,471.3</b>	<b>6,035.0</b>	<b>6,532.0</b>
Eurobonds & Domestic Bonds in Dollar	4,544.0	5,964.0	6,461.0	6,035.0	6,532.0
<b>External Debt Including the Debt Holding by Social Security Investment Fund (SSIF)</b>	<b>10,299.0</b>	<b>11,867.2</b>	<b>12,087.5</b>	<b>12,338.2</b>	<b>14,098.3</b>
<b>External Debt Holding by SSIF</b>	<b>44.0</b>	<b>44.0</b>	<b>231.0</b>	<b>367.8</b>	<b>383.1</b>

Source : Ministry of Finance.

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

**Table 30**  
***Distribution of External Loans Disbursed in 2020***  
***According to Source***

Source	Disbursements (JD Million)	Relative Importance (%)
<b>Regional &amp; International Institutions:</b>	<b>1,243.9</b>	<b>38.6</b>
International Monetary Fund	489.5	15.2
International Bank for Reconstruction and Development	280.4	8.7
European Union	212.6	6.6
Arab Monetary Fund	177.1	5.5
Saudi Fund	36.5	1.1
International Development Association	24.8	0.8
Arab Fund for Economic and Social Development	10.7	0.3
Islamic Development Bank/ Jeddah	9.5	0.3
International Fund for Agricultural Development	2.8	0.1
<b>Multiple Creditors (Domestic Bonds in Dollar and Eurobonds)</b>	<b>1,668.5</b>	<b>51.8</b>
<b>Industrial Countries:</b>	<b>309.9</b>	<b>9.6</b>
Japan	142.0	4.4
France	88.6	2.7
Germany	75.7	2.3
Italy	3.6	0.1
<b>Other</b>	<b>1.2</b>	<b>0.04</b>
<b>Total</b>	<b>3,223.5</b>	<b>100.0</b>

Source : Ministry of Finance.

Table 31

*Distribution of External Loans Contracted in 2020**According to Source and Economic Sector*

(JD Million)

<b>Sector \ Source</b>	<b>Arab &amp; Foreign Governments</b>	<b>Regional &amp; International Institutions</b>	<b>Multiple Creditors</b>	<b>Total</b>	<b>Sector's Relative Importance (%)</b>
Supporting Budget	225.3	2,548.9	1,666.2	4,440.4	96.6
Health and Water Support	0.0	96.2	0.0	96.2	2.1
Education	0.0	57.9	0.0	57.9	1.3
<b>Total</b>	<b>225.3</b>	<b>2,703.0</b>	<b>1,666.2</b>	<b>4,594.5</b>	<b>100.0</b>

Source : Ministry of Finance.

**Table 32**  
**Balance of Payments (A)**

(JD Million)

	2016 <sup>(1)</sup>	2017 <sup>(1)</sup>	2018 <sup>(1)</sup>	2019 <sup>(1)</sup>	2020 <sup>(1)</sup>
<b>Current account</b>	<b>-2,734.8</b>	<b>-3,118.9</b>	<b>-2,103.6</b>	<b>-672.0</b>	<b>-2,473.0</b>
<b>Goods</b>	<b>-6,807.3</b>	<b>-7,593.2</b>	<b>-7,314.5</b>	<b>-6,201.9</b>	<b>-5,103.7</b>
<b>Exports (FOB):</b>	<b>5,359.6</b>	<b>5,333.1</b>	<b>5,502.7</b>	<b>5,905.3</b>	<b>5,639.6</b>
<b>Imports (FOB):</b>	<b>12,166.9</b>	<b>12,926.3</b>	<b>12,817.2</b>	<b>12,107.2</b>	<b>10,743.3</b>
<b>Services</b>	<b>919.9</b>	<b>1,391.0</b>	<b>1,760.1</b>	<b>2,088.6</b>	<b>-459.6</b>
<b>Credit</b>	<b>4,285.2</b>	<b>4,820.0</b>	<b>5,213.1</b>	<b>5,575.5</b>	<b>1,719.7</b>
<b>Debit</b>	<b>3,365.3</b>	<b>3,429.0</b>	<b>3,453.0</b>	<b>3,486.9</b>	<b>2,179.3</b>
Transport	-921.0	-936.5	-916.6	-885.2	-996.0
Credit	885.7	891.4	947.5	952.3	345.7
Debit	1,806.7	1,827.9	1,864.1	1,837.5	1,341.7
Travel	1,977.9	2,309.5	2,742.0	3,070.6	729.5
Credit	2,870.9	3,293.4	3,726.6	4,108.2	1,000.3
Debit	893.0	983.9	984.6	1,037.6	270.8
Construction	33.6	37.5	21.7	26.8	13.8
Credit	45.5	49.8	41.2	51.6	52.5
Debit	11.9	12.3	19.5	24.8	38.7
Insurance and pension services	-388.7	-355.4	-286.9	-329.7	-267.9
Credit	0.0	2.0	43.6	13.6	14.0
Debit	388.7	357.4	330.5	343.3	281.9
Financial services	18.9	3.3	28.8	29.6	-4.7
Credit	68.6	43.2	59.4	54.0	38.2
Debit	49.7	39.9	30.6	24.4	42.9
Charges for the use of intellectual property	-1.4	9.4	-1.2	-13.0	-13.0
Credit	15.7	24.5	15.5	6.3	4.4
Debit	17.1	15.1	16.7	19.3	17.4
Telecommunications, computer, and information services	-14.9	-14.0	-29.9	-21.2	-18.9
Credit	28.8	17.3	11.1	9.7	8.5
Debit	43.7	31.3	41.0	30.9	27.4
Other business services	135.3	108.9	79.1	74.5	32.4
Credit	192.2	167.5	128.8	132.2	90.3
Debit	56.9	58.6	49.7	57.7	57.9
Personal, cultural, and recreational services	17.3	24.0	31.7	58.3	53.5
Credit	42.1	49.3	54.7	65.9	68.4
Debit	24.8	25.3	23.0	7.6	14.9
Government goods and services	62.9	204.3	91.4	77.9	11.7
Credit	135.7	281.6	184.7	181.7	97.4
Debit	72.8	77.3	93.3	103.8	85.7

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.

**Table 32**  
**Balance of Payments (B)**

(JD Million)

	2016 <sup>(1)</sup>	2017 <sup>(1)</sup>	2018 <sup>(1)</sup>	2019 <sup>(1)</sup>	2020 <sup>(1)</sup>
<b>Primary income</b>	<b>-217.0</b>	<b>-146.7</b>	<b>-141.8</b>	<b>5.3</b>	<b>-92.6</b>
<b>Credit</b>	<b>540.1</b>	<b>616.0</b>	<b>737.0</b>	<b>901.9</b>	<b>648.5</b>
<b>Debit</b>	<b>757.1</b>	<b>762.7</b>	<b>878.8</b>	<b>896.6</b>	<b>741.1</b>
Compensation of employees	222.7	216.5	210.0	217.5	206.1
Credit	262.9	263.5	260.6	262.9	238.9
Debit	40.2	47.0	50.6	45.4	32.8
Investment income	-439.7	-363.2	-351.8	-212.2	-298.7
Credit	277.2	352.5	476.4	639.0	409.6
Debit	716.9	715.7	828.2	851.2	708.3
Monetary authorities	89.6	119.1	178.4	194.5	110.5
Credit	104.8	138.3	206.9	252.6	146.4
Debit	15.2	19.2	28.5	58.1	35.9
Deposit - taking corporations, except central bank	107.4	131.5	161.5	244.4	160.7
Credit	127.8	165.4	207.2	314.0	201.7
Debit	20.4	33.9	45.7	69.6	41.0
General Government	-198.4	-255.6	-335.7	-351.2	-324.5
Credit	0.0	0.0	0.0	0.0	0.0
Debit	198.4	255.6	335.7	351.2	324.5
Other Sectors	-438.3	-358.2	-356.0	-299.9	-245.4
Credit	44.6	48.8	62.3	72.4	61.5
Debit	482.9	407.0	418.3	372.3	306.9
<b>Secondary income</b>	<b>3,369.6</b>	<b>3,230.0</b>	<b>3,592.6</b>	<b>3,436.0</b>	<b>3,182.9</b>
<b>Credit</b>	<b>3,845.4</b>	<b>3,736.1</b>	<b>4,067.6</b>	<b>3,861.5</b>	<b>3,449.6</b>
<b>Debit</b>	<b>475.8</b>	<b>506.1</b>	<b>475.0</b>	<b>425.5</b>	<b>266.7</b>
General government	891.0	777.5	1,079.9	944.0	898.2
Credit	891.5	777.7	1,079.9	944.0	898.2
Debit	0.5	0.2	0.0	0.0	0.0
Other Sectors	2,478.6	2,452.5	2,512.7	2,492.0	2,284.7
Credit	2,953.9	2,958.4	2,987.7	2,917.5	2,551.4
Debit	475.3	505.9	475.0	425.5	266.7
Personal transfers	2,478.6	2,452.5	2,512.7	2,492.0	2,284.7
Credit	2,843.1	2,883.2	2,914.5	2,854.7	2,531.0
Debit	364.5	430.7	401.8	362.7	246.3
<i>Of which: Workers' remittances</i>	2,064.1	2,020.2	1,967.2	2,027.6	1,905.8
Credit	2,365.7	2,371.9	2,345.7	2,366.8	2,150.4
Debit	301.6	351.7	378.5	339.2	244.6
<b>Capital account</b>	<b>53.0</b>	<b>30.0</b>	<b>24.0</b>	<b>18.0</b>	<b>15.7</b>
<b>Credit</b>	<b>53.0</b>	<b>30.0</b>	<b>24.0</b>	<b>18.0</b>	<b>15.7</b>
<b>Debit</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Nonproduced nonfinancial assets	0.0	0.0	0.0	0.0	0.0
Capital transfers	53.0	30.0	24.0	18.0	15.7
Credit	53.0	30.0	24.0	18.0	15.7
Debit	0.0	0.0	0.0	0.0	0.0

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.

**Table 32**  
**Balance of Payments (C)**

(JD Million)

	2016 <sup>(1)</sup>	2017 <sup>(1)</sup>	2018 <sup>(1)</sup>	2019 <sup>(1)</sup>	2020 <sup>(1)</sup>
<b>Financial account</b>	<b>-2,438.3</b>	<b>-2,361.8</b>	<b>-2,811.7</b>	<b>-738.5</b>	<b>-1,892.1</b>
<b>Direct investment</b>	<b>-1,100.3</b>	<b>-1,436.4</b>	<b>-683.4</b>	<b>-487.3</b>	<b>-496.7</b>
Net acquisition of financial assets	2.3	4.7	-5.4	30.8	18.8
Net incurrence of liabilities	1,102.6	1,441.1	678.0	518.1	515.5
<b>Portfolio investment</b>	<b>-845.9</b>	<b>-676.7</b>	<b>129.6</b>	<b>757.3</b>	<b>-301.6</b>
Net acquisition of financial assets	22.0	10.8	22.1	22.5	-20.0
Net incurrence of liabilities	867.9	687.5	-107.5	-734.8	281.6
<b>Financial derivatives</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Other investment</b>	<b>291.0</b>	<b>-156.3</b>	<b>-1,581.7</b>	<b>-1,413.6</b>	<b>-1,881.0</b>
Net acquisition of financial assets	549.8	-10.1	-156.8	3.0	609.4
Other equity	9.6	11.4	13.4	10.3	0.2
Currency and deposits	503.0	62.8	-259.0	-33.4	700.3
Deposit - taking corporations, except central bank	666.7	157.0	-188.0	-54.4	753.9
Loans	2.7	20.4	155.1	19.1	-61.5
Deposit - taking corporations, except central bank - <i>Long term</i>	2.7	20.4	155.1	19.1	-61.5
Trade credit and advances	-12.1	15.6	-6.5	23.0	-41.3
Other sectors - <i>Short term</i>	-12.1	15.6	-6.5	23.0	-41.3
Other accounts receivable	71.8	10.1	-45.8	-10.0	-1.9
Monetary authorities - <i>Short term</i>	5.4	10.7	14.2	-13.7	-11.6
Deposit - taking corporations, except central bank - <i>Short term</i>	66.4	-0.6	-60.0	3.7	9.7
Insurance, pension, and standardized guarantee schemes	-25.2	-130.4	-14.0	-6.0	13.6
Nonlife insurance technical reserves	-24.0	-130.8	-13.2	-4.6	11.2
Life insurance and annuities entitlements	-1.2	0.4	-0.8	-1.4	2.4
<b>Net incurrence of liabilities</b>	<b>258.8</b>	<b>146.2</b>	<b>1,424.9</b>	<b>1,416.6</b>	<b>2,490.4</b>
Other equity	0.0	0.0	0.0	0.0	0.0
Currency and deposits	-408.7	321.1	1,189.2	592.5	1,249.4
Monetary authorities - <i>Short term</i>	-194.4	-102.8	748.6	-64.9	-60.8
Deposit - taking corporations, except central bank	-271.5	487.5	412.2	592.2	1,256.2
Loans	287.0	-110.7	223.1	817.8	1,393.9
Monetary authorities	-113.4	-270.7	-394.0	-186.6	381.0
Credit and loans with the IMF	-139.1	-293.9	-349.4	-175.7	349.7
Drawings	50.9	50.8	0.0	117.5	489.0
Repayments	-190.0	-344.7	-349.4	-293.2	-139.3
Other long-term	25.7	23.2	-44.6	-10.9	31.3
Drawings	44.8	39.1	0.0	41.1	56.9
Repayments	-19.1	-15.9	-44.6	-52.0	-25.6

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.



**Table 32**  
**Balance of Payments (D)**

(JD Million)

	2016 <sup>(1)</sup>	2017 <sup>(1)</sup>	2018 <sup>(1)</sup>	2019 <sup>(1)</sup>	2020 <sup>(1)</sup>
Deposit - taking corporations, except central bank - Long term	78.3	-37.4	113.0	40.8	208.3
General government - Long term	347.6	270.2	232.1	721.3	685.7
Drawings	664.9	618.8	601.0	1,074.8	1,008.6
Repayments	-317.3	-348.6	-368.9	-353.5	-322.9
Other sectors - Long term	-25.5	-72.8	272.0	242.3	118.9
Drawings	99.2	74.3	451.7	360.6	191.8
Repayments	-124.7	-147.1	-179.7	-118.3	-72.9
Trade credit and advances	285.2	14.2	-1.1	-36.3	-169.1
Other sectors - Short term	285.2	14.2	-1.1	-36.3	-169.1
Other accounts payable	64.5	-81.6	45.4	47.0	25.4
Deposit - taking corporations, except central bank - Short term	64.5	-81.6	45.4	47.0	25.4
Special drawing rights	0.0	0.0	0.0	0.0	0.0
Insurance, pension, and standardized guarantee schemes	30.8	3.2	-31.7	-4.4	-9.2
Nonlife insurance technical reserves	40.0	4.8	-2.5	-2.8	-7.2
Life insurance and annuities entitlements	-9.2	-1.6	-29.2	-1.6	-2.0
<b>Reserve assets</b>	<b>-783.1</b>	<b>-92.4</b>	<b>-676.2</b>	<b>405.1</b>	<b>787.2</b>
Monetary gold	32.8	268.3	-136.9	42.8	813.9
Special drawing rights	-29.5	-24.7	-20.4	-11.0	2.1
Reserve position in the IMF	0.0	0.0	0.0	0.0	0.0
Other reserve assets	-786.4	-336.0	-518.9	373.3	-28.8
Currency and deposits	17.2	32.8	526.6	455.2	705.0
Securities	-809.3	-379.9	-1,060.0	-68.1	-721.3
Deb Securities	-809.3	-379.9	-1,060.0	-68.1	-721.3
Other claims	5.7	11.1	14.5	-13.8	-12.5
<b>Net error and omissions</b>	<b>243.5</b>	<b>727.1</b>	<b>-732.1</b>	<b>-84.5</b>	<b>565.2</b>
<b>Memorandum Items</b>					
<b>Overall Balance <sup>(2)</sup></b>	<b>411.2</b>	<b>-706.8</b>	<b>-1,531.0</b>	<b>-1,001.1</b>	<b>-1,163.3</b>
<b>Financing, o/w:</b>	<b>-411.2</b>	<b>706.8</b>	<b>1,531.0</b>	<b>1,001.1</b>	<b>1,163.3</b>
Net Foreign Assets	-297.8	273.3	1,317.6	284.0	20.6
Central Bank	588.7	92.4	676.2	-405.1	-787.2
Commercial Banks	-886.5	180.9	641.4	689.1	807.8
International Monetary Fund (Net)	-139.1	-293.9	-349.4	-175.7	349.7
Arab Monetary Fund (Net)	25.7	23.2	-44.6	-10.9	31.3
Exceptional Financing	0.0	0.0	0.0	0.0	0.0

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.

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

Table 33

*External Trade by Economic Functions*

(JD Million)

	2016		2017		2018		2019		2020 <sup>(1)</sup>	
	Value	Weight	Value	Weight	Value	Weight	Value	Weight	Value	Weight
<b>Domestic Exports</b>	<b>4,396.5</b>	<b>100.0</b>	<b>4,504.2</b>	<b>100.0</b>	<b>4,674.7</b>	<b>100.0</b>	<b>4,995.7</b>	<b>100.0</b>	<b>5,044.4</b>	<b>100.0</b>
Consumer Goods	2,562.7	58.3	2,582.3	57.3	2,598.8	55.6	2,729.0	54.6	2,522.1	50.0
Crude Materials and Intermediate Goods	1,741.9	39.6	1,818.0	40.4	1,975.6	42.3	2,158.2	43.2	2,428.0	48.1
Capital Goods, o/w:	90.9	2.1	95.0	2.1	97.4	2.1	107.3	2.1	92.1	1.8
Parts and Accessories	15.2	0.3	10.9	0.2	9.0	0.2	11.9	0.2	11.4	0.2
Other goods	1.0	0.0	8.9	0.2	2.9	0.0	1.2	0.0	2.2	0.1
<b>Re-Exports</b>	<b>963.0</b>	<b>100.0</b>	<b>828.9</b>	<b>100.0</b>	<b>828.0</b>	<b>100.0</b>	<b>909.6</b>	<b>100.0</b>	<b>595.3</b>	<b>100.0</b>
Consumer Goods	194.7	20.2	183.5	22.1	183.2	22.1	163.6	18.0	145.4	24.4
Crude Materials and Intermediate Goods	176.6	18.3	178.2	21.5	250.0	30.2	258.1	28.4	209.8	35.2
Capital Goods, o/w:	585.8	60.8	462.9	55.8	393.5	47.5	474.6	52.2	211.4	35.5
Parts and Accessories	326.8	33.9	228.9	27.6	175.7	21.2	220.8	24.3	81.7	13.7
Other goods	5.9	0.6	4.3	0.5	1.3	0.2	13.3	1.5	28.7	4.8
<b>Imports</b>	<b>13,720.4</b>	<b>100.0</b>	<b>14,553.7</b>	<b>100.0</b>	<b>14,420.0</b>	<b>100.0</b>	<b>13,611.0</b>	<b>100.0</b>	<b>12,077.8</b>	<b>100.0</b>
Consumer Goods	4,715.1	34.4	4,755.2	32.7	4,276.4	29.7	4,046.1	29.7	4,186.3	34.7
Crude Materials and Intermediate Goods	6,602.6	48.1	6,993.0	48.0	7,651.0	53.1	7,025.0	51.6	5,425.6	44.9
Capital Goods, o/w:	2,181.0	15.9	2,549.5	17.5	2,236.9	15.5	2,270.1	16.7	1,829.4	15.1
Parts and Accessories	474.0	3.5	616.9	4.2	623.3	4.3	622.5	4.6	364.3	3.0
Other goods	221.7	1.6	256.0	1.8	255.7	1.8	269.8	2.0	636.5	5.3
<b>Trade Balance</b>	<b>-8,360.9</b>	<b>100.0</b>	<b>-9,220.6</b>	<b>100.0</b>	<b>-8,917.3</b>	<b>100.0</b>	<b>-7,705.7</b>	<b>100.0</b>	<b>-6,438.1</b>	<b>100.0</b>
Consumer Goods	-1,957.7	23.4	-1,989.4	21.6	-1,494.4	16.8	-1,153.5	15.0	-1,518.8	23.6
Crude Materials and Intermediate Goods	-4,684.1	56.0	-4,996.8	54.2	-5,425.4	60.8	-4,608.7	59.8	-2,787.8	43.3
Capital Goods, o/w:	-1,504.3	18.0	-1,991.6	21.6	-1,746.0	19.6	-1,688.2	21.9	-1,525.9	23.7
Parts and Accessories	-132.1	1.6	-377.1	4.1	-438.6	4.9	-389.8	5.1	-271.2	4.2
Other goods	-214.8	2.6	-242.8	2.6	-251.5	2.8	-255.3	3.3	-605.6	9.4

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.

**Table 34**  
*External Trade by Commodity According to S.I.T.C*

	Domestic Exports				Re-Exports				Imports			
	2017	2018	2019	2020 <sup>(1)</sup>	2017	2018	2019	2020 <sup>(1)</sup>	2017	2018	2019	2020 <sup>(1)</sup>
0. Food and Live Animals	727.1	649.6	668.0	695.8	62.9	123.8	42.8	46.4	2,461.8	2,420.5	2,405.5	2,532.6
1. Beverages and Tobacco	62.7	58.9	55.9	44.9	1.8	8.6	5.0	4.4	142.2	135.7	120.0	157.8
2. Crude Materials, Inedible, Except Fuels	711.1	744.8	778.8	707.9	4.6	10.0	7.2	10.8	229.1	251.5	253.1	268.4
3. Mineral Fuels, Lubricants and Related Materials	5.5	80.1	84.0	67.2	1.8	5.9	24.4	1.8	2,425.0	2,999.6	2,552.4	1,257.2
4. Animal and Vegetable Oils, Fats and Waxes	3.1	2.4	2.1	6.0	0.6	0.5	3.4	0.5	118.4	118.6	108.4	119.5
5. Chemicals	1,091.7	1,166.0	1264.9	1,475.5	119.5	129.6	113.0	97.9	1,479.2	1,576.8	1,550.4	1,645.9
6. Manufactured Goods Classified by Material	389.4	364.4	391.8	355.9	45.4	47.8	60.0	47.8	2,072.0	2,233.6	2,166.7	1,924.1
7. Machinery and Transport Equipment	158.7	183.4	150.3	135.3	498.3	405.0	489.9	247.6	3,946.4	3,289.6	3,172.2	2,571.4
8. Misc. Manufactured Articles	1,328.1	1,415.7	1513.6	1,293.1	76.6	90.2	88.8	59.2	1,063.2	971.2	950.2	881.3
9. Commodities and Transactions not Classified Elsewhere	26.8	9.4	86.3	262.8	17.4	6.6	75.1	78.9	616.4	422.9	332.1	719.6
<b>Total</b>	<b>4,504.2</b>	<b>4,674.7</b>	<b>4,995.7</b>	<b>5,044.4</b>	<b>828.9</b>	<b>828.0</b>	<b>909.6</b>	<b>595.3</b>	<b>14,553.7</b>	<b>14,420.0</b>	<b>13,611.0</b>	<b>12,077.8</b>

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.

