CAIRO AMMAN BANK

PUBLIC SHAREHOLDING LIMITED COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Cairo Amman Bank
Amman – Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated financial statements of Cairo Amman Bank (the Bank), and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of income, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) accounting standards as issued by IASB).

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 consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ' *International Code of Ethics for Professional Accountants* (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context .

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

<table>
<tr><td colspan="2">Adequacy of expected credit losses (ECL) for credit facilities.

Refer to note 11 to the consolidated financial statements.</td></tr>
<tr><td>Key Audit matter
This is considered as a key audit matter as the Group exercises significant judgement to determine when and how much to record as expected credit losses.

The expected credit losses provision is recognized based on the Group's provisioning and impairment policy which complies with the requirements of IFRS 9.

Credit facilities form a major portion of the Group's assets, there is a risk that inappropriate expected credit losses are booked, whether from the use of inaccurate underlying data, or the use of unreasonable assumptions. Due to the significance of the judgments used in classifying credit facilities into various stages stipulated in IFRS 9 and determining related provision requirements, this audit area is considered a key audit risk.</td><td>• How the key audit matter was addressed in the audit

• Our audit procedures included the following:

• We gained an understanding of the Group's key credit processes comprising granting and booking and tested the operating effectiveness of key controls over these processes.

• We read the Group's impairment provisioning policy and compared it with the requirements of the IFRS (9) as well as relevant regulatory guidelines and pronouncements.

• We assessed the Group's expected credit loss model, in particular focusing on its alignment of the expected credit loss model and its underlying methodology with the requirements of IFRS 9.</td></tr>
</table>

As at 31 December 2024, the Group's gross credit facilities amounted to JD 2,437,669,666 and the expected credit loss provision amounted to JD 176,804,040. The impairment provision policy is disclosed in the material accounting policy in note (2) to the consolidated financial statements.	We tested a sample of exposures, assessed on an individual basis and performed procedures to evaluate the following: - Appropriateness of the group's staging. - Appropriateness of determining Exposure at Default, including the consideration of repayments in the cash flows and the resultant arithmetical calculations. - Appropriateness of the PD, EAD and LGD for different exposures at different stages. - Appropriateness of the internal rating and the objectivity, competence and independence of the experts involved in this exercise. - Soundness and mathematical integrity of the ECL Model. - For exposures moved between stages we have checked the appropriateness of the Group's determination of significant increase in credit risk and the resultant basis for classification of exposures into various stages. We also checked the timely identification of exposures with a significant deterioration in credit quality. - For exposures determined to be individually impaired we re-preformed the ECL calculation we also obtained an understanding of the latest developments in the counterparty's situation of the latest developments in estimate of future cash flows, current financial position any rescheduling or restructuring agreements.

	• For forward looking assumptions used by the Group in its Expected Credit Loss ("ECL") calculations, we held discussions with management and corroborated the assumptions using publicly available information. • We assessed the financial statements disclosures to ensure compliance with IFRS 9. Refer to the accounting policies, critical accounting estimates and judgments, disclosures of credit facilities and credit risk management notes (2), (11) and (41) to the consolidated financial statements.

Other information included in the Group's 2024 annual report

Other information consists of the information included in the Group's 2024 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2024 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) accounting standards as issued by International Accounting Standard Board (IASB), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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 reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Group maintains proper books of accounts which are in agreement with the consolidated financial statements.

The partner in charge of the audit resulting in this auditor’s report was Ali Samara; license number 503.

Amman – Jordan
20 February 2025

ERNST & YOUNG
Amman - Jordan

CAIRO AMMAN BANK (PUBLIC SHAREHOLDING LIMITED COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2024

	Notes	2024	2023
Assets		JD	JD
Cash and balances at Central Banks-net	5	367,648,318	337,257,545
Balances at banks and financial institutions-net	6	109,359,074	120,276,796
Deposits at banks and financial institutions-net	7	31,941,380	67,259,075
Financial assets at fair value through profit or loss	8	9,554,285	13,374,678
Financial assets at fair value through other comprehensive income-net	9	133,519,239	96,019,835
Financial assets at amortized cost-net	10	862,230,666	802,088,677
Direct credit facilities-net	11	2,246,135,972	2,294,235,138
Property and equipment-net	12	43,137,654	44,129,439
Intangible assets - net	13	7,629,845	6,105,699
Right of use assets - net	48	17,323,698	20,725,499
Deferred tax assets	21	17,971,220	16,266,401
Other assets	14	71,467,991	65,714,016
Total Assets		3,917,919,342	3,883,452,798
Liabilities And Shareholders' Equity			
Liabilities			
Banks and financial institutions’ deposits	15	347,855,359	286,673,306
Customers' deposits	16	2,480,501,707	2,599,283,904
Cash Margins	17	100,040,987	82,630,709
Borrowed funds	18	350,188,609	295,875,564
Subordinated loans	19	18,540,350	18,540,350
Sundry provisions	20	13,853,811	14,376,455
Income tax provision	21	9,397,672	23,492,297
Lease liabilities	48	17,942,924	20,927,349
Deferred tax liabilities	21	5,631,932	2,684,880
Other liabilities	22	83,501,687	81,006,918
Total Liabilities		3,427,455,038	3,425,491,732
Shareholders' Equity			
Banks Shareholders Equity			
Subscribed and paid-in capital	23	200,000,000	190,000,000
Statutory reserve	24	97,418,830	95,868,196
General banking risk reserve	24	6,174,583	6,174,583
Cyclical fluctuations reserve	24	11,526,630	11,526,630
Fair value reserve-net	26	59,124,709	27,494,289
Foreign currencies translation reserve		(1,584,070)	(1,584,070)
Retained earnings for Bank’s shareholders	27	100,391,474	108,402,893
Total Bank’s Shareholders’ Equity		473,052,156	437,882,521
Non-controlling interest		17,412,148	20,078,545
Total Shareholders' Equity		490,464,304	457,961,066
Total Liabilities and Shareholders' Equity		3,917,919,342	3,883,452,798

The attached notes (1) to (50) form part of these consolidated financial statements

