



Jordan Mortgage Refinance Company Ltd.

**Annual Report
2020**



JORDAN MORTGAGE REFINANCE COMPANY

A Public Shareholding Company with Limited Liability, established in pursuance of the Temporary Companies Law No. (1) for the year 1989, registered in the Public Shareholding Companies Registry under No. (314) on 5/6/1996 with a capital of (5) million Jordanian Dinar, and licensed to operate on 22/7/1996.

<u>Head Office</u>	Amman, The Hashemite Kingdom of Jordan
<u>Address</u>	15 Al-Mahdi Bin Baraka St. / Western Shmeisani P.O.Box : 940743 Amman 11194 Jordan Tel : (962 6) 5601417 Fax : (962 6) 5601542
<u>Website</u>	www.jmrc.com.jo
<u>E –mail</u>	jmrc@jmrc.com.jo



His Majesty
King Abdullah II Bin Al- Hussein



His Royal Highness
Prince Hussein Bin Abdullah II
The Crown Prince

Our Mission



Helping the Jordanian citizen to own a suitable housing unit by providing medium and long-term financing to banks and financial institutions in the Kingdom to enable them to expand the granting of housing loans to citizens on appropriate terms, especially for those with middle and low incomes.

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Board of Directors**The Chairman**

Dr. Adel Al Sharkas. Representative, Central Bank of Jordan.

Vice Chairman

Mr. Tawfiq Mukahall. Representative, Jordan Kuwait Bank.

Members:

Name	Representing
Eng. Jomana Attyat.	Housing & Urban Development Corporation.
Mrs. Lina Kreishan.	Social Security Corporation.
Mr. Ziyad Akrouk.	Arab Bank.
Mr. Ali Al Mimi.	Housing Bank for Trade and Finance.
Mr. Nebal Friehat.	Jordan Ahli Bank.
Mrs. Rana Al Sunna.	Cairo Amman Bank.
Mr. Abdallah Kishek .	Jordan Commercial Bank.
Mr. Jarir Al ajluni.	Invest Bank.
Mr. Basel Al Araj.	Arab Jordan Investment Bank.

General Manager Mr. Abed Al-Razzak Tubaishat.

Legal Consultant Advocate Mousa Al Aaraj.

Auditors Messrs./ Arab Professionals.

Chairman's Letter

Dear Shareholders,

Peace be Upon You, so as Allah's Mercy and Blessings

It is my pleasure to welcome you and thank you for attending the 24th annual ordinary general assembly meeting of Jordan Mortgage Refinance Company (JMRC) which we are proud of its success in achieving its goals.

It is also my pleasure to present the 24th annual report of Jordan Mortgage Refinance Company (JMRC), which reflects its most important achievements during the year 2020 and shows its financial position as at the 31st of December 2020 through its balance sheet and final accounts and highlights its future action plan.

JMRC had been established with joint efforts of the public and private sectors and it represents one of the important aspects for restructuring the housing sector in the kingdom, which is considered one of the main sectors of the national economy.

JMRC also constitutes a new and important link between money market and capital market through its provision of medium and long-term finance to local banks and financial institutions that grant housing loans, from its different financial resources, and most important of which is the proceeds of JMRC corporate bonds issues in the local capital market.

JMRC's operation mechanism, through refinancing housing loans, provides banks and financial institutions with the opportunity to increase their participation in granting housing loans with better terms and subsequently expand housing loans base in the kingdom especially for citizens with middle and low incomes, enabling them to own suitable houses. Moreover, JMRCs loans enable banks and financial institutions to manage their assets and liabilities more efficiently through matching the terms of their resources and the using of their funds.

Dear Shareholders,

In light of the rapid global developments resulting from the impact of the emerging of corona virus COVID-19 at the beginning of 2020 which caused a worldwide financial crisis. The Central Bank of Jordan had decided to take a set of precautionary procedures aimed to contain the negative repercussions of the COVID-19 virus on the local economy, JMRC has also been keen to focus its efforts during the exceptional circumstances that the country has gone through on providing liquidity to many banks and financial institutions, and this is completely consistent with the directions and measures taken by the Central Bank of Jordan.



Dr. Adel Al-Sharkas

Chairman of the Board of Directors

JMRC efforts during 2020 resulted in granting (243.500) million JD -which is the highest granted in a year since inception- to banks and financial institutions to refinance housing loans granted by them so that the total value of loans granted by JMRC since the inception of its business had reached (1.933) Billion JD. While the balance of refinance loans as at 31 December 2020 amounted to (582.509) million JD which is also the highest since inception.

During 2020 JMRC issued corporate bonds in the amount of (238.500) million JD in the local capital market, as such, the value of corporate bonds, issued since the beginning of JMRC's operations, reached (2.029) Billion JD. The outstanding balance of JMRC bonds issued as at 31 December 2020 amounted to (562.000) million JD.

The value of the loans granted by JMRC to banks and financial institutions along to the volume of corporate bonds issued during 2020 is considered to be an important enhancement of JMRC's role in improving and developing the housing finance market and capital market in the Kingdom. Over and above that JMRC is looking to extend its activity further in the secondary mortgage market by increasing the volume of its operations in refinancing housing loans and issuing corporate bonds for different terms.

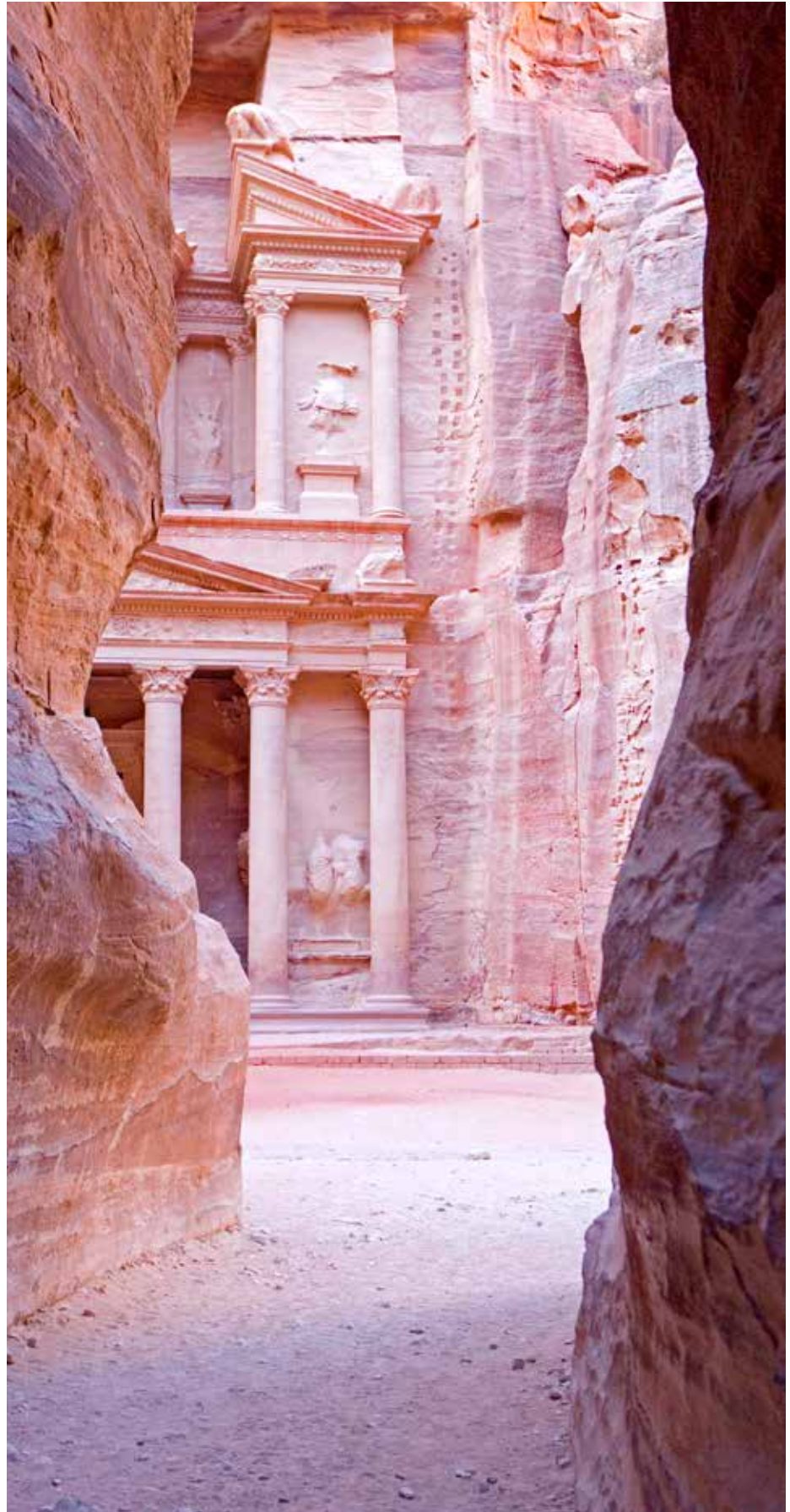
Dear Shareholders,

Allow me to express my deepest gratitude, on behalf of all members of the board directors and the staff members of JMRC, to the Government and the Central Bank of Jordan for their support. And also to thank and appreciate the General Manager and the staff members efforts to fulfil JMRC's results and to assist in reaching its goals, praying to God Almighty to help us all in carrying the responsibility and serving our homeland under the leadership of His Majesty King Abdullah II Bin AL Hussein.

Peace be Upon You, so as Allah's Mercy and Blessings

Dr. Adel Al-Sharkas

Chairman of the Board of Directors



Report
of the Board of
Directors

Report of the Board of Directors

Incorporation

JMRC is a public shareholding limited company. It was established in mid-1996 upon the government's approval on the housing sector reconstruction project that stated the necessity of founding a company to develop and improve the housing finance market in the kingdom and was done with the cooperation of the International Bank for Reconstruction and Development and the support of the Central Bank of Jordan.

Objectives:-

The following are the most important objectives JMRC seeks to achieve:-

- Develop and improve the housing finance market in the Kingdom through providing medium and long-term financing for Banks and Financial Institutions to increase their participation in granting housing loans and encourage competition among them to improve loans terms and make it easier for the citizens to help them own the suitable residence.
- Promote and develop the capital market in the Kingdom through issuing corporate bonds in the local capital market and thus contribute to increase investment instruments in the market.
- To open an Islamic window for providing medium and Long- term loans for Islamic banks and institutions willing to extend housing loans.

Sources of Funds:-

- Paid-up capital amounting (5) million JD.
- Proceeds of JMRC's bonds issued in the local capital market which have priority in repayment over the company's obligations resulting from the loan granted to it by the Government.
- Central bank of Jordan Loan with a total outstanding balance amounting (19,038,873) JD at the end of 2020.

Operation Mechanism

JMRC provides medium and long-term finance for banks and financial institutions operating in the Kingdom through refinancing housing loans granted by these institutions to citizens according to JMRC's policy which has specified the principles and criteria that ought to be available in the borrowing financial institution and in the housing refinance loan.

To guarantee the loan obtained by the bank from the company, the bank endorses its first preferred property mortgage deeds pertaining to the housing loans granted by it in favor of the company at the specialized registry department while the remaining values are not less than (120%) of the value of JMRC's loan granted to the bank, provided that the housing loans granted by the bank shall not be under any installments due and that the bank to transfer alternative mortgage deeds throughout the life of JMRC's loan to the bank.

In accordance with JMRC's credit policy the bank is also permitted to provide temporary collaterals until it can provide the company with necessary mortgages deeds. The most important of such temporary guarantees are The Jordanian Government bonds or bonds guaranteed by the Government, treasury bills and JMRC's bonds and also authorization to debit the bank's account in the central bank of Jordan in favor of JMRC.

JMRC's loans to banks shall be repaid in one installment on its maturity date and the interest shall be paid semiannually. In special cases, the principal loan and loan interests are paid periodically.

JMRC also adopted a mechanism to grant financial leasing companies owned by banks loans to refinance real estate loans, the value of loans granted to these companies during 2020 was (43) million JD.

Loans granted to banks enable these banks to increase its participation in the housing finance market and minimize the risks of mismatching between the sources and uses of its funds and encourage competition among these banks, which would eventually be in the interest of citizens.

The company provides the funds necessary for its lending activity from the proceeds of selling its bond issues in the local capital market with sizes and ranges corresponding to the refinancing loans and with the company's cash flows and at fixed or variable interest rates for each interest period during the period of the bond - and as the case may be - whether by bidding or specifying Prior to interest rate through private placement or public offering, and issues can be extinguished in one batch or in batches that coincide with the company's cash flows, after obtaining the necessary approval from the Securities Commission. The company plays the role of issuance manager to support the loan bonds issued by it or through specialized bodies in issuance management.

Benefits of Borrowing from JMRC

- Improve Bank's assets and liabilities management, through better matching of sources and uses of its funds (ALCO).
- Avoid interest rates risks (IRR) on mortgage loans.
- Allocate more funds to be granted for housing loans as the housing loans refinanced by JMRC are excluded from the percentage determined under the Bank's Law, which indicates that the loans granted for construction and purchase of real estates shall not exceed 20% from the total bank's deposits in Jordanian dinar.
- Improve the capital adequacy ratio as housing loans granted by the bank, refinanced by JMRC, are risk weighted at (20%).

Benefits of Investing in JMRC Bonds

- JMRC's bonds are risk-weighted at (20%) for the purpose of calculating the capital adequacy ratios of banks.
- JMRC's bonds are eligible to serve as liquidity reserve holding of banks for the purpose of calculating the legal liquidity ratios as required by the Central Bank of Jordan.
- JMRC's bonds are tradable through securities depositary center.



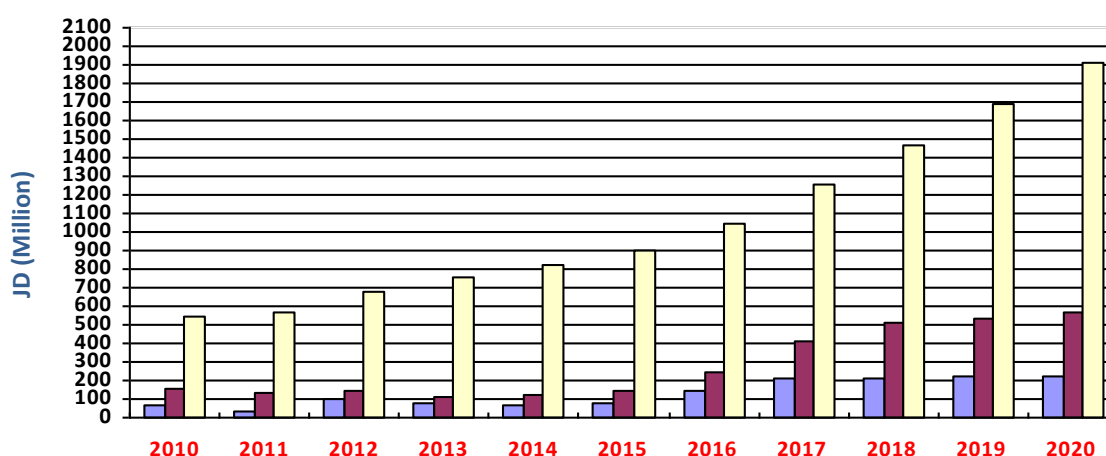
JMRC
Achievements
during 2020

JMRC Achievements during 2020

In the area of refinancing of housing loans

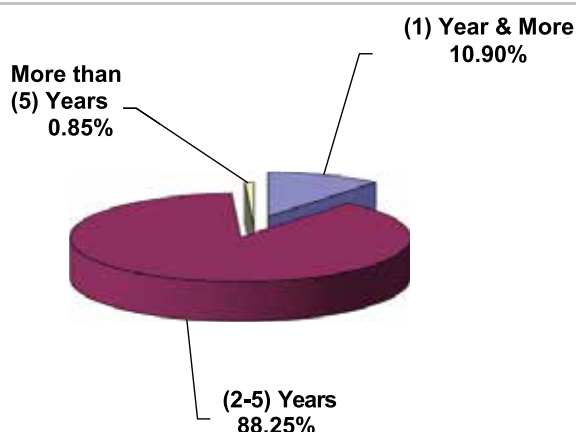
In 2020 JMRC continued its lending activity and signed (32) refinance loans agreements with (17) financial institutions for an amount of (243.500) million JD - which is the highest granted in a year since inception - therefore the refinance loans agreements signed since JMRC inception are (326) agreements with a total amount of (1.933) billion JD, the balance of refinance loans on 31/12/2020 was (582.509) million JD, which is the highest since inception.