Table 35

*Geographic Distribution of External Trade*

(JD Million)

	Domestic Exports					Imports				
	2016	2017	2018	2019	2020 <sup>(1)</sup>	2016	2017	2018	2019	2020 <sup>(1)</sup>
<b>Arab Countries, o/w:</b>	<b>2,141.9</b>	<b>2,075.2</b>	<b>2,030.4</b>	<b>2,078.6</b>	<b>2,015.6</b>	<b>3,138.2</b>	<b>3,472.1</b>	<b>3,850.7</b>	<b>3,605.3</b>	<b>2,852.6</b>
Saudi Arabia	646.6	571.5	503.7	549.0	576.0	1,673.8	1,954.1	2,392.5	2,265.8	1,490.5
Iraq	330.8	367.8	469.4	425.0	444.3	2.0	1.2	1.6	44.7	43.7
Syria	29.9	31.2	33.0	53.0	35.0	63.2	47.5	49.9	30.8	31.8
United Arab Emirates	237.3	203.5	184.3	186.4	183.0	623.7	705.6	584.7	367.9	448.9
Lebanon	96.3	84.5	76.0	80.0	55.2	67.1	53.2	52.4	56.9	51.7
Egypt	55.4	62.9	78.5	89.8	85.8	336.5	335.7	396.4	546.6	422.8
<b>European Union Countries, o/w:</b>	<b>116.7</b>	<b>124.1</b>	<b>141.7</b>	<b>144.6</b>	<b>153.5</b>	<b>3,288.4</b>	<b>3,201.5</b>	<b>3,123.9</b>	<b>2,751.8</b>	<b>2,480.1</b>
Italy	24.7	17.3	24.2	20.7	8.6	597.2	589.2	445.6	432.4	363.7
Netherlands	22.8	30.8	29.7	32.0	37.2	203.4	211.9	166.9	170.9	123.6
Germany	10.7	11.5	10.1	11.7	12.9	625.7	639.3	659.8	599.6	522.8
United Kingdom	16.3	16.8	15.2	11.9	17.1	197.4	239.7	172.7	162.9	153.6
France	4.3	6.6	9.7	4.9	3.7	331.2	299.1	338.7	301.9	190.4
<b>Other European Countries</b>	<b>16.3</b>	<b>17.4</b>	<b>11.9</b>	<b>38.4</b>	<b>179.3</b>	<b>539.6</b>	<b>492.1</b>	<b>532.4</b>	<b>401.2</b>	<b>395.5</b>
Russia	3.1	3.3	1.7	2.0	1.8	168.3	115.4	245.6	166.8	147.1
<b>NAFTA and South American Countries, o/w:</b>	<b>1,090.2</b>	<b>1,167.1</b>	<b>1,296.9</b>	<b>1,482.1</b>	<b>1,309.6</b>	<b>1,591.2</b>	<b>2,153.6</b>	<b>2,000.2</b>	<b>1,786.5</b>	<b>1,644.3</b>
USA	1,041.2	1,112.6	1,228.5	1,381.9	1,220.4	952.2	1,420.3	1,252.6	1,108.9	1,003.3
<b>Non-Arab Asian Countries, o/w:</b>	<b>785.8</b>	<b>840.8</b>	<b>943.0</b>	<b>970.3</b>	<b>1,073.5</b>	<b>4,552.4</b>	<b>4,514.0</b>	<b>4,350.0</b>	<b>4,681.0</b>	<b>4,243.2</b>
India	347.1	382.7	485.7	496.1	613.5	331.9	355.8	402.5	653.7	347.1
Turkey	64.5	73.7	57.7	31.2	53.3	472.2	484.3	547.5	394.6	396.9
South Korea	9.1	11.1	12.6	14.2	15.0	440.8	396.2	322.4	271.5	305.8
Japan	16.1	19.1	23.5	16.8	15.6	449.2	404.7	290.3	287.5	234.4
Taiwan	10.1	12.2	16.8	9.6	12.2	277.0	309.6	254.2	227.6	188.7
China	87.3	97.3	74.3	141.6	114.8	1,911.7	1,963.1	1,964.7	2,220.8	1,922.8
<b>Other Countries</b>	<b>245.6</b>	<b>279.6</b>	<b>250.8</b>	<b>281.7</b>	<b>312.9</b>	<b>610.6</b>	<b>720.4</b>	<b>562.8</b>	<b>385.2</b>	<b>462.1</b>
<b>Total</b>	<b>4,396.5</b>	<b>4,504.2</b>	<b>4,674.7</b>	<b>4,995.7</b>	<b>5,044.4</b>	<b>13,720.4</b>	<b>14,553.7</b>	<b>14,420.0</b>	<b>13,611.0</b>	<b>12,077.8</b>

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.

Table 36

*Price and Quantity Indices of Domestic Exports*

(1994=100)

	2016		2017		2018		2019		2020 <sup>(1)</sup>	
	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	322.7	249.9	322.3	251.1	396.6	183.7	260.6	279.0	302.5	252.4
1. Beverages and Tobacco	82.0	2,057.5	102.0	1,590.6	84.8	1,722.9	113.9	1,338.5	84.4	1,365.6
2. Crude Materials, Inedible, Except Fuels	285.4	119.7	260.7	129.0	258.4	138.3	256.8	143.9	256.7	132.9
4. Animal and Vegetable Oils and Fats	94.0	10.7	94.4	5.3	94.2	4.1	93.6	3.8	98.7	9.6
5. Chemicals	196.6	205.2	193.0	213.2	195.7	227.5	177.4	280.9	154.6	364.6
6. Manufactured Goods Classified by Material	175.0	249.5	179.7	253.2	200.9	233.1	146.7	311.9	145.1	284.7
7. Machinery and Transport Equipment	185.3	283.3	201.8	228.3	209.3	257.9	285.5	134.1	274.6	124.8
8. Misc. Manufactured Articles	258.5	1,271.8	317.5	1,048.7	415.1	857.7	379.2	989.1	393.1	831.9
<b>General Index</b>	<b>225.9</b>	<b>245.1</b>	<b>222.6</b>	<b>253.2</b>	<b>239.0</b>	<b>245.1</b>	<b>213.1</b>	<b>293.2</b>	<b>210.6</b>	<b>301.3</b>

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.

**Table 37**  
**Price and Quantity Indices of Imports**

(1994=100)

	2016		2017		2018		2019		2020 <sup>(1)</sup>	
	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	210.3	295.4	213.2	276.3	237.2	250.8	202.4	289.0	212.0	292.7
1. Beverages and Tobacco	122.6	861.9	139.7	736.8	118.3	849.0	100.2	865.3	106.5	1,056.4
2. Crude Materials, Inedible, Except Fuels	172.1	209.2	200.1	163.2	198.8	178.3	222.5	164.4	203.4	213.1
3. Mineral Fuels, Lubricants and Related Materials	351.8	205.1	415.2	192.5	504.0	197.8	450.2	180.9	303.5	172.7
4. Animal and Vegetable Oils and Fats	153.0	99.5	185.9	77.2	229.6	64.2	212.7	62.6	196.7	73.6
5. Chemicals	1,431.6	37.7	1,207.5	45.0	1,012.3	56.5	897.9	61.5	931.2	67.1
6. Manufactured Goods Classified by Material	172.1	284.6	199.8	244.1	218.6	240.4	177.7	281.8	188.1	235.9
7. Machinery and Transport Equipment	160.2	357.2	156.3	441.8	174.4	320.1	193.5	298.9	222.5	217.1
8. Misc. Manufactured Articles	283.2	257.0	262.1	278.0	268.2	245.8	317.8	217.2	297.9	231.5
<b>General Index</b>	<b>355.5</b>	<b>165.7</b>	<b>342.4</b>	<b>180.8</b>	<b>344.6</b>	<b>177.8</b>	<b>318.7</b>	<b>182.4</b>	<b>313.5</b>	<b>165.9</b>

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.

**Table 38**  
**International Investment Position**

(JD Million)

	2016 <sup>(1)</sup>	2017 <sup>(1)</sup>	2018 <sup>(1)</sup>	2019 <sup>(1)</sup>	2020 <sup>(1)</sup>
<b>International investment position, (net)</b>	<b>-26,896.6</b>	<b>-29,419.0</b>	<b>-32,149.6</b>	<b>-32,372.6</b>	<b>-33,951.2</b>
<b>Assets</b>	<b>18,538.1</b>	<b>18,708.7</b>	<b>17,859.6</b>	<b>18,517.6</b>	<b>20,253.5</b>
<b>Direct investment</b>	<b>434.9</b>	<b>439.5</b>	<b>434.1</b>	<b>464.9</b>	<b>483.7</b>
Equity capital and reinvested earnings	434.9	439.5	434.1	464.9	483.7
<b>Portfolio investment</b>	<b>462.3</b>	<b>473.1</b>	<b>495.2</b>	<b>517.6</b>	<b>497.6</b>
Equity securities	96.3	97.7	96.0	104.7	109.9
Banks	77.3	78.7	77.0	85.7	90.9
Other sectors	19.0	19.0	19.0	19.0	19.0
Debt securities	366.0	375.4	399.2	412.9	387.7
Bonds and notes	366.0	375.4	399.2	412.9	387.7
Banks	366.0	375.4	399.2	412.9	387.7
<b>Financial derivatives</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Other investments</b>	<b>6,623.0</b>	<b>6,748.7</b>	<b>6,595.3</b>	<b>6,615.2</b>	<b>7,247.4</b>
Trade credit	89.8	105.5	99.0	122.0	80.7
Other sectors	89.8	105.5	99.0	122.0	80.7
<b>Loans</b>	<b>1,246.7</b>	<b>1,267.1</b>	<b>1,422.2</b>	<b>1,441.3</b>	<b>1,379.8</b>
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	0.0	0.0	0.0	0.0	0.0
Banks	479.8	500.2	655.3	674.4	612.9
Long-term	167.2	150.0	154.9	186.4	195.2
Short-term	312.6	350.2	500.4	488.0	417.7
Other sectors	0.0	0.0	0.0	0.0	0.0
Currency and deposits	4,817.3	4,880.1	4,621.1	4,587.7	5,288.0
Banks	4,109.4	4,266.4	4,078.4	4,024.0	4,777.9
<b>Other assets</b>	<b>469.2</b>	<b>496.0</b>	<b>453.0</b>	<b>464.2</b>	<b>498.9</b>
Central bank of Jordan	330.7	358.1	375.1	382.6	407.6
Long-term	330.7	358.1	375.1	382.6	407.6
General government	0.0	0.0	0.0	0.0	0.0
Banks	138.5	137.9	77.9	81.6	91.3
Long-term	138.5	137.9	77.9	81.6	91.3
Other sectors	0.0	0.0	0.0	0.0	0.0
<b>Reserve assets</b>	<b>11,017.9</b>	<b>11,047.4</b>	<b>10,335.0</b>	<b>10,919.9</b>	<b>12,024.8</b>
Monetary gold	1,078.5	1,473.7	1,302.2	1,519.0	2,646.0
Special Drawing Rights	67.8	43.1	22.7	11.7	13.8
Reserve position in the fund	0.4	0.4	0.4	0.4	0.4
Foreign exchange	9,848.7	9,496.6	8,961.6	9,354.5	9,342.8
Currency and deposits	4,828.4	4,856.1	5,381.2	5,842.3	6,551.7
Securities	5,020.3	4,640.5	3,580.4	3,512.2	2,791.1
Bonds and notes	4,737.6	3,914.3	3,149.6	2,772.7	2,791.1
Money-market instruments	282.7	726.2	430.8	739.5	0.0
Other Claims	22.5	33.6	48.1	34.3	21.8

Source : Central Bank of Jordan/ Monthly Statistical Bulletin.

(1) : Preliminary.

Table 38

*International Investment Position (Continued)*

(JD Million)

	2016 <sup>(1)</sup>	2017 <sup>(1)</sup>	2018 <sup>(1)</sup>	2019 <sup>(1)</sup>	2020 <sup>(1)</sup>
<b>Liabilities</b>	<b>45,434.7</b>	<b>48,127.7</b>	<b>50,009.2</b>	<b>50,890.2</b>	<b>54,204.8</b>
<b>Direct investment</b>	<b>22,835.4</b>	<b>24,317.8</b>	<b>24,931.0</b>	<b>25,389.7</b>	<b>25,954.5</b>
Equity capital and reinvested earnings	22,835.4	24,317.8	24,931.0	25,389.7	25,954.5
<b>Portfolio investment</b>	<b>7,549.1</b>	<b>8,209.8</b>	<b>8,002.3</b>	<b>7,012.4</b>	<b>7,202.6</b>
Equity securities	3,261.9	2,907.1	2,846.6	2,707.1	2,544.5
Banks	2,310.1	1,906.4	1,816.6	1,721.3	1,626.3
Other sectors	951.8	1,000.7	1,030.0	985.8	918.2
Debt securities	4,287.2	5,302.7	5,155.7	4,305.3	4,658.1
Bonds and notes	4,287.2	5,302.7	5,155.7	4,305.3	4,658.1
General Government	4,256.3	5,282.1	5,145.4	4,305.3	4,658.1
Other Sectors	30.9	20.6	10.3	0.0	0.0
<b>Financial derivatives</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Other investments</b>	<b>15,050.2</b>	<b>15,600.1</b>	<b>17,075.9</b>	<b>18,488.1</b>	<b>21,047.8</b>
Trade credit	843.8	832.7	831.6	795.3	626.2
General Government	0.0	0.0	0.0	0.0	0.0
Other sectors	843.8	832.7	831.6	795.3	626.2
Short-term	843.8	832.7	831.6	795.3	626.2
Loans	6,593.0	6,841.0	7,115.5	7,990.7	9,492.0
Central Bank of Jordan	1,240.4	1,035.2	623.4	433.3	846.9
Use of IMF credit & loans	1,137.4	901.4	536.6	358.5	736.7
Other long-term	103.0	133.8	86.8	74.8	110.2
General Government	3,813.1	4,228.9	4,527.8	5,251.2	5,976.9
Long-term	3,813.1	4,228.9	4,527.8	5,251.2	5,976.9
Banks	92.4	55.0	168.0	208.8	417.1
Short-term	92.4	55.0	168.0	208.8	417.1
Other sectors	1,447.1	1,521.9	1,796.3	2,097.4	2,251.1
Long-term	1,447.1	1,521.9	1,796.3	2,097.4	2,251.1
Currency and deposits	7,188.4	7,573.1	8,733.9	9,261.1	10,456.6
Central Bank of Jordan	766.8	664.0	1,412.6	1,347.7	1,286.9
Banks	6,066.9	6,554.4	6,966.6	7,558.7	8,815.0
Other liabilities	425.0	353.3	394.9	441.0	473.0
Banks	271.3	189.7	235.1	282.1	307.5
Short-term	271.3	189.7	235.1	282.1	307.5
Other liabilities	153.7	163.6	159.8	158.9	165.5
Other long-term	153.7	163.6	159.8	158.9	165.5
SDR's allocation	153.7	163.6	159.8	158.9	165.5

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)**

**Amman - The Hashemite Kingdom of Jordan**

### **Report on the audit of financial statements**

#### ***Qualified Opinion***

We have audited the accompanying financial statements of **Central Bank of Jordan (the "Bank")**, which comprise the statement of financial position as at December 31, 2020, and the related statements of profit or loss and other comprehensive income, changes in capital and reserves and cash flows for the year then ended, and notes, comprising significant accounting policies.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph below, the financial statements as at December 31, 2020, are presented in all material respects in accordance with International Financial Reporting Standards (IFRS) as amended by Central Bank of Jordan law and its instructions.

#### ***Basis of Qualified Opinion***

As stated in Note (10) to the accompanying financial statements, the Bank's assets include overdue debts since years against Central Bank of Iraq in the amount of JD 766,882,210 as of December 31, 2020 and 2019 which resulted from commercial exchange and repayment facility agreements. The recoverability of these debts depends on the final outcome of the related negotiations between the Governments of Jordan and Republic of Iraq. 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, this balance was classified as stage 1 knowing that it should be classified as stage 3 in accordance to the requirements of International Financial Reporting Standard (9). Our report to the Bank as of and for the year ended December 31, 2019 included a qualified opinion regarding this matter.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the financial statements in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

***Emphasis of Matter Paragraph***

We draw attention to note (2) to the accompanying financial statements which describes the basis of preparation of these financial statements. As explained in that note, these financial statements are prepared to assist the Bank in complying with the financial provisions of Central Bank of Jordan Law number (23) for the year 1971, its amendments and the instructions issued by Central Bank of Jordan, and due to this fact, the financial statements are not fully prepared in accordance with IFRS as mentioned in note (2) to the accompanying financial statements. As a result, the financial statements of the Central Bank of Jordan may not be suitable for another purpose. Our opinion is not qualified in respect of this matter.

***Other Information***

Management is responsible for other information. Other information consists of information stated in the annual report other than the financial statements and the auditor report on them. We expect that we will be provided with the annual report on a date that is subsequent to the date of our opinion.

Our opinion on the financial statements does not include other information, accordingly we do not provide any assurance on it.

Through our audit of the financial statements, our responsibility is to read other information when it becomes available for us, were we take in consideration of the other information is substantially inconsistent with the financial statements or information concluded through our audit, in case it found material misstatements in this information, which required reporting on this information. We have not been provided with the annual report for the Bank or other information related to this year up to the date of this report.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) as amended by Central Bank of Jordan laws and Central Bank of Jordan instructions, 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 with the condition of non-existence of factual or legal difficulties that prevent the Bank from doing this.

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

***Auditors' 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 auditors' report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 International Standards on Auditing, 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 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 auditors' 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 auditors' 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 also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards if any.

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.

**Amman – Jordan**

**June 23, 2021**

**Kawasmy and Partners**

**KPMG**

Hatem Kawasmy

License No. (656)

**Statement (A)**

**CENTRAL BANK OF JORDAN**  
**(ESTABLISHED BY A SPECIAL LAW)**  
**AMMAN - THE HASHEMITE KINGDOM OF JORDAN**  
**STATEMENT OF FINANCIAL POSITION**

	Note	December 31,	
		2020	2019
<u>ASSETS</u>		JD	JD
<b>Gold and Assets in foreign currencies :</b>			
Gold	6/K	2,646,002,924	1,518,973,289
Cash, balances and deposits	7	6,551,728,197	5,842,251,445
Foreign financial securities at fair value through profit or loss	8	70,937,268	141,946,388
Foreign financial securities at amortized cost	9	2,720,055,110	3,373,251,577
Past due credit facilities and commercial exchange agreements	10	766,882,210	766,882,210
Special drawing rights	11	13,846,865	11,658,020
Foreign financial assets at fair value through other comprehensive income	12	407,593,088	382,606,729
Micellaneous other assets in foreign currencies	13	21,832,797	31,406,171
<b>Total Assets in Foreign Currencies</b>		<b>13,198,878,459</b>	<b>12,068,975,829</b>
<b>Assets in Jordanian Currency :</b>			
Financial securities and others	14	578,541,465	472,466,218
Advances granted to local banks and financial institutions	15	1,672,221,594	762,456,160
Financial assets in local currency at fair value through other comprehensive income	16	45,290,081	30,331,237
Financing of financial securities repurchase agreements	17	455,000,000	310,000,000
Property, equipment and software (Net)	18	23,221,575	22,803,485
Micellaneous other assets in Jordanian currency	19	50,294,020	40,867,321
<b>Total Assets in Jordanian Dinar</b>		<b>2,824,568,735</b>	<b>1,638,924,421</b>
<b>TOTAL ASSETS</b>		<b>16,023,447,194</b>	<b>13,707,900,250</b>
<b>Off-balance sheet accounts</b>	44/C	<b>758,705,459</b>	<b>736,033,770</b>

THE ACCOMPANYING NOTES FROM (1) TO (46) ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.  
 THE FINANCIAL STATEMENTS HAVE BEEN APPROVED BY THE BOARD ON JUNE 10, 2021.

	Note	December 31,	
		2020	2019
<b>LIABILITIES, CAPITAL AND RESERVES</b>		<b>JD</b>	<b>JD</b>
Currency issued	20	6,496,496,199	5,162,007,727
<b>Liabilities in Foreign currencies :</b>			
Local licensed banks and financial institutions' deposits		737,278,652	760,147,407
Government deposits	23/A	93,356,415	53,714,305
Government with independent budgets deposits and public institutions deposits		12,158,217	6,460,354
Foreign financial institutions, banks and agencies deposits	23/B	1,287,850,765	1,346,116,347
Obligations against special drawing rights	21	165,498,430	158,898,914
Deposits and other liabilities in foreign currencies		28,564,056	9,692,685
<b>Total Liabilities in Foreign Currencies</b>		<b>2,324,706,535</b>	<b>2,335,030,012</b>
<b>Liabilities in Jordanian Currency :</b>			
Certificates of deposits	22	-	500,000,000
Local licensed banks and financial institutions' deposits		5,640,753,003	4,636,553,405
Government deposits	23	180,739,827	168,596,083
Government with independent budgets deposits and Public institutions		127,034,752	168,035,196
International Monetary Fund accounts	24	216,858,271	219,984,588
Foreign financial institutions, banks and agencies' deposits	23/C	1,812,493	1,324,012
Other liabilities in Jordanian currency	25	196,852,339	83,637,495
Gold and foreign currencies valuation differences	26	369,982,981	52,520,958
<b>Total Liabilities in Jordanian Currency</b>		<b>6,734,033,666</b>	<b>5,830,651,737</b>
<b>Capital and Reserves :</b>			
Capital		48,000,000	48,000,000
General reserve	27	25,090,230	10,084,848
Financial assets revaluation reserve	28	160,141,331	135,646,693
Special reserves	29	234,979,233	186,479,233
<b>Total Capital and Reserves</b>		<b>468,210,794</b>	<b>380,210,774</b>
<b>Total Liabilities Capital and Reserves</b>		<b>16,023,447,194</b>	<b>13,707,900,250</b>
<b>Off-balance sheet accounts</b>	44/C	<b>758,705,459</b>	<b>736,033,770</b>

THE ACCOMPANYING NOTES FROM (1) TO (46) ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.  
THE FINANCIAL STATEMENTS HAVE BEEN APPROVED BY THE BOARD ON JUNE 10, 2021.

**CENTRAL BANK OF JORDAN**  
**(ESTABLISHED BY A SPECIAL LAW)**  
**AMMAN - THE HASHEMITE KINGDOM OF JORDAN**  
**STATEMENT OF PROFIT OR LOSS**

	Note	For the Year Ended December 31,	
		2020	2019
		JD	JD
<b>Revenues :</b>			
Revenue from foreign investments	30	219,258,425	262,459,321
Revenue from local investments	31	39,096,310	24,393,483
Micellaneous other revenue	32	6,084,789	5,826,846
<b>Total Revenues</b>		<b>264,439,524</b>	<b>292,679,650</b>
<b>Expenses :</b>			
Interest paid on certificates of deposits and licensed banks' overnight window deposits	33	49,962,846	73,893,524
Interest paid on Government and Public institutions accounts		9,159,422	12,163,524
Interest paid on foreign financial institutions, banks and agencies' accounts		14,262,515	33,373,686
Other interest, commissions and expenses	34	4,993,877	6,275,779
Cost of issuance and amortization of currency notes and minted coins	Q/6	4,247,051	2,012,512
General and administrative expenses	35	39,528,766	38,318,601
Expected credit losses	36	6,003,116	609,105
Present value provision	14	12,755,018	-
<b>Total Expenses</b>		<b>140,912,611</b>	<b>166,646,731</b>
Gains from valuation of the Bank's assets and liabilities from gold and foreign currencies	26	317,462,023	179,881,672
<b>Profit before the adjustment of the impact in the treatment of gold and foreign currencies</b>		<b>440,988,936</b>	<b>305,914,591</b>
(Gains) from valuation of the Bank's assets and liabilities in gold and foreign currencies Transferred as per the Bank's Law	26	(317,462,023)	(179,881,672)
<b>Profit after the adjustment of the impact in the treatment of gold and foreign currencies - Statement (B)</b>		<b>123,526,913</b>	<b>126,032,919</b>
Transferred to special reserve as per the Bank's law	29	48,500,000	85,000,000
Transferred to public treasury as per the Bank's law	27	60,021,531	32,826,335
Transferred to general reserve as per the Bank's law	27	15,005,382	8,206,584

THE ACCOMPANYING NOTES FROM (1) TO (46) ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.  
 THE FINANCIAL STATEMENTS HAVE BEEN APPROVED BY THE BOARD ON JUNE 10, 2021.