CAIRO AMMAN BANK (PUBLIC SHAREHOLDING LIMITED COMPANY)
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023
		JD	JD
Interest income	28	245,622,653	239,520,475
Less: Interest expense	29	(111,740,781)	(98,059,517)
Net interest income		133,881,872	141,460,958
Net commission income	30	15,611,567	17,023,949
Net interest and commission income		149,493,439	158,484,907
Gain from foreign currencies	31	7,517,469	6,231,280
Gain from financial assets at fair value through profit or loss	32	1,015,155	987,184
Dividends from financial assets at fair value through other comprehensive income	9 &33	5,161,308	2,570,481
Other income	34	6,755,805	8,228,806
Gross profit		169,943,176	176,502,658
Employees' costs	35	47,460,626	46,937,362
Depreciation and amortization	12&13	7,883,131	7,628,938
Other expenses	36	46,970,868	40,532,202
Provision for expected credit losses	37	48,549,742	29,812,324
Provision for impairment of seized assets	14	(517,373)	40,416
Sundry provisions		1,106,290	100,000
Total expenses		151,453,284	125,051,242
Profit for the year before tax		18,489,892	51,451,416
Income tax expense	21	(4,236,762)	(16,472,085)
Profit for the year		14,253,130	34,979,331
Allocated to:			
Bank's shareholders		16,560,714	35,284,694
Non-controlling interests		(2,307,584)	(305,363)
Profit for the year		14,253,130	34,979,331
		JD/ Fils	JD/ Fils
Basic and diluted earnings per share (Bank's shareholders)	38	0/083	0/176

The attached notes (1) to (50) form part of these consolidated financial statements

CAIRO AMMAN BANK (PUBLIC SHAREHOLDING LIMITED COMPANY)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	JD	JD
Profit for the year	14,253,130	34,979,331
Add: Other comprehensive income items after tax that will not be reclassified subsequently to the consolidated statement of income:		
Net change in fair value reserve	31,630,420	18,559,252
Change in foreign currencies translation reserve	-	1,604,674
Total Comprehensive income for the year	45,883,550	55,143,257
Total Comprehensive income for the year attributable to:		
Bank's shareholders	48,191,134	55,448,620
Non-controlling interests	(2,307,584)	(305,363)
Total Comprehensive income for the year	45,883,550	55,143,257

The attached notes (1) to (50) form part of these consolidated financial statements

CAIRO AMMAN BANK (PUBLIC SHAREHOLDING LIMITED COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Subscribed and paid-in capital	Statutory reserve	General banking risk reserve*	Cyclical fluctuations reserve	Fair Value reserve - net	Foreign currencies translation reserve	Retained earnings for bank's shareholders	Total Bank's shareholders' equity	Non-controlling interests	Total shareholders' equity
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Year Ended 31 December 2024										
Balance at the beginning of the year	190,000,000	95,868,196	6,174,583	11,526,630	27,494,289	(1,584,070)	108,402,893	437,882,521	20,078,545	457,961,066
Total comprehensive income for the year	-	-	-	-	31,630,420	-	16,560,714	48,191,134	(2,307,584)	45,883,550
Transferred to reserves	-	1,550,634	-	-	-	-	(1,550,634)	-	-	-
Distributed dividends (Note 27)	-	-	-	-	-	-	(13,300,000)	(13,300,000)	-	(13,300,000)
Net change in Non-controlling interests	-	-	-	-	-	-	358,813	358,813	(358,813)	-
Increase in capital (Note 27)	10,000,000	-	-	-	-	-	(10,000,000)	-	-	-
Capital increase expenses	-	-	-	-	-	-	(80,312)	(80,312)	-	(80,312)
Balance at the end of the year	200,000,000	97,418,830	6,174,583	11,526,630	59,124,709	(1,584,070)	100,391,474	473,052,156	17,412,148	490,464,304
For the Year Ended 31 December 2023										
Balance at the beginning of the year	190,000,000	91,364,494	4,646,255	11,396,874	9,304,467	(3,188,744)	97,910,555	401,433,901	20,383,908	421,817,809
Total comprehensive income for the year	-	-	-	-	18,559,252	1,604,674	35,284,694	55,448,620	(305,363)	55,143,257
Transferred to reserves	-	4,503,702	1,528,328	129,756	-	-	(6,161,786)	-	-	-
Distributed dividends (Note 27)	-	-	-	-	-	-	(19,000,000)	(19,000,000)	-	(19,000,000)
Gain from sale of financial assets at fair value through other comprehensive income	-	-	-	-	(369,430)	-	369,430	-	-	-
Balance at the end of the year	190,000,000	95,868,196	6,174,583	11,526,630	27,494,289	(1,584,070)	108,402,893	437,882,521	20,078,545	457,961,066

* The general banking risk reserve and the negative balance of the fair value reserve are restricted from use without a prior approval from the Central Bank of Jordan.

- As of 31 December 2024, the restricted retained earnings balance resulting from the early implementation of IFRS 9 amounted to JD 12,669,542.
- The retained earnings balance includes deferred tax assets amounting to JD 17,971,220 and is restricted from use in accordance with the instructions of the Central Bank of Jordan.
- The Bank cannot use a restricted amount of JD 1,155,916 which represents the remaining balance of the general banking risk reserve included in retained earnings in accordance with the instructions of the Central Bank of Jordan.
- Distributable profits amounted to JD 67,010,726 as of 31 December 2024.
- The Cyclical fluctuations reserve is restricted from use without a prior approval from the Palestinian Monetary Authority.

The attached notes (1) to (50) form part of these consolidated financial statements

CAIRO AMMAN BANK (PUBLIC SHAREHOLDING LIMITED COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023
		JD	JD
Operating Activities			
Profit before tax for the year		18,489,892	51,451,416
Adjustments for:			
Depreciation and amortization	12&13&48	11,563,514	11,898,274
Interest expense on leases	48	859,102	921,909
Provision for expected credit loss	37	48,549,742	29,812,324
Sundry provisions	20	2,799,220	2,083,855
Provision for impairment of seized assets	14	(517,373)	40,416
Dividends from financial assets at fair value through other comprehensive income	9&33	(5,161,308)	(2,570,481)
(Gain) loss from valuation of financial assets at fair value through profit or loss	32	(186,799)	197,504
Loss from sale of property and equipment	34	123,323	2,411
(Gain) from sale of seized assets	34	(361,216)	(646,032)
Effect of exchange rate changes on cash and cash equivalents		(7,336,532)	(6,045,144)
Cash flow from operating activities before changes in Assets & Liabilities		68,821,565	87,146,452
(Increase) decrease in assets			
Decrease in deposits at banks and financial institutions		35,350,873	5,825,993
Decrease (increase) in financial assets at fair value through profit or loss		4,007,192	(3,592,041)
(Increase) in direct credit facilities		(1,749,301)	(197,438,530)
(Increase) decrease in other assets		(882,389)	4,565,209
Increase (decrease) in liabilities			
(Decrease) increase in banks and financial institutions' deposits (maturing in more than three months)		(6,475,030)	23,170,160
(Decrease) increase in customer deposits		(118,782,197)	145,100,554
Increase (decrease) in cash margins		17,410,278	(7,066,443)
(Decrease) increase in other liabilities		(246,073)	10,183,227
Net cash flows (used in) from operating activities before income tax and sundry provision		(2,560,909)	67,894,581
Income tax paid	21	(20,037,625)	(20,114,636)
Sundry provision paid	20	(3,321,864)	(1,773,132)
Net cash flows (used in) from operating activities		(25,904,571)	46,006,813
Investing Activities			
(Purchase) of financial assets at fair value through other comprehensive income		(3,189,233)	(5,099,375)
Sale of financial assets at fair value through other comprehensive income		270,880	3,075,841
Dividends from financial assets at fair value through other comprehensive income	9&33	5,161,308	2,570,481
(Purchase) of other financial assets at amortized cost		(267,439,435)	(198,178,413)
Maturity and sale of other financial assets at amortized cost		207,505,134	191,527,499
(Purchase) of property and equipment	12	(5,414,145)	(6,382,061)
Proceed from sale of property and equipment - net		140,766	26,161
(Purchase) of intangible assets	13	(3,265,436)	(2,224,421)
Net cash flows (used in) investing activities		(66,230,161)	(14,684,288)
Financing Activities			
Increase in borrowed funds		141,748,331	47,293,618
Borrowed funds settled		(87,435,286)	(93,144,069)
Lease obligations payments	48	(4,271,579)	(4,676,529)
Capital increase expenses		(80,312)	-
Cash dividends distributed to shareholders		(13,300,000)	(19,000,000)
Net cash flows from (used in) financing activities		36,661,154	(69,526,980)
Effect of exchange rate changes on cash and cash equivalents	31	7,336,532	6,045,144
Net (decrease) in cash and cash equivalents		(48,137,046)	(32,159,311)
Cash and cash equivalents, beginning of the year		221,259,732	253,419,043
Cash and cash equivalents, end of the year	39	173,122,686	221,259,732