The following Chart shows the growth of Refinancing loans during the period 2010 to 2020:-



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Refinance loans granted annually	65	33	103	83	64	77.5	146	214	207.5	222	243.500
Refinance loans balance	150.13	132.005	148.542	108.288	127.534	148.780	248.025	407.771	506.517	531.263	582.509
Refinance loans granted since inception	539.14	572.14	675.146	758.146	822.146	899.646	1045.646	1259.646	1467.146	1689.146	1932.646

The following diagram shows the distribution of outstanding refinance loans as at 31/12/2020 according to the term of the loan:-



In the Area of Issuing Bonds

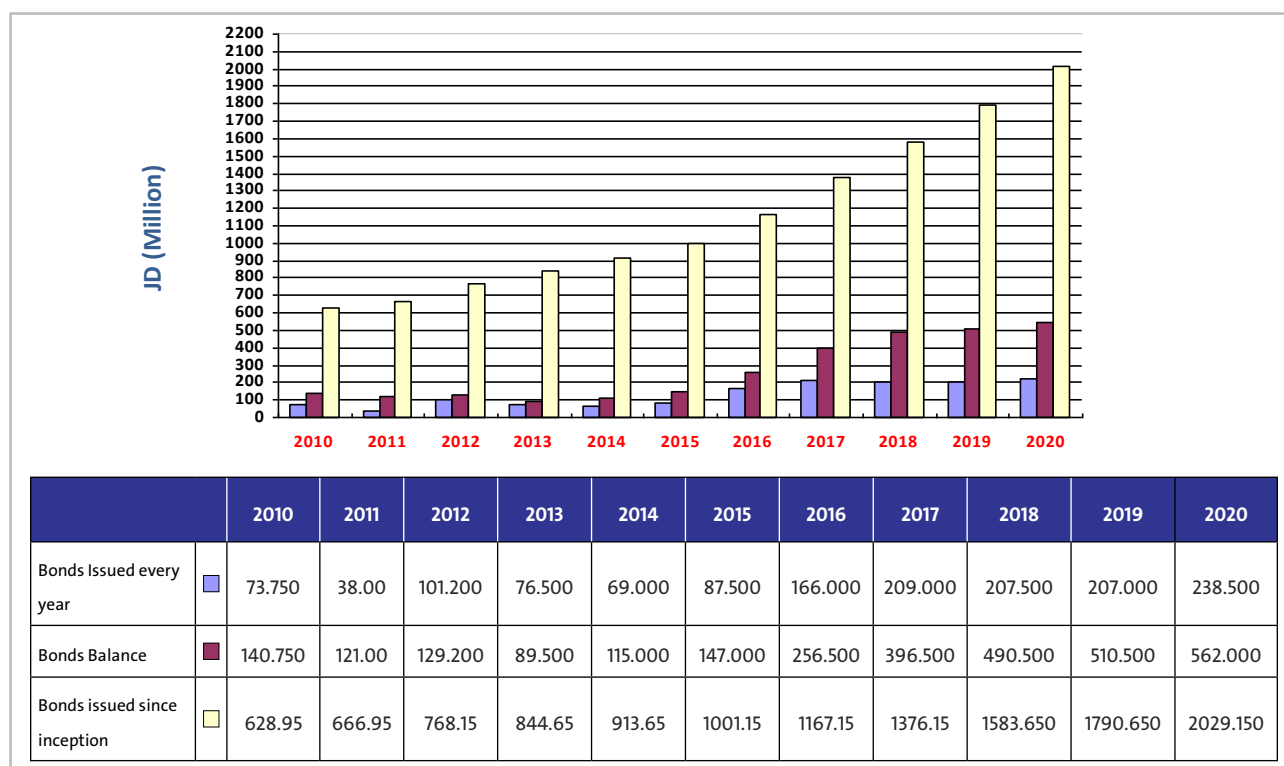
In 2020 JMRC has issued (31) bonds with a nominal value of (238.500) million JD. The total amount of JMRC bonds issued since its establishment till December 31, 2020 is (2.029) billion JD.

JMRC bonds outstanding balance is (562.000) million JD as at 31/12/2020.

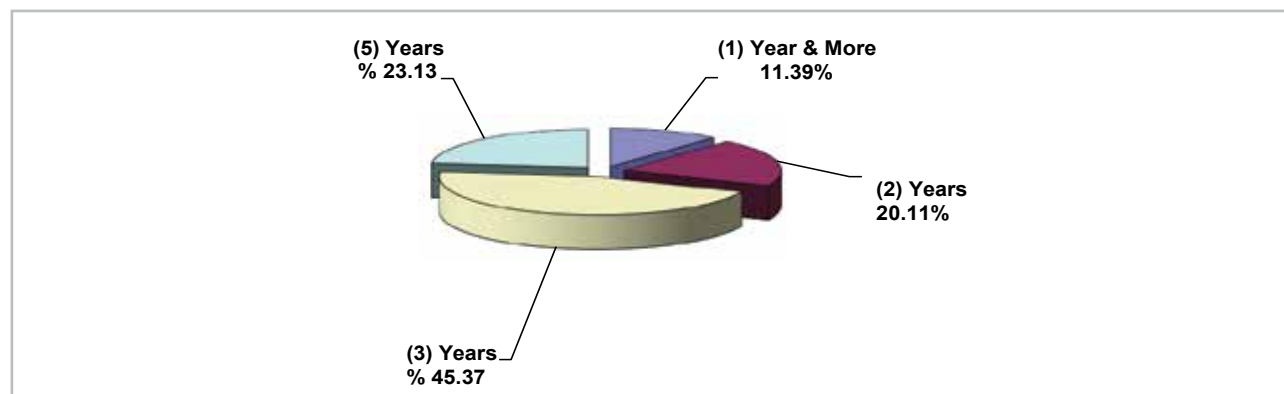
JMRC has issued its bonds through private subscription.

JMRC bonds are collateralized By the Company's assets, which include the refinance loan portfolio, which in turn is collateralized by mortgage deeds duly transferred to the order of JMRC which its value exceeds (120%) of the outstanding balance of the Company's loans at the end of each quarter through the life of these loans.

The following Chart shows the growth of JMRC's Bonds issued during the period 2010 to 2020:-



The following diagram shows the distribution of JMRC's outstanding bonds issued as at 31/12/2020 according to the issuance period:-



The following table shows the outstanding JMRC bonds issued as at 31/12/2020:-

(1) year & more

Issue No	Nominal Value	Interest Rate %	Issue Date	Maturity Date	Denomination	Market Value	percentage of the total %
259	3,500,000	3.850	18/12/2019	17/06/2021	1,000	1,000	
260	25,000,000	3.750	22/12/2019	22/06/2021	1,000	1,000	
262	5,000,000	3.750	07/01/2020	07/01/2021	1,000	1,000	
263	5,000,000	4.050	26/01/2020	26/01/2021	1,000	1,000	
265	7,500,000	4.000	30/01/2020	31/01/2021	1,000	1,000	
267	8,000,000	4.100	05/03/2020	07/03/2021	1,000	1,000	
279	10,000,000	3.300	29/07/2020	29/07/2021	1,000	1,000	
Total	64,000,000						%11.39

(2)Years

Issue No	Nominal Value	Interest Rate %	Issue Date	Maturity Date	Denomination	Market Value	percentage of the total %
246	2,000,000	5.100	26/02/2019	26/02/2021	1,000	1,000	
253	5,000,000	4.750	01/08/2019	01/08/2021	1,000	1,000	
256	5,000,000	4.350	15/09/2019	15/09/2021	1,000	1,000	
257	5,000,000	4.400	26/09/2019	26/09/2021	1,000	1,000	
264	10,000,000	4.350	30/01/2020	30/01/2022	1,000	1,000	
266	10,000,000	4.350	27/02/2020	27/02/2022	1,000	1,000	
269	1,000,000	3.600	22/03/2020	22/03/2022	1,000	1,000	
270	20,000,000	3.234	07/04/2020	07/04/2022	1,000	1,000	
271	10,000,000	3.234	15/04/2020	15/04/2022	1,000	1,000	
272	5,000,000	3.434	26/04/2020	26/04/2022	1,000	1,000	
276	7,000,000	3.500	28/05/2020	28/05/2022	1,000	1,000	
277	15,000,000	3.250	19/07/2020	19/07/2022	1,000	1,000	
280	10,000,000	3.400	16/08/2020	16/08/2022	1,000	1,000	
281	4,000,000	3.100	25/08/2020	25/08/2022	1,000	1,000	
286	2,000,000	3.350	28/09/2020	28/09/2022	1,000	1,000	
290	2,000,000	3.250	13/12/2020	13/12/2022	1,000	1,000	
Total	113,000,000						%20.11

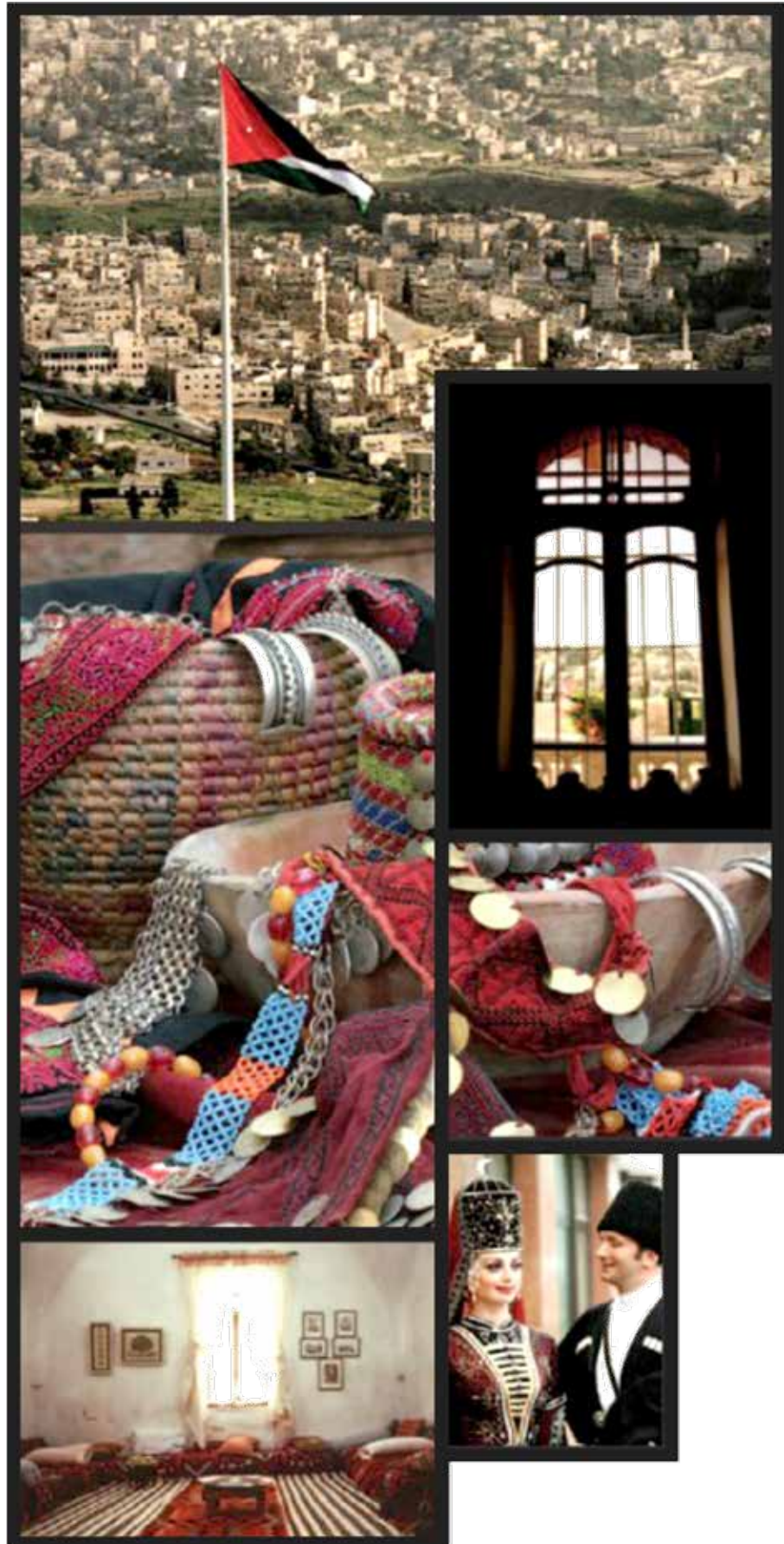
(3) Years

Issue No	Nominal Value	Interest Rate %	Issue Date	Maturity Date	Denomination	Market Value	percentage of the total %
222	8,000,000	5.200	08/03/2018	08/03/2021	1,000	1,000	
223	15,000,000	5.200	19/03/2018	19/03/2021	1,000	1,000	
225	15,000,000	5.000	10/04/2018	10/04/2021	1,000	1,000	
226	10,000,000	5.200	15/04/2018	15/04/2021	1,000	1,000	
229	5,000,000	4.700	01/07/2018	01/07/2021	1,000	1,000	
230	10,000,000	5.250	04/07/2018	04/07/2021	1,000	1,000	
234	10,000,000	5.350	16/08/2018	16/08/2021	1,000	1,000	
237	5,000,000	4.900	24/09/2018	24/09/2021	1,000	1,000	
238	10,000,000	5.600	24/09/2018	24/09/2021	1,000	1,000	
240	25,000,000	5.350	06/12/2018	06/12/2021	1,000	1,000	
242	5,000,000	5.000	30/12/2018	30/12/2021	1,000	1,000	
243	25,000,000	5.100	31/01/2019	31/01/2022	1,000	1,000	
250	5,000,000	5.100	26/05/2019	26/05/2022	1,000	1,000	
268	5,000,000	4.200	15/03/2020	15/03/2023	1,000	1,000	
273	2,500,000	3.150	03/05/2020	03/05/2023	1,000	1,000	
274	5,000,000	3.250	06/05/2020	06/05/2023	1,000	1,000	
275	5,000,000	3.150	12/05/2020	12/05/2023	1,000	1,000	
278	5,000,000	3.750	19/07/2020	19/07/2023	1,000	1,000	
282	10,000,000	3.400	30/08/2020	30/08/2023	1,000	1,000	
283	500,000	3.400	02/09/2020	02/09/2023	1,000	1,000	
284	1,000,000	3.400	20/09/2020	20/09/2023	1,000	1,000	
285	10,000,000	3.500	17/09/2020	17/09/2023	1,000	1,000	
287	5,000,000	3.300	04/10/2020	04/10/2023	1,000	1,000	
288	30,000,000	3.250	08/10/2020	08/10/2023	1,000	1,000	
289	5,000,000	3.250	15/11/2020	15/11/2023	1,000	1,000	
291	8,000,000	3.500	27/12/2020	27/12/2023	1,000	1,000	
292	15,000,000	3.150	29/12/2020	29/12/2023	1,000	1,000	
Total	255,000,000						%45.37

(5) Years

Issue No	Nominal Value	Interest Rate %	Issue Date	Maturity Date	Denomination	Market Value	percentage of the total %
228	10,000,000	5.750	10/06/2018	10/06/2023	1,000	1,000	
239	10,000,000	6.000	18/11/2018	18/11/2023	1,000	1,000	
244	10,000,000	4.001	05/02/2019	05/02/2024	1,000	1,000	
245	10,000,000	4.001	25/02/2019	25/02/2024	1,000	1,000	
251	50,000,000	5.350	29/05/2019	29/05/2024	1,000	1,000	
252	5,000,000	5.500	19/06/2019	19/06/2024	1,000	1,000	
254	5,000,000	5.350	21/08/2019	21/08/2024	1,000	1,000	
261	30,000,000	4.750	29/12/2019	29/12/2024	1,000	1,000	
Total	130,000,000						% 23.13
Grand Total	562,000,000						%100

The interest rates on JMRC bonds has reflected the low risks associated with JMRC issues of these bonds.