**Statement (C)**

**CENTRAL BANK OF JORDAN  
(ESTABLISHED BY A SPECIAL LAW)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
STATEMENT OF OTHER COMPREHENSIVE INCOME**

	<b><u>Note</u></b>	<b><u>For the Year Ended December 31,</u></b>	
		<b><u>2020</u></b>	<b><u>2019</u></b>
		<b><u>JD</u></b>	<b><u>JD</u></b>
<b>Profit after the adjustment of the impact in the treatment of gold and foreign currencies - Statement (B)</b>		<b>123,526,913</b>	<b>126,032,919</b>
Other Comprehensive income items:			
Change in financial assets revaluation reserve through other comprehensive income	28	24,494,638	3,249,786
<b>Total Comprehensive Income - Statement (C)</b>		<b><u>148,021,551</u></b>	<b><u>129,282,705</u></b>

THE ACCOMPANYING NOTES FROM (1) TO (46) ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.  
THE FINANCIAL STATEMENTS HAVE BEEN APPROVED BY THE BOARD ON JUNE 10, 2021.



**Statement (D)**

**CENTRAL BANK OF JORDAN**  
**(ESTABLISHED BY A SPECIAL LAW)**  
**AMMAN - THE HASHEMITE KINGDOM OF JORDAN**  
**STATEMENT OF CHANGES IN CAPITAL AND RESERVES**

	Capital	General Reserve (Note 27)	Financial Assets Revaluation Reserve	Special Reserves (Note 29)	Profit as per the Bank's Law	Total
<b><u>For the Year Ended December 31, 2020</u></b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Balance at the beginning of the year	48,000,000	10,084,848	135,646,693	186,479,233	-	380,210,774
Profit after the adjustment of the impact in the treatment of gold and foreign currencies - Statement (B)	-	-	-	-	123,526,913	123,526,913
Change in financial assets' fair value	-	-	24,494,638	-	-	24,494,638
<b>Total Comprehensive Income - Statement (C)</b>	<b>-</b>	<b>-</b>	<b>24,494,638</b>	<b>-</b>	<b>123,526,913</b>	<b>148,021,551</b>
Transferred to general reserve	-	15,005,382	-	-	(15,005,382)	-
Transferred to special reserves against the decrease in the Bank's assets	-	-	-	48,500,000	(48,500,000)	-
Transferred to public treasury	-	-	-	-	(60,021,531)	(60,021,531)
<b>Balance at the end of the year</b>	<b>48,000,000</b>	<b>25,090,230</b>	<b>160,141,331</b>	<b>234,979,233</b>	<b>-</b>	<b>468,210,794</b>
<b><u>For the Year Ended December 31, 2019</u></b>						
Balance at the beginning of the year	48,000,000	1,878,264	132,396,907	101,479,233	-	283,754,404
Profit after the adjustment of the impact in the treatment of gold and foreign currencies - Statement (B)	-	-	-	-	126,032,919	126,032,919
Change in financial assets' fair value	-	-	3,249,786	-	-	3,249,786
<b>Total Comprehensive Income - Statement (C)</b>	<b>-</b>	<b>-</b>	<b>3,249,786</b>	<b>-</b>	<b>126,032,919</b>	<b>129,282,705</b>
Transferred to general reserve	-	8,206,584	-	-	(8,206,584)	-
Transferred to special reserves against the decrease in the Bank's assets	-	-	-	85,000,000	(85,000,000)	-
Transferred to public treasury	-	-	-	-	(32,826,335)	(32,826,335)
<b>Balance at the end of the year</b>	<b>48,000,000</b>	<b>10,084,848</b>	<b>135,646,693</b>	<b>186,479,233</b>	<b>-</b>	<b>380,210,774</b>

THE ACCOMPANYING NOTES FROM (1) TO (46) ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.  
 THE FINANCIAL STATEMENTS HAVE BEEN APPROVED BY THE BOARD ON JUNE 10, 2021.

**Statement (E)**

**CENTRAL BANK OF JORDAN**  
**(ESTABLISHED BY A SPECIAL LAW)**  
**AMMAN - THE HASHEMITE KINGDOM OF JORDAN**  
**STATEMENT OF CASH FLOWS**

	Note	For the Year Ended December 31,	
		2020	2019
		JD	JD
Profit for the year after the adjustment of the impact in the treatment of gold and foreign currencies - Statement (B)		440,988,936	305,914,591
Adjustments:			
Depreciation of property, equipment and software	18	3,617,112	3,036,830
Losses (Gains) from sale of property, equipment and software		281	(747)
(Gains) Losses from valuation of the Bank's assets of gold	26	(313,051,517)	(174,002,930)
(Gains) from the valuation of the Bank's assets and liabilities in foreign currencies	26	(4,410,506)	(5,878,742)
Expected credit losses	36	6,003,116	609,105
Present value Impairment loss against financial securities	14	12,755,018	-
<b>Net Profit before the change in assets and liabilities</b>		<b>145,902,440</b>	<b>129,678,107</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
(Increase) Decrease in deposits in foreign banks and financial institutions mature in more than 3 months		(1,111,003,000)	470,160,528
Decrease in micellaneous other assets in foreign currencies		9,573,374	15,233,976
(Increase) in micellaneous other assets in Jordanian Dinar		(9,558,848)	(3,961,541)
(Decrease) in licenced banks deposits and local financial institutions in foreign currencies		(22,868,755)	(79,564,967)
Increase (Decrease) in government deposits in foreign currencies		39,642,110	(5,061,084)
Increase (Decrease) in government with independent budgets deposits and public institutions deposits in foreign currencies		5,697,863	(147,780)
(Decrease) in foreign financial institutions, banks and agencies deposits in foreign currencies mature in more than 3 months		(14,408,953)	(102,755,410)
Increase (Decrease) in obligations against special drawing rights		6,599,516	(914,078)
Increase in deposits and other liabilities in foreign currencies		18,871,371	5,918,206
Increase in deposits of local licensed banks and financial institutions - Jordanian Dinar		1,004,199,598	629,279,954
Increase (Decrease) in government deposits - Jordanian Dinar		12,143,744	(118,281,783)
(Decrease) Increase in government with independent budgets deposits and public institutions - Jordanian Dinar		(41,000,444)	6,537,446
(Decrease) Increase in International Monetary Fund accounts		(3,126,317)	114,116,702
Increase (Decrease) in foreign financial institutions, banks and agencies deposits		488,481	(82,090)
(Decrease) Increase in special drawing rights		(2,188,845)	11,088,624
Increase (Decrease) in other liabilities - Jordanian Dinar		113,214,844	(7,275,897)
<b>Net Cash Flows from Operating Activities</b>		<b>152,178,179</b>	<b>1,063,968,913</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Decrease in foreign financial securities at fair value through profit or loss		71,009,120	127,046,178
Decrease (Increase) in foreign financial securities at amortized cost		650,247,268	(60,421,393)
(Increase) in financial securities and others in Jordanian Dinar		(118,615,950)	(62,477,550)
(Increase) in advances granted to local banks and financial institutions		(910,317,496)	(261,733,940)
(Increase) in foreign financial assets at fair value through other comprehensive income		(8,631,399)	(4,323,367)
(Increase) in local financial assets at fair value through other comprehensive income		(6,819,166)	-
(Increase) in gold		(814,004,669)	(42,782,423)
Purchase of property, equipment and software	18	(4,036,577)	(6,900,498)
Proceeds from sale of property, equipment and software		1,094	24,031
<b>Net Cash Flows (used in) Investing Activities</b>		<b>(1,141,167,775)</b>	<b>(311,568,962)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Increase in currency issued		1,334,488,472	359,576,912
Transferred to treasury account		(60,021,531)	(32,826,335)
<b>Net Cash Flows from Financing Activities</b>		<b>1,274,466,941</b>	<b>326,750,577</b>
Decrease (Increase) from valuation of the Bank's assets and liabilities in foreign currencies		4,410,506	5,878,742
Net Increase in cash and cash equivalent		<b>289,887,851</b>	<b>1,085,029,270</b>
Cash, Balances and Deposits at the beginning of the year		4,420,713,548	3,335,684,278
<b>Cash, Balances and Deposits - at the ending of the Year</b>	<b>7</b>	<b>4,710,601,399</b>	<b>4,420,713,548</b>

THE ACCOMPANYING NOTES FROM (1) TO (46) ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.  
 THE FINANCIAL STATEMENTS HAVE BEEN APPROVED BY THE BOARD ON JUNE 10, 2021.

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

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**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 is mainly located in Amman, with two branches in Irbid and Aqaba.
- The total number of employees in the Central Bank of Jordan as of the end of 2020 is (823).
- The accompanying financial statements have been approved by the Board of Directors on its meeting held on June 10, 2021.

**2- Basis of Preparation of the Financial Statements**

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and related interpretations as amended by Central Bank of Jordan Law and Central Bank of Jordan instructions, and in case of any difference between International Financial Reporting Standards and Central Bank of Jordan Law then financial statements will be complied to the Central Bank of Jordan Law.

The main differences between IFRS and Central Bank of Jordan Law and Central Bank of Jordan 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% of the net profit for the government.
- b- All net profits are paid to the government when the general reserve exceeds the double of 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, 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.

- The financial statements have been prepared on the historical cost basis except for the financial assets and liabilities measured at fair value as of the date of the financial statements. The accompanying financial statements represents the combined financial statements of the Bank and its branches in Irbid and Aqaba.

**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, estimates, and assumptions that affect the amounts of financial assets and financial liabilities and to disclose potential liabilities. Moreover, these estimates and judgments affect revenues, expenses, provisions, in general, expected credit losses, as well as changes in fair value that appear in the statement of comprehensive income and within 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:

**Tangible and intangible assets useful life**

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

**Litigation provision**

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

**Assets and liabilities at cost**

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

**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).

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, and how asset managers are compensated. The Bank monitors financial assets measured at amortized cost or fair value through other comprehensive income and derecognized before maturity to understand the reason for derecognition and whether the reasons are consistent with the objective of the business held. In this respect, control is part of the Bank's continuous assessment of whether the business model under which the remaining financial assets are retained is appropriate, and whether it is inappropriate if there is a change in the business model, and therefore, a future change is made in the classification of those assets.

Significant increase in credit risk

The expected credit loss is measured as an allowance equivalent to the expected credit loss of (12) months for the assets of the 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).

Establish groups of assets with similar credit risk characteristics

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

Re-division of portfolios and movements between portfolios

The re-division of portfolios and movements between portfolios is more common when credit risk increases significantly (or when such a large increase is reflected). Therefore, assets are transferred from expected credit losses of between (12) months to another portfolio or vice versa. However, this may happen within the portfolios that continue to be

measured on the same basis as expected credit losses for a 12-month period or a lifetime, but the amount of the expected credit loss changes due to the varying credit risk of portfolios.

#### Models and assumptions used

The Bank uses various models and assumptions in measuring the fair value of financial assets as well as in assessing the expected credit loss described in note (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. In the absence of level 1 inputs, the Bank conducts evaluations using professionally qualified independent evaluators. The Bank works closely with qualified external evaluators to develop appropriate valuation and data valuation techniques.

##### b- Fair value measurement

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

##### 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:

During the year 2020 according to the best available information and the uncertainties about the pandemic, and after taking into account the conduct of several internal tests to assess the extent of the Bank's ability to withstand the expected impact of the Covid-19 pandemic, and accordingly, the Bank made an amendment to the approved mechanism for calculating the expected credit losses (ECL) on the Bank's financial instruments, which led to changes in the value of the average probability of default (PD) as well as the credit rating degrees for the various credit stages and levels, which resulted in an increase in the value of the Bank's credit loss provisions at the end of 2020 amounting to about (6) million Jordanian Dinars, and the Bank is constantly evaluating the measures taken during the year 2021.

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. Management expects greater clarity of the impact of Covid-19 pandemic on the Bank's business results during the year 2021.

**5- Changes in Accounting Policies****a- The Application of New and Amended International Standards**

The following new and revised International Financial Reporting Standards were adopted, effective starting from or after January 1, 2020, when preparing the financial statements for the Bank, which did not significantly affect the amounts and disclosures stated in the financial statements for the year and prior years, noting that they may have an impact on the accounting treatments of future transaction and arrangements:

<b><u>New and revised standards</u></b>	<b><u>Amendments to new and revised IFRSs</u></b>
	These modifications relate to the definition of Material.
Amendments to IAS (1) “Presentation of Financial Statements” (Effective from January 1 <sup>st</sup> , 2020)	These amendments clarify the definition of business as the IASB published the revised “Conceptual Framework for Financial Reporting”. This includes revised definitions of assets and liabilities as well as new guidance on measurement, derecognition, presentation and disclosure.
	In addition to the revised conceptual framework, the IASB issued amendments to the references to the conceptual framework in the International Financial Reporting Standards. The document contains amendments to IFRS (2, 3, 6 and 14) and IAS (1, 8, 34, 37 and 38), IFRS Interpretations (12 and 19), Interpretation (20, 22) and IFRIC (32) to update those statements in relation to references and quotations from the Framework or to refer to a different copy from the conceptual framework.
Amendments to IFRS (3) “Business Combinations” (Effective from January 1 <sup>st</sup> , 2020)	This amendment redefines commercial business. According to the comments received by the IASB, the application of the current guidance is believed to be too complex and result in too many transactions qualifying for classification as business combinations.
Amendment to the Interest Rate Benchmark (Amendments to IFRS 9, IAS 39 and IFRS 7) (Effective from January 1 <sup>st</sup> , 2020)	“Interest Rate Benchmark Reform” - These amendments provide some relief in connection with the benchmark interest rate reform. These exemptions relate to hedge accounting and have the effect of reforming the interbank rate (LIBOR) which generally should not cause hedge accounting to be terminated. However, any ineffective hedge must continue to be recorded in the statement of comprehensive income. Given the broad nature of hedges that Involving EIBOR-based contracts, the exemptions will affect companies in all industries.
Leases Privileges (Effective from June 1 <sup>st</sup> , 2020)	Amendments to IFRS 16 COVID-19-Related Rent Concessions (Amendment to IFRS 16).

**b- New and revised International Financial Reporting Standards issued and not yet effective**

The Bank has not applied the new and revised IFRSs listed below that are issued but not yet effective as of the date of the financial statements. The details are as follows:

<b>New and revised standards</b>	<b>Effective date</b>
Adjustment of the interest rate benchmark - the second stage (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).	January 1 <sup>st</sup> 2021
Losing Contracts (a contract in which the total cost required to fulfill the contract is higher than the economic benefit that could be obtained from it) - the cost of implementing the contract (Amendments to IAS 37).	January 1 <sup>st</sup> 2022
Annual Amendments to International Financial Reporting Standards 2018-2020	January 1 <sup>st</sup> 2022
Property and equipment: the proceeds before the intended or intended use of property and equipment (Amendments to IAS 16).	January 1 <sup>st</sup> 2022
Reference to Conceptual Framework (Amendments to IFRS 3)	January 1 <sup>st</sup> 2022
Classification of liabilities into current or non-current liabilities (Amendments to IAS 1).	January 1 <sup>st</sup> 2023
IFRS (17) "Insurance Contracts" and amendments to IFRS (17) "Insurance Contracts"	January 1 <sup>st</sup> 2023
Sale or grant of assets between an investor and an associate or joint venture (amendments to IFRS 10 and IAS 28).	Available for optional application / Application date postponed indefinitely

Management expects to apply these new standards, interpretations, and amendments to the financial statements of the Bank when they are applicable which will not have material impact on the Bank's financial statements.

**6- Significant Accounting Policies**

The accounting policies applied by the bank in these financial statements for the year ended December 31, 2020 are the same as those applied by the Bank in its financial statements for the year ended December 31, 2019, except for International Financial Reporting Standards amendments and improvements that become effective on and after January 1, 2020 disclosed in note (5) which did not have material impact on the Bank's financial statements on the application.

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 statement of profit or losses using the effective interest method. Interest on financial instruments measured at fair value through the profit or loss 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 statement of income also includes the effective portion of fair value changes of derivatives designated as hedging instruments in cash flow hedges of interest rate risk. For fair value hedges of interest rate risk related to interest income and expense, the effective portion of the fair value changes of the designated derivatives, as well as the fair value changes of the designated risk of the hedged item, are also included in interest income and expense, interest expenses also include the interest expenses against the lease liabilities.

#### **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 fair value hedge accounting relationships, the gains and losses on the hedging instrument are presented in the same line in the statement of income as the hedged item.

For designated and effective cash flow and net investment hedge accounting relationships, the gains and losses of the hedging instrument, including any hedging ineffectiveness included in the statement of income, are presented in the same line as the hedged item that affects the statement of income.

**E- Dividends Income**

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

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

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

**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 customer's overdrafts are recognized once booked on the customer's account.

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

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

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

After initial recognition, the deferred gain or loss will be recognized in the statement of profit or loss 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 profit or loss.

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

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

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

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

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

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

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

### **Assessment of Business 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.
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- How the business managers are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

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

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

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

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

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



In assessing whether the contractual cash flows are SPPI, the 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.
- Terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse loans).

### **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 statement of profit or loss.

### **Reclassifications**

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

### **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 statement of financial position (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 allowance at an amount equal to:

- 12-month expected credit loss, i.e. lifetime expected credit loss that results from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- 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 statement of profit or loss. 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 allowance is based on 12-month or lifetime expected credit loss, as default is a component of the probability of default (PD) which affects both the measurement of expected credit losses and the identification of a significant increase in credit risk below.

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

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

### **Significant Increase in Credit Risk**

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

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

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

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

### **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 substantially different 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 substantial modification, then;
- A quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

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

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

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

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

**Write-off**

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

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

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

- For financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
  - For debt instruments measured at fair value through other comprehensive income: no loss allowance is recognized in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the 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 provision 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.

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



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

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

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

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

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

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

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

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

For issued loan commitments and financial guarantee contracts designated as at fair value through profit or loss, all gains and losses are recognized in the 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 income, the Bank assesses whether it expects that the effects of changes in the liability's credit risk will be offset in the statement of income by a change in the fair value of another financial instrument measured at fair value through profit or loss.

### **Other Financial Liabilities**

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

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

### **Derecognition of Financial Liabilities**

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

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

### **Credits and Advances Granted**

- Loans granted to local banks and financial institutions are excluded from the requirements of international financial reporting standards requirements 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 allowance is recorded in the profit or loss list .

### **Derivative Financial Instruments**

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

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

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

### **Embedded Derivatives**

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 profit or loss.

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

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

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at the higher of:

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

Commitments to provide a loan below market rate not designated at fair value through profit or loss 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 statement of Profit or loss 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 Central Bank of Jordan 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 statement of profit or loss.

#### **Hedge Accounting**

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

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

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

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

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

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

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

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

### **Fair Value Hedges**

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

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

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

### **Cash Flow Hedges**

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

Amounts previously recognized in other comprehensive income and accumulated in change in capital and reserves are reclassified to the statement of profit or loss 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 statement of income or loss.

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

**Hedges of Net Investments in Foreign Operations**

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

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to the statement of 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 statement of profit or loss, 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 recognised 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- 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.

**K- 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 Central Bank on the last working day of the year amounting to JD 1,340.180 per ounce as of December 31, 2020, the ounces quantity is 1,974,364 (JD 1,080.100 per ounce as of December 31, 2019 the ounces quantity was 1,406,327).

**Jordanian Dinar**

This item consists of the following:

	December 31,	
	2020	2019
<b>Bank's reserve from gold</b>	<b>2,646,002,924</b>	<b>1,518,973,289</b>
Include: Gold deposits	120,589,568	19,441,735

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 2020. The movements on each of the balances Gold deposits and provision for credit losses expected for the balances of these accounts according to the stages of classification according to the Bank's internal system:

The movement on gold deposit balances subject to the expected credit loss measurement on individual level is as follows:

Jordanian Dinar		December 31, 2020		
Item	Stage 1	Stage 2	Stage 3	Total
Beginning balance	19,441,800	-	-	19,441,800
Debit transactions during the year	346,438,600	-	-	346,438,600
Credit transactions during the year	(256,628,580)	-	-	(256,628,580)
	109,251,820	-	-	109,251,820
Gold valuation gains	11,364,380	-	-	11,364,380
<b>Ending Balance</b>	<b>120,616,200</b>	<b>-</b>	<b>-</b>	<b>120,616,200</b>

Jordanian Dinar		December 31, 2019		
Item	Stage 1	Stage 2	Stage 3	Total
Beginning balance	324,650,510	-	-	324,650,510
Debit transactions during the year	285,457,485	-	-	285,457,485
Credit transactions during the year	(634,011,685)	-	-	(634,011,685)
	(23,903,690)	-	-	(23,903,690)
Gold valuation gains	43,345,490	-	-	43,345,490
<b>Ending Balance</b>	<b>19,441,800</b>	<b>-</b>	<b>-</b>	<b>19,441,800</b>



The movement on Provision for expected credit losses for gold deposits:

<i>Jordanian Dinar</i>		December 31, 2020		
<i>Item</i>	Stage 1	Stage 2	Stage 3	Total
Beginning balance	65	-	-	65
Impact of revaluation	16	-	-	16
Increase in credit losses during the year (Recovered) from credit losses during the year	26,551	-	-	26,551
	-	-	-	-
<b>Ending balance</b>	<b>26,632</b>	<b>-</b>	<b>-</b>	<b>26,632</b>

<i>Jordanian Dinar</i>		December 31, 2019		
<i>Item</i>	Stage 1	Stage 2	Stage 3	Total
Beginning balance	6,084	-	-	6,084
Impact of revaluation	1,162	-	-	1,162
Increase in credit losses during the year (Recovered) from credit losses during the year	-	-	-	-
	(7,181)	-	-	(7,181)
<b>Ending balance</b>	<b>65</b>	<b>-</b>	<b>-</b>	<b>65</b>

- There are no exposures that have been modified, transferred or written off during the years 2020 and 2019.

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 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.
- 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 120,589,568 as of December 31, 2020 (JD 19,441,735 as of December 31, 2019).

#### L- 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.

**M- 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.

**N- 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 remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Bank uses its incremental borrowing rate.

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



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

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

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the 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 statement of profit or loss if the net book value for the related right of use asset was not fully depreciated.

The right-of-use of assets are presented within property and equipment caption and the related lease liabilities are presented in other liabilities in the statement of financial position.

#### Short-term leases and leases of low-value assets

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

#### The Bank as lessor

When the 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.

### **O- 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.

**P- 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).

**Q-** The costs of printing new currency notes and minted coins are amortized over three years.

**R-** 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.

**S-** Interest and commissions expenses are recognized on the accrual basis.

**T-** 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:

**Jordanian Dinar**

	December 31,	
	2020	2019
Cash at bank	283,028,544	102,241,345
Current accounts	706,215,993	986,992,910
Balances demand accounts and deposits	5,566,046,238	4,754,022,298
	<b>6,555,290,775</b>	<b>5,843,256,553</b>
Expected credit losses provision	(3,562,578)	(1,005,108)
	<b>6,551,728,197</b>	<b>5,842,251,445</b>
<b>Cash and cash equivalent for cash flow purposes</b>	<b>4,710,601,399</b>	<b>4,420,713,548</b>

Current accounts in convertible foreign currencies balances that subject for expected credit loss are as follows:

**Jordanian Dinar**

Item	December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	643,822,800	-	-	643,822,800
Debit transactions during the year	2,836,106,317	-	-	2,836,106,317
Credit transactions during the year	(2,851,161,728)	-	-	(2,851,161,728)
<b>Ending Balance</b>	<b>628,767,389</b>	<b>-</b>	<b>-</b>	<b>628,767,389</b>

**Jordanian Dinar**

Item	December 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	687,078,145	-	-	687,078,145
Debit transactions during the year	4,589,422,753	-	-	4,589,422,753
Credit transactions during the year	(4,632,678,098)	-	-	(4,632,678,098)
<b>Ending Balance</b>	<b>643,822,800</b>	<b>-</b>	<b>-</b>	<b>643,822,800</b>

Provision for expected credit losses for current account balances in convertible foreign currencies are as follows:

**Jordanian Dinar**

Item	December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	1,520	-	-	1,520
Increase in credit losses during the year (Recovery) from credit losses during the year	8,949	-	-	8,949
	-	-	-	-
<b>Ending Balance</b>	<b>10,469</b>	<b>-</b>	<b>-</b>	<b>10,469</b>

<i>Jordanian Dinar</i>		December 31, 2019		
<i>Item</i>	Stage 1	Stage 2	Stage 3	Total
Beginning balance	2,200	-	-	2,200
Increase in credit losses during the year	-	-	-	-
(Recovery) from credit losses during the year	(680)	-	-	(680)
<b>Ending Balance</b>	<b>1,520</b>	<b>-</b>	<b>-</b>	<b>1,520</b>

- There are no exposures that have been modified, transferred or written off during the years 2020 and 2019.