The attached notes (1) to (50) form part of these consolidated financial statements

1. General

Cairo Amman Bank was established as a public shareholding limited company registered and incorporated in Jordan in 1960 in accordance with the Jordanian Companies Laws and Regulations No. (12) for the year 1964. Its registered head office is in Amman, the Hashemite Kingdom of Jordan.

The Bank provides its banking and financial services through its head office located in Amman and 102 branches located in Jordan, and 22 branches in Palestine and 1 in Bahrain, and its subsidiaries.

The Bank's subscribed and paid-in capital is 200,000,000 JD/share as of 31 December 2024.

The Bank's shares are listed on the Amman Stock Exchange.

The consolidated financial statements were authorized for issue by the bank's Board of Directors in their meeting held on 6 February 2025 and are subject to the approval of the General Assembly of the shareholders.

(2-1) Basis of Preparation of Financial Statement

The accompanying consolidated financial statements of the Bank and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations (IFRICs).

The Bank complies with the applicable laws and regulations of the Central Bank of Jordan.

The consolidated financial statements are prepared on a historical cost basis, except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which have been measured at fair value and financial derivatives which are stated at fair value.

The financial statements have been presented in Jordanian Dinars (JD) which is the functional currency of the Bank.

(2-2) Basis of Consolidation of Financial Statements

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries where the Bank holds control over the subsidiaries. The control exists when the Bank controls the subsidiaries significant and relevant activities and is exposed, or has rights, to variable returns from its involvement with the subsidiaries. All balances, transactions, income and expenses between the Bank and subsidiaries are eliminated.

The consolidated financial statements include the financial statements of the bank and its subsidiaries that are under their control, there is no difference in the financial year for the bank and its subsidiaries. The Bank owns the following subsidiaries as of 31 December 2024:

Company's Name	Paid-in Capital	Ownership Percentage	Nature of Operation	Country of Operation	Ownership Date
	JD	%			
Al-Watanieh for Financial Services Company	6,500,000	100	Brokerage and investment management	Jordan	1992
Al-Watanieh Securities Company	1,600,000	100	Brokerage	Palestine	1995
Tamallak for Financial Leasing	8,000,000	100	Finance leasing	Jordan	2013
Safa Bank	45,231,826	59.956	Islamic banking	Palestine	2016

Control is achieved when the Bank is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Bank controls an investee if and only if the Bank has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and the Bank has less than a majority of the voting or similar rights of an investee, the Bank considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Bank's voting rights and potential voting rights.

The Bank re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Bank obtains control over the subsidiary and ceases when the Bank loses control of the subsidiary. Revenues and expenses of a subsidiary acquired or disposed of during the year are included in the interim condensed consolidated financial statements from the date the Bank gains control until the date the Bank ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Bank and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Bank's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Bank are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary without a loss of control, is accounted for as an equity transaction. If the Bank loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

(2-3) Material Accounting Policies Information

Segmental Reporting

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

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

Direct credit facilities

Direct credit facilities are financial assets with fixed and determined payments provided or granted by the Bank and do not have any market value in active market and measured at amortized cost.

A provision for the impairment in direct credit facilities is recognized through the calculation of the expected credit loss in accordance with International Financial Reporting Standard 9.

Interest and commission arising on non-performing facilities is suspended when loans become impaired according to the Central Bank of Jordan's regulations and regulatory authorities in countries in which the bank have branches and subsidiaries, whichever is more restrictive.

Loans and the related allowance for credit losses are written off when collection procedures become ineffective. The excess in the allowance of possible loan losses, if any, is transferred to the consolidated income statement, and cash recoveries of loans that were previously written off are credited to the consolidated income statement.

Fair value

For investments and derivatives quoted in an active market, fair value is determined by reference to quoted market prices. Bid prices are used for assets and offer prices are used for liabilities.
For financial instruments where there is no active market fair value is normally based on one of the following methods:

- Comparison with the current market value of a highly similar financial instrument.
- The expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics.
- Option pricing models.
- Evaluation of long-term assets and liabilities that bear no interest through discounting cash flows and amortizing premium / discount using the effective interest rate method within interest revenue / expense in the consolidated statement of income

The valuation methods aim to provide a fair value reflecting the market's expectations taking into consideration the market expected risks and expected benefits when the value of the financial assets. When the financial assets fair value can't be reliably measured. they are stated at cost less any impairment.

Financial assets at amortized cost

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

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

It is not allowed to reclassify any financial assets from/to this category except for certain cases that are specified by the International Financial Reporting Standards (And if in any cases these assets are sold before the maturity date the result of sale will be recorded in the consolidated statement of income in a separated disclosure and caption in according to the International Financial Reporting Standards in specific).

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Financial assets at fair value through profit or loss

It is the financial assets purchased by the bank for the purpose of trading in the near future and achieving gains from the fluctuations in the short-term market prices or trading margins.

Financial assets at fair value through profit or loss are initially stated at fair value at acquisition date (purchase costs are recorded in the consolidated statement of income upon acquisition) and subsequently measured in fair value. Moreover changes in fair value are recorded in the consolidated statement of income including the change in fair value resulting from translation of non-monetary assets stated at foreign currency. Gains or losses resulting from the sale of these financial assets or part of them are taken to the consolidated statement of income.