JMRC
Financial Analysis
For the Year 2020

Financial analysis for the year 2020

Comparing the company's financial performance as at the end of 2020 with the year 2019

1. The balance of RLs Net increased by (51.009) million JD, as a percentage of (9.6 %) to reach (582.005) million JD compared with (530.996) million JD at the end of the previous year.

	2020	2019
Beginning Of the year	531,262,800	506,517,032
New RLs	243,500,000	222,000,000
Repayment	(192,254,232)	(197,254,232)
IFRS (9) ECL	(503,954)	(267,051)
End of the Year	582,004,614	530,995,749

2. Total Assets increased by (54.384) million JD, as a percentage of (9.8%) to reach (608.112) million JD compared with (553.728) million JD at the end of the previous year.
3. The balance of Bond's increased by (51.5) million JD, as a percentage of (10 %) to reach (562) million JD compared with (510.500) million JD at the end of the previous year.

	2020	2019
Beginning Of the year	510,500,000	490,500,000
Bonds Issued	238,500,000	207,000,000
Amortized Bonds	(187,000,000)	(187,000,000)
End of the Year	562,000,000	510,500,000

4. Equity increased by (2.027) million JD, as a percentage of (12.2%) to reach (18.601) million JD compared with (16.574) million JD at the end of the previous year.
5. Gross Operating income increased by (245) thousand JD, as a percentage of (3.7 %) to reach (6.880) million JD compared with (6.635) million JD at the end of the previous year.

	2020	2019
Interest income	31,473,334	31,891,893
Interest expense	(24,592,885)	(25,256,979)
Gross operating income	6,880,449	6,634,914

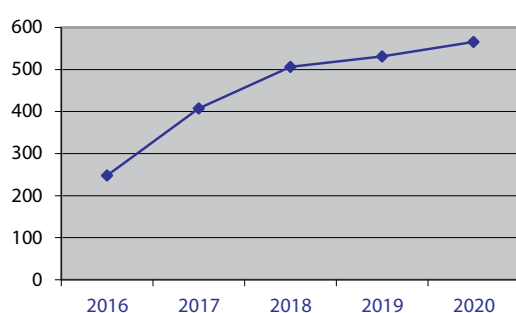
6. Net Profit before income tax decreased by (826) thousand JD, as a percentage of (14.9 %) to reach (4.735) million JD compared with (5.561) million JD at the end of the previous year. This is mainly due to the donation of (750) thousand JD to Himmat Watan Fund, and also an increase in the credit loss provision with (240) thousand JD.
7. Net Profit after income tax decreased by (659) thousand JD as a percentage of (16.6 %) to reach (3.321) million JD compared with (3.980) million JD at the end of the previous year.

Development of the most important financial statements items

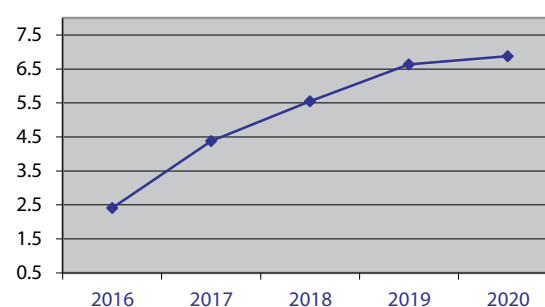
The following are the most important financial ratios for the year 2020 compared to 2019

	2020	2019
ROE %	17.856 %	24.016 %
Book Value Per Share (JD)	3.720	3.315
Earnings Per Share (JD)	0.664	0.796
Leverage Ratio %	96.941 %	97.007 %
RLs to Total Assets %	95.707 %	95.895 %
Debt to Equity Ratio (Time)	31.24	31.89

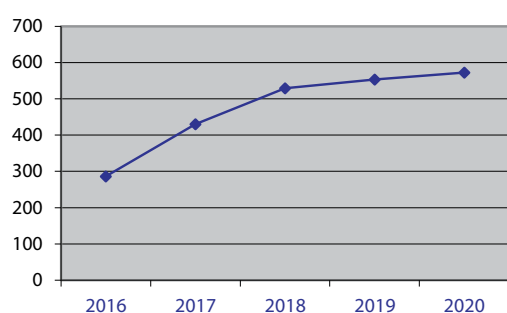
Balance of RL's 2016-2020 (Million JD)



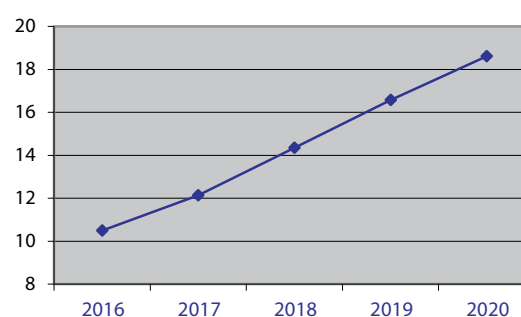
Gross Operating income 2016-2020 (Million JD)



Total Assets 2016-2020 (Million JD)



Total Equities 2016-2020 (Million JD)



Collaterals ratios related to JMRC's RLs granted to banks in 2020 compared to 2019.

Collaterals	2020	2019
Mortgage Deeds Value to RLs Balances	175.08 %	178.90%
Estimated Value to RLs (LTV)	237.27%	241.77%
Gross Collaterals to RLs Balance	130.99%	135.06%

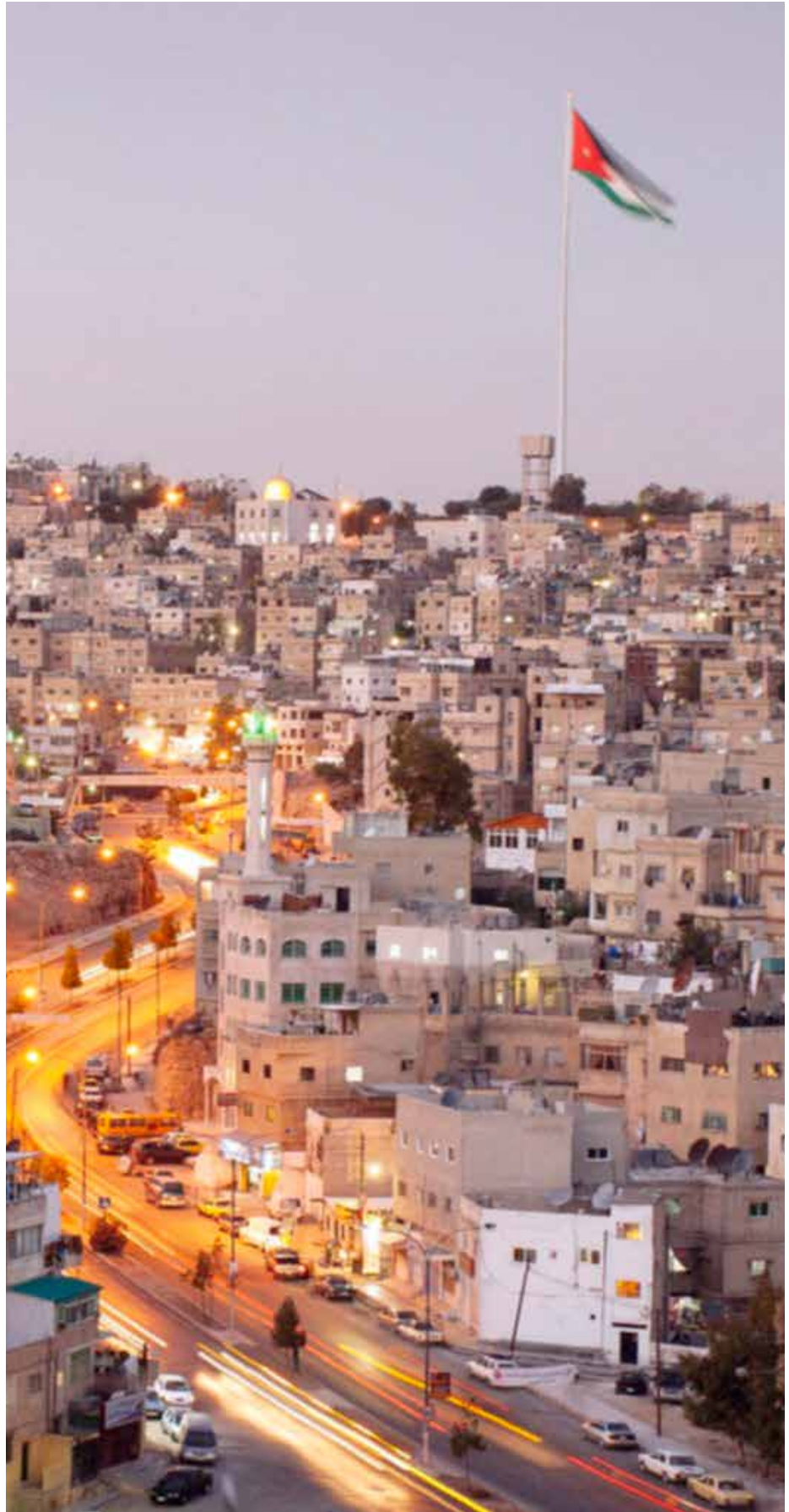
JMRC Projected Action Plan

To complement the company's achievements during the year 2020, here is the future plan JMRC aims to achieve during 2021 and the coming years:

1. Enhancing the company's role in the secondary mortgage market in line with the developments in the real estate financing market.
2. Encouraging banks to increase their participation in granting housing loans at fixed interest rates.
3. Increasing the company's issuances of bonds in order to provide funds for its default activities, in addition to working to expand the investors base in the coming issues.
4. Increasing the authorized capital of the Company up to (10) Million JD by capitalizing (5) Million JD of the retained earnings and distributing it as free shares to the existing shareholders a share per share.

During 2021 the Company expects to extend refinance housing loans in the amount of (141) million JD. The necessary funds for such transaction shall be provided by issuing bonds in the local capital market. It is expected that the company will achieve growth in profits during the year 2021 comparing to 2020.

JMRC Data
and Disclosure
Information



Data and Disclosure Information

The following are the disclosure data required under Article 4 of the Corporate Disclosure Instructions, accounting standards and auditing standards issued by the Securities Commission.

Article:

4/A Chairman's Letter, Included in the report.

4B/1 Description of company's main activities: -

The main activity of the company is to refinance the housing loans granted by Banks and financial institutions and to issue bonds in the local capital market through its sole headquarters in Amman. JMRC has no other branches, and the number of its employees is (25).

The volume of the capital investment of the company at the end of 2020 was (243.500) Million JD, which represents RLs granted during the year 2020.

The company's address is as follows:-

Head Office	Amman, The Hashemite Kingdom of Jordan
Address	15 Al-Mahdi Bin Baraka St. / Western Shmeisani P.O.Box : 940743 Amman 11194 Jordan Tel : (962 6) 5601417 Fax : (962 6) 5601542
Website	www.jmrc.com.jo
E-mail	jmrc@jmrc.com.jo

4B/2 The Company has no branches or subsidiaries.

W4B/3A Names of The Board of Directors members and a brief bio of each.**Dr. Adel Al Sharkas****Chairman**

The entity representing	- Central Bank of Jordan (non-independent member) as of 25/3/2012.
Academic qualifications	<ul style="list-style-type: none"> - Bachelor's degree in Applied Statistics/ Yarmouk University, Jordan, 1988. - Master's degree in Financial Economics/ Yarmouk University, Jordan, 1990. - PhD in Financial Economics/University of New Orleans, USA, 2002.
Current position	- Deputy Governor - The Central Bank of Jordan, as of 01/04/2012.
Professional experiences	<ul style="list-style-type: none"> - In February 1991, he started his career as an economic researcher in the Research Department at the Central Bank of Jordan. - He worked as an Assistant Professor in the Department of Finance at Alfred University in New York State, then he was promoted to Associate Professor at the same university later in 2006. - In 2006, he held the position of Head of the Monetary Affairs Division in the Research Department at the Central Bank of Jordan. In 2009, he was promoted to Deputy Director of the Research Department then promoted to Executive Director of the Research Department in late 2011. - He had published many scientific papers in prestigious academic journals, including: "Journal of Business, Finance & Accounting", "Banking and Finance Review", "Journal of Economics and Finance", "International Journal of Applied Business and Economics", International Journal of Economic Research. - He taught many economics and finance subjects for PhD, Master's and Bachelor's students in Jordanian universities. - Vice Chairman of the Board of Directors of the Jordan Phosphate Mines Company. - Vice Chairman of the Board of Directors of the Deposit Insurance Corporation. - Head of the Financial Services Sector Team and member of the Coordinating Committee for Jordan 2025 Vision. - Member of the Jordanian National Payments Council. - Chairman of the Credit Committee, Vice Chairman of the Investment Committee, Vice Chairman of the Human Resources Committee, and a member of the Information Technology Steering Committee at the Central Bank of Jordan.
Date of birth	- 1966

Mr. Tawfiq Mukahall

Vice Chairman

The entity representing	<ul style="list-style-type: none"> - Jordan Kuwait Bank (<i>independent member</i>), as of 08/03/2000. - Vice Chairman of the Board:- - For the period 12/03/2008 until 20/04/2011. - For the period 07/06/2011 until 24/03/2012. - For the period 31/10/2018 up to date.
Academic qualifications	- Bachelor's degree in Business Administration / University of Jordan, 1974.
Current position	- <i>Deputy General Manager of Banking Group - Jordan Kuwait Bank.</i>
Professional experiences	<ul style="list-style-type: none"> - National Bank of Kuwait - Department of Domestic Credit and Marketing 1974 - 1990. - He works at Jordan Kuwait Bank from 1991 up to date. - Member of the Board of Directors of the Jordan Loan Guarantee Company. - Member of the Board of Directors of the Arab Orient Insurance Company. - Chairman of the JMRC'S Nomination and Remuneration Committee. - Chairman of the JMRC'S Risk Management Committee.
Date of birth	- 1951.

Eng. Jomana Attyat

The entity representing	- Housing and Urban Development Corporation (<i>non-independent member</i>) as of 01/01/2020.
Academic qualifications	- Bachelor's degree in Civil Engineering, University of Jordan ,1992.
Current position	- <i>General Manager - Housing and Urban Development Corporation.</i>
Professional experiences	<ul style="list-style-type: none"> - Vice Chairman of the Board of Directors of the Housing and Urban Development Corporation. - Member of the Supreme Organization Council / Local Administration. - Member of the Board of Directors of the Cooperative Corporation. - Member of the National Building Council. - Member of the National Committee for the Protection of Urban and Architectural Heritage / Ministry of Tourism and Antiquities. - Member of the JMRC's Risk Management Committee.
Date of birth	- 1970 .

Mrs. Lina Kreishan.

The entity representing	- Social Security Corporation (non-independent member) as of 16/01/2019.
Academic qualifications	- Bachelor's degree in Public Administration and Political Science / University of Jordan.
Current position	- Advisor to the General Manager - Social Security Corporation.
Professional experiences	<ul style="list-style-type: none"> - Mrs. Lina joined the Social Security Corporation in 1988, where she moved between departments of a purely insurance nature, and departments of an administrative nature to graduate in various job positions. - Assistant to the Director of the Studies Department. - Director of the Decision Support Department. - Director of Risk Management Department. - Director of the Office of the General Manager. - The Secretary of the Foundation Administration. - Director of the Studies and Research Department. - Member of the Rights Settlement Committee. - She represented the Social Security Corporation at the Jordan Insurance Company from the year 2013 until 16/1/2019 and was a Member of the Audit Committee and the Nomination and Remuneration Committee. - Member of the JMRC's Governance Committee.
Date of birth	- 1967 .