All of deposits and demand accounts balances are classified in stage 1 according to IFRS (9) requirements, in addition there is no transfers between the stages (stage 1, 2 and 3) or written off balances during year ended December 31, 2020 and the following are the movement for each balances and expected credit losses for those accounts based on their stages according to the Bank's internal system.

Deposits balances that is subject to expected credit loss measurement:

<i>Jordanian Dinar</i>		December 31, 2020		
<i>Item</i>	Stage 1	Stage 2	Stage 3	Total
Beginning balance	4,753,845,000	-	-	4,753,845,000
Debit transactions during the year	15,082,557,000	-	-	15,082,557,000
Credit transactions during the year	(14,270,752,000)	-	-	(14,270,752,000)
<b>Ending Balance</b>	<b>5,565,650,000</b>	<b>-</b>	<b>-</b>	<b>5,565,650,000</b>

<i>Jordanian Dinar</i>		December 31, 2019		
<i>Item</i>	Stage 1	Stage 2	Stage 3	Total
Beginning balance	4,462,446,000	-	-	4,462,446,000
Debit transactions during the year	21,300,487,000	-	-	21,300,487,000
Credit transactions during the year	(21,009,088,000)	-	-	(21,009,088,000)
<b>Ending Balance</b>	<b>4,753,845,000</b>	<b>-</b>	<b>-</b>	<b>4,753,845,000</b>

Provision for expected credit losses for deposits and demand accounts as per staging are as follow:

<i>Jordanian Dinar</i>		December 31, 2020		
<i>Item</i>	Stage 1	Stage 2	Stage 3	Total
Beginning balance	1,003,588	-	-	1,003,588
Increase in credit losses during the year	2,548,521	-	-	2,548,521
(Recovery) from credit losses during the year	-	-	-	-
<b>Ending Balance</b>	<b>3,552,109</b>	<b>-</b>	<b>-</b>	<b>3,552,109</b>

<i>Jordanian Dinar</i>		December 31, 2019		
<i>Item</i>	Stage 1	Stage 2	Stage 3	Total
Beginning balance	1,247,753	-	-	1,247,753
(Recovery) from credit losses during the year	(244,165)	-	-	(244,165)
<b>Ending Balance</b>	<b>1,003,588</b>	<b>-</b>	<b>-</b>	<b>1,003,588</b>

\* The following are the details of deposits according to the maturity date:

<i>Jordanian Dinar</i>	<b>Due within 3 Months</b>	<b>Due within a Period from 3 to 6 Months</b>	<b>Due within a Period from 6 to 1 Year</b>	<b>Total</b>
<b>2020</b>				
Demand accounts and deposits	3,607,788,238	1,816,458,000	141,800,000	5,566,046,238
<b>2019</b>				
Demand accounts and deposits	3,906,767,298	811,805,000	35,450,000	4,754,022,298

During the year 2020, interest rates on (USD) currency deposit accounts ranged from 0.23% to 2.05% depending on maturity date.

- There are no exposures that have been modified, transferred or written off during the years 2020 and 2019.

The details of Cash and Cash Equivalent as of December 31, 2020 and 2019 were as follows:

<i>Jordanian Dinar</i>	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
Cash at bank and current account balances with foreign banks	989,244,537	1,089,234,255
<b>Add:</b>		
Balances with banks and banking institutions due within three months	3,607,788,238	3,906,767,298
Securities repurchase agreements mature within three months	455,000,000	310,000,000
<b>Less:</b>		
Balances with banks and banking institutions due within three months	(341,431,376)	(385,288,005)
Certificates of deposit maturing within three months	-	(500,000,000)
	<b>4,710,601,399</b>	<b>4,420,713,548</b>

## **8- Financial Securities at Fair Value Through Profit or Loss**

This item consists of the following:

<i>Jordanian Dinar</i>	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
Foreign bonds with floating interest rates	70,937,268	71,046,388
Special issue bonds	-	70,900,000
	<b>70,937,268</b>	<b>141,946,388</b>

## **9- Foreign Financial Securities at Amortized Cost**

This item consists of the following:

<i>Jordanian Dinar</i>	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>a – Foreign Bonds</b>		
Foreign bonds with fixed interest rates	1,932,898,967	1,549,903,460
Foreign bonds with floating interest rates	790,360,628	1,081,083,005
	<b>2,723,259,595</b>	<b>2,630,986,465</b>
<b>b – Foreign Commercial Papers</b>		
Foreign Commercial Papers at amortized cost	-	742,520,398
	<b>-</b>	<b>742,520,398</b>
<b>Total foreign financial securities at amortized cost</b>	<b>2,723,259,595</b>	<b>3,373,506,863</b>
Less: Expected credit losses provision	(3,204,485)	(255,286)
	<b>2,720,055,110</b>	<b>3,373,251,577</b>

- a- The maturities of foreign bonds ranged from four weeks to five years and a month with an interest rates ranging from 0.375% 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, 2020, 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:

<i>Jordanian Dinar</i>	<b>December 31, 2020</b>			
<i>Item</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Beginning balance	1,549,903,460	-	-	1,549,903,460
Debit transactions during the year	582,856,671	-	-	582,856,671
Credit transactions during the year	(199,861,164)	-	-	(199,861,164)
<b>Ending Balance</b>	<b>1,932,898,967</b>	<b>-</b>	<b>-</b>	<b>1,932,898,967</b>

<i>Jordanian Dinar</i>	<b>December 31, 2019</b>			
<i>Item</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Beginning balance	1,196,895,676	-	-	1,196,895,676
Debit transactions during the year	740,352,246	-	-	740,352,246
Credit transactions during the year	(387,344,462)	-	-	(387,344,462)
<b>Ending Balance</b>	<b>1,549,903,460</b>	<b>-</b>	<b>-</b>	<b>1,549,903,460</b>

Provision for expected credit losses for foreign bonds with fixed interest rates account balances:

<i>Jordanian Dinar</i>	<b>December 31, 2020</b>			
<i>Item</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Beginning balance	85,449	-	-	85,449
Increase in credit losses during the year	2,216,828	-	-	2,216,828
(Recovered) from expected credit loss	-	-	-	-
<b>Ending Balance</b>	<b>2,302,277</b>	<b>-</b>	<b>-</b>	<b>2,302,277</b>

<i>Jordanian Dinar</i>	<b>December 31, 2019</b>			
<i>Item</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Beginning balance	61,777	-	-	61,777
Increase in credit losses during the year	23,672	-	-	23,672
(Recovered) from expected credit loss	-	-	-	-
<b>Ending Balance</b>	<b>85,449</b>	<b>-</b>	<b>-</b>	<b>85,449</b>

- There are no exposures that have been modified, transferred, or written off during the years 2020 and 2019.

Accounts balances for foreign bonds with floating interest rates:

<i>Jordanian Dinar</i>	<b>December 31, 2020</b>			
<i>Item</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Beginning balance	1,081,083,005	-	-	1,081,083,005
Debit transactions during the year	9,881	-	-	9,881
Credit transactions during the year	(290,732,258)	-	-	(290,732,258)
<b>Ending Balance</b>	<b>790,360,628</b>	<b>-</b>	<b>-</b>	<b>790,360,628</b>

**December 31, 2019**

**Jordanian Dinar**

<i>Item</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Beginning balance	1,683,852,299	-	-	1,683,852,299
Debit transactions during the year	318,951,525	-	-	318,951,525
Credit transactions during the year	(921,720,819)	-	-	(921,720,819)
<b>Ending Balance</b>	<b>1,081,083,005</b>	<b>-</b>	<b>-</b>	<b>1,081,083,005</b>

Provision for expected credit losses for foreign bonds with floating interest rates account balances:

**Jordanian Dinar****As of December 31, 2020**

<i>Item</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Beginning balance	055,33	-	-	055,33
Increase in credit losses during the year	8846,87	-	-	8846,87
(Recovered) from expected credit loss	-	-	-	-
<b>Ending Balance</b>	<b>902,208</b>	<b>-</b>	<b>-</b>	<b>902,208</b>

**Jordanian Dinar****As of December 31, 2019**

<i>Item</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Beginning balance	80,789	-	-	80,789
Increase in credit losses during the year	-	-	-	-
(Recovered) from expected credit loss	(25,459)	-	-	(25,459)
<b>Ending Balance</b>	<b>55,330</b>	<b>-</b>	<b>-</b>	<b>55,330</b>

- There are no exposures that have been modified, transferred, or written off during the years 2020 and 2019.

- 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, 2020, the following are the movement on each of balances and expected credit losses for the accounts balances based on their stages according to the bank internal system:

Accounts balances for foreign commercial papers:

**Jordanian Dinar****December 31, 2020**

<i>Item</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Beginning balance	742,520,398	-	-	742,520,398
Debit transactions during the year	820,169,443	-	-	820,169,443
Credit transactions during the year	(1,562,689,841)	-	-	(1,562,689,841)
<b>Ending Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Jordanian Dinar****December 31, 2019**

<i>Item</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Beginning balance	432,337,495	-	-	432,337,495
Debit transactions during the year	2,091,276,355	-	-	2,091,276,355
Credit transactions during the year	(1,781,093,452)	-	-	(1,781,093,452)
<b>Ending Balance</b>	<b>742,520,398</b>	<b>-</b>	<b>-</b>	<b>742,520,398</b>

Provision for expected credit losses for foreign commercial papers account balances:

**Jordanian Dinar****December 31, 2020**

<i>Item</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Beginning balance	114,507	-	-	114,507
Increase in credit losses during the year	-	-	-	-
(Recovered) from expected credit loss	(114,507)	-	-	(114,507)
<b>Ending balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



<i>Item</i>	December 31, 2019		Total
	Stage 1	Stage 2	
Beginning balance	19,455	-	19,455
Increase in credit losses during the year	95,052	-	95,052
(Recovered) from expected credit loss	-	-	-
<b>Ending balance</b>	<b>114,507</b>	<b>-</b>	<b>114,507</b>

- There are no exposures that have been modified, transferred, or written off during the years 2020 and 2019.

#### **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:

	December 31, 2020	
	Equivalent JD	Amount USD
Past due commercial exchange Agreements	93,059,821	131,255,036
Past due debts	673,822,389	950,384,188
	<b>766,882,210</b>	<b>1,081,639,224</b>
	December 31, 2019	
	Equivalent JD	Amount USD
Past due commercial exchange Agreements	93,059,821	131,255,036
Past due debts	673,822,389	950,384,188
	<b>766,882,210</b>	<b>1,081,639,224</b>

- The above balance represents past due facilities, and the related interest in suspense amounted to JD 384,261,880 as of December 31, 2020 (JD 372,454,670 as of December 31, 2019) and recorded by the Central 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:

<i>Jordanian Dinar</i> <i>Item</i>	December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	766,882,210	-	-	766,882,210
Debit transactions during the year	-	-	-	-
Credit transactions during the year	-	-	-	-
<b>Ending balance</b>	<b>766,882,210</b>	<b>-</b>	<b>-</b>	<b>766,882,210</b>

<i>Jordanian Dinar</i> <i>Item</i>	December 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	766,882,210	-	-	766,882,210
Debit transactions during the year	-	-	-	-
Credit transactions during the year	-	-	-	-
<b>Ending balance</b>	<b>766,882,210</b>	<b>-</b>	<b>-</b>	<b>766,882,210</b>

- There are no exposures that have been modified, transferred, or written off during the years 2020 and 2019.
- No provision had been booked for past due direct credit facilities and commercial exchange agreements as of December 31, 2020 and 2019.

**11- Special Drawing Rights**

This item consists of the following:

<i>Jordanian Dinar</i>	December 31,	
	2020	2019
Special drawing rights	13,846,865	11,658,020
	<b>13,846,865</b>	<b>11,658,020</b>

This item represents Jordan's share from the allocations of Special Drawing Rights at the International Monetary Fund in the amounted SDRs 13,560,069 unit as of December 31, 2020 (SDRs 11,890,721 unit as of December 31, 2019) and its fair value for according to the average exchange rate of the Jordanian Dinar against SDRs, to JD 13,846,865 as of December 31, 2020 (JD 11,658,020 as of December 31, 2019).

The distribution of accounts balances for special drawing rights according to the staging:

<i>Jordanian Dinar</i>	December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	11,658,020	-	-	11,658,020
Debit transactions during the year	11,648,602	-	-	11,648,602
Credit transactions during the year	(9,459,757)	-	-	(9,459,757)
<b>Ending Balance</b>	<b>13,846,865</b>	<b>-</b>	<b>-</b>	<b>13,846,865</b>

<i>Jordanian Dinar</i>	December 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	22,746,644	-	-	22,746,644
Debit transactions during the year	1,854,940	-	-	1,854,940
Credit transactions during the year	(12,943,564)	-	-	(12,943,564)
<b>Ending Balance</b>	<b>11,658,020</b>	<b>-</b>	<b>-</b>	<b>11,658,020</b>

- There are no exposures that have been modified, transferred, or written off during the years 2020 and 2019.
- No provision had been booked for special drawing rights as of December 31, 2020 and 2019.



**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:

**Jordanian Dinar**

	Currency	December 31,	
		2020	2019
Arab Fund for Economic and Social Development	Kuwait Dinar	236,857,918	228,341,535
Arab Monetary Fund	Arabic Dinar	70,022,947	64,885,960
Islamic Development Bank	Islamic Dinar	43,131,681	40,004,539
Arab Bank for Economic Development in Africa	US Dollar	7,791,706	7,318,352
Arab Investment Guarantee Corporation	Kuwait Dinar	2,983,959	2,883,665
IBRD (World Bank)	US Dollar	10,075,527	4,230,526
IBRD (World Bank)	Jordanian Dinar	16,170,822	14,810,318
Islamic Corporation for trade financing	US Dollar	561,579	547,791
Islamic Corporation for Investment and Export Credit	Islamic Dinar	365,942	355,424
Contribution in Arab Monetary Fund	Jordanian Dinar	434,695	404,661
Islamic Corporation for the Private Sector Development	US Dollar	1,747,510	1,672,969
Contribution in Asian Development Bank to invest in infrastructure	US Dollar	17,448,802	17,150,989
		<b>407,593,088</b>	<b>382,606,729</b>

- The contributions in international and regional financial institutions were measured at fair value through other comprehensive income. The international financial contribution assessment reserve has a profit of JD 156,480,963 as of December 31, 2020 (profit of JD 140,126,004 as at 31 December 31, 2019) .
- The latest audited and issued financial statements were obtained to measure the fair value of these contributions using the equity method.
- The effect of changes in foreign currencies exchange rate amounted to JD 3,465,568 Gain for the year ended December 31, 2020, and this amount was transferred to gold and foreign currencies valuation differences (JD 206,995 loss for the year ended December 31, 2019).

**13- Miscellaneous other Assets - Foreign Currencies**

This item consists of the following:

***Jordanian Dinar***

	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
Accrued and unearned interest on gold deposits	7,835	14,497
Interest accrued and not received on foreign currency current accounts	150,093	996,298
Accrued and unearned interest on foreign term deposits	11,917,457	19,495,264
Accrued and unearned interest on foreign bonds	9,003,602	8,231,329
Accrued and Unearned Interest on Special Drawing Rights	2,366	-
Accrued and unearned interest on floating bonds in foreign currencies	721,880	2,633,321
Accrued and Unearned Returns/Federal Overnight Investment	-	2,958
Reimbursement of fees due and not received on our accounts with our correspondents in Euros	29,564	32,504
	<b>21,832,797</b>	<b>31,406,171</b>

**14- Financial Securities and Other**

This item consists of the following:

***Jordanian Dinar***

	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
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)	19,520,393	32,275,411
General institution bonds (c)	48,899,000	51,122,000
Jordanian treasury bonds (c)	197,000,000	14,000,000
Saving bonds to individuals (c)	20,905,600	20,096,000
Jordanian treasury bills (c)	-	62,970,650
Credit granted to Jordanian government (d)	20,563,120	20,563,120
	<b>578,593,145</b>	<b>472,732,213</b>
Less: Provision for expected credit losses	(51,680)	(265,995)
	<b>578,541,465</b>	<b>472,466,218</b>

- All of financial securities and others account balances are classified in stage 1, in addition there is no transfers between stages (stage 1,2,3) or written off balances during year ended December 31, 2020, The Bank has taken expected credit loss 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 guaranteed to the Central Bank and / or guaranteed by the Government of Jordan, including the bond issued by the ministry of finance to the order of Central Bank of Jordan 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 issued based on article (31) of Central Bank of Jordan law. The amount stated as of the end of the year 2020 represents the unsettled balance and there is no impairment in its fair value due to the non-existence of maturity date for the bond, where the Bank is entitled to request a repayment at any time.
- b) The Council of Ministers approved an offer 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 40,275,411 after 30 years in a single payment, knowing that the present value of the bond is JD 19,520,393 as of December 31, 2020 (JD 18,626,659 as of December 31, 2019). 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 booked a provision in the amount of JD 20,755,018 as of December 31, 2020 against this bond present value impairment.

Balances movement for The Jordan Mortgage Refinance Company bond and expected credit losses provision according to its staging as of December 31, 2020 and 2019 in net after deducting the present value provision as follows:

<i>Jordanian Dinar</i>		<b>December 31, 2020</b>		
<i>Item</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Beginning balance	32,275,411	-	-	32,275,411
Debit transactions during the year	-	-	-	-
Credit transactions during the year	(12,755,018)	-	-	(12,755,018)
<b>Ending Balance</b>	<b>19,520,393</b>	<b>-</b>	<b>-</b>	<b>19,520,393</b>

<i>Jordanian Dinar</i>		<b>December 31, 2019</b>		
<i>Item</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Beginning balance	32,275,411	-	-	32,275,411
Debit transactions during the year	-	-	-	-
Credit transactions during the year	-	-	-	-
<b>Ending Balance</b>	<b>32,275,411</b>	<b>-</b>	<b>-</b>	<b>32,275,411</b>

Provision for expected credit losses for The Jordan Mortgage Refinance Company bond balance according to staging as follows:

<i>Jordanian Dinar</i>		<b>December 31, 2020</b>		
<i>Item</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Beginning balance	265,995	-	-	265,995
Increase in credit losses during the year	(214,315)	-	-	(214,315)
<b>Ending Balance</b>	<b>51,680</b>	<b>-</b>	<b>-</b>	<b>51,680</b>

<i>Jordanian Dinar</i>		<b>December 31, 2019</b>		
<i>Item</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Beginning balance	253,040	-	-	253,040
Increase in credit losses during the year	12,955	-	-	12,955
<b>Ending Balance</b>	<b>265,995</b>	<b>-</b>	<b>-</b>	<b>265,995</b>

- There are no exposures that have been modified, transferred, or written off during the years 2020 and 2019.
- c) According to articles No. (39), (48) and (49) of the Central Bank of Jordan Law No. (23) for the year 1971, the Bank purchased governmental financial securities as follows:
  - Bonds of public institutions with a maturity from May 12, 2021 to August 28, 2024 with interest ranging from 3.967% to 6.411%.
  - Jordanian treasury bonds with maturity ranging between January 26, 2021 to January 16, 2025 with interest rate ranging between 3.420% to 5.073%.

- Savings individuals bonds to purchase from individuals want to liquidate their bonds, the maturity of these bonds is within July 03, 2021 to January 29, 2022 the interest rate 4.25%.
  - There were 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 PD 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) of June 3, 1991 as one of the assets held to cover the currency issued 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:

<i>Jordanian Dinar</i>	December 31,	
	2020	2019
Advances to commercial banks under liquidation - net (a)	16,200,614	18,610,175
Advances to banks and specialized credit institutions (b)	738,036,984	421,000,167
Advances to local commercial banks (c)	682,686,939	231,359,287
Investment agency with Islamic banks (d)	29,927,576	34,411,284
Investment deposits with Islamic banks (e)	205,369,481	57,075,247
	<b>1,672,221,594</b>	<b>762,456,160</b>

\* Due to the Central Bank's awareness of the importance of SME's companies in the national economy, a financing program of JD 500 million was launched to grant advances to both commercial and Islamic banks, with the aim of enabling professionals, craftsmen and SME's companies to obtain the necessary financing at affordable costs and conditions to enable them to pay and maintain employees' salaries. In addition to financing operational expenses and working capital and continuing their permanence by re-lending them to customers through all commercial and Islamic banks in all governorates of the Kingdom at an interest rate not exceeding 2% annually, knowing that all advances/financing are guaranteed by (85%) from the Jordan Loan Guarantee Corporation, as this program targets SME's companies in which the number of their employees does not exceed 200 and whose revenues or assets do not exceed JD 5 million, and the program provides financing opportunities for most economic sectors that have been significantly impacted of the Corona pandemic and with specific limits that may reach JD 1 million without charging interest on it by the Central Bank of Jordan, in accordance with the instructions of the Bank to the banks as follows:

- Circular No. (3/6/4656) dated May 4, 2020, which includes the instructions governing the Central Bank's program to support SME's companies in response to the Corona pandemic.
  - Circular No. (3/6/4723) dated April 17, 2020, which included expanding the definition of medium-sized companies benefiting from the Central Bank's program to support SME's companies in response to the Corona pandemic to include companies that employ less than 200 employees and whose total sales or assets are less than JD 5 million.
  - Circular No. (3/6/4818) dated April 23, 2020, which includes private schools with more than 200 employees within the Central Bank's program to support SME's companies in response to the Corona pandemic.
  - Circular No. (3/6/5301) dated May 11, 2020, which includes the decision of the Government of the Hashemite Kingdom of Jordan to bear the interests/returns and commissions of the Jordan Loan Guarantee Corporation resulting from loans or portions of loans granted within the Central Bank program to support SME's companies in response to the Corona pandemic for the purposes of financing the payment of salaries and wages.
  - Circular No. (3/6/14446) dated November 11, 2020, which includes allowing banks to extend the grace period for advances/finances granted within the Central Bank's program to support SME's companies in response to the Corona pandemic until the end of 2021.
- a- This item include 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 the 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:

<i>Jordanian Dinar</i>	December 31,		Resolution No.
	2020	2019	
<b><u>Advances to Banks under Liquidation:</u></b>			
Petra Bank*	212,301,694	212,624,748	2/90,13/89,20/89, 4/90
National Islamic Bank **	(151)	(151)	371/2000, 2/91
Amman Investment Bank / under liquidation	(3,650)	(5,886)	
<b>Total Advances to Banks under Liquidation</b>	<b>212,297,893</b>	<b>212,618,711</b>	
<b><u>Advances to Other Institutions and Banks:</u></b>			
Credit facilities to Philadelphia Bank Customers – Net ***	29,522,487	31,511,230	1/2005
Jordan Cooperative Society ****	474,195	574,195	63/11/1//8683
<b>Total Advances granted to other Institutions and Banks</b>	<b>29,996,682</b>	<b>32,085,425</b>	
<b>Total advances for banks under liquidations</b>	<b>242,294,575</b>	<b>244,704,136</b>	
<u>Less: Provision for expected credit losses*</u>	<u>(226,093,961)</u>	<u>(226,093,961)</u>	
	<b>16,200,614</b>	<b>18,610,175</b>	

- \* 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. The decision of ministry's council number (10868) dated April 18, 2018 approved to transference liquidation process from Central Bank of Jordan to the Ministry of Finance. In accordance with Prime Minister decision No. (4958) dated on 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, 2021 as per Board of Directors Resolution No. (217/2020) dated December 13, 2020. 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 the 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, 2020.
- \*\* 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 (as liquidator), 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 39,257,651 was transferred to the Central Bank of Jordan up to the year 2020, 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 36.5 million from the balance of those collections.
- \*\*\*\* This item represents the advance granted to the Jordan Cooperative Organization amounting to JD 474,195 as of December 31, 2020 and matures in 2022, which the balance is paid on 5 years according to cabinet decision 63/11/1/8683 on February 28, 2017.