Dividends and interests from these financial assets are recorded in the consolidated statement of income.

It is not allowed to reclassify any financial assets to / from this category except for the cases specified in International Financial Reporting Standard.

Financial assets at fair value through other comprehensive income

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

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

Dividends are recorded in the consolidated income statement.

Impairment in Financial Assets

Overview of the ECL principles

The adoption of IFRS 9 has fundamentally changed the Group's loan loss impairment method by replacing IAS 39's incurred loss approach with a forward-looking ECL approach.

The Group records the allowance for expected credit losses for all loans and other debt financial assets not held at FVTPL together with loan commitments and financial guarantee contracts in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the12 months' unless there has been no significant increase in credit risk since origination in which case, the allowance is based on the life of the asset (the lifetime expected credit loss or LTECL).

The 12 months is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

ECL is calculated for the full period of credit exposure and for the probability of default during the 12 months period on an individual basis or collective based on the financial instrument portfolio and the nature of these financial instruments.

The Group has established a policy to perform an assessment at the end of each reporting period. of whether a financial instrument's credit risk has increased significantly since initial recognition. by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process. the Group groups its loans into Stage 1, Stage 2 and Stage 3. as described below:

- Stage 1: When loans are first recognized. the Group recognizes an ECL allowance based on the probability of default during 12 months period. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

- Stage 2: When a loan has shown a significant increase in credit risk since origination. the Group records an allowance for the LTECLs. Stage 2 loans also include facilities. where the credit risk has improved and the loan has been reclassified from Stage 3.

- Stage 3: Loans that are considered credit-impaired. The Group records an allowance for the LTECLs.

<u>The calculation of Expected Credit Losses</u>

The Group calculates the expected credit losses in accordance with the International Financial Reporting Standard Number 9 which is disclosed in Note 4.

<u>Leases</u>

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

<u>Right-of-use assets</u>

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease obligations recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

Property and Equipment

Property and equipment are measured at cost less accumulated depreciation and any impairment. Property and equipment (except for land) are depreciated when ready for use using the straight-line method over their expected useful life.

The depreciation rates used are as follows:

	%
Buildings	2
Equipment, furniture and fixtures	9-15
Vehicles	20
Computers	12-25

If such indication exists and when the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount, and the impairment is charged to consolidated statement of profit or loss.

The useful life of property and equipment is reviewed at each year end, and changes in the expected useful life are treated as changes in accounting estimates.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists. or when annual impairment testing for an asset is required. the Bank makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset. unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount. the asset is considered impaired and is written down to its recoverable amount. In assessing value in use. the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell. an appropriate valuation model is used. These calculations are corroborated by valuation multiples. quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Intangible assets

A. Goodwill

Goodwill is recognized at cost and represents the excess of the acquisition costs or investment costs in an affiliate or a subsidiary over the net assets fair value of the affiliate or subsidiary as of the acquisition date. Goodwill arises from the investment in the subsidiary recognized as a separate item in intangible assets. Later on. goodwill will be reviewed and reduced by any impairment amount.

Goodwill is allocated to cash generating unit(s) to test impairments in its value.

Impairment testing is done on the date of the consolidated financial statements. Goodwill is reduced if the test indicates that there is impairment in its value. and that the estimated recoverable value of the cash generating unit(s) relating to goodwill is less than the book value of the cash generating unit(s). Impairment is recognized in the consolidated statement of income.

B. Other intangible assets

Intangible assets purchased in an acquisition are stated at fair value at the date of acquisition. Other intangible assets purchased other than through acquisition are recorded at cost.

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

No capitalization of intangible assets resulting from the banks' operations is made. They are rather recorded as an expense in the consolidated statement of income in the same year.

Any indications of impairment in the value of intangible assets as of the consolidated financial statements date are reviewed. Furthermore. the estimated useful lives of the impaired intangible assets are reassessed. and any adjustment is made in the subsequent periods.

The intangible assets with a specified useful life appears of cost after deducting the annual amortization. These assets were amortized by using the straight-line method on the useful life using a percentage of 25% annually.

Provisions

Provisions are recognized when the bank has an obligation on the date of the consolidated financial statement arising from a past event and the costs to settle the obligation is probable and can be reliably measured.

End-of-service indemnity

Provision for end of service indemnity is established by the Bank to fare any legal or contractual obligations at the end of employees' services and is calculated based on the service terms as of the financial statements date.

Income tax

Income tax expenses represent accrued taxes and deferred taxes.

Income tax expenses are accounted for on the basis of taxable income. Moreover taxable income differs from income declared in the consolidated financial statements because the latter includes non-taxable revenues or taxable expenses disallowed 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 bank operates.

Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the consolidated financial statements and the value of the taxable amount. Deferred tax is calculated on the basis of the liability method in the consolidated statement of financial position according to the rates expected to be applied when the tax liability is settled or tax assets are recognized.

Deferred tax assets and liabilities are reviewed as of the date of the consolidated financial statements and reduced in case it is expected that no benefit will arise from payment or the elimination of the need for deferred tax liabilities partially or totally.

Capital cost of issuing or buying the bank's shares

Cost arising from the issuance or purchase of the bank's shares are charged to retained earnings (net of the tax effect of these costs if any). If the shares issuance or purchase process is incomplete these costs are recorded as expenses in the consolidated statement of income.

Accounts managed on behalf of customers

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

Offsetting

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

Realization of income and recognition of expenses

Interest income is realized by using the effective interest method except for interest and commissions from non-performing credit facilities which are not recognized as income and are recorded in the interest and commissions in suspense account.

Expenses are recognized according to the accrual basis.

Commission is recorded as revenue when the related services are provided. moreover dividends are recorded when realized (decided upon by the General Assembly of Shareholders).

Recognition of interest income

The effective interest rate method, is used in accordance with IFRS 9, interest income is recognized using the effective interest rate method for all financial instruments at amortized cost and financial instruments at fair value through the income statement or through other comprehensive income. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial instrument, or, shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortized cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognizes the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the consolidated statement of financial position with an increase or reduction in interest income. The adjustment is subsequently amortized through interest and similar income in the consolidated statement of income.

Interest and similar income and expense

For all financial instruments measured at amortized cost, financial instruments designated at FVOCI and FVTPL, interest income or expense is recorded using the EIR. The calculation takes into account all of the contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

When the recorded value of a financial asset or a group of similar financial assets has been reduced by an impairment loss, interest income continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The Bank also holds investments in assets of countries with negative interest rates. The Bank discloses interest paid on these assets as interest expense.