Mr. Ziyad Akrouk

The entity representing	- Arab Bank (non-independent member) as of 11/10/2018.
Academic qualifications	<ul style="list-style-type: none"> - Bachelor's degree in Science with Honors, Civil Engineering / University of Leeds, United Kingdom, 1981. - Master's degree in Business Administration, Finance / Syracuse University, New York, USA, 1988.
Current position	- Head of Risk Management Department - Arab Bank Group.
Professional experiences	<ul style="list-style-type: none"> - Executive Director and Executive Member of the Board of Directors of Europe Arab Bank / United Kingdom (2011-2018). - Executive Director - Citibank / Kuwait. (2010-2011). - Executive Director - Citibank / Jordan (2005-2010). - Regional Risk Manager, Senior Credit Officer - Citibank Egypt, Jordan, Lebanon and Libya (2003-2005). - Risk Manager for Handelwe Bank (Member of Citigroup) / Poland (2000-2003). - Head of the Corporate Banking, Corporate and Project Finance Unit, Vice President - Citibank (1995 - 2000). - Banking Relationship Manager - Citibank / Bahrain (1989-1994). - Technical Support and Marketing Engineer / Saudi Arabia (1984-1986). - Project Management Engineer / Kuwait (1981-1984). - Chairman of the Board of Directors of Al-Nisr Al-Arabi Insurance Company - Jordan as of 9/2018. - Member of the Board of Directors of the Arab National Bank - Saudi Arabia as of 9/2018. - Member of the Board of Directors of Europe Arab Bank - United Kingdom 2011- 2018. - Member of the Board of Directors of the Arab Bankers Association - United Kingdom 2011-2018. - Member of the British Bankers Association - United Kingdom 2011-2018. - Member of the Foreign Banks Association - United Kingdom 2011-2018. - Member of the European Council, Syracuse University - USA, as of 2015. - Member of the Board of Directors of the Association of Banks in Jordan - Jordan 2005-2010. - Member of the Board of Directors of INJAZ - Jordan 2005-2010. - Member of the JMRC's Risk Management Committee. - Chairman of the JMRC's Main Procurement Committee.
Date of birth	- 1958.

Mr. Ali Al mimi

The entity representing	- Housing Bank for Trade and Finance (non-independent member) as of 29/05/2019.
Academic qualifications	<ul style="list-style-type: none"> - Bachelor's degree in Accounting, 2000. - Certified Internal Auditor (CIA), The Institute of Internal Auditors (IIA) 2013. - Certification in Risk Management Assurance (CRMA), The Institute of Internal Auditors (IIA) 2013. - Certification in Control Self-Assessment (CCSA), The Institute of Internal Auditors (IIA) 2011.
Current position	- General Auditor - Housing Bank for Trade and Finance. Since 2018.
Professional experiences	<ul style="list-style-type: none"> - He joined the family of the Housing Bank for Trade and Finance since more than 20 years, where he was included in all ranks of internal auditing, and during this period he gained scientific and practical experiences that qualified him to manage internal operations and activities. - Internal Audit Department, Housing Bank for Trade and Finance, 2000-2019. - He has several memberships in professional institutes and associations, the most important of which are: <ul style="list-style-type: none"> - The Institute of Internal Auditors (IIA). - The Association of Certified Examiners (ACFE). - Member of the JMRC's Risk Management Committee. - Member of the JMRC's Main Procurement Committee.
Date of birth	- 1979 .

Mr. Nebal Frieihat

The entity representing	- Jordan Ahli Bank (independent member) as of 01/01/2014.
Academic qualifications	<ul style="list-style-type: none"> - Bachelor's degree in Financial and Banking Sciences / Yarmouk University, Jordan, 1998.- Master's degree in Finance / Arab Banking Academy, Jordan, 2003. - PhD in Islamic Economics and Banking, 2015.
Current position	- General Manager - Al-Ahly Leasing Company.
Professional experiences	<ul style="list-style-type: none"> - He worked in Jordan Ahli Bank since 2004, where he held different distinct positions. - Worked at the Industrial Development Bank 2003-2004. - Worked at Jordan Gulf Bank 2000-2003. - Member of the Board of Directors of Al-Ahly Leasing Company. - President of the Jordanian Association of Financial Leasing Companies. - Member of the JMRC's Audit committee - Member of the JMRC's Nomination and Remuneration Committee.
Date of birth	- 1976.

Mrs. Rana Al Sunna.

The entity representing	- Cairo Amman Bank (<i>independent member</i>) as of 10/09/2008.
Academic qualifications	<ul style="list-style-type: none"> - Bachelor's degree in Accounting / Business Administration / University of Jordan, 1988. - Master's degree in Finance / University of Jordan, 1990.
Current position	- <i>Chief Credit Services Group Officer - Cairo Amman Bank.</i>
Professional experiences	<ul style="list-style-type: none"> - Central Bank of Jordan / Banking Supervision Department 1988-1995. - Vice Chairman of the Board of Directors of Tamalak Leasing Company. - Member of the Board of Directors of the Jordan Enterprise Development Corporation. - Chairman of the JMRC's Audit committee.
Date of birth	- 1966.

Mr. Abdallah Kishek

The entity representing	- Jordan Commercial Bank (<i>non-independent member</i>) as of 10/06/2019.
Academic qualifications	<ul style="list-style-type: none"> - Bachelor's degree in Accounting from Walsh University / United States of America, 1990. - Certified Public Accountant (CPA) ,1991.
Current position	- <i>Assistant General Manager / Finance - Jordan Commercial Bank since 2015.</i>
Professional experiences	<ul style="list-style-type: none"> - Assistant General Manager / Finance at Bank Al Etihad (Jordan) 2009-2015. - Assistant General Manager / Finance at Bank Aljazira (Kingdom of Saudi Arabia) 2003-2009. - Senior Manager, Financial Consultancies at Arthur Andersen (Kingdom of Saudi Arabia) 1993- 2003. - Accountant at Shredder Porter Engineering Company (USA) 1992. - Member of several committees of the Jordan Commercial Bank. - Member of the JMRC's Nomination and Remuneration Committee.
Date of birth	- 1967.

Mr. Jarir Al Ajluni

The entity representing	- Invest Bank (independent member) as of 15/02/2018.
Academic qualifications	<ul style="list-style-type: none"> - Bachelor's degree in Economics / University of Applied Sciences, Jordan, 2002. - Master's degree in Financial Economics / University of Leicester, United Kingdom.
Current position	- Executive Director of Treasury Department - Invest Bank.
Professional experiences	<ul style="list-style-type: none"> - Executive Director of Treasury Department - Invest Bank 2013. - Executive Director, Management of Assets and Liabilities - Treasury and Invest Group Invest Bank 2012-2013. - Director of Liquidity, Management of Assets and Liabilities - Department of Global Markets - Standard Chartered Bank 2007-2012. - Research Analyst, Standard Chartered Bank, Jordan, 2006-2007. - Member of the Board of Directors - Al Mawared Financial Brokerage Company. - Member of the JMRC's Governance Committee. - Member of the JMRC's Main Procurement Committee.
Date of birth	- 1980 .

Mr. Basel Al Araj

The entity representing	- Arab Jordan Investment Bank (independent member) as of 27/2/2017.
Academic qualifications	<ul style="list-style-type: none"> - Master's degree in Public Administration / Harvard University, USA - Master's degree in Business Administration / Lancaster University, United Kingdom. - Master's degree in Banking and Financial Sciences / Arab Academy for Banking and Financial Sciences, Jordan. - Higher Diploma in Finance and Foreign Trade / London Institute of Banking & Finance, United Kingdom. - Certified Expert in International Trade and Finance (CITF) / London Institute of Banking & Finance, United Kingdom. - Certified expert in Documentary Credits (CDCS) / London Institute of Banking & Finance, United Kingdom.
Current position	- Assistant General Manager - Arab Jordan Investment Bank since 2012.
Professional experiences	<ul style="list-style-type: none"> - Executive Director - Operations Department at the Housing Bank for Trade and Finance. - Executive Director - Operations Department, then Executive Director for Banking Business Development at Bank Al Etihad. - Vice Chairman - Global Financial Services and Trade Finance Group at Citibank. - Member of the JMRC's Audit Committee. - Chairman of the JMRC's Governance Committee.
Date of birth	- 1970.

4/B-3B Names, positions, and a brief bio of each of the upper management executives :-**Mr. Abed Al-Razzak Tubaishat / General Manager since 1/1/2020.**

Academic qualifications	- Bachelor's degree in Economics / Yarmulke University, Jordan 1999.
Professional experiences	<ul style="list-style-type: none"> - He Joined JMRC since 2000, where he held Different distinct positions: - <ul style="list-style-type: none"> • Deputy General Manager until December 31, 2019. • Manager of the Refinance Department. • Head of Credit Division. - Member of the JMRC's Risk Management Committee. - Secretary of the JMRC's Audit committee. - Secretary of the JMRC's Nomination and Remuneration Committee. - Chairman of the JMRC's Assets and Liabilities Management Committee.
Date of birth	- 1976.

Mr. Sayel Al- Aqarbeh /Manager of Finance Department.

Academic qualifications	- Bachelor's degree in Accounting / Philadelphia University, Jordan, 2000.
Professional experiences	<ul style="list-style-type: none"> - He Joined JMRC since 1999, where he held Different distinct positions: <ul style="list-style-type: none"> • Head of the Financial Affairs Division. • Senior internal auditor and compliance officer. - Senior Accountant - Jordan Dead Sea Industries Co. 1995 - 1999. - Secretary of the JMRC's Governance Committee. - Member of the JMRC's Assets and Liabilities Management Committee.
Date of birth	- 1974 .

Mr. Marwan Al-Omar / Manager of Legal Department.

Academic qualifications	<ul style="list-style-type: none"> - Bachelor's degree in Laws / Beirut Arab University, Alexandria Branch, 1991. - Higher Diploma in Law / Amman Arab University for Postgraduate Studies, Jordan, 2004. - Master's degree in Law / Amman Arab University for Postgraduate Studies in 2005.
Professional experiences	<ul style="list-style-type: none"> - He Joined JMRC since 1997, where he previously held the head of the legal affairs Division. - Secretary of the Board of Directors in the company. - Secretary of the JMRC's Main Procurement Committee. - Lawyer license on 08/05/1994.
Date of birth	- 1968.

Mr. Jawad Qtaishat / Manager of Administration Department.

Academic qualifications	- Bachelor's degree in Law / University of Jordan, 1993.
Professional experiences	<ul style="list-style-type: none"> - He Joined JMRC since 1997, where he previously held the head of the Administrative Affairs Division. - Secretary of the JMRC's Risk Management Committee. - Lawyer license on 13/07/1995.
Date of birth	- 1970.

4B/4A Names of major shareholders and the number of shares owned by each compared with the previous year:-

Shareholders list	2020		2019	
	Number of shares	Percentage %	Number of shares	Percentage %
Central Bank of Jordan.	900,000	18	900,000	18
Social Security Corporation.	500,000	10	500,000	10
Housing and Urban Development Corporation.	500,000	10	500,000	10
Housing Bank for Trade and Finance.	500,000	10	500,000	10
Arab Bank.	500,000	10	500,000	10
Jordan Loan Guarantee Company.	300,000	6	300,000	6
Jordan Commercial Bank.	250,000	5	250,000	5
Jordan Ahli Bank.	245,000	4.9	245,000	4.9
Cairo Amman Bank.	245,000	4.9	245,000	4.9

4B/5 There are no competing companies for the company within its sector of activity and main markets.

4B/6 There is no dependence on specific key suppliers or clients who constitute 10% or more of gross purchases and/ or sales.

4B/7 There is no government protection or privileges enjoyed by the Company or any of its products by virtue of any laws, regulations, or any other means. And the Company has no patents or exclusive rights except that debt transfer transactions are exempted by the government from fees.

4B/8 There are no decisions by the government or international organizations or others that have a material effect on the work of the Company or its products or its competitive ability. And the Company does not apply international quality standards.

4B/9A Personnel data, training and organizational structure:-

The number of employees in the company at the end of 2020 reached (25) employees, noting that the employees are appointed based on the company's need, and the employees' ranks, and salaries are determined according to their scientific and practical qualifications and according to the approved grades, jobs and salaries system of the company's employee system implemented. Note that during the year 2020 one employee was appointed.

The following list shows academic qualifications of the staff members:-

Academic Qualifications	Number
Master's Degree	2
Bachelor's Degree	17
General Secondary Certificate	3
Secondary Education and below	3
Total	25

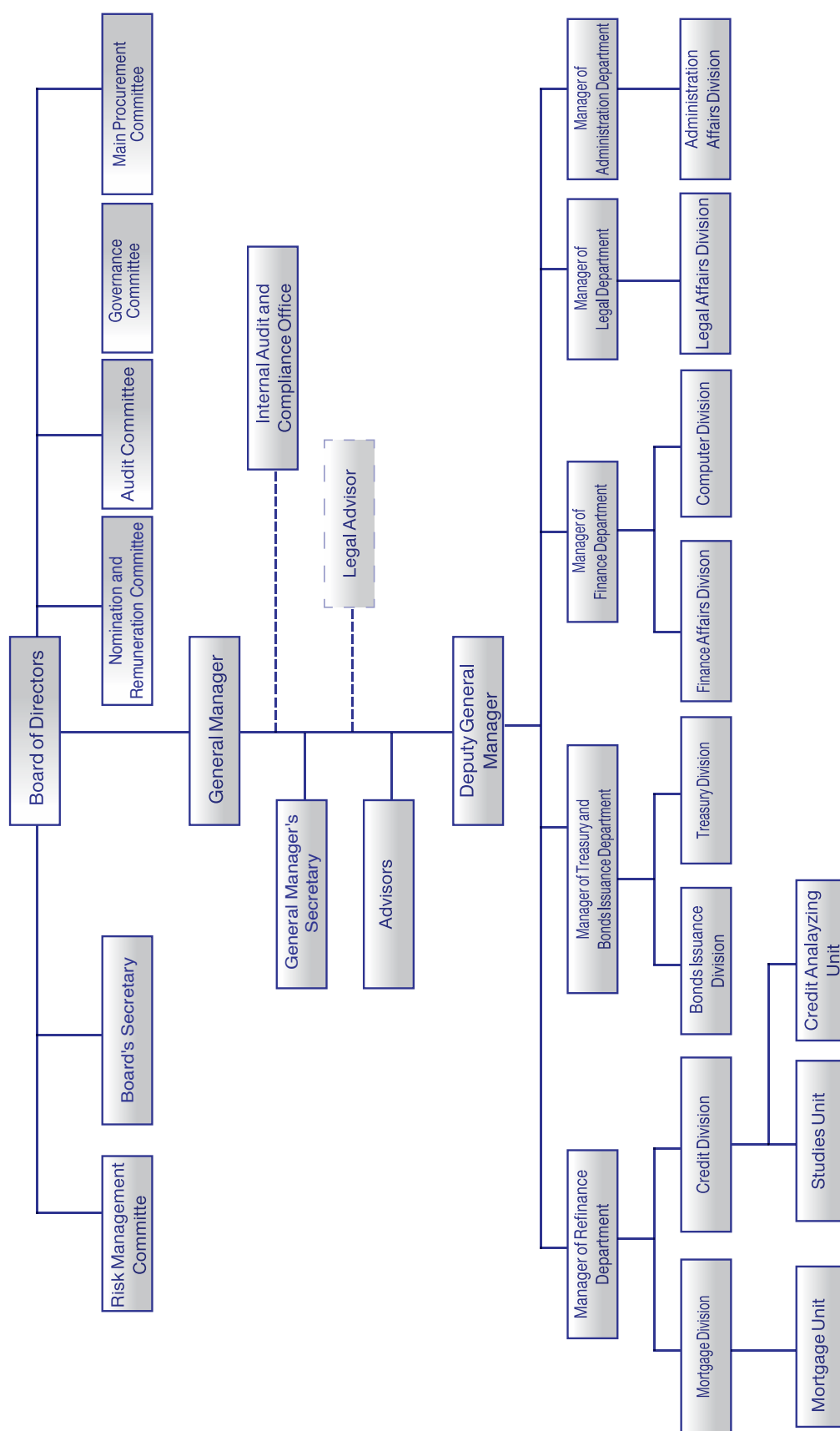
Employees training programs:-

The company seeks to increase the competencies of its employees by providing them with the necessary training through enrollment in specialized training courses.