The distribution of advances to banks under liquidation balance according to their staging as follows:

<i>Jordanian Dinar</i>	December 31, 2020			
<i>Item</i>	Stage 1	Stage 2	Stage 3	Total
Beginning balance	-	-	244,704,136	244,704,136
Debit transactions during the year	-	-	5,254,859	5,254,859
Credit transactions during the year	-	-	(7,664,420)	(7,664,420)
<b>Ending Balance</b>	<b>-</b>	<b>-</b>	<b>242,294,575</b>	<b>242,294,575</b>

<i>Jordanian Dinar</i>	December 31, 2019			
<i>Item</i>	Stage 1	Stage 2	Stage 3	Total
Beginning balance	-	-	240,813,480	240,813,480
Debit transactions during the year	-	-	11,283,466	11,283,466
Credit transactions during the year	-	-	(7,392,810)	(7,392,810)
<b>Ending Balance</b>	<b>-</b>	<b>-</b>	<b>244,704,136</b>	<b>244,704,136</b>

The movement on provision on advances to banks under liquidation according to the staging as follows:

<i>Jordanian Dinar</i>	December 31, 2020			
<i>Item</i>	Stage 1	Stage 2	Stage 3	Total
Beginning balance (restated)	-	-	226,093,961	226,093,961
Increase in credit losses at the end of the year	-	-	-	-
Recovery from expected credit loss at the end of the year	-	-	-	-
<b>Ending Balance</b>	<b>-</b>	<b>-</b>	<b>226,093,961</b>	<b>226,093,961</b>

<i>Jordanian Dinar</i>	December 31, 2019			
<i>Item</i>	Stage 1	Stage 2	Stage 3	Total
Beginning balance (restated)	-	-	226,093,961	226,093,961
Increase in credit losses at the end of the year	-	-	-	-
Recovery from expected credit loss at the end of the year	-	-	-	-
<b>Ending Balance</b>	<b>-</b>	<b>-</b>	<b>226,093,961</b>	<b>226,093,961</b>



b- The details of the advances granted to banks and specialized credit institutions are as follows:

<i>Jordanian Dinar</i>	December 31,		Interest	Maturity	Payment
	2020	2019	Rate	Date	Method
Agricultural Credit Corporation	76,798,507	59,761,690	0.5% -1.5%	November 7, 2027	On the maturity date of the guarantees
Jordan Loan Guarantee Corporation*	11,239,200	11,239,200	Interest free	May 24, 2021	Single payment on the maturity date
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	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	-	0.5%	April 13, 2035	Single payment on the maturity date
	<b>738,036,984</b>	<b>421,000,167</b>			

\* In accordance to the loan agreement between the Central Bank and the Jordan Loan Guarantee Corporation dated March 8, 2016 and the recommendation of the credit No. (65/2016) dated March 14, 2016 the Bank decides to grant the Company with a loan of in the amount of JD (15,300,000) fully repaid under a single payment on May 24, 2021. Moreover, this loan will be utilized by an amount of JD (10,300,000) microfinance emerging loans program with the of guarantee Jordanian treasury bonds in a percentage 90% of the same value in addition to an amount of JD (5,000,000) exclusively to contribute in the funding of small business programs with the guarantee of Islamic sukuk in a percentage 90% in the same value the utilized of balance of this advance amounted to JD (11,239,200) as of December 31, 2020 and 2019.

\*\* 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 100 Million JOD 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, 2020 and 2019 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 (50) Million JDs 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 (50,000,000) JD as of December 31, 2020 and 2019.

\*\*\*\* 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 (100) million JDs 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 banking guarantees support program for contractors to carry out business outside the Kingdom loans guarantee program, the utilized balance of this loan is (100,000,000) JD as of December 31, 2020.

\*\*\*\*\* 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 (100) million JDs 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 (100,000,000) JD as of December 31, 2020.

\*\*\*\*\* 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 Corona pandemic, the Central Bank granted the Jordan Loan Guarantee Corporation an advance of (300) million JDs 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 Corona pandemic, the utilized balance of this loan amounted to (300,000,000) JD as of December 31, 2020.

The distribution of advances granted to banks and specialized credit institutions balances according to their staging as follows:

<i>Jordanian Dinar</i>	<b>December 31, 2020</b>			
<i>Item</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Beginning balance	421,000,167	-	-	421,000,167
Debit transactions during the year	338,504,000	-	-	338,504,000
Credit transactions during the year	(21,467,183)	-	-	(21,467,183)
<b>Ending Balance</b>	<b>738,036,984</b>	<b>-</b>	<b>-</b>	<b>738,036,984</b>

<i>Jordanian Dinar</i>	<b>December 31, 2019</b>			
<i>Item</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Beginning balance	221,217,822	-	-	221,217,822
Debit transactions during the year	210,710,000	-	-	210,710,000
Credit transactions during the year	(10,927,655)	-	-	(10,927,655)
<b>Ending Balance</b>	<b>421,000,167</b>	<b>-</b>	<b>-</b>	<b>421,000,167</b>

- There are no exposures that have been modified, transferred or written off during the years 2020 and 2019.
- No provision against expected credit losses on advances granted to banks and specialized credit institutions balance had booked as of December 31, 2020 and 2019.
- These advances are presented at their nominal value according to the Central 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 midum-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>Licensed Banks</u> <i>Jordanian Dinar</i>	<u>December 31,</u>		<u>Expected Return</u>	<u>Maturity Date</u>	<u>Payment Method</u>
	<u>2020</u>	<u>2019</u>			
Cairo Amman Bank	98,822,910	34,158,926	0% - 1%	10 Years or less	According to the conditions for granting advances
Societe General Bank – Jordan	23,177,329	11,742,731	0% - 1%	10 Years or less	According to the conditions for granting advances
Jordan Commercial Bank	29,886,548	12,346,592	0% - 1%	10 Years or less	According to the conditions for granting advances
Arab Bank	107,897,543	49,609,573	0% - 1%	10 Years or less	According to the conditions for granting advances
Bank of Jordan	46,875,895	8,927,069	0% - 1%	10 Years or less	According to the conditions for granting advances
Jordan Kuwait Bank	42,970,299	16,010,035	0% - 1%	10 Years or less	According to the conditions for granting advances
Housing Bank	65,728,060	12,250,691	0% - 1%	10 Years or less	According to the conditions for granting advances
Jordan Ahli Bank	33,716,263	15,300,841	0% - 1%	10 Years or less	According to the conditions for granting advances
National Bank of Kuwait – Jordan	819,375	918,622	0% - 1%	10 Years or less	According to the conditions for granting advances
Bank al Etihad	64,201,536	31,312,844	0% - 1%	10 Years or less	According to the conditions for granting advances
ABC Bank	6,512,903	54,180	0% - 1%	10 Years or less	According to the conditions for granting advances
Capital Bank	114,866,012	31,245,966	0% - 1%	10 Years or less	According to the conditions for granting advances
Investing Bank	11,330,453	3,065,962	0% - 1%	10 Years or less	According to the conditions for granting advances
Arab Investing Bank	24,955,916	4,415,255	0% - 1%	10 Years or less	According to the conditions for granting advances
Egyptian Arab Land Bank	6,039,152	-	0% - 1%	10 Years or less	According to the conditions for granting advances
Bank Audi	1,995,768	-	0% - 1%	10 Years or less	According to the conditions for granting advances
BLOM Bank	2,890,977	-	0% - 1%	10 Years or less	According to the conditions for granting advances
<b>Total</b>	<b>682,686,939</b>	<b>231,359,287</b>			

The distribution on advances granted to local commercial banks balance according to their staging:

<i>Jordanian Dinar</i>		December 31, 2020		
<i>Item</i>	Stage 1	Stage 2	Stage 3	Total
Beginning balance	231,359,287	-	-	231,359,287
Debit transactions during the year	1,110,687,030	-	-	1,110,687,030
Credit transactions during the year	(659,359,378)	-	-	(659,359,378)
<b>Ending balance</b>	<b>682,686,939</b>	<b>-</b>	<b>-</b>	<b>682,686,939</b>

<i>Jordanian Dinar</i>		December 31, 2019		
<i>Item</i>	Stage 1	Stage 2	Stage 3	Total
Beginning balance	203,148,879	-	-	203,148,879
Debit transactions during the year	118,535,321	-	-	118,535,321
Credit transactions during the year	(90,324,913)	-	-	(90,324,913)
<b>Ending balance</b>	<b>231,359,287</b>	<b>-</b>	<b>-</b>	<b>231,359,287</b>

- There are no exposures that have been modified, transferred, or written off during the years 2020 and 2019.
- No provision against expected credit losses on advances granted to local commercial banks' balance had booked as of December 31, 2020 and 2019 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 Central 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 June 17, 2015, as follows:

<u><b>Islamic Licensed Banks</b></u>	<u><b>December 31,</b></u>		<u><b>Expected Return</b></u>	<u><b>Maturity Date</b></u>	<u><b>Payment method</b></u>
<i>Jordanian Dinar</i>	<u><b>2020</b></u>	<u><b>2019</b></u>			
Investment Agency/ Islamic International Arab Bank	16,348,558	17,698,804	1% - 1.75%	Less than 10 years	According to financing conditions
Investment Agency/ Jordan Islamic Bank	9,786,768	10,636,965	1% - 1.75%	Less than 10 years	According to financing conditions
Investment Agency/ Safwa Islamic Bank	5,859,309	7,460,541	1% - 1.75%	Less than 10 years	According to financing conditions
Investment Agency/ Alrajihi Bank	119,224	249,196	1% - 1.75%	Less than 10 years	According to financing conditions
<b>Total</b>	<b>32,113,859</b>	<b>36,045,506</b>			
Deduct: Provision against investment contracts with Islamic banks	(2,186,283)	(1,634,222)			
<b>Total</b>	<b>29,927,576</b>	<b>34,411,284</b>			

The distribution of investment agency with Islamic banks (advances granted to customers) balances according to their staging as follows:

<i>Jordanian Dinar</i>		December 31, 2020		
<i>Item</i>	Stage 1	Stage 2	Stage 3	Total
Beginning balance	36,045,506	-	-	36,045,506
Debit transactions during the year	109,716,073	-	-	109,716,073
Credit transactions during the year	(113,647,720)	-	-	(113,647,720)
<b>Ending balance</b>	<b>32,113,859</b>	<b>-</b>	<b>-</b>	<b>32,113,859</b>

<i>Jordanian Dinar</i>		December 31, 2019		
<i>Item</i>	Stage 1	Stage 2	Stage 3	Total
Beginning balance	41,912,496	-	-	41,912,496
Debit transactions during the year	6,688,451	-	-	6,688,451
Credit transactions during the year	(12,555,441)	-	-	(12,555,441)
<b>Ending balance</b>	<b>36,045,506</b>	<b>-</b>	<b>-</b>	<b>36,045,506</b>

The movement on Provision against investment contracts with Islamic banks (advances granted to customers):

<i>Jordanian Dinar</i>		December 31, 2020		
<i>Item</i>	Stage 1	Stage 2	Stage 3	Total
Beginning balance	1,634,222	-	-	1,634,222
Increase in credit losses at the end of the year	552,061	-	-	552,061
<b>Ending balance</b>	<b>2,186,283</b>	<b>-</b>	<b>-</b>	<b>2,186,283</b>

<i>Jordanian Dinar</i>		December 31, 2019		
<i>Item</i>	Stage 1	Stage 2	Stage 3	Total
Beginning balance	883,645	-	-	883,645
Increase in credit losses at the end of the year	750,577	-	-	750,577
<b>Ending balance</b>	<b>1,634,222</b>	<b>-</b>	<b>-</b>	<b>1,634,222</b>

- There are no exposures that have been modified, transferred or written off during the years 2020 and 2019.
- These advances are presented at their nominal value according to the Central 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>December 31</u>		<u>Expected Return</u>	<u>Maturity Date</u>	<u>Payment method</u>
	<u>2020</u>	<u>2019</u>			
<b><i>Jordanian Dinar</i></b>			%		
Investment deposit (saving) at Islamic International Arab Bank	15,497,889	6,914,821	0.5% - 1%	10 Years or less	According to financing conditions
Investment deposit (saving) at Jordan Islamic Bank	19,899,363	16,339,833	0.5% - 1%	10 Years or less	According to financing conditions
Investment deposit (time) at Islamic International Arab Bank	21,937,504	12,404,734	1% - 1.75%	10 Years or less	According to financing conditions
Investment deposit (notice) at Jordan Islamic Bank	11,487,195	8,962,832	1% - 1.75%	10 Years or less	According to financing conditions
Investment deposit (inside Amman) at Safwa Islamic Bank	9,276,444	6,806,418	1% - 1.75%	10 Years or less	According to financing conditions
Investment deposit (outside Amman) at Safwa Islamic Bank	9,539,529	5,045,170	0.5% - 1%	10 Years or less	According to financing conditions
Investment deposit (inside Amman) at Alrajih Bank	2,284,219	-	1% - 1.75%	10 Years or less	According to financing conditions
Investment deposit (outside Amman) at Alrajih Bank	248,066	351,439	0.5% - 1%	10 Years or less	According to financing conditions
Investment deposit (Inhad Program) at International Islamic Arab Bank	748,082	-	1%	7 Years or less	According to financing conditions
Investment deposit (Inhad Program) at Jordan Islamic Bank	790,110	250,000	1%	7 Years or less	According to financing conditions
Investment deposit (Qard Hasan) at the Islamic International Arab Bank	26,802,432	-	0%	42 months or less	According to financing conditions
Investment deposit (Qard Hasan) at Jordan Islamic Bank	51,885,507	-	0%	42 months or less	According to financing conditions
Investment deposit (Qard Hasan) at Safwa Islamic Bank	19,396,030	-	0%	42 months or less	According to financing conditions
Investment deposit (Qard Hasan) at Alrajih Bank	2,533,000	-	0%	42 months or less	According to financing conditions
Investment deposit (saving) (Qard Hasan) at Jordan Islamic Bank	3,359,986	-	0%	10 Years or less	According to financing conditions
Investment deposit (notice) (Qard Hasan) at Jordan Islamic Bank	9,684,125	-	0%	10 Years or less	According to financing conditions
<b>Total</b>	<b>205,369,481</b>	<b>57,075,247</b>			



The distribution of investment deposits with Islamic banks balances according to their staging as follows:

<i>Jordanian Dinar</i>		December 31, 2020		
<i>Item</i>	Stage 1	Stage 2	Stage 3	Total
Beginning balance	57,075,247	-	-	57,075,247
Debit transitions during the year	155,320,997	-	-	155,320,997
Credit transitions during the year	(7,026,763)	-	-	(7,026,763)
<b>Ending balance</b>	<b>205,369,481</b>	<b>-</b>	<b>-</b>	<b>205,369,481</b>

<i>Jordanian Dinar</i>		December 31, 2019		
<i>Item</i>	Stage 1	Stage 2	Stage 3	Total
Beginning balance	21,357,726	-	-	21,357,726
Debit transitions during the year	41,342,116	-	-	41,342,116
Credit transitions during the year	(5,624,595)	-	-	(5,624,595)
<b>Ending balance</b>	<b>57,075,247</b>	<b>-</b>	<b>-</b>	<b>57,075,247</b>

- **There are no exposures that have been modified, transferred or written off during the years 2020 and 2019.**
- These advances are presented at their nominal value according to the Central Bank's application instructions No. (1203 / 2019).
- No provision booked against expected credit losses on investment deposits with Islamic banks as of December 31, 2020 and 2019 as the Central 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:

<i>Jordanian Dinar</i>	December 31,	
	2020	2019
Agricultural Credit Corporation	1,301,806	1,278,213
Cities and Villages Development Bank	2,757,576	2,563,276
Jordan Loan Guarantee Corporation	13,122,250	5,905,012
Jordan Mortgage Refinance Company	2,700,000	2,700,000
Jordan Company for payment and clearing Systems	4,439,895	4,067,109
Jordan Fund for Entrepreneurship	20,968,554	13,817,627
	<b>45,290,081</b>	<b>30,331,237</b>

- The contributions in local financial institutions were measured at fair value through other comprehensive income according to IFRS (9) - Financial Instruments. The contribution fair value reserve amounted to a loss of JD 3,660,368 as at December 31, 2020 (loss of JD 4,479,311 as of December 31, 2019).



- 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 and 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, 2020 for each of Jordan Loan Guarantee Corporation and Jordan Mortgage Refinance Company. Moreover, the Central Bank of Jordan 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 (455) Million JD, as of December 31, 2020 (55) Million JD matures in January 3, 2021, (25) Million JD matures in January 6, 2021, (100) Million JD matures in January 11, 2021, (125) Million JD matures in January 12, 2021, (150) Million JD matures in March 30, 2021. While the balance of repurchase agreements was (310) Million JD as of December 31, 2019.

The Bank has not taken any provisions on the repurchase agreements used by the Central Bank for the purpose of injecting liquidity since these agreements are considered 100% guaranteed for the Central Bank. The sole owner of securities during the period of the contract is the Central Bank of Jordan 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 as follows:

<i>Jordanian Dinar</i>		<b>December 31, 2020</b>		
<i>Item</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Beginning balance	310,000,000	-	-	310,000,000
Debit transactions during the year	9,398,000,000	-	-	9,398,000,000
Credit transitions during the year	(9,253,000,000)	-	-	(9,253,000,000)
<b>Ending balance</b>	<b>455,000,000</b>	<b>-</b>	<b>-</b>	<b>455,000,000</b>

<i>Jordanian Dinar</i>		<b>December 31, 2019</b>		
<i>Item</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Beginning balance	214,000,000	-	-	214,000,000
Debit transactions during the year	5,512,500,000	-	-	5,512,500,000
Credit transitions during the year	(5,416,500,000)	-	-	(5,416,500,000)
<b>Ending balance</b>	<b>310,000,000</b>	<b>-</b>	<b>-</b>	<b>310,000,000</b>

There are no exposures that have been modified, transferred or written off during the years 2020 and 2019.

**18- Property, Equipment and Software**

This item consists of the following:

*Jordanian Dinar*

			Buildings	Furniture, Fixtures and Decorations	Vaults and Safe Boxes	Computer Hardware	Machinery and Equipment	Vehicles	Computer Software	Projects Under Construction	Total
<b>December 31, 2020</b>	<b>Lands</b>	<b>Buildings</b>	<b>Improvements</b>								
<b>Cost</b>											
Balance - beginning of the year	3,043,979	13,584,403	5,522,206	1,052,016	233,948	8,184,314	10,515,444	1,741,905	8,191,771	3,604,679	55,674,665
Additions	-	-	25,358	87,333	882	309,707	130,623	-	574,945	2,907,729	4,036,577
Disposals	-	-	-	(9,428)	(1,242)	(87,433)	(41,640)	-	-	-	(139,743)
Transferred from projects under construction	-	-	378,339	-	-	436,392	1,181,407	-	757,338	(2,753,476)	-
<b>Ending Balance</b>	<b>3,043,979</b>	<b>13,584,403</b>	<b>5,925,903</b>	<b>1,129,921</b>	<b>233,588</b>	<b>8,842,980</b>	<b>11,785,834</b>	<b>1,741,905</b>	<b>9,524,054</b>	<b>3,758,932</b>	<b>59,571,499</b>
<b>Accumulated Depreciation</b>											
Balance - beginning of the year	-	10,616,635	1,719,755	847,813	134,308	6,084,383	7,230,440	1,425,917	4,811,929	-	32,871,180
Additions	-	282,578	131,470	33,895	12,584	847,162	915,203	93,338	1,300,882	-	3,617,112
Disposals	-	-	-	(8,440)	(1,078)	(87,290)	(41,560)	-	-	-	(138,368)
<b>Ending Balance</b>	<b>-</b>	<b>10,899,213</b>	<b>1,851,225</b>	<b>873,268</b>	<b>145,814</b>	<b>6,844,255</b>	<b>8,104,083</b>	<b>1,519,255</b>	<b>6,112,811</b>	<b>-</b>	<b>36,349,924</b>
Net Book Value as of											
<b>December 31, 2020</b>	<b>3,043,979</b>	<b>2,685,190</b>	<b>4,074,678</b>	<b>256,653</b>	<b>87,774</b>	<b>1,998,725</b>	<b>3,681,751</b>	<b>222,650</b>	<b>3,411,243</b>	<b>3,758,932</b>	<b>23,221,575</b>
<b>December 31, 2019</b>											
<b>Cost</b>											
Balance - beginning of the year	3,043,979	13,584,403	5,259,141	1,017,160	230,995	7,388,855	9,413,363	1,588,005	5,612,444	1,849,684	48,988,029
Additions	-	-	225,971	50,350	6,143	628,563	20,270	153,900	1,764,204	4,051,097	6,900,498
Disposals	-	-	-	(15,494)	(3,190)	(152,766)	(22,994)	-	(19,418)	-	(213,862)
Transferred from projects under construction	-	-	37,094	-	-	319,662	1,104,805	-	834,541	(2,296,102)	-
<b>Ending Balance</b>	<b>3,043,979</b>	<b>13,584,403</b>	<b>5,522,206</b>	<b>1,052,016</b>	<b>233,948</b>	<b>8,184,314</b>	<b>10,515,444</b>	<b>1,741,905</b>	<b>8,191,771</b>	<b>3,604,679</b>	<b>55,674,665</b>
<b>Accumulated Depreciation</b>											
Balance - beginning of the year	-	10,334,057	1,597,431	830,688	124,504	5,412,721	6,450,366	1,340,022	3,935,139	-	30,024,928
Additions	-	282,578	122,324	29,351	12,642	824,428	802,822	85,895	876,790	-	3,036,830
Disposals	-	-	-	(12,226)	(2,838)	(152,766)	(22,748)	-	-	-	(190,578)
<b>Ending Balance</b>	<b>-</b>	<b>10,616,635</b>	<b>1,719,755</b>	<b>847,813</b>	<b>134,308</b>	<b>6,084,383</b>	<b>7,230,440</b>	<b>1,425,917</b>	<b>4,811,929</b>	<b>-</b>	<b>32,871,180</b>
Net Book Value as of											
<b>December 31, 2019</b>	<b>3,043,979</b>	<b>2,967,768</b>	<b>3,802,451</b>	<b>204,203</b>	<b>99,640</b>	<b>2,099,931</b>	<b>3,285,004</b>	<b>315,988</b>	<b>3,379,842</b>	<b>3,604,679</b>	<b>22,803,485</b>

The fully depreciated property and equipment amounted to JD 21,754,893 as of December 31, 2020 (JD 21,255,579 as of December 31, 2019).