Fee and commission income

Fee income can be divided into the following two categories:

A. Fee income earned from services that are provided over a certain period of time

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

B. Fee income forming an integral part of the corresponding financial instrument

Fees that the Bank considers to be an integral part of the corresponding financial instruments include: loan origination fees, loan commitment fees for loans that are likely to be drawn down and other credit related fees.

Date of recognizing financial assets

Purchases and sales of financial assets are recognized on the trading date (which is the date on which the bank commits itself to purchase or sell the asset).

Hedge accounting and financial derivatives

Financial derivatives for hedging:

For the purpose of hedge accounting the financial derivatives appear at fair value.

Fair value hedges:

A fair value hedge is a hedge against the exposure to changes in the fair value of the bank's recognised assets or liabilities.

When the conditions of an effective fair value hedge are met the resulting gains and losses from the valuation of the fair value hedge and the change in the fair value of the hedged assets or liabilities is recognised in the consolidated statement of income.

When the conditions of an effective portfolio hedge are met the gain or loss resulting from the revaluation of the hedging instrument at fair value as well as the change in the fair value of the assets or liabilities portfolio are recorded in the consolidated income statement for the same year.

Cash flow Hedges:
Hedge for the change in the current and expected cash flows exposures of the Bank's assets and liabilities.

When the conditions of an effective cash flow hedge are met the gain or loss of the hedging instruments is recognized in the statement of comprehensive income and owner's equity. such gain or loss is transferred to the consolidated statement of income in the period in which the hedge transaction impacts the consolidated statement of income.

When the condition of the effective hedge do not apply the gain or loss resulting from the change in the fair value of the hedging instrument is recorded in the consolidated statement of income the same year.

Assets seized by the bank against due debts
Assets that have been the subject of foreclosure by the bank are shown under "other assets" at the acquisition value or fair value whichever is lower. As of the consolidated statement of financial position date these assets are revalued individually at fair value. any decline in their market value is taken to the consolidated statement of income as a loss whereas any such increase is not recognized. Subsequent increase is taken to the income statement to the extent it does not exceed the previously recorded impairment.

Repurchase and resale agreements
Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) will continue to be recognised in the bank's consolidated financial statements due to the bank's continuing exposure to the risks and rewards of these assets using the same accounting policies. (The buyer has the right to control such assets (by sale or pledge as collateral) which are reclassified as financial assets pledged as collateral). The proceeds of the sale are recorded under loans and borrowings. The difference between the sale and repurchase price is recognised as an interest expense over the agreement term using the effective interest method.

Assets purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the bank's consolidated financial statements since the bank is not able to control these assets and since any risks and benefits do not accrue to the bank when they occur. The related payments are recognised as part of deposits at banks and financial institutions or direct credit facilities as applicable. Moreover the difference between the purchase and resale price is recognised in the consolidated statement of income over the agreement term using the effective interest method.

Foreign currencies

Transactions in foreign currencies during the year are recorded at the exchange rates prevailing at the date of the transactions. Moreover. financial assets and financial liabilities are translated to Jordanian Dinar based on the average exchange rates declared by the Central Bank of Jordan on the date of the consolidated financial statements.

Non-monetary assets and liabilities denominated in foreign currencies and recorded at fair value are translated on the date when their fair value is determined.

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

Translation differences for non-monetary assets and liabilities denominated in foreign currencies (such as equity securities) are recorded as part of the change in fair value.

When consolidating the financial statements assets and liabilities of the branches and subsidiaries abroad are translated from the primary currency to the currency used in the financial statements using the average exchange rates prevailing on the consolidated statement of financial position date and declared by the Central Bank of Jordan. Revenue and expense items are translated using the average exchange rates during the year and exchange differences are shown in a separate item within the consolidated statement of other comprehensive income equity. In case of selling one of the subsidiaries or branches the related amount of exchange difference is booked in revenues/expenses in the consolidated statement of income.

Profit or loss resulting from the foreign exchange of interest-bearing debt instruments and within financial assets at fair value through other comprehensive income is included in the consolidated statement of income. Differences in the foreign currency translation of equity instruments are included in the cumulative change in fair value reserve within owner’s equity in the consolidated statement of financial position.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances with central banks and balances with banks and financial institutions maturing within three months less balances due to banks and financial institutions maturing within three months and restricted funds.

(3) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023 except for the adoption of new amendments on the standards effective as of 1 January 2024 shown below:

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

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

The amendments had no impact on the Bank's financial statements.

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

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Bank's financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

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

The amendments had no impact on the Bank's financial statements.

(4) Significant accounting judgments and estimates

Accounting estimates

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

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

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

A. Expected credit losses for financial instruments at amortized cost

In determining provision for expected credit loss for direct credit facilities, important judgement is required from the Bank's management in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL. Most important judgments and estimates used are as the following:

The Bank's definition of default and default handling mechanism
Definition of default:
The bank has adopted the definition of default according to the instructions for applying the International Financial Reporting Standard 9 No. 13/2018 in addition to the Central Bank's instructions No. 47/2009, whereby any debt instrument was considered among the bad debts if there is evidence / evidence that it has become non-performing (irregular), In the event that one or more of the qualitative indicators below are achieved, it is considered evidence of a debt instrument default:

- The debtor party is facing significant financial difficulties (severe weakness in the financial statements).
- Failure to comply with contractual conditions, such as having dues equal to or greater than (90) days.
- The bank extinguishes part of the debtor's obligations.
- The presence of clear external indicators indicating the imminent bankruptcy of the debtor party.
- The absence of an active external market for a financial instrument due to financial difficulties faced by the debtor party (the source of credit exposure / debt instrument) and its inability to fulfill its obligations.
- The acquisition (purchase or creation of) a debt instrument at a significant discount that represents a credit loss.

- **Default handling mechanism:**

The Bank monitors accounts before they reach the non-performance stage through designated departments and when accounts are classified as non-performing, they are monitored through the credit department before the initiation of legal procedures in case no final settlement with the customer has been reached. The Bank takes adequate provisions for those accounts in accordance with the instructions of the Central Bank of Jordan and the control authorities.

The bank's internal credit rating system and its working mechanism:

- <u>Corporate portfolio:</u>

It is an internal rating system for comprehensively assessing and measuring the risks of banks, financial institutions, sovereign investments, and clients of large and medium companies.

The Bank uses the (CreditLens) Systems developed by (Moody's) to measure the risk rating of customers within (7) grades for the performing accounts and (3) grades for the non-performing accounts in accordance with the instructions of the Central Bank od Jordan. The probability of default (PD) increases as risk rating increases. Three segments are adopted at each grade for performing loans - with the exception of grade (1) where grade (1) is the best and grade (10) is the worst, Where the client's risk degree linked to the client's probability of default (PD) is extracted based on financial and objective data, and the probability of default is extracted for the client's facilities through (Facility Rating).