The following list shows the training courses attended by staff members during 2020: -

The number of participants	Institute	number of sessions	Course name
1	Jordan securities commission	1	Workshop entitle "The impact of technology on financial management business"
1	Institute of Banking Studies On - Line Training	1	An educational seminar entitled "Health prospects and the functional environment in the time of the pandemic"

Organization Chart



4/B10 Description of the Company's risk exposure:-**Risks of currency fluctuations.**

All the assets and liabilities of the company are in JD, JMRC does not bear any risk of currency fluctuations.

Interest rate fluctuations risk.

Financial instruments are subject to risks of interest rate fluctuations and mismatches in terms of assets and liabilities. JMRC's Asset and Liability Management Committee manages such risks by working on matching the maturities of assets and liabilities and undertaking a continuous review of interest rates on assets and liabilities.

Credit risk.

JMRC grants refinance loans to financial institutions according to the conditions and standards, within the credit limits specified in the approved lending policy, and with acceptable and sufficient guarantees. JMRC also maintains deposit balances with high net worth banking institutions.

4/B11 Company's Achievement during 2020, Included in the report.**4/B12 There is no financial impact of operations of a non-recurring nature that occurred during the financial year and do not fall within the main activity of the company, as there are no significant events that occurred to the company during the year 2020.****4/B13 Time series of realized profits or losses made and distributed dividends and net equity:-**

Years	Equity	Net income before tax	Dividend		Share price JD
			Cash (JD)	share	
2012	8,993,949	1,162,593	600,000	-	1.01
2013	9,452,354	1,411,625	700,000	-	1.01
2014	9,728,800	1,308,256	600,000	-	1.31
2015	10,260,362	1,432,750	750,000	-	1.31
2016	10,491,322	1,375,375	650,000	-	1.31
2017	12,136,642	3,407,181	950,000	-	3.00
2018	14,351,866	4,517,695	1,750,000	-	3.00
2019	16,573,952	5,560,908	1,750,000	-	3.00
2020	18,600,621	4,734,704	-	5,000,000	3.00

4/B14 Analysis of the financial position of the company, Included in the report.**4/B15 Projected action plan, Included in the report.****4/B16 Auditors' fees:** The fees of the Arab professional auditors, in exchange for auditing the company's accounts for the year 2020, amounted to (11,600) JD, including sales tax.

4/B17 Number of securities owned by members of the board of directors:-

- Number of Shares owned by members of the board of directors:-

Board Members	Position	Nationality	2020	2019
Central Bank of Jordan. Represented by Dr. Adel Al Sharkas.	Chairman	Jordanian	900,000	900,000
Jordan Kuwait Bank. Represented by Mr. Tawfiq Mukahall.	Vice Chairman	Jordanian	210,000	210,000
Housing & Urban Development Corporation. Represented by Eng. Jomana Attyat.	Member	Jordanian	500,000	500,000
Social Security Corporation. Represented by Mrs. Lina Kreishan.	Member	Jordanian	500,000	500,000
Arab Bank. Represented by Mr. Ziyad Akrouk.	Member	Jordanian	500,000	500,000
Housing Bank for Trade and Finance. Represented by Mr. Ali Al Mimi.	Member	Jordanian	500,000	500,000
Jordan Ahli Bank. Represented by Mr. Nebal Friehat.	Member	Jordanian	245,000	245,000
Cairo Amman Bank. Represented by Mrs. Rana Al Sunna.	Member	Jordanian	245,000	245,000
Jordan Commercial Bank. Represented by Mr. Abdallah Kishek .	Member	Jordanian	250,000	250,000
Invest Bank. Represented by Mr. Jarir Al Ajluni.	Member	Jordanian	150,000	150,000
Arab Jordan Investment Bank. Represented by Mr. Basel Al Araj.	Member	Jordanian	149,000	149,000
Total			4,149,000	4,149,000

- Number of Bonds owned by members of the board of directors:-

Board Members	The Position	Nationality	2020	2019
Central Bank of Jordan. Represented by Dr. Adel Al Sharkas.	Chairman	Jordanian	-	-
Jordan Kuwait Bank. Represented by Mr. Tawfiq Mukahall.	Vice Chairman	Jordanian	-	-
Housing & Urban Development Corporation. Represented by Eng. Jomana Attyat.	Member	Jordanian	-	-
Social Security Corporation. Represented by Mrs. Lina Kreishan.	Member	Jordanian	103,000,000	121,000,000
Arab Bank. Represented by Mr. Ziyad Akrouk.	Member	Jordanian	5,000,000	5,000,000
Housing Bank for Trade and Finance. Represented by Mr. Ali Al Mimi.	Member	Jordanian	139,000,000	116,000,000
Jordan Ahli Bank. Represented by Mr. Nebal Frieihat.	Member	Jordanian	118,000,000	110,000,000
Cairo Amman Bank. Represented by Mrs. Rana Al Sunna.	Member	Jordanian	63,000,000	54,000,000
Jordan Commercial Bank. Represented by Mr. Abdallah Kishek .	Member	Jordanian	-	-
Invest Bank. Represented by Mr. Jarir Al Ajluni.	Member	Jordanian	34,500,000	34,500,000
Arab Jordan Investment Bank. Represented by Mr. Basel Al Araj.	Member	Jordanian	-	2,000,000
Total			462,500,000	442,500,000

The representatives of the legal board members in the company's board of directors and the higher management persons with executive authority and their relatives do not own securities issued by the company in their personal capacity since its establishment. In addition, there are no securities issued by the company and owned by companies controlled by any of the legal members of the board of directors, their representatives, senior management persons with authority and their relatives

4B/18A Privileges and remunerations received by the chairman and members of the board of directors.

- Current Board members:-

Name	Position	Remunerations*	Annual Transportation	Annual Travel	Total
Dr. Adel Al Sharkas.	Chairman	5,000	11,400	-	16,400
Mr. Tawfiq Mukahall.	Vice Chairman	5,000	11,400	-	16,400
Eng. Jomana Attyat	Member	-	11,400	-	11,400
Mrs. Lina Kreishan.	Member	5,000	11,400	-	16,400
Mr. Ziyad Akrouk.	Member	5,000	11,400	-	16,400
Mr. Ali Al Mimi.	Member	5,000	11,400	-	16,400
Mr. Nebal Friehat.	Member	5,000	11,400	-	16,400
Mrs. Rana Al Sunna.	Member	5,000	11,400	-	16,400
Mr. Abdallah Kishek.	Member	2,500	11,400	-	13,900
Mr. Jarir Al Ajluni.	Member	5,000	11,400	-	16,400
Mr. Basel Al Araj.	Member	5,000	11,400	-	16,400
Total		47,500	125,400		172,900

- Resigning Board members:-

Name	Position	Remunerations*	Annual Transportation	Annual Travel	Total
Eng. Hassan Abdeen.	Member	5,000	-	-	5,000
Miss.Ghada Hallosh.	Member	2,500	-	-	2,500
Total		7,500	-	-	7,500
Gross Total		55,000	125,400	-	180,400

* The remuneration of the members of the Board of Directors shown above represents the value of remuneration for the year 2019 and disbursed in 2020.

- During the year 2020, no travel expenses were paid to the Chairman and members of the Board of Directors.

4B/18B Privileges and rewards received by members of the upper management:-

Name	Position	Salaries	Reward	Other	Total
Abed Al-Razzak Tubaishat.	General Manager.	90,525	25,400	1,800	117,725
Sayel Al Aqarbeh.	Manager of Finance Department.	52,384	12,582	1,800	66,766
Marwan Al-Omar.	Manager of Legal Department.	46,717	11,250	3,600	61,567
Jawad Qtaishat.	Manager of Administration Department.	46,577	10,441	1,800	58,818
Total		236,203	59,673	9,000	304,876



4B/19 Donations and grants paid by the company during the financial year.

In order to support the efforts made by the government to combat the COVID-19 virus epidemic and confront its economic and social impacts and based on the company's community responsibility. The JMRC's board of directors decided to donate (750,000) JD to Hemet Watan Donation Fund.


 وزارة الاقتصاد والتجارة
 رقم: ١١٤٣٣ / ١ / ١٣ / ١٠
 التاريخ: ١٤٤١ / شوال / ٢٤
 الموافق: ٢٠٢٠ / ٠٦ / ١٦

السادة الشركة الأردنية لإعادة
تمويل الرهن العقاري

إنه ليطيب لي أن أتقدم إليكم بجزيل الشكر والعرفان على مساهمتكم
الخير في (صندوق همّة وطن) ودعمكم للجهود الوطنية في مواجهة تداعيات
أزمة فيروس كورونا، بما يعكس صدق انتمائكم وولائكم لهذا الحمى الهاشمي
وقيادته الحكيمة.

وإنني، إذ أقدر لكم عالياً وقوفكم إلى جانب الوطن في مواجهة هذه
المحنة، وتغليب المصلحة الوطنية على كل ما سواها، لأضرع للمولى القدير
أن يحفظ الأردن من كل شر وسوء، وأن يجلب أهله الأمراض والأوبئة، ليبقى
على الدوام عزيزاً شامخاً بهمة الخيرين من أبنائه الشرفاء أمثالكم، تحت ظل
حضرة صاحب الجلالة الهاشمية الملك عبد الله الثاني ابن الحسين المعظم
حفظه الله ورعاه.

وتفضلوا بقبول فائق الاحترام.

رئيس الوزراء
الدكتور عمر الرزاز



Donated to the King Hussein Cancer Foundation (KHCF)

4B/20 The company's contribution to the protection of the environment and the service of local community.

- During the year 2020, the Company donated (10,000) JD to the King Hussein Cancer Foundation (KHCF).
- During the year 2020, out of its belief in serving the local community, JMRC donated (5,000) JD to the Young Women Muslim Association as a contribution to cover the annual installments of thirty students and buy two modern buses for the students of the Al-Bunayat Center for Special Education.
- During the year 2020 The company contributed an amount of (12,633) JD to the expense of the Institute of Banking Studies.
- JMRC's contribution in serving the local community is done by granting medium and long-term refinancing loans to banks that grant housing loans in order to expand the housing finance base and improve access to housing loans by citizen and meet their needs especially for those with middle and low incomes.
- JMRC makes no direct contribution to the protection of the environment.

4B/21 Contracts, projects and engagements made by the company.

There are no contracts, projects, or engagements that the company has concluded with the subsidiary, sister or allied company, the chairman of the board of directors, the members of the board, the general manager, or any employee of the company or their relatives.

4C Financial statement :- Included in the report.

4D Auditor's Report :- Included in the report.

4E Required Declaration:

4E/1 The Board of Directors declares that there are no substantial matters that might affect the Company's continuity during the next fiscal year.

4E/2 The Board of Directors affirms its responsibility for the preparation of the financial statements and confirms having an effective supervision system within the Company.

Included in the report.

4E/3 We, the undersigned hereby affirm the correctness, accuracy and completeness of the information and data stated in the company's annual report for the year 2020.

Included in the report.



JMRC
Governance Report
for the Year 2020

Jordan Mortgage Refinance Company Corporate Governance Report for the year 2020

1. Information and details related to the application of the provisions and instructions of the governance of listed shareholding companies and the rules of corporate governance in the company:

Jordan Mortgage Refinance Company has a regular set of relationships with the Board of Directors, shareholders and all other related parties, and these relationships address the general framework of the company's strategy and the means necessary to implement its objectives. The general framework for corporate governance ensures fair treatment based on equality among all shareholders. The rights of shareholders defined by the law, and it confirms that they are provided with all important information about the company's activity, and that the members of the Board of Directors adhere to their responsibilities towards the company and the shareholders.

In this regard, JMRC has done the following: -

1. Preparing the JMRC's corporate governance guide. The Governance Committee emanating from the Board of Directors annually reviews the company's corporate governance manual and work procedures to assess the extent of compliance with the application of the rules of good governance in the company and recommend to the Board in particular.
2. Providing disclosure information to shareholders and investors in an accurate, clear, and not misleading manner, in specified times, in accordance with the requirements of the regulatory authorities and the legislation in force, enabling them to take their decisions.
3. Using its website on the Internet to enhance disclosure, transparency, and provision of information.

In addition, the Board of Directors has approved a special internal system that is reviewed annually, according to which the duties, powers and responsibilities of the Board are determined in detail, and the company has also approved an evaluation form that addresses questions that indicate the extent of the company's commitment to implementing the instructions of governance.

2. Formation of the Board of Directors

The Board of Directors of JMRC consists of (11) members, the government of the Hashemite Kingdom of Jordan / Central Bank appoints (1) member to the board of directors of the company, and the official public institutions appoint (2) of them to the Board of Directors in proportion to their contribution to the company's capital, and the remaining members are elected By the General Assembly of Shareholders.

On June 22, 2020 the JMRC's general assembly elected a new board of directors.

The following are the names of the corporate board members and their current representatives on the company's board of directors: -

Name	Representative	Position	Description
Central Bank of Jordan.	Dr. Adel Al-Sharkas.	Chairman	non-independent
Housing & Urban Development Cor.	Eng. Jomana Attyat.	Member	non-independent
Social Security Corporation.	Mrs. Lina Kreishan.	Member	non-independent
Arab Bank.	Mr. Ziyad Akrouk.	Member	non-independent
Housing Bank for Trade and Finance.	Mr. Ali Al Mimi.	Member	non-independent
Jordan Commercial Bank.	Mr. Abdallah Kishek .	Member	non-independent
Cairo Amman Bank.	Mrs. Rana Al Sunna.	Member	independent
Jordan Kuwait Bank.	Mr. Tawfiq Mukahall.	Vice Chairman	independent
Jordan Ahli Bank.	Mr. Nebal Frieihat.	Member	independent
Invest Bank.	Mr. Jarir Al Ajluni.	Member	independent
Arab Jordan Investment Bank.	Mr. Basel Al Araj.	Member	independent

- All directors are non-executive Member.
- None of the board Members had resigned during the year 2020.

Some of the board members replaced their representatives as follows:-

The General Organization for Housing and Urban Development Corp. Nomination the engineer Jumana Muhammad Abdel Rahim Atiyatt as of 01/01/2020 instead of Eng. Hassan Mesbah Abd Al-Afo Abdeen.

3. Executive positions in the company and the names of the persons who occupy them:-

Name	Position
Abed Al-Razzak Tubaishat.	General Manager.
Sayel Al Aqarbeh.	Manager of Finance Department.
Marwan Al-Omar.	Manager of Legal Department.
Jawad Qtaishat.	Manager of Administration Department.

4. All the memberships of the boards of directors held by a member of the board of directors in public shareholding companies, if any:-

Name	Public shareholding companies.	Position
Dr. Adel Al Sharkas.	Jordan Phosphate Mines Co. (JPMC)	Vice Chairm
Mr. Tawfiq Mukahall.	Jordan Loan Guarantee Cor.(JLGC) Arab Orient Insurance Co. (AOIC)	Member
Mr. Ziyad Akrouk.	AL-Nisr AL-Arabi Insurance Co. (AAIN)	Vice Chairm

Other members of the Board of Directors do not have memberships in any other boards of directors of any other public shareholding companies.