**19- Other Assets - Jordanian Dinar**

This item consists of the following:

<i>Jordanian Dinar</i>	December 31,	
	2020	2019
Accrued interest and revenue	9,728,522	3,442,364
Housing loans for employees – net*	25,573,775	24,655,406
Gold, silver and metal coins	8,908,310	8,030,678
Deferred expenses - printing of bank notes and metal coins – net **	4,297,928	2,773,829
Others	2,041,326	2,088,736
	<b>50,549,861</b>	<b>40,991,013</b>
Less: Expected credit losses	(255,841)	(123,692)
	<b>50,294,020</b>	<b>40,867,321</b>

\* All balances of loan balances and housing finance granted to employees of Central Bank were classified within the first, second and third Stages, there are no written off balances during the year ended December 31, 2020 and 2019. The Bank has taken a provision on the total loan portfolio by 1% for the year 2020 and 0.5% for the year 2019 to meet any risks that may arise as a result of default or failure to pay their installments, and 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 on housing loans and housing finance balances:

<i>Jordanian Dinar</i>		December 31, 2020			
<i>Item</i>		Stage 1	Stage 2	Stage 3	Total
Beginning balance		21,447,403	1,012,869	2,195,134	24,655,406
Debit transactions during the year		5,569,055	137,313	488,946	6,195,314
Credit transactions during the year		(4,743,521)	(116,958)	(416,466)	(5,276,945)
<b>Ending Balance</b>		<b>22,272,937</b>	<b>1,033,224</b>	<b>2,267,614</b>	<b>25,573,775</b>

<i>Jordanian Dinar</i>		December 31, 2019			
<i>Item</i>		Stage 1	Stage 2	Stage 3	Total
Beginning balance		20,688,559	977,033	2,117,466	23,783,058
Debit transactions during the year		5,474,565	258,540	560,320	6,293,425
Credit transactions during the year		(4,715,721)	(222,704)	(482,652)	(5,421,077)
<b>Ending Balance</b>		<b>21,447,403</b>	<b>1,012,869</b>	<b>2,195,134</b>	<b>24,655,406</b>

The movement on expected credit losses provision for housing loans and housing finance:

<i>Jordanian Dinar</i>	<b>December 31, 2020</b>			
<i>Item</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Beginning balance	12,369	37,108	74,215	123,692
Increase in credit losses at the end of the year	13,215	39,645	79,289	132,149
Recovery from expected credit loss at the end of the year	-	-	-	-
<b>Ending balance</b>	<b>25,584</b>	<b>76,753</b>	<b>153,504</b>	<b>255,841</b>

<i>Jordanian Dinar</i>	<b>December 31, 2019</b>			
<i>Item</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Beginning balance	11,936	35,807	71,615	119,358
Increase in credit losses at the end of the year	433	1,301	2,600	4,334
Recovery from expected credit loss at the end of the year	-	-	-	-
<b>Ending balance</b>	<b>12,369</b>	<b>37,108</b>	<b>74,215</b>	<b>123,692</b>

- 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 Central Bank's treasury, representing a liability on the Central Bank of Jordan.
- According to the Bank's Law, 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 favour of the Kingdom under payments and setoff agreements; and
  - g) Negotiable 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 Central Bank of Jordan. If the Bank notes and coins are presented afterwards, the Central Bank of Jordan 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 Central Bank of Jordan.

## **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, 2020 (162,070,636 SDRs, as of December 31, 2019). According to the average exchange rate of the Jordanian Dinar against SDRs, this liability amounted to JD 165,498,430 as of December 31, 2020 (JD 158,898,914 as of December 31, 2019). This amount is a long-term liability to be repaid by the Government in the future upon request.

## **22- Certificates of Deposits**

This item represents ordinary certificate of deposits that were issued to local banks in January and February 2020 and their interest rates was in the beginning of 2020 (4%) and adjusted to (2.5%), the bank didn't issue any other certificates in 2020, as its balance at the end of the year was zero. (The interest rate on it at the beginning of 2019 was (4.75%), which was revised to become (4%) at the date of the statement of financial position).

## **23- Government Deposits and Foreign financial institution, Banks and agencies deposits**

### **A- Government deposits**

- Local: This item represents government accounts within the budget, most of which charge interest at a rate of 1.12% to 2.24% with respect 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:
  - Pound sterling at a rate of 0.0% to 0.62%
  - US dollar at a rate of 0.0% to 1.76%

**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:

<i>Jordanian Dinar</i>	<b>Matures Within 3 Months</b>	<b>Matures From 3 Months to 6 Months</b>	<b>Matures from 6 Months to a Year</b>	<b>Without Maturity</b>	<b>Total</b>
<b>2020</b>					
Deposits of foreign financial institution, banks and agencies	164,181,376	519,933,333	590,809,700	12,926,356	1,287,850,765
<b>2019</b>					
Deposits of foreign financial institution, Banks and agencies	385,288,005	342,683,333	590,809,700	27,335,309	1,346,116,347

- The interest rates for (US dollar) currency on deposit balances during the year 2020 ranged from 0.07% to 2.10% according to the maturity dates, while the interest rates for the (US dollar) currency on deposit balances during the year 2019 ranged from 1.61% to 2.8135% 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 Central 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.

<i>Jordanian Dinar</i>	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
International Monetary Fund Account No. (1)	216,771,796	219,832,746
International Monetary Fund Account No. (2)	86,475	151,842
	<b>216,858,271</b>	<b>219,984,588</b>

- This item represents current accounts with the Central Bank that are not subject to interest and have no maturity within a specified period.

<i>Jordanian Dinar</i>	<u>Matures within 3 months</u>	<u>Matures From 3 Months to 6 Months</u>	<u>Matures from 6 Months to a Year</u>	<u>More than a Year to 3 Years</u>	<u>More than 3 Years</u>	<u>Without Maturity</u>	<u>Total</u>
<b>2020</b>							
International Monetary Fund Account Number (1)	-	-	-	55,397,860	160,653,795	720,141	216,771,796
International Monetary Fund Account Number (2)	-	-	-	-	-	86,475	86,475
<b>2019</b>							
International Monetary Fund Account Number (1)	-	-	-	29,495,928	189,616,677	720,141	219,832,746
International Monetary Fund Account Number (2)	-	-	-	-	-	151,842	151,842

- The interest rates for the (SDR) currency on the IMF loan during the year 2020 ranged from 1.05% to 1.754% according to the maturity dates, while the interest rates for the (SDR) currency on the IMF loan during the year 2019 From 1,744% to 2,157%, according to the maturity dates.

## **25- Other Liabilities in Jordanian Currency**

This item consists of the following:

### *Jordanian Dinar*

	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
Unpaid accrued interest	4,469,207	9,107,118
Cash margins on letters of credit	15,752,765	14,683,692
Jordanian treasury bonds secretariats	120,000,000	-
Other deposit accounts	56,545,403	59,624,603
Other liabilities	84,964	222,082
	<b>196,852,339</b>	<b>83,637,495</b>

## **26- Gold and Foreign Currencies Valuation Differences**

This item consists of the following:

### *Jordanian Dinar*

	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
Beginning balance of gold and foreign currencies valuation differences	52,520,958	(127,360,714)
Gains from valuation of gold and foreign currencies transferred according to the Central Bank's Law *	317,462,023	179,881,672
<b>Ending Balance of Gold and Foreign Currencies Valuation Differences</b>	<b>369,982,981</b>	<b>52,520,958</b>

\* 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 gains or losses 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:

<i>Jordanian Dinar</i>	<b>2020</b>	<b>2019</b>
(Debit) differences resulting from valuation of Bank's contributions in the international and regional financial institutions in foreign currencies (a)	3,465,568	(206,995)
Credit differences resulting from the valuation of Bank's assets and liabilities in foreign currencies (a)	(2,115,956)	2,280,740
Credit (Debit) valuation differences resulted from valuation of SDR currency related to (IMF/EFF) loan (a)	3,060,950	3,805,068
(Debit) differences resulted from valuation of foreign trade systems foreign currencies	(56)	(71)
Credit (Debit) differences resulting from gold valuation (b)	312,141,624	173,006,696
Credit (Debit) differences resulted from gold coins valuation (b)	909,893	996,234
<b>Total Valuation Differences of Gold and Foreign Currencies During the Year</b>	<b>317,462,023</b>	<b>179,881,672</b>

a. The movement on the foreign currencies' valuation is as follows:

<i>Jordanian Dinar</i>	<b>2020</b>	<b>2019</b>
Beginning balance of the valuation differences of foreign currencies	(374,656,604)	(380,535,346)
(Debit) differences resulting from valuation of Bank's contributions in the international and regional financial institutions in foreign currencies	3,465,568	(206,995)
Credit differences resulting from the valuation of Bank's asset and liabilities in foreign currencies	(2,115,956)	2,280,740
Credit (debit) Valuation differences resulted from valuation of SDR currency related to (IMF/EFF) loan	3,060,950	3,805,068
(Debit) differences resulted from valuation of foreign trade systems foreign currencies	(56)	(71)
<b>Ending Balance of the Valuation Differences of Foreign Currencies</b>	<b>(370,246,098)</b>	<b>(374,656,604)</b>



b. The movement on the gold valuation is as follows:

<i>Jordanian Dinar</i>	<b>2020</b>	<b>2019</b>
Beginning balance of valuation differences of gold	427,177,562	253,174,632
Credit (debit) gold valuation difference	312,141,624	173,006,696
Credit (debit) gold coins valuation difference *	909,893	996,234
<b>Valuation Differences of Gold – Ending Balance</b>	<b>740,229,079</b>	<b>427,177,562</b>

\* 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 Central Bank of Jordan valuation bulletin is made at the last working day of the year.

## **27- General Reserve**

This item consist of the following:

<i>Jordanian Dinar</i>	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
General Reserve beginning balance	10,084,848	1,878,264
Transferred from current year profits according to the bank's law for General Reserve *	15,005,382	8,206,584
	<b>25,090,230</b>	<b>10,084,848</b>

\* According to the Central Bank of Jordan law No.(9/a) which states that the Central Bank of Jordan 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 profit of the Bank decides, after deducting all payments and administrative expenses and contributions to private provident fund staff of Central 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:

<i>Jordanian Dinar</i>	December 31,	
	2020	2019
Special reserves balance for valuation of the financial assets at the beginning of the year	135,646,693	132,396,907
Gains from valuation of the contributions in the regional and foreign financial institutions	16,354,960	3,209,152
(Losses) from valuation of the contributions in the local financial institutions	8,139,678	(231,046)
Gain (loss) Sale of financial assets at fair value through comprehensive income losses	-	23,085
Gain on increase treatment in the banks' local contributions	-	248,595
<b>Balance at Year-End</b>	<b>160,141,331</b>	<b>135,646,693</b>

**29- Special Reserve**

This item consists of the following:

<i>Jordanian Dinar</i>	December 31,	
	2020	2019
Beginning balance for the special reserve	186,479,233	101,479,233
Transferred from Gains for the year as per the Bank's law to the special reserves	48,500,000	85,000,000
<b>Ending Balance for the Special Reserve</b>	<b>234,979,233</b>	<b>186,479,233</b>

**30- Revenue from Foreign Investments**

This item consists of the following:

<i>Jordanian Dinar</i>	For the Year Ended December	
	2020	2019
Interest received on time deposits, current and call accounts with correspondents	61,397,512	143,085,476
Interest on foreign bonds	44,968,133	63,457,112
Income recognition from sale of foreign bonds	1,780,008	991,332
Income from dealing with gold	99,820,049	43,343,493
Revenue from option contracts	3,701,583	959,277
Income realized on foreign currency trading	974,653	5,211
Income on commercial papers	6,286,671	10,374,256
Fees of accounts management of our correspondents abroad	329,816	243,164
	<b>219,258,425</b>	<b>262,459,321</b>

**31 - Revenue from Local Investments**

This item consists of the following:

*Jordanian Dinar*

	For the Year Ended	
	2020	2019
Interest on advances granted to specialized credit institutions and licensed banks	9,727,766	8,014,233
Income from swap contracts	2,863,801	2,687,785
Income from forward contracts	2,263,387	1,779,335
Interest on Jordanian treasury bonds	6,593,182	153,322
Interest on general institutions' bonds	1,076,576	1,407,052
Interest on individuals' savings bonds	869,546	816,890
Revenue against risk on investment contracts with Islamic Banks	552,062	750,577
Income from contribution in local institutions	315,000	315,000
Income from repurchase of financial securities (repo)	14,518,199	8,207,951
Income from payment systems	316,791	261,338
	<b>39,096,310</b>	<b>24,393,483</b>

**32 - Miscellaneous Other Revenues**

This item consists of the following:

*Jordanian Dinar*

	For the Year Ended December 31,	
	2020	2019
Annual fees from banks, and license fees from banks, financial corporations and representative offices	4,631,707	4,553,719
Exchange dealers annual license fees	462,167	452,844
Income from sale of available for sale issuances	64,061	50,120
Net interest on housing loans	40,502	58,827
Commissions collected from customers	79,678	94,723
Revenue from the finance of housing	452,533	400,830
Grant and Aid income	206,552	-
Other revenue	147,589	215,783
	<b>6,084,789</b>	<b>5,826,846</b>

**33- Interest Paid on Certificates of Deposits and Licensed Banks' Overnight Window Deposits**

This item consists of the following:

***Jordanian Dinar***

	<b>For the Year Ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Interest paid on certificates of deposits – JD	4,595,890	25,988,356
Interest paid on overnight deposits	45,366,956	47,905,168
	<b>49,962,846</b>	<b>73,893,524</b>

**34- Other Interest, Commissions and other Expenses**

This item consists of the following:

***Jordanian Dinar***

	<b>For the Year Ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
IMF accounts expenses	3,127,605	4,794,628
Commissions and expenses for managing the Bank's accounts with correspondents	1,590,899	1,014,748
Government transfers expenses	4,183	3,271
Other paid commissions and expenses	1,546	29,986
Interest paid on other accounts	269,644	433,146
	<b>4,993,877</b>	<b>6,275,779</b>

**35- General and Administrative Expenses**

This item consists of the following:

**Jordanian Dinar**

	<b>For the Year Ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>Salaries, Bonuses, Wages and Allowances:</b>		
Salaries, bonuses, wages and allowances	15,531,294	14,463,331
Overtime	863,014	1,085,630
	<b>16,394,308</b>	<b>15,548,961</b>
<b>Travel, Training and Educational Expenses:</b>		
Travel expenses and allowances	377,552	391,176
Training and educational expenses	105,625	1,032,795
	<b>483,177</b>	<b>1,423,971</b>
<b>Other Employees' and Laborer's Benefits:</b>		
Staff and users' insurance premiums	223,615	145,034
Medical treatment expenses	5,020,381	4,794,233
Customer service and users' uniforms	20,814	33,928
Social activities expenses	431,400	355,950
Canteen expenses	8,400	8,400
	<b>5,704,610</b>	<b>5,337,545</b>
<b>Contribution to Employees Saving Fund, Social Security and Staff Indemnity:</b>		
Bank's contribution to employees saving fund	1,102,309	1,021,275
Bank's social security contribution	1,648,957	1,533,288
Staff indemnity benefits and leave payments	3,694,151	3,723,404
	<b>6,445,417</b>	<b>6,277,967</b>
<b>Board of Directors' Remuneration</b>	<b>13,239</b>	<b>14,400</b>
<b>Stationery and Printing:</b>		
Stationery and printing	47,061	96,599
Books and subscriptions in newspapers and magazines	122,612	131,281
Subscriptions in scientific and intellectual Institutions	63,783	67,074
	<b>233,456</b>	<b>294,954</b>
<b>Institute of Banking Studies Expenses:</b>	<b>303,200</b>	<b>196,154</b>
<b>Anti-Money Laundry and Counter Terrorist Financing Unit Expenses</b>	<b>800,000</b>	<b>560,449</b>
<b>Telecommunication Expenses:</b>		
Postage and telephone	68,614	80,504
Subscriptions to Reuter's Agency, SWIFT and internet services	621,414	719,597
	<b>690,028</b>	<b>800,101</b>
<b>Aqaba and Irbid Branches Expenses</b>	<b>759,013</b>	<b>763,123</b>
<b>Maintenance and Repair Banks assets:</b>		
Fuel and vehicles maintenance	75,080	127,063
Furniture, equipment, and computer maintenance	1,018,616	1,084,134
	<b>1,093,696</b>	<b>1,211,197</b>

**35- General and Administrative Expenses (continued)***Jordanian Dinar***For the Year Ended December 31,****Bank Buildings Expenses:**

	<b>2020</b>	<b>2019</b>
Electricity, water and fuel	833,741	1,002,180
Security, maintenance and cleaning of the Bank's buildings	624,352	509,963
Rent and rented buildings expenses	12,137	12,198
Insurance of buildings and Bank's assets	84,829	62,299
	<b>1,555,059</b>	<b>1,586,640</b>
<b>Depreciation of Property, Equipment and Software</b>	<b>3,617,112</b>	<b>3,036,830</b>
<b>Other expenses</b>	<b>1,436,451</b>	<b>1,266,309</b>
<b>Total</b>	<b>39,528,766</b>	<b>38,318,601</b>

- The salaries and bonuses of the executive management amounted to JD 625,000 for the year 2020 (JD 531,250 for the year 2019).

**36- Expected Credit Losses**

This item consists of the following:

*Jordanian Dinar***For the Year Ended**

	<b>2020</b>	<b>2019</b>
Gold expected credit losses	26,551	(7,181)
Deposits and balances expected credit losses	2,557,470	(244,845)
Expected credit losses from foreign financial securities at amortized cost	2,949,199	93,265
Expected credit losses on financial securities and others	(214,315)	12,955
Expected credit losses on advances granted to banks and financial institutions	552,062	750,577
Expected credit losses on other assets in JD	132,149	4,334
	<b>6,003,116</b>	<b>609,105</b>

**37- Bank Deposits/ Compulsory Cash Reserves**

Deposits by banks in foreign currencies and Jordanian Dinar stated under liabilities in the statement of financial position as of December 31, 2020 include compulsory cash reserves as follows:

*Jordanian Dinar***December 31,**

	<b>2020</b>	<b>2019</b>
Jordanian Dinar	1,221,595,684	1,654,010,871
Foreign currencies	487,574,874	577,191,592
	<b>1,709,170,558</b>	<b>2,231,202,463</b>

**38- Financial Instruments Derivatives**

- Financial derivatives represent forward sale transactions and swap Contracts recorded through journal entries off the Statement of Financial Position, and they do not have a material impact on the financial statements.
- 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 505,016,000 as of December 31, 2020 for three contracts.
- b) There are swap contracts in Foreign Currencies (US Dollar against Jordanian Dinar) at the Central Bank of Jordan shown off the Statement of Financial Position. They have no impact on the financial statements and amounted to JD 123,751,389 as of December 31, 2020. Moreover, they are represented by two contracts with licensed bank in Jordan amounted to of JD 64,948,517 against the banks' paid up capital and the related reserves, and eight contracts with international financial institution for the amount of JD 58,802,872 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 same and medium projects.

**39- Risk Management**

The Central Bank of Jordan manages its various banking risks by different means through adopting a risk management methodology, mitigating risks, and setting up proper controls to restrict the negative impact on the Bank's performance and its reputation. Moreover, the Bank is exposed to the following risks: strategic risks, financial risks, and operating risks.

Management of risks at the Bank is congruent with the volume of its activities, the variety of its operations, as follows:

- The Central Bank of Jordan Law and its approved policies on credit granting and related collaterals.
- Foundation of units responsible on risk management, compliance and monitoring.
- The adoption of risk management strategies and related plans by specialized committees which are executive risk management and compliance committee, investment committee and lending committee.

**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 Central Bank of Jordan 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 1<sup>st</sup>, 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 ECL 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. Besides, 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, though 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 three 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 an 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 monetary flows, along with their maturity dates, in addition to estimating any significant increase in the credit risk of financial assets after being initially recognized. Moreover, future measurement information on 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:**

- Foreign securities at amortized cost (in foreign currency).
- Term deposits (in foreign currency).
- Past due direct credit facilities and commercial exchange agreements (in foreign currency).
- Off statement of financial position 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) including 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 ECL according to its classification stages for the financial year as of 31<sup>st</sup> December, 2020:

<b>Item</b>	<b>Stage (1)</b>	<b>Stage (2)</b>	<b>Stage (3)</b>	<b>Total</b>
<b><i>Jordanian Dinar</i></b>				
Gold	26,632	-	-	26,632
Cash, balances, and deposits	3,562,578	-	-	3,562,578
Foreign financial securities at amortized cost	3,204,485	-	-	3,204,485
Past due facilities and payment agreements	-	-	-	-
Financial securities and others	51,680	-	-	51,680
Advances granted to local banks and financial institutions	2,186,283	-	226,093,961	228,280,244
Financing of financial securities repurchase agreements	-	-	-	-
Other assets in Jordanian Dinar	25,584	76,753	153,504	255,841
<b>Total</b>	<b>9,057,242</b>	<b>76,753</b>	<b>226,247,465</b>	<b>235,381,460</b>

The following table sets out the provision for ECL according to its classification stages for the financial year as of 31<sup>st</sup> December, 2019:

<b>Item</b>	<b>Stage (1)</b>	<b>Stage (2)</b>	<b>Stage (3)</b>	<b>Total</b>
<b><i>Jordanian Dinar</i></b>				
Gold	65	-	-	65
Cash, balances, and deposits	1,005,108	-	-	1,005,108
Foreign financial securities at amortized cost	255,286	-	-	255,286
Past due facilities and payment agreements	-	-	-	-
Financial securities and others	265,995	-	-	265,995
Advances granted to local banks and financial institutions	1,634,222	-	226,093,961	227,728,183
Financing of financial securities repurchase agreements	-	-	-	-
Other assets in Jordanian Dinar	12,369	37,108	74,215	123,692
<b>Total</b>	<b>3,173,045</b>	<b>37,108</b>	<b>226,168,176</b>	<b>229,378,329</b>

### **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 order to measure the degree of risk pertaining to any credit exposure, the Bank has adopted methods and strategies globally recognized, 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 (ECL):** They 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 bank 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 Central 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 (GLGC) at different ratios of the advance value. The recovery rate is calculated for these advances and the LGD is thereby calculated based on the recovery rate.
- Advances granted with no collaterals by the GLGC; 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 Central 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 Central 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 verify that they confirm with 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 aggregate risk management which includes mechanisms for determining, assessing, controlling, and monitoring risks on an ongoing basis.