- Individual portfolio:

The portfolio of individuals is classified by adopting programs with common characteristics for the clients granted through each program according to the nature of the purpose of the product (personal, housing, cars, etc.), according to the employer (Public sector, private sector) and according to the nature of the terms are set based on historical performance in terms of granting, default and collection.

The scoring is periodically reviewed, and the terms are updated based on performance.

The approved mechanism for calculating expected credit losses (ECL).

The Bank has adopted (Moody’s) system for calculating expected credit losses where the calculation is made by specialized systems for the corporate and retail portfolios after taking into consideration the client’s level of risk and probability of default and assessment of collaterals for Jordan branches, foreign branches and the subsidiaries.

The calculation for each stage is as follows:

- **Stage (1):** the expected credit losses are calculated within the next 12 months from the date of preparing the financial statements for debt instruments within this phase and in which there has not been a significant or significant increase in its credit risk since the initial recognition of the exposure / instrument, or that it has a low credit risk at the date of preparing the financial statements.
- **Stage (2):** Expected credit losses are calculated for the entire life of the debt instrument during the remaining period of the life of the debt instrument for debt instruments that fall within this stage and for which there has been a significant or significant increase in its credit risk since its initial recognition, but it has not reached the default stage.

Several determinants have been adopted as an indicator of the increase in credit risk to move the financial instrument from the first stage to the second stage, taking into account many indicators, including:

- The client’s rating has been revised down by specific degrees from the initial rating, or he has obtained a high-risk rating.
- Appearance of any negative indicators on the account (it is in the Blacklist of returned checks in the portfolio of individuals for Jordan branches, or its classification is 3 in the money laundering list - Risk Level according to the classification of the Palestinian Monetary Authority for the portfolio of individuals in Al-Safa Bank and Palestine branches).
- There are more than 30 days of dues and less than 90 days.

- Classification of the client within the debt under monitoring.

- **Stage (3):** Expected credit losses are computed for the entire life of the debt instrument for debt instruments that fall within this stage and for which there is evidence / evidence that they have become non-performing (irregular) as per the definition of default.

The following debt instruments are included in the calculation:

- Loans and direct and indirect credit facilities.
- Debt instruments at amortized cost.
- Financial guarantees specified according to IFRS 9.
- Receivable balances associated with leasing contracts according to IFRS (16).
- Credit exposures on banks and financial institutions.
- Debt instruments through other comprehensive income.
- Islamic financial instruments.

Governance of applying the requirements of the IFRS (9) which includes Board of Directors and executive management responsibilities to guarantee compliance with IFRS(9) requirements.

Roles and responsibilities:

<u>The Board of Directors:</u>
- Adopting the policy of calculating expected credit losses as per IFRS 9.
- Providing an appropriate governance structure and procedures that ensure the proper application of the standard by defining the roles of committees, departments and work units in the bank, and ensuring the integrity of work.
- Provide the appropriate infrastructure for the application.
- Ensuring that the supervisory units of the bank represented in risk management and the audit department carry out all necessary work to verify the correctness and integrity of the methodologies and systems used in the application of Standard 9 and provide the necessary support for them.

<u>Risk Management Committee:</u>
- Review the policies for implementing IFRS 9.
- Viewing the results of the expected credit losses calculated in the financial statements.
- Review the memorandum of amendments and the exceptions to the calculation of provisions and recommend to the Facilities Committee for approval

Facilities Committee:

- Reviewing and approving the recommendations for making any exceptions to the calculation results submitted by the Steering Committee for the implementation of Standard 9.

The Audit Committee:

- Verifying the adequacy of the expected credit losses appropriated by the bank and ensuring their adequacy on all financial statements.

IFRS 9 Steering Committee:

The committee comprises of the vice credit and treasury general manager, chief treasury officer, chief financial officer, chief risk management officer, chief corporate credit and SME loans and bank pooling officer and chief credit risk officer. Its most important objectives include:

- Coordinating and giving directions to application officials in foreign branches, subsidiaries and departments of the bank.
- Coordination with central banks and external and internal supervisory bodies.
- Taking decisions regarding implementation of the standard and giving directions for its implementation
- Reviewing the calculation results to assess the exposures within the different stages and ensure that they are in line with the risks of customers and direct them to the concerned authorities.
- Recommending to the Facilitation Committee emanating from the Board of Directors the exceptional amendments to the calculation results
- Make recommendations to the concerned authorities, where necessary, regarding modification of policies or exceptions
- Supervising the review of calculation methodologies periodically.

Risk management:

- Preparing the policies for implementing the IFRS 9
- Contributing to the process of calculating expected credit losses within Standard 9 at the level of Cairo Amman Bank Group in accordance with the requirements of the International Financial Reporting Standard 9 and the instructions of the Central Bank of Jordan and the supervisory authorities in the host countries.
- Reviewing and updating the calculation methodologies periodically and whenever necessary.
- Coordinate with the executive management to take appropriate measures to verify the soundness of the methodologies and systems used in calculating the expected credit losses.
- Send the results of the calculation to all concerned parties.

Financial management

- Contributing to the calculation process with the relevant departments and reviewing the calculation results.
- Making the necessary accounting adjustments and reconciliations after approving the results and verifying that all financial assets have been subject to the calculation process.
- Calculate the expected credit loss according to central bank regulation 47/2009 and recording the higher provision in comparison with IFRS9.
- Preparing the necessary disclosures in cooperation with the concerned departments in the bank and the group in accordance with the requirements of the standard and the instructions of the Central Bank.
- Preparing the statements required from the Central Bank in cooperation with the relevant departments.
- Presenting the financial statements, including the results of calculating the provisions, to the audit committee to ensure the adequacy of the expected credit loss

Corporate Credit management:

- Classifying clients within the internal rating classification on a periodic basis to measure clients' risk based on the rating classification
- Periodically updating data for credit facilities and guarantees within the classification system.
- Update and assess the quantitative and qualitative negative indicators resulting from increased customer risk, and recommend including them within the appropriate credit rating stages.
- Contribute to the review of methodologies used and the results of calculating credit provisions for the corporate portfolio.
- Submit the necessary recommendations to the steering committee for the implementation of IFRS 9 in case of any exceptions.

Personal Credit Services Management:

- Contribute to the review of the methodologies used and the results of calculating credit provisions for the retail (individuals) portfolio.
- Submit the necessary recommendations to the steering committee for the implementation of IFRS 9 in case of any exceptions.

Internal Audit Management:

- Verifying the adequacy of methodologies and systems used in the calculation of ECL.
- Ensure that there are work procedures that include the distribution of roles and responsibilities for the General Administration, foreign branches, and subsidiary companies.