5. Name of Governance Liaison Officer:-

JMRC has appointed Mr. Sayel Al Aqrabeh, Manager of the Finance Department / Secretary of the Governance Committee, as a liaison officer.

6. Board's Permanent Committees:-

With the aim of organizing the work of the board and increasing its efficiency and effectiveness, the Board of Directors formed the permanent committees emanating from the Board of Directors in accordance with the provisions of Paragraph (a) of Article (6) of the Corporate Governance Instructions for the year 2017.

The Board also approved written work procedures for the permanent committees that organize their work and define their obligations based on the provisions of Paragraph (c) of Article (6) of the Corporate Governance Instructions for the year 2017.

- Governance Committee :-

The committee oversees the company's corporate governance practices, and ensures that the company adheres to the legislation related to governance. Reviewing the company's corporate governance manual on an annual basis, assessing the extent of compliance with its application, studying the Authority's observations regarding the implementation of corporate governance in the company, following up on what has been done in its regard, and preparing the annual governance report and submitting it to the Board of Directors.

- Current members of the Governance Committee:-

Name	Representing	Position	Description
Mr. Basel Al Araj.	Arab Jordan Investment Bank.	Chairman	independent
Mr. Jarir Al Ajluni.	Invest Bank.	Member	independent
Mrs. Lina Kreishan.	Social Security Corporation.	Member	non-independent

- Governance Committee had (3) meetings through the year, which were as follows:-

Name	Position	Members present
Mr. Basel Al Araj.	Chairman	3
Mr. Jarir Al Ajluni.	Member	3
Mrs. Lina Kreishan.	Member	3

- Nomination and Remuneration Committee:-

The committee is mainly responsible for ensuring the independence of independent members on an ongoing basis and informing the authority if any member of the board of directors does not have the independence status. And review the systems and principles for granting bonuses, benefits, incentives and salaries in the company on an ongoing basis, determine the company's needs for competencies at the level of executive management and employees and the basis for their selection, and conduct an annual evaluation of the performance of the Board of Directors and the committees emanating from it.

- Current members of the Nomination and Remuneration Committee:-

Name	Representing	Position	Description
Mr. Tawfiq Mukahall.	Jordan Kuwait Bank .	Chairman	independent
Mr. Nebal Friehat.	Jordan Ahli Bank.	Member	independent
Mr. Abdallah Kishek.	Jordan Commercial Bank.	Member	non-independent

Nomination and Remuneration Committee had (2) meetings through the year, which were as follows:-

Name	Position	members present
Mr. Tawfiq Mukahall.	Chairman	2
Mr. Nebal Friehat.	Member	2
Mr. Abdallah Kishkek .	Member	2

- **Audit Committee:-**

The committee mainly undertakes the review and approval of the internal audit plan that includes the scope of the audit, the review of the internal audit reports, the reports and the observations of the external auditor, and the assurance that the company's executive management has taken corrective measures. The committee also reviews the annual and interim financial statements of the company before submitting it to the Board of Directors.

- **Current members of the Audit Committee and there qualifications and experiences:-**

Mrs. Rana Al Sunna

Chairman of the JMRC's Audit committee

The entity representing	- Cairo Amman Bank (independent member) as of 10/09/2008.
Academic qualifications	<ul style="list-style-type: none"> - Bachelor's degree in Accounting / Business Administration / University of Jordan, 1988. - Master's degree in Finance / University of Jordan, 1990.
Current position	- Chief Credit Services Group Officer - Cairo Amman Bank.
Professional experiences	<ul style="list-style-type: none"> - Central Bank of Jordan / Banking Supervision Department. 1988-1995. - Vice Chairman of the Board of Directors of Tamalak Leasing Company. - Member of the Board of Directors of the Jordan Enterprise Development Corporation.
Date of birth	- 1966.

Mr. Nebal Frieihat

The entity representing	- Jordan Ahli Bank (independent member) as of 01/01/2014.
Academic qualifications	<ul style="list-style-type: none"> - Bachelor's degree in Financial and Banking Sciences / Yarmouk University, Jordan, 1998. - Master's degree in Finance / Arab Banking Academy, Jordan, 2003. - PhD in Islamic Economics and Banking, 2015.
Current position	- General Manager - Al-Ahly Leasing Company.
Professional experiences	<ul style="list-style-type: none"> - He worked in Jordan Ahli Bank since 2004, where he held different distinct positions. - Worked at the Industrial Development Bank 2003-2004. - Worked at Jordan Gulf Bank 2000-2003. - Member of the Board of Directors of Al-Ahly Leasing Company. - President of the Jordanian Association of Financial Leasing Companies. - Member of the JMRC's Nomination and Remuneration Committee.
Date of birth	- 1976.

Mr. Basel Al Araj

The entity representing	- Arab Jordan Investment Bank (independent member) as of 27/2/2017.
Academic qualifications	<ul style="list-style-type: none"> - Master's degree in Public Administration / Harvard University, USA - Master's degree in Business Administration / Lancaster University, United Kingdom. - Master's degree in Banking and Financial Sciences / Arab Academy for Banking and Financial Sciences, Jordan. - Higher Diploma in Finance and Foreign Trade / London Institute of Banking & Finance, United Kingdom. - Certified Expert in International Trade and Finance (CITF) / London Institute of Banking & Finance, United Kingdom. - Certified expert in Documentary Credits (CDCS) / London Institute of Banking & Finance, United Kingdom.
Current position	- Assistant General Manager - Arab Jordan Investment Bank since 2012.
Professional experiences	<ul style="list-style-type: none"> - Executive Director - Operations Department at the Housing Bank for Trade and Finance. - Executive Director - Operations Department, then Executive Director for Banking Business Development at Bank Al Etihad. - Vice Chairman - Global Financial Services and Trade Finance Group at Citibank. - Chairman of the JMRC's Governance Committee.
Date of birth	- 1970.

- Committee meetings:-

Audit Committee had (5) meetings during the year, which were as follows:-

Name	Position	Members present
Mrs. Rana Al Sunna.	Chairman	5
Mr. Nebal Frieihat.	Member	5
Mr. Basel Al Araj.	Member	5

The committee met with the company's external auditor once during the year 2020 without the presence of any of the JMRC's executive management persons - to review and discuss everything related to his comments and suggestions about the company's business and its financial results and the extent of the company's management response to any observations or suggestions if any.

The committee also met with the internal auditor and compliance officer in the company without the presence of any of the executive management persons of the company to discuss everything related to his comments and suggestions about the audit work and the extent of the company's management response to them. And reviewing the internal auditor's work plan, and his evaluation of the control and internal audit procedures in the company, as the internal auditor confirmed that the company is in compliance with the laws, regulations, instructions, and decisions of the Board of Directors, and there are no notes in particular. And he stressed that there were no other observations not mentioned in his reports on auditing work, and there was nothing that would affect his independence in performing his work.

- Risk Management Committee:-

The committee develops a risk management policy for the company, reviews it on an annual basis, and follows up and evaluates the various types of risks that the company may be exposed to. The committee also studies any proposed systems or any amendments to the company's existing systems and recommends to the Board about it and studies any suggested policies or any amendments to the asset and liabilities management policy.

- Current members of the Risk Management Committee:-

Name	Representing	Position	Description
Mr. Tawfiq Mukahall.	Jordan Kuwait Bank.	Chairman	independent
Mr. Ziyad Akrouk.	Arab Bank.	Member	non-independent
Mr. Ali Al Mimi.	Housing Bank for Trade and Finance.	Member	non-independent
Eng. Jomana Attyat.	Housing & Urban Development Cor.	Member	non-independent

The committee includes in its membership, Mr. Abed Al-Razzak Tubaishat the General Manager from the executive management of the company as member.

- Committee meetings:-

Risk Management Committee had (2) meetings through the year, which were as follows:-

Name	Position	Members present
Mr. Tawfiq Mukahall.	Chairman	2
Mr. Ziyad Akrouk.	Member	2
Mr. Ali Al Mimi.	Member	2
Eng. Jomana Attyat.	Member	1
Mr. Abed Al-Razzak Tubaishat.	Member	2

7. Board of directors meetings:-

Board of directors had (6) meetings through the year, which were as follows:-

Name	Position	Members present	Members Absent
Dr. Adel Al Sharkas.	Chairman	6	
Mr. Tawfiq Mukahall.	Vice Chairman	5	1
Eng. Jomana Attyat.	Member	5	1
Mrs. Lina Kreishan.	Member	6	
Mr. Ziyad Akrouk.	Member	6	
Mr. Ali Al Mimi.	Member	6	
Mr. Nebal Friehtat.	Member	6	
Mrs. Rana Al Sunna.	Member	5	1
Mr. Abdallah Kishek.	Member	6	
Mr. Jarir Al Ajluni.	Member	6	
Mr. Basel Al Araj.	Member	5	1

Chairman of the Board of Directors

Dr. Adel Al Sharkas

Board of Directors' Recommendations for The General Committee

The Board of Directors recommends the General Assembly to distribute the net profit of (4,789,704) JD as follows:-

	Amount (JD)
Statuary Reserve	478,970
Voluntary Reserve	-
Special Reserve	249,740
Income Tax Provision	1,413,298
Board Of Directors' Remuneration	55,000

Retaining remaining profit to the next year.

Subject: Invitation to Attend the Ordinary Generalجدول اجتماع الهيئة العامة العادي السنوي

1. Reciting and approving the minutes of the previous ordinary meeting of the General Assembly which was held on 22/6/2020.
2. Approving the report of the Board of Directors on the activities of the Company during the year 31/12/2020, along with its future plans.
3. Reciting and approving Report of the Company's auditors on its financial statements for the year ended 31/12/2020.
4. Approving the financial statements for the year ended 31/12/2020 and discharging the Board's members from their liabilities in respect of the financial year ended 31/12/2020.
5. Specifying the profits that the Board of Directors proposes to distribute and specifying the reserves and allocations which the Law and the Company's Memorandum of Association stipulate its deduction.
6. Electing the Company's auditors for the next fiscal year, and deciding on their remunerations or authorizing the Board of Directors to determine such remunerations.
7. Any other matters which the General Assembly proposes to include in the agenda, and are within the work scope of the General Assembly in its ordinary meeting, provided that such a proposal is approved by shareholders representing not less than 10% of the shares represented in the meeting.

- 1- تلاوة محضر اجتماع الهيئة العامة العادي السابق والمنعقد بتاريخ 2020/6/22 والمصادقة عليه.
- 2- تقرير مجلس الادارة عن اعمال الشركة خلال السنة المالية المنتهية في 2020/12/31 والخطة المستقبلية للشركة والمصادقة عليه.
- 3- تلاوة تقرير مدققي الحسابات حول البيانات المالية للسنة المالية المنتهية في 2020/12/31 والمصادقة عليه.
- 4- البيانات المالية للسنة المالية المنتهية في 2020/12/31 والمصادقة عليها وبراء ذمة أعضاء مجلس الادارة من المسؤولية عن تصرفاتهم خلال السنة المنتهية في 2020/12/31.
- 5- تحديد نسبة الأرباح التي يقترح مجلس الإدارة توزيعها على المساهمين وتحديد الإحتياطات والمخصصات التي نص على إقتطاعها القانون ونظام الشركة.
- 6- إنتخاب مدققي حسابات الشركة للسنة المالية المقبلة وتحديد أتعابهم أو تفويض مجلس الإدارة بتحديدھا.
- 7- أي أمور أخرى تقترح الهيئة العامة إدراجھا في جدول الأعمال ويدخل في نطاق أعمال الإجتماع العادي للهيئة العامة على أن يقتصر إدراج هذا الاقتراح في جدول الأعمال بموافقة عدد من المساهمين يمثلون ما لا يقل عن (10%) من الأسهم الممثلة في الإجتماع.

Agenda of the Extraordinary General Assembly Meetingجدول أعمال اجتماع الهيئة العامة غير العادي

1. Increasing the authorized capital of the Company up to (10) Million JD by capitalizing (5) Million JD of the retained earnings and distributing it as free shares to the existing shareholders a share per share.
2. Amending the Memorandum of Association and the Articles of Association of the company And authorizing the Board of Directors to take all appropriate measures to implement this.

- 1- زيادة رأسمال الشركة من (5) مليون دينار إلى (10) مليون دينار عن طريق رسملة مبلغ (5) مليون دينار من الأرباح المرحلة وتوزيعها كأسهم مجانية على المساهمين كل بنسبة مساهمته في رأسمال الشركة بواقع سهم لكل سهم.
- 2- تعديل عقد التأسيس والنظام الأساسي للشركة وتفويض مجلس الإدارة باتخاذ كافة الإجراءات المناسبة لتنفيذ ذلك.

Jordan Mortgage Refinance Company

Public Shareholding Company

Financial Statements

31 December 2020

Jordan Mortgage Refinance Company
Public Shareholding Company

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INDEPENDENT AUDITOR'S REPORT

To The Shareholders of
Jordan Mortgage Refinance Company
Public Shareholding Company
Amman - Jordan

Opinion

We have audited the financial statements of **Jordan Mortgage Refinance Company PLC**, which comprise the statement of financial position as at 31 December 2020, statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

(1) Provision for Expected Credit Loss

Included in the accompanying financial statements at the end of the year 2020 financial assets totaling JOD (594,990,523), as the provision for the expected credit loss of these financial assets are dependent on the management's estimates of different variables, the adequacy of the provision is considered a key audit matter. The audit procedures performed by us to address this key audit matter included inquiring from management about the methodology used in calculating the provision and assessing the reasonableness of estimates and assumptions used by the management in calculating the provision amount. We have also inquired about the management's collection procedures and the amounts collected post year end.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records and the accompanying financial statements are in agreement therewith and with the financial data presented in the Board of Directors' report, and we recommend the General Assembly to approve it.