**Information Security and Cypher Security 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.

**Internal 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 significant 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 aggregate risk management. The key tasks of the Committee are as follows:

- Reviewing the general framework for aggregate risk management 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 December 31, 2020 and 2019:

**Jordanian Dinar**

	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
On-statement of financial position items:		
Gold	120,589,568	19,441,735
Cash balances and deposits	6,268,699,653	5,740,010,100
Financial Securities at fair value through profit or loss -		
Foreign currencies	70,937,268	141,946,388
Foreign Financial securities at amortized cost	2,720,055,110	3,373,251,577
Past due Direct Credit facilities and commercial exchange		
Agreements	766,882,210	766,882,210
Special drawing rights	13,846,865	11,658,020
Other assets - foreign currencies	21,832,797	31,406,171
Financial securities and others	578,541,465	472,466,218
Advances granted to local banks and financial		
Institutions	1,672,221,594	762,456,160
Financing of financial securities repurchase agreements	455,000,000	310,000,000
Other assets in Jordanian Dinar	37,087,782	30,062,814
<b>Total</b>	<b>12,725,694,312</b>	<b>11,659,581,393</b>
Off balance sheet accounts:		
Letters of credit	129,938,070	92,210,970
Foreign obligations against currencies forward contracts	505,016,000	532,055,000
Swaps Contracts	123,751,389	111,767,800
<b>Total</b>	<b>758,705,459</b>	<b>736,033,770</b>
<b>Grand Total</b>	<b>13,484,399,771</b>	<b>12,395,615,163</b>

**2- Distribution of exposure to credit risk according to the degree of risk:**

- A-** Foreign Financial securities at fair value through profit or loss as of December 31, 2020:  
 - Foreign Bonds

<b>Classification</b>	<b>Rating Institution</b>	<b>Issuing Institution</b>	<b>Financial securities at fair value</b>
			JD
Aaa	Moody's	IBRD	35,476,162
Aaa	Moody's	LBANK	35,461,106
<b>Total Foreign Bond at Fair Value Through Profit or Loss</b>			<b>70,937,268</b>



**B- Foreign financial securities at amortized cost as of December 31, 2020**  
 - Foreign Bonds

<b>Classification</b>	<b>Rating Institution</b>	<b>Issuing Institution</b>	<b>Balance</b>
			JD
Aaa	Moody's	CANADA	14,136,954
Aaa	Moody's	KFW	14,122,879
Aaa	Moody's	LBANK	120,578,740
Aaa	Moody's	RENTEN	152,207,279
B1	Moody's	JORDAN	33,351,318
Aaa	Moody's	AFDB	93,820,304
Aaa	Moody's	ASIA	127,322,975
Aaa	Moody's	AIIB	49,544,876
Aaa	Moody's	EBRD	35,368,324
Aa2	Moody's	EUROF	35,400,824
Aaa	Moody's	EIB	141,300,709
Aa1	Moody's	IDBINV	84,949,949
Aaa	Moody's	IADB	141,321,734
Aaa	Moody's	IBRD	49,425,104
Aaa	Moody's	IDAWBG	14,116,908
Aaa	Moody's	IFC	215,795,526
Aa1	Moody's	IFFIM	24,776,093
Aaa	Moody's	ISDB	658,627,573
AA+	S&P	NDEVBB	106,174,113
Aaa	Moody's	NIB	84,869,555
Aa2	Moody's	ADGB	91,812,046
Aaa	Moody's	UST	431,031,327
<b>Total Foreign Bonds at Amortized Cost</b>			<b>2,720,055,110</b>
<b>Total Foreign Financial Securities at Amortized Cost</b>			<b>2,720,055,110</b>

**3 - Distribution of the collaterals fair value against credit exposures for the year 2020:****First: Distribution of the collaterals fair value against gross exposures:**

<i>Jordanian Dinar</i>	Gross Exposure	Cash Margins	Government Financial Securities	Non-Government financial securities	Mortgage	Gross Collaterals	Net Exposure after Collaterals	Expected Credit Losses
<b>On Statement of financial position</b>								
Gold	120,616,200	-	-	-	-	-	120,616,200	26,632
Cash balances and deposits	6,272,262,231	-	-	-	-	-	6,272,262,231	3,562,578
Financial Securities at fair value through profit or loss - Foreign currencies	70,937,268	-	-	-	-	-	70,937,268	-
Foreign financial securities at amortized cost	2,723,259,595	-	-	-	-	-	2,723,259,595	3,204,485
Past due direct credit facilities and commercial exchange agreements	766,882,210	-	-	-	-	-	766,882,210	-
Special drawing rights	13,846,865	-	-	-	-	-	13,846,865	-
Other assets - foreign currencies	21,832,797	-	-	-	-	-	21,832,797	-
Financial securities and others	578,593,145	-	538,509,632	40,275,411	-	578,785,043	19,520,393	51,680
Advances granted to local banks and financial institutions *	1,658,207,263	-	665,334,000	1,166,164,204	-	1,831,498,204	32,113,859	2,186,283
Financing of financial securities repurchasing agreements	455,000,000	-	455,014,073	-	-	455,014,073	-	-
Miscellaneous other assets in Jordanian currency **	34,042,785	-	-	-	37,570,652	37,570,652	-	25,584
<b>Total</b>	<b>12,715,480,359</b>	<b>-</b>	<b>1,658,857,705</b>	<b>1,206,439,615</b>	<b>37,570,652</b>	<b>2,902,867,972</b>	<b>10,041,271,418</b>	<b>9,057,242</b>
<b>Off financial position items:</b>								
Letters of credit	129,938,070	15,752,765	-	-	-	15,752,765	114,185,305	-
Foreign obligations against currencies forward contracts	505,016,000	-	-	-	-	-	505,016,000	-
Swaps Contracts	123,751,389	-	-	-	-	-	123,751,389	-
<b>Total Exposures amount</b>	<b>13,474,185,818</b>	<b>15,752,765</b>	<b>1,658,857,705</b>	<b>1,206,439,615</b>	<b>37,570,652</b>	<b>2,918,620,737</b>	<b>10,784,224,112</b>	<b>9,057,242</b>
<b>Second: Credit exposures in stage 2:</b>								
Miscellaneous other assets - Jordanian currency	1,033,224	-	-	-	1,140,297	1,140,297	-	76,752
<b>Total</b>	<b>1,033,224</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,140,297</b>	<b>1,140,297</b>	<b>-</b>	<b>76,752</b>
<b>Third: Credit exposures in stage 3:</b>								
Advances granted to local banks and financial institutions	242,294,575	-	4,253,600	-	-	4,253,600	238,040,975	226,093,961
Miscellaneous other assets - Jordanian currency	2,267,614	-	-	-	2,502,608	2,502,608	-	153,505
<b>Total</b>	<b>244,562,189</b>	<b>-</b>	<b>4,253,600</b>	<b>-</b>	<b>2,502,608</b>	<b>6,756,208</b>	<b>238,040,975</b>	<b>226,247,466</b>

\* This item includes exposures do not have collaterals for the balances of investment with Islamic banks (advances granted to customers), which a provision against investment contracts with Islamic banks was booked.

\*\* 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.

**3 - Distribution of the collaterals fair value against credit exposures for the year 2019:****First: Distribution of the collaterals fair value against gross exposures:**

<i>Jordanian Dinar</i>	<i>Gross Exposure</i>	<i>Cash Margins</i>	<i>Government Financial Securities</i>	<i>Non-Government Financial securities</i>	<i>Mortgage</i>	<i>Gross Collaterals</i>	<i>Net Exposure after Collaterals</i>	<i>Expected Credit Losses</i>
<b>On Statement of financial position</b>								
Gold	19,441,800	-	-	-	-	-	19,441,800	65
Cash balances and deposits	5,741,015,208	-	-	-	-	-	5,741,015,208	1,005,108
Financial Securities at fair value through profit or loss - Foreign currencies	141,946,388	-	-	-	-	-	141,946,388	-
Foreign financial securities at amortized cost	3,373,506,863	-	-	-	-	-	3,373,506,863	255,286
Past due direct credit facilities and commercial exchange agreements	766,882,210	-	-	-	-	-	766,882,210	-
Special drawing rights	11,658,020	-	-	-	-	-	11,658,020	-
Other assets - foreign currencies	31,406,171	-	-	-	-	-	31,406,171	-
Financial securities and others	472,732,214	-	430,275,412	40,275,411	-	470,550,823	2,181,391	265,996
Advances granted to local banks and financial institutions *	745,480,207	-	367,262,000	557,860,271	-	925,152,271	-	1,634,222
Financing of financial securities repurchasing agreements	310,000,000	-	313,840,370	-	-	313,840,370	-	-
Other assets in Jordanian currency **	26,978,503	-	-	-	36,105,653	36,105,653	-	12,369
<b>Total</b>	<b>11,641,047,584</b>	<b>-</b>	<b>1,111,407,782</b>	<b>598,135,682</b>	<b>36,105,653</b>	<b>1,745,649,117</b>	<b>10,888,038,051</b>	<b>3,173,046</b>
<b>Off financial position items:</b>								
Letters of credit	92,210,970	14,683,692	-	-	-	14,683,692	77,527,278	-
Foreign obligations against currencies forward contracts	532,055,000	-	-	-	-	-	532,055,000	-
Swaps Contracts	111,767,800	-	-	-	-	-	111,767,800	-
<b>Total Exposures amount</b>	<b>12,377,081,354</b>	<b>14,683,692</b>	<b>1,111,407,782</b>	<b>598,135,682</b>	<b>36,105,653</b>	<b>1,760,332,809</b>	<b>10,809,388,129</b>	<b>3,173,046</b>
<b>Second: Credit exposures in stage 2:</b>								
Miscellaneous other assets - Jordanian currency	1,012,869	-	-	-	1,355,535	1,355,535	-	37,108
<b>Total</b>	<b>1,012,869</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,355,535</b>	<b>1,355,535</b>	<b>-</b>	<b>37,108</b>
<b>Third: Credit exposures in stage 3:</b>								
Advances granted to local banks and financial institutions	244,704,136	-	4,253,600	-	-	4,253,600	240,450,537	226,093,961
Miscellaneous other assets - Jordanian currency	2,195,134	-	-	-	2,937,774	2,937,774	-	74,215
<b>Total</b>	<b>246,899,270</b>	<b>-</b>	<b>4,253,600</b>	<b>-</b>	<b>2,937,774</b>	<b>7,191,374</b>	<b>240,450,537</b>	<b>226,168,176</b>

\* This item includes exposures do not have collaterals for the balances of investment with Islamic banks (advances granted to customers), which a provision against investment contracts with Islamic banks was booked.

\*\* The bank has taken a provision on the total portfolio of loans and housing financing of employees at a rate of (0.5%) 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.

**4 - Geographical distribution of credit risk exposure**

<i>Jordanian Dinar</i>	Inside the Kingdom	GCC Countries	Other Countries	Europe	Asia *	America	Canada	Total
Gold	-	-	-	120,589,568	-	-	-	120,589,568
Cash balances and deposits	-	3,156,960,035	702,014	2,287,390,786	133,377,158	689,105,841	1,163,819	6,268,699,653
Financial Securities at fair value through profit or loss - Foreign currencies	-	-	-	35,461,106	-	35,476,162	-	70,937,268
Foreign financial securities at amortized cost	33,351,318	750,439,620	93,820,304	608,624,403	283,041,964	936,640,547	14,136,954	2,720,055,110
Past due direct credit facilities and commercial exchange agreements	-	-	766,882,210	-	-	-	-	766,882,210
Special drawing rights	-	-	-	-	-	13,846,865	-	13,846,865
Other assets - foreign currencies	882,606	10,882,395	505,428	4,682,102	1,075,050	3,768,978	36,238	21,832,797
Financial securities and others	578,541,465	-	-	-	-	-	-	578,541,465
Advances granted to local banks and financial institutions	1,672,221,594	-	-	-	-	-	-	1,672,221,594
Financing of financial securities repurchasing agreements	455,000,000	-	-	-	-	-	-	455,000,000
Other assets in Jordanian currency	37,087,782	-	-	-	-	-	-	37,087,782
<b>Total on - financial position items</b>	<b>2,777,084,765</b>	<b>3,918,282,050</b>	<b>861,909,956</b>	<b>3,056,747,965</b>	<b>417,494,172</b>	<b>1,678,838,393</b>	<b>15,337,011</b>	<b>12,725,694,312</b>
Off financial position items:								
Letters of credit	14,034,573	558,901	-	12,311,453	-	103,033,143	-	129,938,070
Foreign obligations against currencies forward contracts	505,016,000	-	-	-	-	-	-	505,016,000
Swaps Contracts	64,948,517	-	-	58,802,872	-	-	-	123,751,389
<b>Total for the Year 2020</b>	<b>3,361,083,855</b>	<b>3,918,840,951</b>	<b>861,909,956</b>	<b>3,127,862,290</b>	<b>417,494,172</b>	<b>1,781,871,536</b>	<b>15,337,011</b>	<b>13,484,399,771</b>
<b>Total for the Year 2019</b>	<b>2,215,162,460</b>	<b>3,732,507,964</b>	<b>882,620,428</b>	<b>2,900,473,177</b>	<b>402,057,767</b>	<b>2,215,119,804</b>	<b>49,794,482</b>	<b>12,397,736,082</b>

\* Except for Middle East Countries

**Distribution of credit exposures according to geographical distribution according to IFRS (9)**

Item	Stage 1	Stage 2	Stage 3	Total
Inside the Kingdom	3,341,735,908	1,033,224	18,314,723	3,361,083,855
GCC Countries	3,918,840,951	-	-	3,918,840,951
Other Countries	861,909,956	-	-	861,909,956
Europe	3,127,862,290	-	-	3,127,862,290
Asia	417,494,172	-	-	417,494,172
America	1,781,871,536	-	-	1,781,871,536
Canada	15,337,011	-	-	15,337,011
<b>Total 2020</b>	<b>13,465,051,824</b>	<b>1,033,224</b>	<b>18,314,723</b>	<b>13,484,399,771</b>
<b>Total 2019</b>	<b>12,377,004,988</b>	<b>-</b>	<b>20,731,094</b>	<b>12,397,736,082</b>

**5 -Exposure to credit risk according to economic sector:**

Item / Economic Sector	Financial	Government and	Total
		Public Sector	
<i>Jordanian Dinar</i>			
Gold	120,589,568	-	120,589,568
Cash balances and deposits	5,979,157,491	289,542,162	6,268,699,653
Financial Securities at fair value through profit or loss - Foreign currencies	-	70,937,268	70,937,268
Foreign financial securities at amortized cost	-	2,720,055,110	2,720,055,110
Past due direct credit facilities and commercial exchange agreements	-	766,882,210	766,882,210
Special drawing rights	-	13,846,865	13,846,865
Other assets - foreign currencies	11,689,003	10,143,794	21,832,797
Financial securities and other	19,468,713	559,072,752	578,541,465
Advances granted to local banks and financial institutions	1,594,948,891	77,272,703	1,672,221,594
Financing of financial securities repurchase agreements	455,000,000	-	455,000,000
Other assets in Jordanian Dinar	37,087,782	-	37,087,782
<b>Total on - financial position items</b>	<b>8,217,941,448</b>	<b>4,507,752,864</b>	<b>12,725,694,312</b>
Off financial position items:			
Letters of credit	-	129,938,070	129,938,070
Foreign obligations against currencies forward contracts	505,016,000	-	505,016,000
Swaps Contracts	64,948,517	58,802,872	123,751,389
<b>Total for the Year 2020</b>	<b>8,787,905,965</b>	<b>4,696,493,807</b>	<b>13,484,399,771</b>
<b>Total for the Year 2019</b>	<b>7,247,078,209</b>	<b>5,150,657,873</b>	<b>12,397,736,082</b>

**Distribution of credit exposures by economic sector according to IFRS (9)**

Item	Stage 1	Stage 2	Stage 3	Total
Financial	8,768,558,018	1,033,224	18,314,723	8,787,905,965
Government and public sector	4,696,493,806	-	-	4,696,493,806
<b>Total 2020</b>	<b>13,465,051,824</b>	<b>1,033,224</b>	<b>18,314,723</b>	<b>13,484,399,771</b>
<b>Total 2019</b>	<b>12,377,004,988</b>	<b>-</b>	<b>20,731,094</b>	<b>12,397,736,082</b>

**Interest Rate Repricing Gap:**

Classification is based on interest repricing periods or maturities, whichever are nearer.

	Up to	More than 3	More than 6 Months	More than 1 Year to 3	More than 3 Years	Without Interest	Total
<i>Jordanian Dinar</i>	3 Months	to 6 Months	up to 1Year	Years			
<b><u>December 31, 2020</u></b>							
<b><u>Assets</u></b>							
Gold and foreign currencies assets:							
Gold	120,589,568	-	-	-	-	2,525,413,356	2,646,002,924
Cash balances and deposits	4,312,989,931	1,814,124,427	141,585,295	-	-	283,028,544	6,551,728,197
Financial Securities at fair value through profit or loss - Foreign currencies	35,476,162	-	35,461,106	-	-	-	70,937,268
Foreign financial securities at amortized cost	136,302,377	173,186,568	374,633,699	1,188,431,458	847,501,008	-	2,720,055,110
Past due direct credit facilities and commercial exchange agreements	-	-	-	-	-	766,882,210	766,882,210
Special drawing rights	-	-	-	-	-	13,846,865	13,846,865
Foreign financial assets at fair value through other comprehensive income	-	-	-	-	-	407,593,088	407,593,088
Other assets - foreign currencies	17,850,585	3,097,469	884,743	-	-	-	21,832,797
<b>Assets in Jordanian Currency:</b>							
Financial securities and other	48,000,000	28,000,000	64,975,800	122,176,800	23,120,713	282,268,152	578,541,465
Advances granted to local banks and financial institutions	41,497,456	40,146,144	72,264,488	321,264,047	730,443,695	466,605,764	1,672,221,594
Financial assets in local currency at fair value through other comprehensive income	-	-	-	-	-	45,290,081	45,290,081
Financing of financial securities repurchase agreements	455,000,000	-	-	-	-	-	455,000,000
Property and equipment and software (net)	-	-	-	-	-	23,221,575	23,221,575
Other assets in Jordanian Dinar	-	-	-	-	25,317,935	24,976,085	50,294,020
<b>Total Assets</b>	<b>5,167,706,079</b>	<b>2,058,554,608</b>	<b>689,805,131</b>	<b>1,631,872,305</b>	<b>1,626,383,351</b>	<b>4,849,125,720</b>	<b>16,023,447,194</b>

**Interest Rate Repricing Gap:**

Classification is based on interest repricing periods or maturities, whichever are nearer.

<i>Jordanian Dinar</i>	Up to	More than 3	More than 6 Months	More than 1 Year to 3	More than 3 Years	Without Interest	Total
<b><u>December 31, 2020</u></b>	<b><u>3 Months</u></b>	<b><u>to 6 Months</u></b>	<b><u>up to 1Year</u></b>	<b><u>Years</u></b>	<b><u>3 Years</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
<b>Liabilities</b>							
Currency issued	-	-	-	-	-	6,496,496,199	<b>6,496,496,199</b>
<b>Liabilities in foreign currencies:</b>							
Local licensed banks and financial institutions' deposits	737,278,652	-	-	-	-	-	<b>737,278,652</b>
Government deposits	93,356,415	-	-	-	-	-	<b>93,356,415</b>
Governmental deposits with independent budgets public institutions on	12,158,217	-	-	-	-	-	<b>12,158,217</b>
Foreign financial institutions, banks and independent agencies' deposits	164,181,376	519,933,333	590,809,700	-	-	12,926,356	<b>1,287,850,765</b>
Obligations against special drawing rights	-	-	-	-	-	165,498,430	<b>165,498,430</b>
Deposits and other liabilities	-	-	-	28,564,056	-	-	<b>28,564,056</b>
<b>Liabilities in Jordanian Currency:</b>							
Local licensed banks and financial institutions deposits	2,984,500,000	-	-	-	-	2,656,253,003	<b>5,640,753,003</b>
Government deposits	180,739,827	-	-	-	-	-	<b>180,739,827</b>
Governmental deposits with independent budgets on public institutions	127,034,752	-	-	-	-	-	<b>127,034,752</b>
International Monterey Fund accounts	-	-	-	-	216,858,271	-	<b>216,858,271</b>
Foreign financial institutions, banks and independent agencies' deposits	-	-	-	-	-	1,812,493	<b>1,812,493</b>
Other liabilities in Jordanian currency	20,221,972	-	-	-	-	176,630,367	<b>196,852,339</b>
Gold and foreign currencies valuation differences	-	-	-	-	-	369,982,981	<b>369,982,981</b>
<b>Total Liabilities</b>	<b><u>4,319,471,211</u></b>	<b><u>519,933,333</u></b>	<b><u>590,809,700</u></b>	<b><u>28,564,056</u></b>	<b><u>216,858,271</u></b>	<b><u>9,879,599,829</u></b>	<b><u>15,555,236,400</u></b>
<b>Interest rate re - pricing gap</b>	<b><u>848,234,868</u></b>	<b><u>1,538,621,275</u></b>	<b><u>98,995,431</u></b>	<b><u>1,603,308,249</u></b>	<b><u>1,409,525,080</u></b>	<b><u>(5,030,474,109)</u></b>	<b><u>468,210,794</u></b>
<b><u>December 31, 2019</u></b>							
<b>Total Assets</b>	<b>6,396,432,142</b>	<b>691,170,799</b>	<b>416,926,471</b>	<b>1,744,357,353</b>	<b>1,199,495,851</b>	<b>3,259,517,634</b>	<b>13,707,900,250</b>
<b>Total Liabilities</b>	<b><u>3,789,224,845</u></b>	<b><u>342,683,333</u></b>	<b><u>590,809,700</u></b>	<b><u>-</u></b>	<b><u>219,984,588</u></b>	<b><u>8,384,987,010</u></b>	<b><u>13,327,689,476</u></b>
<b>Interest Rate Re - pricing Gap</b>	<b><u>2,607,207,297</u></b>	<b><u>348,487,466</u></b>	<b><u>(173,883,229)</u></b>	<b><u>1,744,357,353</u></b>	<b><u>979,511,263</u></b>	<b><u>(5,125,469,376)</u></b>	<b><u>380,210,774</u></b>

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 Central Bank of Jordan foreign assets are evaluated according to this exchange rate because the Central Bank of Jordan 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 Central Bank of Jordan 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 Central Bank of Jordan 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 statement of income 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 (2.328%).

- Foreign Currency Risk:

Sensitivity analysis for 2020:

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
<i><b>Jordainian Dinar</b></i>		
Euro	9,649,523	(9,649,523)
Great British Pound	973,185	(973,185)
Japanese Yen	12,176	(12,176)
Canadian Dollar	58,191	(58,191)
Swiss Franc	10,087	(10,087)
Other Currencies	168,439	(168,439)



Sensitivity analysis for 2019:

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
<b><i>Jordainian Dinar</i></b>		
Euro	5,460,225	(5,460,225)
Great British Pound	879,749	(879,749)
Japanese Yen	10,546	(10,546)
Canadian Dollar	4,141	(4,141)
Swiss Franc	2,969	(2,969)
Other Currencies	73,261	(73,261)

- Market Risk

Market risk is the risk of the fluctuation in the fair value and cash flows of financial instruments due to the changes in market prices such as interest rate and exchange rate. Market risks are measured by the Bank's management through several methods of which:

- Controlling risks through the Investment and Foreign Operations Department and preparing reports periodically to 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.
- 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 Central Bank of Jordan 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).

- Change in Gold Price Risk

Gold price risk is the exposure of the Bank's financial condition to adverse 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. At December 31, 2020 the Banks net gold investment assets were 1,974,364 Ounces with a value of JOD 2,646,002,924 (2019: 1,406,327 Ounces, JOD 1,518,973,289), approximately 16.51% of its assets (2019: 11.08%). 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 Central Bank of Jordan 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 (parallel analysis +, - 1% on the same interest).