Definition and mechanism for computing and monitoring probability of default (PD), exposure at default (EAD), and loss given default (LGD).

Probability of Default (PD):

- Retail (individual) portfolio:

The probability of default has been computed using the Bank's historical default information for the retail loans and housing loans portfolio. These rates are calculated using independent variables which affect the probability of default rate (loan balance to salary - sector - age - loan type - date of dealing - the value of grants for the current balance - the number of days due - the percentage of exploitation - the percentage of the existing salary - salary transfer - the percentage of installments due to the balance - an existing or new customer).

- Corporate portfolio:

The Probability of Default (PD) data used by Moody's has been approved and is used as input in the calculation system. The Expected Credit Loss (ECL) calculation system converts the Probability of Default from a Through-The-Cycle Probability of Default (TTC PD) to a Point-In-Time Probability of Default (PIT PD) for each instrument, taking into account the country risk and the client's economic sector.

Customers are rated at the time of granting credit, which serves as an indicator of the client's risk grade used in the granting and pricing process. Customers are evaluated and their credit ratings are reviewed every three months, and reclassified if any risk indicators are identified.

Exposure at Default (EAD):

- One-time debt instruments (direct and indirect): The balance as of the date of preparing the financial statements is adopted as the Exposure at Default (EAD), calculated as (Gross account balance + due installments + accrued unpaid interest - settlements - suspended interest - interest and commissions received in advance).

- **Ijara contracts with Islamic banks:** The due and unpaid installments are considered in the calculation of the Exposure at Default (EAD).

- **Revolving debt instruments (direct and indirect):** For corporate portfolio clients, the higher of the balance as of the financial statement date or the credit limit is considered as the Exposure at Default (EAD). For the retail (individuals) portfolio, a weighting factor is applied to irregular credit limits.

3. **Loss Given Default (LGD):**

- Retail (individual) portfolio:

The probability of default has been computed using the Bank's historical default information for the retail loans, housing loans, credit cards, and overdrafts portfolio. Both rates have approved at the account level for the retail portfolio.

Actual recoveries are taken into account for defaulted loans in addition to rescheduled and restructured loans as it is classified as performing loans after the customer commitment to pay the due amount.

- Corporate portfolio:

The loss ratio is calculated assuming default at the account level and after taking into account several factors and data, the most important of which are (guarantees, the economic sector, the possibility of default) The haircut rates were adopted on the guarantees according to the ratios approved by the Central Bank of Jordan, in addition to the adoption of a minimum ratio that is not less than 10%.

The Bank's policy for determining common elements (criteria) that credit risk and expected credit losses on a (Collective Basis) have been measured with.

Credit risk and expected credit losses for retail have been calculated at an individual level for each account separately and not at a collective level.

Economic indicators used by the Bank in calculating expected credit losses (PD).

A group of economic indicators have been reviewed such as (gross domestic product, equities, interest rates, unemployment, and inflation) and the following approved indicators have shown a strong correlation between the indicator value and the default rate for each portfolio using historical information:

- Corporate portfolio: gross domestic product and stock prices.
- Individual portfolio:
  Jordan: Real Gross Domestic Product and Unemployment Rate.
  Palestine: Interest Rate on Loans and Unemployment Rate.

The following weights for scenarios were adopted by the Bank for the year 2023 and 2024:

Jordan and Bahrain:

Baseline Scenario	Downturn Scenario	Upturn Scenario
40%	30%	30%

The following weights for scenarios were adopted for the years 2023 and 2024:

Palestine:

Baseline Scenario	Downturn Scenario	Upturn Scenario
40%	60%	0%

The Bank manages its risks through a comprehensive strategy for risk management by which the roles and responsibilities of all parties concerned are identified. These include the Board of Directors and subcommittees such as the Risk committee, Compliance committee, audit committee, corporate governance committee , information technology committee , remuneration committee, strategy committee and credit committee, in addition to the executive management and its subcommittees, such as assets and liabilities committee, procurement committee, credit committees and other specialized departments such as the risk management department, compliance department and the internal audit department, financial crime and cyber security department.

Furthermore, all of the Bank’s business units are considered responsible for identifying the risks associated within their banking operations and committed to applying the appropriate controls and monitoring their effectiveness and maintaining integrity within the internal control system.

The process of managing the risks within the Bank's activities include the identification, measurement, assessment and monitoring of financial and non-financial risks which could negatively affect the bank's performance and reputation or its goals ensuring that the bank achieves optimum yield in return for the risks taken.

The general framework of risk management at the Bank is in line with the size, complexity and nature of its operations, and in harmony with local regulations as well as taking into account the best international practices in this regard. The Bank’s set of principles include the following:

Responsibility of the board of directors:

- Adopting the policies, strategies, and general framework for risk management, including the limits of the acceptable degree of risk.

- Ensuring the existence of an effective framework for stress testing situations, in addition to adopting their own hypotheses.

- Adopting the bank's policies.

- Adopting the internal assessment methodology for the bank's capital adequacy, so that this methodology is comprehensive, effective and able to identify all the risks that the bank may face and takes into account the bank's strategic plan and capital plan, reviewing this methodology periodically and verifying its application and ensuring that the bank maintains With sufficient capital to meet all the risks it faces.

Responsibility of the Risk Management Committee emanating from the Board of Directors:

- Periodic review of policies, strategies, and risk management procedures of the bank, including setting acceptable risk limits.

- Keeping abreast of developments affecting the bank's risk management.

- Develop the process of internal assessment of capital adequacy, analyze current and future capital requirements, in line with the bank's risk structure and strategic objectives, and take measures related to this.

- Ensuring the existence of good systems to assess the types of risks faced by the bank and developing systems to link these risks to the level of capital required to cover them.

- Reviewing the policies of stress tests and placement for the Board of Directors for approval, including:

- Hypotheses and scenarios used for stress tests.
- Actions to be taken based on these findings.
- View the reports and results issued by the Central Bank of Jordan.
- Ensure that stress tests are prepared periodically and review and evaluate the results.

- Risk Management Responsibility:

- Submitting reports and the risk system to the Risk Management Committee.
- Monitoring the compliance of the various departments of the bank with the limits of acceptable risks to ensure that these risks are within the acceptable limits Risk Appetite, Risk Tolerance.
- Analyzing all types of risks, in addition to developing methodologies for measuring and controlling each type of risk.
- Implementing systems related to evaluating the types of risks faced by the bank and developing related work procedures.
- Managing and applying the Bank's ICAAP methodology in an adequate and comprehensive manner commensurate with the risk structure faced by the Bank.

