

**THE DEPOSIT INSURANCE
CORPORATION'S FINANCIAL
PERFORMANCE For The Year 2021**

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JODIC continued throughout the year 2021 to boost its reserves' level to ultimately achieve its mandatory requirements efficiently and effectively as deposit insurer and liquidator, and in protecting depositors by insuring their deposits, encouraging savings, as well as enhancing confidence in the Jordanian banking system.

JODIC's financial resources consist mainly of the annual membership fees contributed by member banks (annual flat fee of 2.5 per thousand of total eligible deposits), in addition to the returns on its investments, and any obtained loans or financial grants given to the Corporation in accordance with the provisions of JODIC's Law. The percentage of annual membership fees that will be collected during the year 2021 has continued modified to 1.75 per thousand in accordance with the provisions of Article (12/c) of JODIC's Law and its amendments.

JODIC invests its funds in securities issued or guaranteed by the Government in accordance with the provisions of Article 24 (a) of JODIC's Law. It utilizes the best investment opportunities available in the primary market taking into account their term, yield-to-maturity (YTM) and JODIC's share of each issuance, along with the maturity structure of JODIC's portfolio for the purpose of managing the prospective opportunities as well as the reinvestment risk.

The interest rate structure in the market is closely monitored when diversifying portfolio investments in order to achieve the best possible returns in both the medium and long terms.

The Financial Performance

Total owners' equity increased to reach JD 1014 million by the end of 2021 compared with JD 932 million by the end of 2020. JODIC's capital amounted to JD 3.15 million of which JD (0.85) million was paid by the Government and JD 2.3 million was paid by member banks (JD 100,000 as a non-refundable initiation fee paid by each member bank). The accumulated reserves by the end of 2021, generated from the annual surplus and premiums (annual membership fees), formed the bulk of total owners' equity and reached JD 1011 million with an increase of JD 82.2 million from the previous year. Annual membership fees collected from member banks amounted to JD 35.8 million during the year 2021, compared with JD 35 million collected a year earlier and reflected 2.3% increase rate, while the net investments income amounted to JD 46.4 million during 2021, compared with JD 44 million during 2020 with an increase of 5.5%.



To further manage its overhead expenses and enhance the reserves buildup, JODIC adopts a medium term financial program with the assumption of decreasing the ratio of total overhead expenses to investments income, this ratio reached to 3.05% by the end of 2021. Furthermore, JODIC's revenues and expenses are monitored and evaluated on an ongoing basis to ensure the effective implementation of the annual budget that has been approved by the Board of Directors (BOD) in accordance with the Provisions of Article 7 (a/5) of JODIC's Law, as well as to ensure compliance with the performance indicators adopted in its medium term financial program.

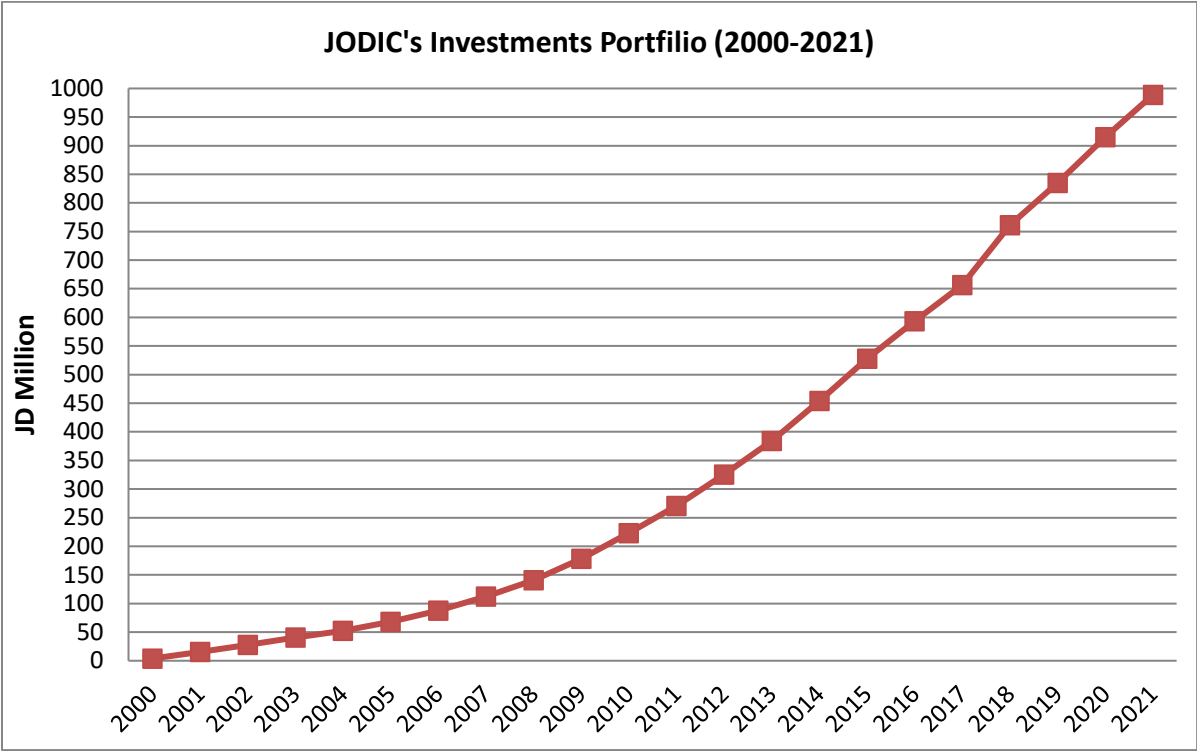
Investment's Portfolio and Investment's Income