9 February 2021

Amman – Jordan




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Jordan Mortgage Refinance Company
Public Shareholding Company
Statement of Financial Position as at 31 December 2020
(In Jordanian Dinar)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
Assets			
Cash and cash equivalents	3	8,457,512	5,113,300
Deposits at banks	4	2,495,209	2,495,389
Refinance loans	5	582,004,614	530,995,749
Employees' housing loans	6	515,545	554,175
Interest receivable		7,364,018	7,721,827
Financial assets at amortized cost	7	5,995,940	5,997,627
Financial assets at fair value through other comprehensive income	8	827,750	372,488
Other assets	9	30,772	21,962
Property and equipment	10	421,214	455,865
Total Assets		<u>608,112,574</u>	<u>553,728,382</u>
Liabilities and Equity			
Liabilities			
Bonds	11	562,000,000	510,500,000
Central Bank of Jordan loan	12	19,038,873	18,111,232
Accrued interest		6,560,713	6,615,956
Other liabilities	13	1,912,367	1,927,242
Total Liabilities		<u>589,511,953</u>	<u>537,154,430</u>
Equity	14		
Paid – in capital		5,000,000	5,000,000
Statutory reserve		3,696,785	3,217,815
Voluntary reserve		1,949,774	1,949,774
Special reserve		2,018,515	1,768,775
Fair value adjustments		58,858	(396,405)
Retained earnings		5,876,689	5,033,993
Total Equity		<u>18,600,621</u>	<u>16,573,952</u>
Total Liabilities and Equity		<u>608,112,574</u>	<u>553,728,382</u>

“The attached notes from (1) to (29) form an integral part of these financial statements”

Jordan Mortgage Refinance Company
Public Shareholding Company
Statement of Profit or Loss For the Year Ended 31 December 2020
(In Jordanian Dinar)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
Interest income	15	31,473,334	31,891,893
Interest expense	16	(24,592,885)	(25,256,979)
Gross operating income		6,880,449	6,634,914
Administrative expenses	17	(1,063,459)	(985,670)
Depreciation	10	(38,551)	(31,486)
Donation (Himmat Watan)	18	(750,000)	-
Provision for expected credit loss		(239,510)	(1,850)
Other revenues		775	-
Fees and other expenses	19	(55,000)	(55,000)
Profit before income tax		4,734,704	5,560,908
Income tax and National contribution expense	23	(1,413,298)	(1,580,545)
Profit for the year		3,321,406	3,980,363
Basic and diluted earnings per share	20	0.664	0.796

“The attached notes from (1) to (29) form an integral part of these financial statements”

Jordan Mortgage Refinance Company
Public Shareholding Company
Statement of Comprehensive Income For the Year Ended 31 December 2020
(In Jordanian Dinar)

	<u>2020</u>	<u>2019</u>
Profit for the year	3,321,406	3,980,363
Other comprehensive income item:		
Changes in fair value of financial assets	455,263	(8,277)
Total comprehensive income for the year	<u>3,776,669</u>	<u>3,972,086</u>

“The attached notes from (1) to (29) form an integral part of these financial statements”

Jordan Mortgage Refinance Company
Public Shareholding Company
Statement of Changes in Equity For the Year Ended 31 December 2020
(In Jordanian Dinar)

	Reserves						Total
	Paid Capital	Statutory Reserve	Voluntary Reserve	Special Reserve	Fair Value Adjustments	Retained Earnings	
Balance at 1 January 2020	5,000,000	3,217,815	1,949,774	1,768,775	(396,405)	5,033,993	16,573,952
Dividends paid	-	-	-	-	-	(1,750,000)	(1,750,000)
Total comprehensive income	-	-	-	-	455,263	3,321,406	3,776,669
Reserves	-	478,970	-	249,740	-	(728,710)	-
Balance at 31 December 2020	5,000,000	3,696,785	1,949,774	2,018,515	58,858	5,876,689	18,600,621
Balance at 1 January 2019	5,000,000	2,656,224	1,949,774	1,504,410	(388,128)	3,629,586	14,351,866
Dividends paid	-	-	-	-	-	(1,750,000)	(1,750,000)
Total comprehensive income	-	-	-	-	(8,277)	3,980,363	3,972,086
Reserves	-	561,591	-	264,365	-	(825,956)	-
Balance at 31 December 2019	5,000,000	3,217,815	1,949,774	1,768,775	(396,405)	5,033,993	16,573,952

“The attached notes from (1) to (29) form an integral part of these financial statements”

Jordan Mortgage Refinance Company
Public Shareholding Company
Statement of Cash Flows For the Year Ended 31 December 2020
(In Jordanian Dinar)

	<u>2020</u>	<u>2019</u>
Operating Activities		
Profit for the year before income tax	4,734,704	5,560,908
Depreciation	38,551	31,486
Provision for expected credit loss	239,510	1,850
Central Bank of Jordan loan	927,641	882,443
Changes in working capital		
Interest receivable	357,809	(1,073,760)
Refinance loans	(51,245,768)	(24,745,768)
Employees' housing loans	39,430	40,542
Other assets	(8,810)	(1,375)
Accrued interest	(55,243)	1,022,156
Bonds	51,500,000	20,000,000
Income tax paid	(1,504,046)	(1,209,520)
Other liabilities	75,874	82,997
Net cash flows from operating activities	<u>5,099,652</u>	<u>591,959</u>
Investing Activities		
Property and equipment	<u>(3,900)</u>	<u>(51,519)</u>
Financing Activities		
Dividends paid	<u>(1,750,000)</u>	<u>(1,750,000)</u>
Changes in cash and cash equivalents	3,345,752	(1,209,560)
Cash and cash equivalents, beginning of year	5,114,443	6,324,003
Cash and cash equivalents, end of year	<u>8,460,195</u>	<u>5,114,443</u>

“The attached notes from (1) to (29) form an integral part of these financial statements”

Jordan Mortgage Refinance Company
Public Shareholding Company
Notes to the Financial Statements 31 December 2020
(In Jordanian Dinar)

1 . General

Jordan Mortgage Refinance Company was established on 5 June 1996 in accordance with Jordanian Companies Law No. (22) Of 1997 and registered under No. (314) as a public shareholding company and was granted the operating license on 22 July 1996. The Company's head office is in the Hashemite Kingdom of Jordan and its main objectives are:

- Development and improvement of the housing finance market in Jordan by enabling licensed banks and other financial institutions to increase their participation in granting housing loans.
- Enhancement and development of the capital market in Jordan by issuing medium and long-term bonds.

The Company stocks are listed in Amman Stock Exchange – Jordan.

The financial statements were authorized for issue by the Company's Board of Directors in their meeting held on 9 February 2020.

2 . Summary of Accounting Policies

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards.

The financial statements have been prepared on a historical cost basis except for investment securities, which have been measured at fair value.

The financial statements are presented in the Jordanian Dinar, which is the functional currency of the Company.

The accounting policies are consistent with those used in the previous year, except for the adoption of new and amended standards effective as at the beginning of the year.

Adoption of new and revised IFRS standards

The following standards have been published that are mandatory for accounting periods after 31 December 2020. Management anticipates that the adoption of new and revised Standards will have no material impact on the financial statements of the Company.

<u>Standard No.</u>	<u>Title of Standards</u>	<u>Effective Date</u>
IFRS 17	Insurance Contracts	1 January 2023

Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues, expenses and the provisions. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

Management believes that the estimates are reasonable and are as follows:

- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the statement of profit or loss.
- The measurement of impairment losses under IFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Elements of the expected credit loss model that are considered accounting judgments and estimates include Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD).

Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the Cash flow statement, cash and cash equivalents comprise of cash on hand, deposits held at call with banks, other short - term highly liquid investments.

Financial Assets at Fair Value through Other Comprehensive Income

These financial assets represent investments in equity instruments held for the purpose of generating gain on a long term and not for trading purpose.

Financial assets at fair value through other comprehensive income initially stated at fair value plus transaction costs at purchase date.

Subsequently, they are measured at fair value with gains or losses arising from changes in fair value recognized in the statement of other comprehensive income and within owner's equity, including the changes in fair value resulting from translation of non-monetary assets stated at foreign currency. Gain or Loss from the sale of these investments should be recognized in the statement of comprehensive income and within owner's equity, and the balance of the revaluation reserve for these assets should be transferred directly to the retained earnings and not to the statement of profit or loss.

These assets are not subject to impairment testing.

Dividends are recorded in the statement of profit or loss on a separate line item.

Financial Assets at Amortized Cost

They are the financial assets which the Company's management intends according to its business model to hold for the purpose of collecting contractual cash flows which comprise the contractual cash flows that are solely payments of principal and interest on the outstanding principal.

Those financial assets are stated at cost upon purchase plus acquisition expenses. Moreover, the issue premium / discount are amortized using the effective interest rate method, and recorded to the interest account. Provisions associated with the decline in value of these investments leading to the inability to recover the investment or part therefore are deducted, and any impairment loss in its value is recorded in the statement of profit or loss.

The amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

It is not allowed to reclassify any financial assets from / to this category except for certain cases specified in the International Financial Reporting Standards (in the case of selling any of these assets before its maturity date, the result should be recorded in a separate line item in the statement of profit or loss, disclosures should be made in accordance to the requirements of International Financial Reporting Standards).

Fair value

For fair value of investments, which are traded in organized financial markets, is determined by reference to the quoted market bid price at the close of the business on the statement of financial position date. For investments which are listed in inactive stock markets, traded in small quantities or have no current prices, the fair value is measured using the current value of cash flows or any other method adopted. If there is no reliable method for the measurement of these investments, then they are stated at cost less any impairment in their value.

Trading and Settlement Date Accounting

Purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits its self to purchase or sell the asset.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statements of profit or loss.

The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation is computed on a straight-line basis using the following annual depreciation rates:

Buildings	2-20%
Furniture & Fixtures	15-25%
Vehicles	20%
Computers	30%

The useful life and depreciation method are reviewed periodically to ensure that the method and period of deprecation are consistent with the expected pattern of economic benefits from items of property and equipment.

Loans and bonds

Interest on long-term loans and bonds are recorded using the accrual basis of accounting and recognized in the statement of profit or loss.

Accrual Accounts

Accrued payments are recognized upon receiving goods or performance of services.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provision for End of Service Indemnity

The provision for end of service indemnity is calculated based on the contractual provisions of the employment.

Offsetting

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

Revenues

Revenues from sale of goods are recognized when control transferred to the buyer, while revenues from rendering services are recognized over time and according to percentage of completion. In all cases, it is necessary that the amount of revenue can be measured reliably.

Interest is recognized on a time proportion basis that reflects the effective yield on the assets.

Dividends are recognized when the Company's right to receive payment is established.

Other revenues are recorded according to the accrual basis.

Income tax

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

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

3. Cash and Cash Equivalents

	<u>2020</u>	<u>2019</u>
Cash at banks	6,995,550	3,209,322
Deposits held for period less than 3 month	<u>1,464,645</u>	<u>1,905,121</u>
	8,460,195	5,114,443
Provision for expected credit loss	(2,683)	(1,143)
	<u>8,457,512</u>	<u>5,113,300</u>

The movement on the provision for expected credit loss was as follow:

	<u>2020</u>	<u>2019</u>
Opening balance	1,143	1,143
Provision for expected credit loss for the year	1,540	-
	<u>2,683</u>	<u>1,143</u>

Annual interest rate for bank deposits is (2.75% - 4.875%).

4. Deposits at Banks

	<u>2020</u>	<u>2019</u>
Deposits held for period more than 3 months and less than 6 months	2,500,000	2,500,000
Provision for expected credit loss	(4,791)	(4,611)
	<u>2,495,209</u>	<u>2,495,389</u>

The movement on the provision for expected credit loss was as follow:

	<u>2020</u>	<u>2019</u>
Opening balance	4,611	2,761
Provision for expected credit loss for the year	180	1,850
	<u>4,791</u>	<u>4,611</u>

Annual interest rate for bank deposits is (4.45%).

5. Refinance Loans

This item represents loans granted to local and foreign banks and finance lease companies for the purpose of financing housing loans.

	<u>2020</u>	<u>2019</u>
Balance at 1 January	531,262,800	506,517,032
Granted loans	243,500,000	222,000,000
Repaid loans	<u>(192,254,232)</u>	<u>(197,254,232)</u>
	582,508,568	531,262,800
Provision for expected credit loss	(503,954)	(267,051)
	<u>582,004,614</u>	<u>530,995,749</u>

The movement on the provision for expected credit loss was as follow:

	<u>2020</u>	<u>2019</u>
Opening balance	267,051	267,051
Provision for expected credit loss for the year	236,903	-
	<u>503,954</u>	<u>267,051</u>

The aggregate amounts of annual principal maturities of refinance loans are as follows:

<u>Year</u>	<u>JOD</u>
2021	204,254,232
2022	131,254,232
2023	127,000,104
2024	120,000,000
	<u>582,508,568</u>

These loans earn annual interest ranges between (4.15%) and (7%).

6. Employees' housing loans

	<u>2020</u>	<u>2019</u>
Balance at 1 January	560,182	600,724
Repaid loans	<u>(39,430)</u>	<u>(40,542)</u>
	520,752	560,182
Provision for expected credit loss	(5,207)	(6,007)
	<u>515,545</u>	<u>554,175</u>

The movement on the provision for expected credit loss was as follow:

	<u>2020</u>	<u>2019</u>
Opening balance	6,007	6,007
(Unneeded) provision for expected credit loss	(800)	-
	<u>5,207</u>	<u>6,007</u>

7. Financial assets at amortized costs

	<u>Interest rate</u>	<u>2020</u>	<u>2019</u>
Water Authority bonds, issue number (69) , maturity date 10/11/2026	6.484%	5,000,000	5,000,000
Al-Ahli Bank bonds, maturity date 12/10/2023	5.5%	<u>1,000,000</u>	<u>1,000,000</u>
		6,000,000	6,000,000
Provision for expected credit loss		(4,060)	(2,373)
		<u>5,995,940</u>	<u>5,997,627</u>

The movement on the provision for expected credit loss was as follow:

	<u>2020</u>	<u>2019</u>
Opening balance	2,373	2,373
Provision for expected credit loss for the year	1,687	-
	<u>4,060</u>	<u>2,373</u>

8. Financial assets at fair value through other comprehensive income

This represents the fair value investment of (2.85%) of Jordan Loan Guarantee Corp. capital, a public shareholding company listed in Amman Stock Exchange.

9. Other Assets

	<u>2020</u>	<u>2019</u>
Prepaid expenses	20,724	20,314
Purchases under progress	8,400	1,648
Refundable deposits	1,648	-
	<u>30,772</u>	<u>21,962</u>

10. Property and Equipment

			Furniture			
	<u>Land</u>	<u>Buildings</u>	<u>& Fixtures</u>	<u>Vehicles</u>	<u>Computers</u>	<u>Total</u>
Cost						
Balance at 1/1/2020	176,400	410,608	112,887	77,700	123,221	900,816
Additions	-	-	481	-	3,419	3,900
Disposals	-	-	-	-	(2,365)	(2,365)
Balance at 31/12/2020	<u>176,400</u>	<u>410,608</u>	<u>113,368</u>	<u>77,700</u>	<u>124,275</u>	<u>902,351</u>
Accumulated depreciation						
Balance at 1/1/2020	-	199,047	105,872	53,119	86,913	444,951
Depreciation	-	8,458	3,651	13,779	12,663	38,551
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,365)</u>	<u>(2,365)</u>
Balance at 31/12/2020	<u>-</u>	<u>207,505</u>	<u>109,523</u>	<u>66,898</u>	<u>97,211</u>	<u>481,137</u>
Net book value at 31/12/2020	<u>176,400</u>	<u>203,103</u>	<u>3,845</u>	<u>10,802</u>	<u>27,064</u>	<u>421,214</u>
Cost						
Balance at 1/1/2019	176,400	410,608	112,887	59,700	89,702	849,297
Additions	-	-	-	18,000	33,519	51,519
Balance at 31/12/2019	<u>176,400</u>	<u>410,608</u>	<u>112,887</u>	<u>77,700</u>	<u>123,221</u>	<u>900,816</u>
Accumulated depreciation						
Balance at 1/1/2019	-	189,676	102,112	39,339	82,338	413,465
Depreciation	<u>-</u>	<u>9,371</u>	<u>3,760</u>	<u>13,780</u>	<u>4,575</u>	<u>31,486</u>
Balance at 31/12/2019	<u>-</u>	<u>199,047</u>	<u>105,872</u>	<u>53,119</u>	<u>86,913</u>	<u>444,951</u>
Net book value at 31/12/2019	<u>176,400</u>	<u>211,561</u>	<u>7,015</u>	<u>24,581</u>	<u>36,308</u>	<u>455,865</u>

11. Bonds

This item represents bonds issued by the company and carry an annual interest rate between (3.1%) and (6%).

	<u>2020</u>	<u>2019</u>
Balance at 1 January	510,500,000	490,500,000
Issued bonds	238,500,000	207,000,000
Repaid bonds	(187,000,000)	(187,000,000)
	<u>562,000,000</u>	<u>510,500,000</u>

The bonds outstanding balance is payable as follows:

<u>Year</u>	<u>JOD</u>
2021	199,000,000
2022	126,000,000
2023	127,000,000
2024	110,000,000
	<u>562,000,000</u>

12. Central Bank of Jordan loan

This item represents the present value of the debt instrument of JOD (40,275,412) issued to the favor of Central Bank of Jordan. The instrument matures at 7/6/2035 and carries fixed interest rate of (5.122%) per annum payable on the instrument's maturity date.

13. Other Liabilities

	<u>2020</u>	<u>2019</u>
Provision for income tax (Note 23)	1,149,079	1,240,602
Provision for end of services indemnity	566,958	488,270
Employees medication	125,064	130,475
Board of Directors' remunerations	55,000	55,000
Accrued expenses	6,493	7,396
Provision for employees' vacations	5,194	5,194
Others	4,579	305
	<u>1,912,367</u>	<u>1,927,242</u>

14 . Equity**Paid in Capital**

The Company's authorized and paid up capital is JOD (5) Million divided equally into (5) Million shares with par value of JOD (1) each as at 31 December 2020 and 2019.