- Interest Rate Risk

The details of the sensitivity analysis of the accounts exposed to changes in interest rates according to currency type during the years 2020 and 2019 are as follows:

Sensitivity analysis for 2020:

<b>Currency</b>	<b>Effect of Raising the Interest Rate by 1% on the Statement of profit or loss</b>	<b>Effect of Reducing the Interest Rate by 1% on the Statement of Profit or loss</b>
<b><i>Jordainian Dinar</i></b>		
US Dollar	83,530,903	(83,530,903)
Jordanian Dinar	(21,991,781)	21,991,781

Sensitivity analysis for 2019:

<b>Currency</b>	<b>Effect of Raising the Interest Rate by 1% on the Statement of profit or loss</b>	<b>Effect of Reducing the Interest Rate by 1% on the Statement of Profit or loss</b>
<b><i>Jordainian Dinar</i></b>		
US Dollar	82,651,495	(82,651,495)
Jordanian Dinar	(18,419,630)	18,419,630

**Concentration of Foreign Currencies Risks**

<i>Jordanian Dinar</i>	<u>US Dollar</u>	<u>Great British Pound</u>	<u>Swiss Franc</u>	<u>Japanese Yen</u>	<u>Canadian Dollar</u>	<u>Euro</u>	<u>Others</u>	<u>Total</u>
<b><u>December 31, 2020</u></b>								
<b><u>Assets</u></b>								
Gold	-	-	-	-	-	-	2,646,002,924	<b>2,646,002,924</b>
Cash accounts	223,313,112	1,125,235	22,106	-	-	58,549,939	18,152	<b>283,028,544</b>
Current accounts	548,668,211	18,338,463	373	243,511	1,163,818	134,440,523	3,350,625	<b>706,205,524</b>
Demand accounts	216,968	-	179,270	-	-	-	-	<b>396,238</b>
Term accounts	5,562,097,891	-	-	-	-	-	-	<b>5,562,097,891</b>
Financial securities at fair value through profit or loss	70,937,268	-	-	-	-	-	-	<b>70,937,268</b>
Foreign Bonds at amortized cost with fixed interest rates	1,930,596,690	-	-	-	-	-	-	<b>1,930,596,690</b>
Foreign Bonds at amortized cost with floating interest rates	789,458,420	-	-	-	-	-	-	<b>789,458,420</b>
Past due Direct Credit facilities and commercial exchange agreements	766,882,210	-	-	-	-	-	-	<b>766,882,210</b>
Special drawing rights	-	-	-	-	-	-	13,846,865	<b>13,846,865</b>
Foreign financial assets at fair value through other comprehensive income	37,625,124	-	-	-	-	-	369,967,964	<b>407,593,088</b>
Other Assets in foreign currencies	21,795,397	-	-	-	-	29,565	7,835	<b>21,832,797</b>
<b>Total</b>	<b><u>9,951,591,291</u></b>	<b><u>19,463,698</u></b>	<b><u>201,749</u></b>	<b><u>243,511</u></b>	<b><u>1,163,818</u></b>	<b><u>193,020,027</u></b>	<b><u>3,033,194,365</u></b>	<b><u>13,198,878,459</u></b>
<b>Liabilities:</b>								
Current and demand accounts	198,285,624	18,819,427	-	-	-	167,550,770	-	<b>384,655,821</b>
Term accounts / reserve	487,574,874	-	-	-	-	-	-	<b>487,574,874</b>
Term accounts	1,274,924,409	-	-	-	-	-	-	<b>1,274,924,409</b>
Other term accounts	12,053,000	-	-	-	-	-	-	<b>12,053,000</b>
Obligations against special drawing rights allocations	-	-	-	-	-	-	165,498,430	<b>165,498,430</b>
<b>Total</b>	<b><u>1,972,837,907</u></b>	<b><u>18,819,427</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>167,550,770</u></b>	<b><u>165,498,430</u></b>	<b><u>2,324,706,534</u></b>
<b>Net concentration</b>	<b><u>7,978,753,384</u></b>	<b><u>644,271</u></b>	<b><u>201,749</u></b>	<b><u>243,511</u></b>	<b><u>1,163,818</u></b>	<b><u>25,469,257</u></b>	<b><u>2,867,695,935</u></b>	<b><u>10,874,171,925</u></b>
December 31, 2019								
<b>Assets</b>	<b>10,057,986,379</b>	<b>17,594,988</b>	<b>59,372</b>	<b>210,929</b>	<b>82,829</b>	<b>109,237,006</b>	<b>1,883,804,326</b>	<b>12,068,975,829</b>
<b>Liabilities</b>	<b><u>2,055,473,204</u></b>	<b><u>17,578,360</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>103,079,534</u></b>	<b><u>158,898,914</u></b>	<b><u>2,335,030,012</u></b>
<b>Net concentration</b>	<b><u>8,002,513,175</u></b>	<b><u>16,628</u></b>	<b><u>59,372</u></b>	<b><u>210,929</u></b>	<b><u>82,829</u></b>	<b><u>6,157,472</u></b>	<b><u>1,724,905,412</u></b>	<b><u>9,733,945,817</u></b>

- 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, note (39) shows the maturities of assets and liabilities.
- 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 Central Bank of Jordan should keep a minimum amount of liquidity in current accounts representing at least 20% of the issued documentary credits.
  3. CBJ 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:

				From				
	Less than	From 1 to	From 3	6 Months	From 1 to 3	More than	Without	
<i>Jordanian Dinar</i>	One Month	3 Months	to 6 Months	up to 1Year	Years	3 Years	Maturity	Total
<b><u>December 31, 2020</u></b>								
<b>Liabilities:</b>								
Currency issued	-	-	-	-	-	-	6,496,496,199	<b>6,496,496,199</b>
<b>Liabilities in foreign currencies:</b>								
Local licensed banks and financial institutions' deposits	487,574,874	-	-	-	-	-	249,703,778	<b>737,278,652</b>
Government deposits	-	-	-	-	-	-	93,356,415	<b>93,356,415</b>
Governmental deposits with independent budgets public institutions on	-	-	-	-	-	-	12,158,217	<b>12,158,217</b>
Foreign financial institutions, banks and independent agencies' deposits	40,106,376	124,075,000	519,933,333	590,809,700	-	-	12,926,356	<b>1,287,850,765</b>
Obligations against special drawing rights	-	-	-	-	-	-	165,498,430	<b>165,498,430</b>
Deposits and other liabilities	-	-	-	-	12,053,000	-	16,511,056	<b>28,564,056</b>
<b>Liabilities in Jordanian Currency:</b>								
Local licensed banks and financial institutions deposits	2,984,500,000	-	-	-	-	-	2,656,253,003	<b>5,640,753,003</b>
Government deposits	-	-	-	-	-	-	180,739,827	<b>180,739,827</b>
Governmental deposits with independent budgets on public institutions	-	-	-	-	-	-	127,034,752	<b>127,034,752</b>
International Monterey Fund accounts	-	-	-	-	-	-	216,858,271	<b>216,858,271</b>
Foreign financial institutions, banks and independent agencies' deposits	-	-	-	-	-	-	1,812,493	<b>1,812,493</b>
Other liabilities in Jordanian currency	20,221,972	-	-	-	-	-	176,630,367	<b>196,852,339</b>
Gold and foreign currencies valuation differences	-	-	-	-	-	-	369,982,981	<b>369,982,981</b>
<b>Total Liabilities</b>	<b>3,532,403,222</b>	<b>124,075,000</b>	<b>519,933,333</b>	<b>590,809,700</b>	<b>12,053,000</b>	<b>-</b>	<b>10,775,962,145</b>	<b>15,555,236,400</b>
<b>Total Assets (according to its anticipated maturity)</b>	<b>3,254,903,664</b>	<b>1,912,802,415</b>	<b>2,058,554,608</b>	<b>689,805,130</b>	<b>1,631,872,305</b>	<b>1,626,383,350</b>	<b>4,849,125,722</b>	<b>16,023,447,194</b>
<b><u>December 31 2019</u></b>								
<b>Total Liabilities</b>	<b>2,845,472,569</b>	<b>356,577,344</b>	<b>346,136,045</b>	<b>602,299,240</b>	<b>-</b>	<b>6,381,000</b>	<b>9,170,823,278</b>	<b>13,327,689,476</b>
<b>Total Assets (according to its anticipated maturity)</b>	<b>2,493,256,089</b>	<b>2,924,571,305</b>	<b>693,002,216</b>	<b>423,532,281</b>	<b>1,750,099,563</b>	<b>1,203,363,609</b>	<b>4,220,075,187</b>	<b>13,707,900,250</b>

**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
<i>Jordanian Dinar</i>							
<b><u>December 31, 2020</u></b>							
<b>Trading Financial Derivatives currency contracts</b>							
SWAP Contracts	21,393,732	37,409,140	64,948,517	-	-	-	123,751,389
Currencies Forward Hedging contracts / Currencies Forward contracts	362,280,000	-	-	142,736,000	-	-	505,016,000
<b>Total</b>	<b>383,673,732</b>	<b>37,409,140</b>	<b>64,948,517</b>	<b>142,736,000</b>	<b>-</b>	<b>-</b>	<b>628,767,389</b>
<b><u>December 31, 2019</u></b>							
<b>Trading Financial Derivatives currency contracts</b>							
SWAP Contracts	-	37,610,788	74,157,012	-	-	-	111,767,800
Currencies Forward Hedging contracts / Currencies Forward contracts	148,950,000	368,925,000	14,180,000	-	-	-	532,055,000
<b>Total</b>	<b>148,950,000</b>	<b>406,535,788</b>	<b>88,337,012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>643,822,800</b>

**Off statement of financial position items**

	For 1 Year	From 1 to 5 Years	More than 5 Years	Total
<i>Jordanian Dinar</i>				
<b><u>December 31, 2020</u></b>				
<b>Off statement of financial position items</b>				
Letters of credit	17,435,573	112,502,497	-	129,938,070
Foreign obligations against currencies forward contracts	505,016,000	-	-	505,016,000
Swaps Contracts	123,751,389	-	-	123,751,389
<b>Total 2020</b>	<b>646,202,962</b>	<b>112,502,497</b>	<b>-</b>	<b>758,705,459</b>
<b><u>December 31, 2019</u></b>				
<b>Off statement of financial position items</b>				
Letters of credit	82,128,819	10,082,151	-	92,210,970
Foreign obligations against currencies forward contracts	531,055,000	-	-	531,055,000
Swaps Contracts	111,767,800	-	-	111,767,800
<b>Total 2019</b>	<b>724,951,619</b>	<b>10,082,151</b>	<b>-</b>	<b>735,033,770</b>

**40- Capital Management**

Through the management of its capital, the Central Bank of Jordan 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 permanent 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 Central Bank of Jordan 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 the statement of income 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:**

<i><b>Jordanian Dinar</b></i>	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
Capital	48,000,000	48,000,000
General reserve	25,090,230	10,084,848
Financial assets valuation reserve	160,141,331	135,646,693
Special reserves	234,979,233	186,479,233
<b>Total Capital and Reserves</b>	<b>468,210,794</b>	<b>380,210,774</b>

**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:

<i>Jordanian Dinar</i>	December 31, 2020		
	Up to One Year	More than One Year	Total
<b>Assets:</b>			
Gold	2,646,002,924	-	2,646,002,924
Cash balances and deposits	6,551,728,197	-	6,551,728,197
Foreign financial securities at fair value through profit and loss	70,937,268	-	70,937,268
Foreign financial securities at amortized cost	684,122,644	2,035,932,466	2,720,055,110
Past due direct credit facilities and commercial exchange agreements	-	766,882,210	766,882,210
Special drawing rights	-	13,846,865	13,846,865
Foreign financial assets at fair value through other comprehensive income	-	407,593,088	407,593,088
Other assets – Foreign currencies	21,832,797	-	21,832,797
Financial securities and others	140,975,800	437,565,665	578,541,465
Advances granted to local banks and financial institutions	153,908,088	1,518,313,506	1,672,221,594
Local-currencies Financial assets at fair value through other comprehensive income.	-	45,290,081	45,290,081
Financial securities repurchasing agreements	455,000,000	-	455,000,000
Property and Equipment and software (net)	-	23,221,575	23,221,575
Other assets in Jordanian Dinar	24,976,084	25,317,936	50,294,020
<b>Total</b>	<b>10,749,483,802</b>	<b>5,273,963,392</b>	<b>16,023,447,194</b>
<b>Liabilities:</b>			
Currency issued	-	6,496,496,199	6,496,496,199
Local licensed banks and financial institutions deposits in foreign currencies	737,278,652	-	737,278,652
Government deposits in foreign currencies	93,356,415	-	93,356,415
Government deposits with independent budgets and Public institutions	12,158,217	-	12,158,217
Foreign financial institutions, banks and independent agencies' deposits	1,287,850,765	-	1,287,850,765
Obligations against special drawing rights	-	165,498,430	165,498,430
Deposits and other liabilities in foreign currencies	-	28,564,056	28,564,056
Local licensed banks and financial institutions deposits – JD	5,640,753,003	-	5,640,753,003
Government deposits – JD	180,739,827	-	180,739,827
Government deposits with independent budgets and Public institutions – JD	127,034,752	-	127,034,752
International Monetary Fund accounts	-	216,858,271	216,858,271
Foreign financial institutions, banks and independent agencies' deposits- JD	1,812,493	-	1,812,493
Other liabilities – JD	196,852,339	-	196,852,339
Gold and foreign currencies valuation differences	369,982,981	-	369,982,981
<b>Total</b>	<b>8,647,819,444</b>	<b>6,907,416,956</b>	<b>15,555,236,400</b>
<b>Net</b>	<b>2,101,664,358</b>	<b>(1,633,453,564)</b>	<b>468,210,794</b>



	December 31, 2019		
	Up to One Year	More than One Year	Total
<b>Jordanian Dinar</b>			
<b>Assets:</b>			
Gold	1,518,973,289	-	1,518,973,289
Cash balances and deposits	5,842,251,445	-	5,842,251,445
Foreign financial securities at fair value through profit and loss	-	141,946,388	141,946,388
Foreign financial securities at amortized cost	1,231,323,363	2,141,928,214	3,373,251,577
Past due direct credit facilities and commercial exchange agreements	-	766,882,210	766,882,210
Special drawing rights	-	11,658,020	11,658,020
Foreign financial assets at fair value through other comprehensive income	-	382,606,729	382,606,729
Other assets – Foreign currencies	31,406,171	-	31,406,171
Financial securities and others	62,970,651	409,495,567	472,466,218
Advances granted to local banks and financial institutions	119,272,623	643,183,537	762,456,160
Local-currencies Financial assets at fair value through other comprehensive income.	-	30,331,237	30,331,237
Financial securities repurchasing agreements	310,000,000	-	310,000,000
Property and Equipment and software (net)	-	22,803,485	22,803,485
Other assets in Jordanian Dinar	16,335,607	24,531,714	40,867,321
<b>Total</b>	<b>9,132,533,149</b>	<b>4,575,367,101</b>	<b>13,707,900,250</b>
<b>Liabilities:</b>			
Currency issued	-	5,162,007,727	5,162,007,727
Local licensed banks and financial institutions deposits in foreign currencies	760,147,407	-	760,147,407
Government deposits in foreign currencies	53,714,305	-	53,714,305
Government deposits with independent budgets and Public institutions	6,460,354	-	6,460,354
Foreign financial institutions, banks and independent agencies' deposits	1,346,116,347	-	1,346,116,347
Obligations against special drawing rights	-	158,898,914	158,898,914
Deposits and other liabilities in foreign currencies	9,692,685	-	9,692,685
Certificates of deposits – JD	500,000,000	-	500,000,000
Local licensed banks and financial institutions deposits – JD	4,636,553,405	-	4,636,553,405
Government deposits – JD	168,596,083	-	168,596,083
Government deposits with independent budgets and Public institutions – JD	168,035,196	-	168,035,196
International Monetary Fund accounts	-	219,984,588	219,984,588
Foreign financial institutions, banks and independent agencies' deposits- JD	1,324,012	-	1,324,012
Other liabilities – JD	83,637,495	-	83,637,495
Gold and foreign currencies valuation differences	52,520,958	-	52,520,958
<b>Total</b>	<b>7,786,798,247</b>	<b>5,540,891,229</b>	<b>13,327,689,476</b>
<b>Net</b>	<b>1,345,734,902</b>	<b>(965,524,128)</b>	<b>380,210,774</b>

**42 - Accounts Managed on Behalf of Customers**

- Open market operations and public debt:

The accounts managed on behalf of customers amounted to JD 19,150 million as of the end of the year 2020 compared to JD 17,728 million for the year 2019, distributed as follows:

<u>Account</u>	<b>In JD Million</b>	
	<b>2020</b>	<b>2019</b>
Treasury bonds / USD	1,950	1,950
Ministry of finance / treasury bonds	15,845	14,445
Ministry of finance / treasury bills	175	300
Public institutions / public institutions bonds	538	538
Floating Jordanian treasury bonds	150	150
Saving bonds for individuals	39	39
National electricity company's Skuk	300	300
Individual naturalization bonds	11	6
Treasury Bills / USD	142	-
	<b>19,150</b>	<b>17,728</b>

**43 - Fair Value Hierarchy**

- 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).

<i>Jordanian Dinar</i> <u>Financial Assets / Financial Liabilities</u>	<b>Fair value December 31,</b>		<b>Fair value level</b>	<b>Evaluation method and Inputs used</b>	<b>Material intangible inputs</b>	<b>The relation between material intangible inputs and fair value</b>
	<b>2020</b>	<b>2019</b>				
<b>Financial Assets at Fair Value</b>						
<b>Gold</b>	2,646,002,924	1,518,973,289	First level	Fair Market Value	Not Applicable	Not Applicable
<b>Foreign Financial Securities at Fair Value Through Profit or Loss</b>						
Foreign bonds	70,937,268	141,946,388	First and second level	Fair Market Value	Not Applicable	Not Applicable
<b>Foreign Financial Assets at Fair Value Through Other Comprehensive Income:</b>						
Contributions with available market prices	15,822,250	8,605,012	First level	Fair Market Value	Not Applicable	Not Applicable
Contributions with no available market prices	437,060,919	404,332,954	Second level	According to Net Assets Value Method (Equity Method) Prices published by International Monetary Fund	Not Applicable	Not Applicable
<b>Special Drawing Rights</b>	13,846,865	11,658,020	Second level		Not Applicable	Not Applicable
<b>Total Financial Assets at Fair Value</b>	<b>3,183,370,226</b>	<b>2,085,515,663</b>				

\* There were no transfers between the first and second level during the year 2020 and 2019.

- 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.

	December 31, 2020		December 31, 2019		
<i>Jordanian Dinar</i>	Book Value	Fair Value	Book Value	Fair Value	Fair Value Level
Financial assets that are not specified at fair value on an ongoing basis					
Balances at central banks	5,955,569	5,955,569	75,961,738	75,961,738	Second level
Balances at banking institutions and banks	700,646,193	700,769,140	911,206,950	912,174,695	Second level
Deposits at banking institutions and banks	5,562,097,891	5,574,015,348	4,752,841,412	4,772,336,677	Second level
Grants, facilities and other financial assets	2,252,949,342	2,257,925,137	1,185,937,009	1,187,892,094	Second level
Financial assets at amortized cost	2,720,055,110	2,729,753,975	3,370,361,738	3,381,106,699	First and Second level
Total financial assets that are not specified at fair value on an ongoing basis	11,241,704,105	11,268,419,169	10,296,308,847	10,329,471,903	
Financial liabilities that are not specified at fair value on an ongoing basis					
Banking institutions and bank’s deposits	3,472,074,874	3,472,238,409	2,290,691,592	2,290,844,164	Second level
Clients deposits	1,274,924,409	1,275,963,531	1,318,781,038	1,324,308,107	Second level
Cash margins	15,752,765	15,752,765	14,683,692	14,683,692	Second level
Total financial liabilities that are not specified at fair value on an ongoing basis	4,762,752,048	4,763,954,705	3,624,156,322	3,629,835,963	

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. Credit commitments and contingencies:**

*Jordanian Dinar*

	December 31,	
	2020	2019
Guarantees:		
Payment	1,319,797	1,924,961
Performance	2,704,318	2,870,322
Other*	856,327	954,467
<b>Total</b>	<b>4,880,442</b>	<b>5,749,750</b>

\* This items consists of free maintenance guarantee worth JD 707,090 and guaranties entry bids worth JD 149,237 as in December 31, 2020 (free maintenance warranties worth JD 528,210 and guarantees entry bids worth JD 426,257 as in December 31, 2019), which do not represents liabilities against the Central Bank.

**b. Contractural commitments:**

<i>Jordanian Dinar</i>	December 31,	
	2020	2019
Construction projects contracts	481,357	499,618
Subscriptions in international contributions (callable)**	440,181,779	432,829,376
Installments for international contribtuins*	850,618	5,158,166
	<b>441,513,754</b>	<b>438,487,160</b>

\* 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 non of those shares have been called before.

**c. Off Statement of Financial Position Items**

<i>Jordanian Dinar</i>	December 31,	
	2020	2019
Letters of credit	129,938,070	92,210,970
Foreign obligations against currencies forward contracts*	505,016,000	532,055,000
Swap contracts**	123,751,389	111,767,800
	<b>758,705,459</b>	<b>736,033,770</b>

\* Forward contracts, it is contracts made by the bank with other licensed banks in order to buy JD in exchange of selling USD on exchange date, note that the outstanding balance of forward contracts is JD 505,016,000 as of Dec 31, 2020 (JD 532,055,000 in Dec 31, 2019) for three contracts, matures on January and December 2021, the details below:

Dec 31 2020				
Value of Forward Contract USD	Fair Value for Assets/ JD	Fair Value for Liabilities/ JD	Bank Classification Long / Short Term**	Maturity date
10,000,000	-	-	A1 – P1	January 21, 2021
500,000,000	-	-	Ba2 - NP	January 28, 2021
200,000,000	-	-	B1 - NP	December 23, 2021
<b>710,000,000</b>	<b>-</b>	<b>-</b>		

\*\* This item represents Ten swap contracts to exchange US Dollars for Jordanian Dinars between Central Bank of Jordan and a licensed bank in exchange of the bank's capital and reserves, with the amount of JD 64,948,517 as of December 31, 2020 the maturity of these contracts are on April and June 2021, 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 Eight contracts for the amount of JD 58,802,872 as of December 31, 2020 with their maturity dates during January, February and March 2021, their details are as follows:

December 31, 2020				
Swap Contract Amount	Assets Fair Value	Liabilities Fair Value	Bank Classification Long/Short Term ***	Maturity Date
30,042,313	-	258	Aaa – P1	January 7, 2021
1,410,437	-	313	Aaa – P1	February 8, 2021
3,102,962	-	160	Aaa – P1	February 11, 2021
38,645,980	-	1,996	Aaa – P1	February 11, 2021
1,625,000	-	89	Aaa – P1	February 17, 2021
1,410,437	-	462	Aaa – P1	March 1, 2021
2,348,550	-	120	Aaa – P1	March 10, 2021
4,000,000	-	1,723	Aaa – P1	March 23, 2021
19,652,010	-	307	Aa3 – P1	April 7, 2021
70,521,862	1,813	-	Aa3 – P1	June 3, 2021
<b>172,759,551</b>	<b>1,813</b>	<b>5,428</b>		

December 31, 2019			Bank Classification Long/Short Term ***	Maturity Date
Swap Contract Amount	Assets Fair Value	Liabilities Fair Value		
44,569,817	-	4,055	Aaa – P1	February 10, 2020
3,949,224	-	359	Aaa – P1	February 10, 2020
2,000,000	-	752	Aaa – P1	February 27, 2020
2,348,550	-	110	Aaa – P1	March 11, 2020
4,000,000	-	1,845	Aaa – P1	March 23, 2020
17,911,027	5,002	-	Aa3 – P1	April 7, 2020
6,488,011	-	4,237	Aaa – P1	May 7, 2020
70,521,862	-	3,249	Aa3 – P1	June 3, 2020
4,231,312	-	3,661	Aaa – P1	June 24, 2020
<b>156,019,803</b>	<b>5,002</b>	<b>18,268</b>		

\*\* Long/short-term credit ratings issued by Moody's global credit ratings.

- d. 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 Central Bank of Jordan, 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.
- e. There are lawsuits filed against the Central Bank of Jordan amounting to JD 1,696,356 as of December 31, 2020 JD (1,104,172 as of December 31, 2019), representing financial claims. These lawsuits are still pending in the specialized courts. According to the Bank's legal consultant, the provisions taken in the financial statements are sufficient to cover any contingent liabilities.
- f. 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**

The spread of the new Coronavirus pandemic (COVID-19) across multiple geographic regions was confirmed during the first months of the year 2020, which caused great uncertainty in macroeconomic factors, and disruption of business and economic activities.

In light of the accelerating global developments resulting from the impact of the new Corona pandemic (COVID-19) and the challenges it poses to the national economy, the following measures have been taken with the aim of containing the negative repercussions on the performance of the local economy, the most important of as follow:

- The interest rates on monetary policy tools at the Central Bank were reduced by a total of 1.5%.
- Reducing interest rates on the Central Bank's program to finance and support the economic sectors that have affected existing and future facilities.
- Postpone the credit installments granted within the Central Bank's program to finance and support the economic sectors.
- The launch of the Central Bank program to support small and medium enterprises to face the emerging corona pandemic (COVID-19) crisis.
- Reducing the required reserve ratio on deposits with local banks from 7% to 5%.
- To inject additional liquidity by concluding repurchase agreements and reducing the interest rate on them.
- Postpone the installments and interest due from the Agricultural Credit Corporation.
- 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 material 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 to conform with the current year classification, this amendment did not have any impact on the profit or capital and reserves for the year ended and as of December 31, 2019.



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