The outstanding value of JODIC's Held-to-Maturity bonds portfolio increased to reach JD 988.6 million by the end of 2021 compared with JD 915.3 million a year earlier, with an increase of JD 73.3 million and a growth rate of 8%.

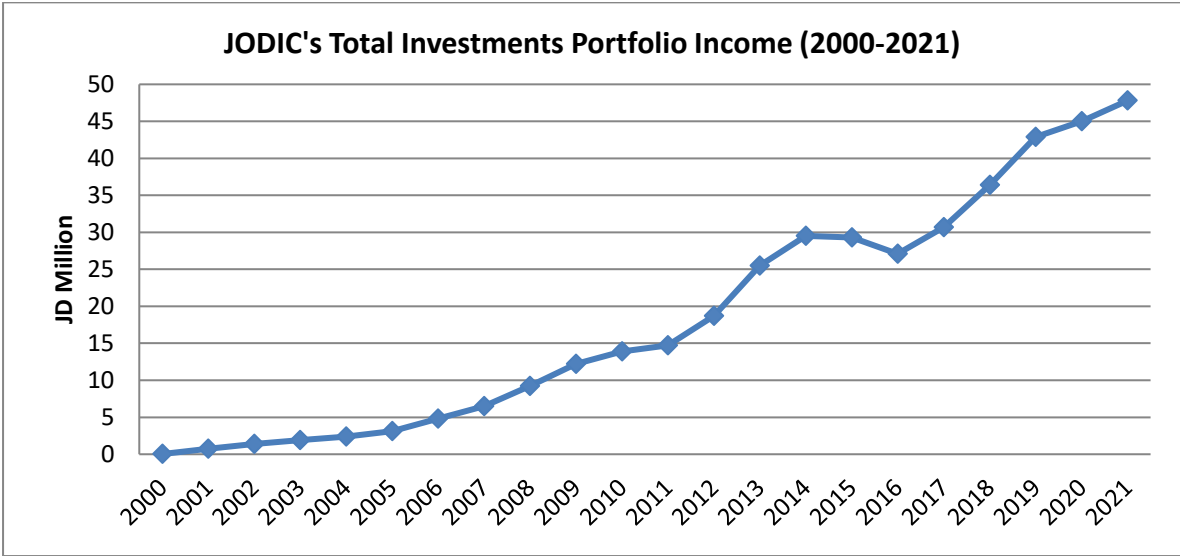
The portfolio consists of:

1. Treasury bonds with a value of JD 934.6 million; representing 94.5 of total value of the portfolio.
2. Public entities bonds with a value of JD 54 million; representing 5.5% of total value of the portfolio.

Outstanding balance of public debt instruments portfolio amounted to JD 988.6 million representing 97.5% of the Corporation's total assets by the end of 2021.



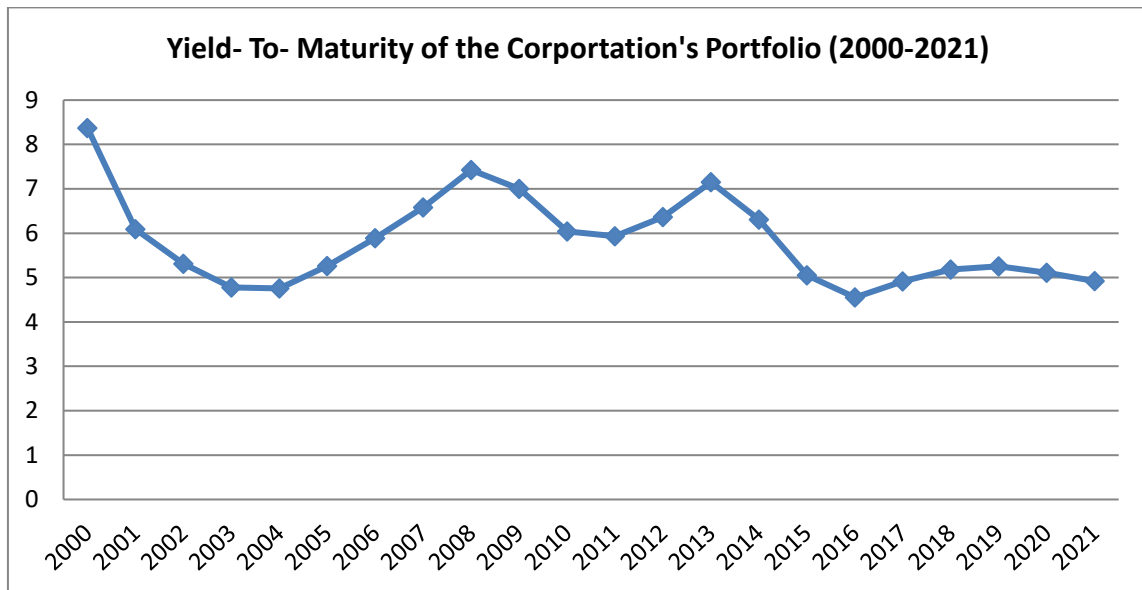
JODIC's total investments portfolio income amounted to approximately JD 47.8 million during the year 2021 compared with JD 45.3 million during the year 2020, with an increase of 5.5%.