The Board of Directors will propose to the General Assembly in its meeting which will be held in 2021 to increase the authorized capital of the Company from JOD (5) million/share to JOD (10) million/share from retained earnings, and distribute it to existing shareholders as bonus shares.

Statutory Reserve

The accumulated amounts in this account represent 10% of the Company's net income before income tax according to the Companies Law. The statutory reserve is not available for distribution to shareholders.

Voluntary Reserve

The accumulated amounts in this account represent cumulative appropriations not exceeding 20% of net income. This reserve is available for distribution to shareholders.

Special Reserve

The accumulated amounts in this account represent the provision taken by the Company against its exposure to interest rate risk.

Dividends

The General Assembly has resolved in its meeting held in 2020 to distribute 35% cash dividends to the shareholders.

15. Interest Income

	<u>2020</u>	<u>2019</u>
Interest on refinance loans	30,666,711	30,904,873
Interest on time deposits	361,132	541,557
Treasury bonds interest	324,200	324,200
Al-Ahli Bank bonds interest	60,041	75,699
Refinance loans commission	48,900	32,600
Interest on employee's housing loans	12,350	12,964
	<u>31,473,334</u>	<u>31,891,893</u>

16. Interest Expense

	<u>2020</u>	<u>2019</u>
Interest on bonds	23,588,079	24,301,012
Interest on Central Bank of Jordan loan	954,717	908,200
Others	<u>50,089</u>	<u>47,767</u>
	<u>24,592,885</u>	<u>25,256,979</u>

17. Administrative Expenses

	<u>2020</u>	<u>2019</u>
Salaries and benefits	500,558	453,266
Social security	65,672	61,642
Board of Directors' transportation	125,400	125,400
Employees bonus	108,544	96,734
End of service indemnity and vacations	78,688	63,297
Health, life and accidents insurance	45,102	44,829
Employees' provident fund	36,954	33,449
Professional fees	18,170	24,880
Donations	15,000	10,000
Building expenses	12,940	14,096
Employees' training	12,633	9,609
Maintenance	8,637	9,800
Utilities	7,149	8,014
Vehicles expenses	5,906	7,055
Fees and subscriptions	5,597	5,508
Stationery and publications	4,731	4,814
Hospitality	2,807	4,773
Post and telephone	2,017	2,145
Advertisement	1,979	1,785
Companies Controller fees	600	600
Travel and transfers	-	2,048
Miscellaneous	<u>4,375</u>	<u>1,926</u>
	<u>1,063,459</u>	<u>985,670</u>

18. Donation (Himmat Watan)

In order to support the efforts exerted by the Government to combat the Corona virus epidemic and confront the economic and social impacts, and based on the corporate social responsibility, the Company's Board of directors decided to donate JOD (750,000) in favor of (Himmat Watan) donation fund and transfer the amount to the Central Bank of Jordan on 6th of April 2020.

19. Fees and Other Expenses

	<u>2020</u>	<u>2019</u>
Board of Director's remunerations	<u>55,000</u>	<u>55,000</u>

20. Basic and Diluted Earnings per Share

	<u>2020</u>	<u>2019</u>
Profit for the year	3,321,406	3,980,363
Weighted average number of shares	5,000,000	5,000,000
	<u>0.664</u>	<u>0.796</u>

21. Executive Management remuneration

The remuneration of executive management during the years 2020 and 2019 amounted to JOD (304,876) and JOD (268,889) respectively.

22. Segment Reporting

The Company is engaged mainly in one activity which is mortgages refinancing within the territory of the Hashemite Kingdom of Jordan.

23. Income Tax

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

	<u>2020</u>	<u>2019</u>
Balance at beginning of the year	1,240,602	869,577
Income tax expense for the year	1,413,298	1,580,545
Income tax paid	(1,504,046)	(1,209,520)
Income tax refund from prior years	(775)	-
Balance at end of the year (Note 13)	<u>1,149,079</u>	<u>1,240,602</u>

Income tax expense for the year in the statement of profit or loss consists of the following:

	<u>2020</u>	<u>2019</u>
Income tax expense for the year	1,211,398	1,354,753
National contribution tax	201,900	225,792
	<u>1,413,298</u>	<u>1,580,545</u>

The following is the reconciliation between declared income and taxable income:

	<u>2020</u>	<u>2019</u>
Declared income	4,734,704	5,560,908
Tax exempted income	(47,411)	(23,249)
Tax unacceptable expenses	360,198	107,147
Taxable income	<u>5,047,491</u>	<u>5,644,806</u>
Income tax rate (Include the National contribution)	28 %	28 %
Effective tax rate (Include the National contribution)	29.8%	28.4%

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2018.
- The Income tax return for the year 2019 has been filed with the Income Tax Department, but the Department has not reviewed the Company's records till the date of this report.
- The Income tax and National contribution tax provision for the year 2020 were calculated in accordance with the Income Tax Law.

24. Analysis of the Maturities of Assets and Liabilities

The following table illustrates the analysis of assets and liabilities according to the expected period of their recoverability or settlement.

<u>2020</u>	<u>Up to one year</u>	<u>From one to two years</u>	<u>More than two years</u>	<u>Not tied to maturities</u>	<u>Total</u>
Assets					
Cash and cash equivalents	8,457,512	-	-	-	8,457,512
Deposits at banks	2,495,209	-	-	-	2,495,209
Refinance loans	203,750,278	131,254,232	247,000,104	-	582,004,614
Employees' housing loans	28,595	64,288	422,662	-	515,545
Interest receivable	7,364,018	-	-	-	7,364,018
Financial assets at amortized cost	-	-	5,995,940	-	5,995,940
Financial assets at fair value	-	-	-	827,750	827,750
Other assets	29,124	-	-	1,648	30,772
Property and equipment	-	-	-	421,214	421,214
Total Assets	<u>222,124,736</u>	<u>131,318,520</u>	<u>253,418,706</u>	<u>1,250,612</u>	<u>608,112,574</u>
Liabilities					
Bonds	199,000,000	126,000,000	237,000,000	-	562,000,000
Central Bank of Jordan loan	-	-	19,038,873	-	19,038,873
Accrued interest	6,560,713	-	-	-	6,560,713
Other liabilities	1,215,151	-	-	697,216	1,912,367
Total Liabilities	<u>206,775,864</u>	<u>126,000,000</u>	<u>256,038,873</u>	<u>697,216</u>	<u>589,511,953</u>

<u>2019</u>	<u>Up to one year</u>	<u>From one to two years</u>	<u>More than two years</u>	<u>Not tied to maturities</u>	<u>Total</u>
Assets					
Cash and cash equivalents	5,113,300	-	-	-	5,113,300
Deposits at banks	2,495,389	-	-	-	2,495,389
Refinance loans	191,965,995	168,754,232	170,275,522	-	530,995,749
Employees' housing loans	35,513	64,288	454,374	-	554,175
Interest receivable	7,721,827	-	-	-	7,721,827
Financial assets at amortized cost	-	-	5,997,627	-	5,997,627
Financial assets at fair value	-	-	-	372,488	372,488
Other assets	20,314	-	-	1,648	21,962
Property and equipment	-	-	-	455,865	455,865
Total Assets	207,352,338	168,818,520	176,727,523	830,001	553,728,382
Liabilities					
Bonds	187,000,000	163,500,000	160,000,000	-	510,500,000
Central Bank of Jordan loan	-	-	18,111,232	-	18,111,232
Accrued interest	6,615,956	-	-	-	6,615,956
Other liabilities	1,303,303	-	-	623,939	1,927,242
Total Liabilities	194,919,259	163,500,000	178,111,232	623,939	537,154,430

25. Interest Rate Re-pricing Gap

The Company adopts the assets - liabilities compatibility principle and the suitability of maturities to narrow gaps through categorizing assets and liabilities into various maturities or price review maturities, whichever are nearer, to lower risks in interest rates, studying gaps in the related interest rates.

<u>2020</u>	<u>Up to one year</u>	<u>From one to two years</u>	<u>More than two years</u>	<u>Not tied to interest</u>	<u>Total</u>
Assets					
Cash and cash equivalents	8,457,474	-	-	38	8,457,512
Deposits at banks	2,495,209	-	-	-	2,495,209
Refinance loans	203,750,278	131,254,232	247,000,104	-	582,004,614
Employees' housing loans	28,594	64,288	422,663	-	515,545
Interest receivable	-	-	-	7,364,018	7,364,018
Financial assets at amortized cost	-	-	5,995,940	-	5,995,940
Financial assets at fair value	-	-	-	827,750	827,750
Other assets	-	-	-	30,772	30,772
Property and equipment	-	-	-	421,214	421,214
Total Assets	214,731,555	131,318,520	253,418,707	8,643,792	608,112,574
Liabilities					
Bonds	199,000,000	126,000,000	237,000,000	-	562,000,000
Central Bank of Jordan loan	-	-	19,038,873	-	19,038,873
Accrued interest	-	-	-	6,560,713	6,560,713
Other liabilities	-	-	-	1,912,367	1,912,367
Total Liabilities	199,000,000	126,000,000	256,038,873	8,473,080	589,511,953
Net	15,731,555	5,318,520	(2,620,166)	170,712	18,600,621

<u>2019</u>	<u>Up to one year</u>	<u>From one to two years</u>	<u>More than two years</u>	<u>Not tied to interest</u>	<u>Total</u>
Assets					
Cash and cash equivalents	5,113,258	-	-	42	5,113,300
Deposits at banks	2,495,389	-	-	-	2,495,389
Refinance loans	191,965,995	168,754,232	170,275,522	-	530,995,749
Employees' housing loans	35,513	64,288	454,374	-	554,175
Interest receivable	-	-	-	7,721,827	7,721,827
Financial assets at amortized cost	-	-	5,997,627	-	5,997,627
Financial assets at fair value	-	-	-	372,488	372,488
Other assets	-	-	-	21,962	21,962
Property and equipment	-	-	-	455,865	455,865
Total Assets	199,610,155	168,818,520	176,727,523	8,572,184	553,728,382
Liabilities					
Bonds	187,000,000	163,500,000	160,000,000	-	510,500,000
Central Bank of Jordan loan	-	-	18,111,232	-	18,111,232
Accrued interest	-	-	-	6,615,956	6,615,956
Other liabilities	-	-	-	1,927,242	1,927,242
Total Liabilities	187,000,000	163,500,000	178,111,232	8,543,198	537,154,430
Net	12,610,155	5,318,520	(1,383,709)	28,986	16,573,952

26. Fair Value of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets of the Company include cash and cash equivalents and refinance loans. Financial liabilities of the Company include bonds, Government's loans and accrued interest.

The fair values of the financial assets and liabilities are not materially different from their carrying values as most of these items are either short-term in nature or re-priced frequently.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

<u>2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets through other comprehensive income	<u>827,750</u>	<u>-</u>	<u>-</u>	<u>827,750</u>
<u>2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets through other comprehensive income	<u>372,488</u>	<u>-</u>	<u>-</u>	<u>372,488</u>

27. Financial Risk Management

Credit Risk

Credit risk arises principally from banks' deposits and loans granted to the financial institutions to refinance housing loans. The Company limits its credit risk by adopting conservative lending standards and setting limits to its customers, noting that the Company does not bear any loss arising from any default in the refinanced loans, as it is carried out in full by the financial institutions. The maximum exposure to credit risk is represented by the carrying value of each financial asset.

The balance of the largest client amounted to JOD (105) Million for the year ended 2020 against JOD (75) Million for the year ended 2019.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect the Company's income or the value of its holdings of financial instruments. As most of the Company's financial instruments have fixed interest rate and carried at amortized cost, the sensitivity of the Company's results or equity to movements in interest rates is not considered significant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its net financial obligation. In this respect, the Company's management diversified its funding sources, and managed assets and liabilities taking into consideration liquidity and keeping adequate balances of cash, and cash equivalents and quoted securities.

The table below analysis the Company's financial liabilities into relevant maturity groupings based on the remaining period at the financial position to the contractual maturity date:

<u>2020</u>	<u>Up to one year</u>	<u>From one to two years</u>	<u>More than two years</u>	<u>Not tied to maturity</u>	<u>Total</u>
Bonds	199,000,000	126,000,000	237,000,000	-	562,000,000
Central Bank of Jordan loan	-	-	19,038,873	-	19,038,873
Accrued interest	6,560,713	-	-	-	6,560,713
Other liabilities	1,215,151	-	-	697,216	1,912,367
Total liabilities	<u>206,775,864</u>	<u>126,000,000</u>	<u>256,038,873</u>	<u>697,216</u>	<u>589,511,953</u>
Total Assets	<u>222,124,736</u>	<u>131,318,520</u>	<u>253,418,706</u>	<u>1,250,612</u>	<u>608,112,574</u>

<u>2019</u>	<u>Up to one year</u>	<u>From one to two years</u>	<u>More than two years</u>	<u>Not tied to maturity</u>	<u>Total</u>
Bonds	187,000,000	163,500,000	160,000,000	-	510,500,000
Central Bank of Jordan loan	-	-	18,111,232	-	18,111,232
Accrued interest	6,615,956	-	-	-	6,615,956
Other liabilities	1,303,303	-	-	623,939	1,927,242
Total liabilities	<u>194,919,259</u>	<u>163,500,000</u>	<u>178,111,232</u>	<u>623,939</u>	<u>537,154,430</u>
Total Assets	<u>207,352,338</u>	<u>168,818,520</u>	<u>176,727,523</u>	<u>830,001</u>	<u>553,728,382</u>

Equity Price Risk

Equity price risk results from the change in fair value of the equity securities. The Company manages these risks by investing in capital protected portfolios not exceeding 20% of its equity with reputable financial institutions in accordance with the investment policy set by the Board of Directors. If the quoted market price of listed equity securities had increased or decreased by 10%, the net result for the year would have been reduced / increased by JOD (82,775) during 2020 2019: JOD (37,249).

28. Capital Management

The Company's management manages its capital structure with the objective of safeguarding the entity's ability to continue as a going concern and providing an adequate return to shareholders by investing the Company's assets commensurately with the level of risk.

29. The Impact of the New Corona Pandemic (Covid-19)

IFRS 9 requires an estimate of expected credit losses based on current and projected economic conditions.

In light of the rapid global developments resulting from the outbreak of the Corona virus (Covid-19) at the beginning of 2020 around the world, which caused a global economic crisis. The Central Bank of Jordan has taken a package of measures to mitigate and limit the repercussions of this virus on the national economy, and among this package is to reduce interest rates on facilities granted by banks and allow them to restructure loans and postpone the installments due on individuals and companies affected by this pandemic.

Accordingly, the management has studied the impact of this pandemic on the company's main activity, which is issuing a bond in the local capital market and granting refinance loans to banks and financial institutions. Also a study of the effect of postponing the due installments on the (borrowers from the company) banks and financial leasing companies from a credit point of view and their ability to commit to making the payments due on them to the Company according to the refinancing agreements and to determine the extent of this impact on the Company's cash flows.

Also, the Company recalculated the balance of expected credit losses and reflected it on the financial statements after raising the degree of hedging by reclassifying all debt instruments of local and foreign banks and financial leasing companies. The Company was also keen to take many precautionary measures to ensure the continuity of work without interruption by activating the means of remote work.

The credit risks to which the company may be exposed result from the inability of any of the borrowing authorities from the Company to fulfill its obligations to the Company, which may lead to the company not being able to fulfill its obligations towards the proprietors of the bond.

In light of monitoring the current situation and following up the financial statements of these parties borrowed from the Company, there are no indications in the short or medium term indicating that these agencies are unable to fulfill their obligations towards the Company or even postpone it. Especially if we know that the banks and the financial leasing companies in the process of postponing the installments due to them do not in any way mean postponing the installments due on them towards the company.