JODIC's investments income from public debt instruments amounted to approximately JD 47.8 million during the year 2021.

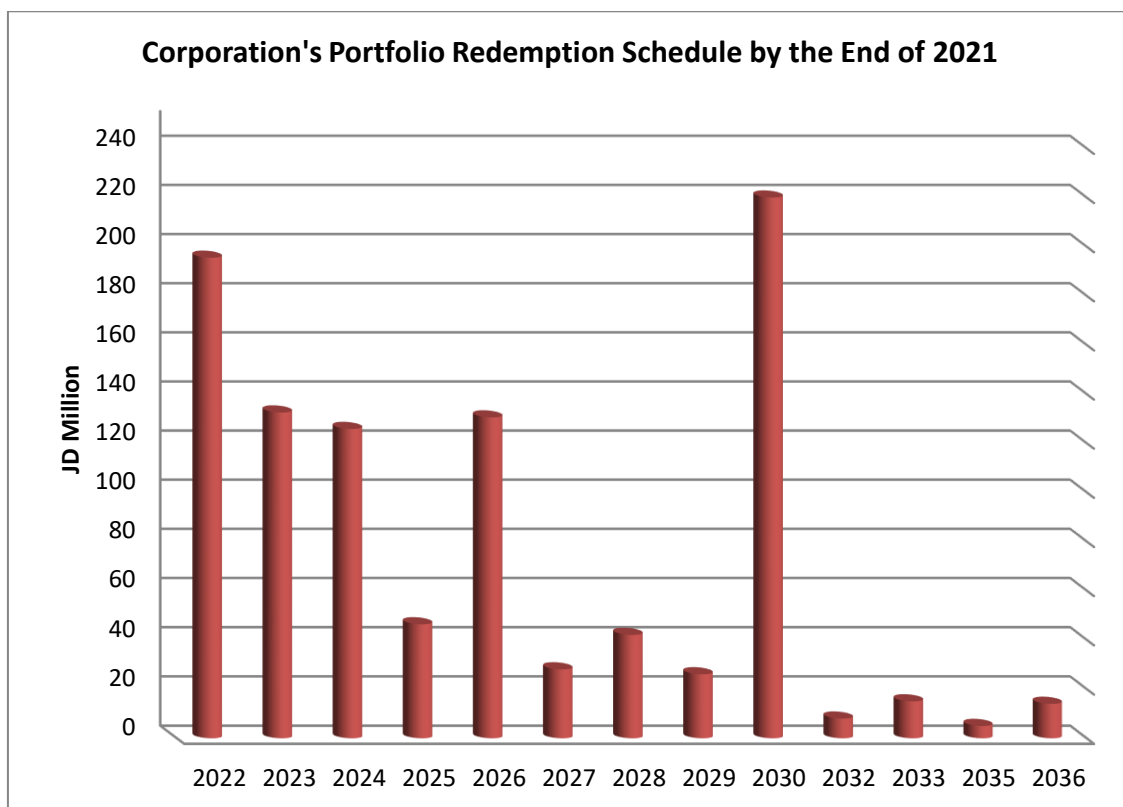
Portfolio's Yield- to- Maturity and Modified Duration:

The Yield-to-Maturity (YTM) of the portfolio decrease by 0.188% to reach 4.923% by the end of 2021 compared with 5.111% a year earlier, and the modified duration decreased to reach 3.651 year by the end of 2021 compared with 4.234 year from the previous year.



Maturities of Financial Instruments:

By the end of 2021, the value of the redeemed bonds and bills amounted to approximately JD 81.6 million. However, short term investments in JODIC's portfolio amounted to JD 195.5 million by the end of 2021.



Cash Account:

JODIC's cash balances not invested in public debt instruments is deposited at the Central Bank of Jordan (CBJ) in accordance with the Provisions of Article 24(b) of JODIC's Law. The balance of this account amounted to JD 9.5 million by the end of 2021.

Total Reserves

The premiums contributed by member banks and investments income resulted in raising JODIC's total reserves from JD 929 million by the end of 2020 to JD 1011 million by the end of 2021. With an increase of JD 82 million, or by 8.8%. This level of reserves formed 4.66% of total eligible deposits amounting to JD 21714.5 million by the end of 2021, and 12.2% of estimated reimbursement amount being JD 8287.7 million.