- Executing stressful situations tests within the policies and methodologies approved by the Board of Directors.
- Participation in the calculation of expected credit losses within the (IFRS 9), using specialized systems by an international company.
- Coordination with the concerned authorities to carry out examinations of business continuity plans and update them periodically.
- Orienting, training and guiding the bank's employees regarding the culture of risk management in the bank.
- Implementation and execution of the Central Bank of Jordan's instructions related to risk management.
- Preparing, implementing and reviewing the (Recovery Plan).

Acceptable risk limits

The bank manages its risks by setting acceptable risk limits according to quantitative measurement methods and specifying them in a separate document that includes the most important indicators of risks to which the bank is exposed, where they are monitored to ensure that the bank’s performance does not deviate from the acceptable limits, in order to ensure that the bank continues to achieve its strategic objectives. Contributing to achieving corporate governance based on the corporate governance instructions issued by the Central Bank of Jordan. The performance reports associated with these limits are a tool to verify that there is no discrepancy between the actual risks taken by the Bank and the acceptable level of risks approved by the Board.

Stress Tests

Stress tests are an essential part of the bank's risk management process at various levels and an important tool used to measure the bank's ability to withstand shocks and the high risks that it may face, and to assess the bank's financial position under severe but possible scenarios. The Bank adopts a methodology for calculating stressful conditions tests within an approved policy.

Scenarios and tests with a future dimension are assumed in evaluating various risks based on historical data, statistical relationships, the size and nature of the risks to which the bank is exposed, and they are applied to the bank’s financial statements and their impact is reflected on the capital adequacy ratio, profits, losses and liquidity through a set of levels that fall within (moderate, medium and severe).

The stress tests constitute an essential part of the corporate governance system and the culture of risk management by assisting the board of directors and senior executive management in understanding the bank’s conditions in times of crisis and contributing to making administrative and strategic decisions and using the results of these tests in setting and determining the degree of risk tolerance at the bank and in the planning process for the bank’s capital and liquidity.

B. INCOME TAX

Income tax expenses represent accrued taxes and deferred taxes.

Income tax expenses are accounted for on the basis of taxable income, Moreover taxable income differs from income declared in the consolidated financial statements because the latter includes non-taxable revenues or taxable expenses disallowed 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 bank operates.

Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the consolidated financial statements and the value of the taxable amount, Deferred tax is calculated on the basis of the liability method in the consolidated statement of financial position according to the rates expected to be applied when the tax liability is settled or tax assets are recognized.

Deferred tax assets and liabilities are reviewed as of the date of the consolidated financial statements and reduced in case it is expected that no benefit will arise from payment or the elimination of the need for deferred tax liabilities partially or totally.

C. FAIR VALUE

Fair value represents the closing market price (Assets Purchasing / Liabilities Selling) of financial assets and derivatives on the date of the consolidated financial statements in active markets, In case declared market prices do not exist active trading of some financial assets and derivatives is not available or the market is inactive fair value is estimated by one of several methods including the following:

- Comparison with the fair value of another financial asset with similar terms and conditions.

- Analysis of the present value of expected future cash flows for similar instruments.

- Adoption of the option pricing models.

- Evaluation of long-term assets and liabilities that bear no interest through discounting cash flows and amortizing premium / discount using the effective interest rate method within interest revenue / expense in the consolidated statement of income.

The valuation methods aim to provide a fair value reflecting the market's expectations taking into consideration the market expected risks and expected benefits when valuing the financial assets, When the financial assets fair value can't be reliably measured, they are stated at cost less any impairment.

5. Cash and balances at Central Banks-net

	2024	2023
	JD	JD
Cash in vaults	180,829,448	138,972,676
Balances at Central Banks:		
Current and on-demand accounts	40,460,564	19,178,540
Time and notice deposits	10,635,000	43,135,000
Statutory cash reserve	135,776,657	135,979,726
Total Balances at Central Banks	186,872,221	198,293,266
Provision for expected credit losses (Central Banks)	(53,351)	(8,397)
Balances at Central Banks - net	186,818,870	198,284,869
Total	367,648,318	337,257,545

- Restricted balances amounted to JD10,635,000 as of 31 December 2024 (JD 10,635,000 as of 31 December 2023), In addition to the statutory cash reserve as stated above.
- There are no balances that mature in a period of more than three months as of 31 December 2024 and 2023.

- All balances at the Central Bank of Jordan are classified within stage 1 in accordance with the requirements of IFRS (9) and there are no transfers between stages 1, 2, and 3 or any written off balances as of 31 December 2024 and 2023.

Disclosure of the allocation of total balances at Central Banks according to the Bank's internal credit rating categories is as follows:

31 December 2024	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:				
From (Ba1) to (Caa3)	186,872,221	-	-	186,872,221
Total	186,872,221	-	-	186,872,221

31 December 2023	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:				
From (Ba1) to (Caa3)	198,293,266	-	-	198,293,266
Total	198,293,266	-	-	198,293,266

The movement on balances at Central Banks are as the following:

31 December 2024	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	198,293,266	-	-	198,293,266
New balances during the year	39,508,333	-	-	39,508,333
Settled balances	(50,929,378)	-	-	(50,929,378)
Total balance at the end of the year	186,872,221	-	-	186,872,221

31 December 2023	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	180,354,937	-	-	180,354,937
New balances during the year	45,651,487	-	-	45,651,487
Settled balances	(27,713,158)	-	-	(27,713,158)
Total balance at the end of the year	198,293,266	-	-	198,293,266

Movement on the provision for expected credit losses:

31 December 2024	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	8,397	-	-	8,397
Expected credit loss on new balances during the year	47,861	-	-	47,861
Expected credit loss on settled balances	(2,907)	-	-	(2,907)
Total balance at the end of the year	53,351	-	-	53,351

31 December 2023	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	15,535	-	-	15,535
Expected credit loss on new balances during the year	1,192	-	-	1,192
Expected credit loss on settled balances	(8,330)	-	-	(8,330)
Total balance at the end of the year	8,397	-	-	8,397

6. Balances at banks and financial institutions-net

The details of this balance is as follow:

	2024	2023
	JD	JD
Local Banks and Financial Institutions:		
Current and demand accounts	730,294	2,464,219
Deposits maturing within 3 months or less	29,753,838	42,397,879
Total	30,484,132	44,862,098
Foreign Banks and Financial Institutions:		
Current and demand accounts	27,435,163	20,284,900
Deposits maturing within 3 months or less	51,445,043	55,133,030
Total	78,880,206	75,417,930
Total	109,364,338	120,280,028
Less: provision for expected credit losses (balances at banks)	(5,264)	(3,232)
Total	109,359,074	120,276,796

- Non-interest bearing balances at banks and financial institutions amounted to JD 28,165,457 as of 31 December 2024 and JD 43,686,987 as of 31 December 2023.

- There are no restricted balances as of 31 December 2024 and 2023.

Disclosure of the allocation of total balances at banks and financial institutions according to the bank's internal rating categories:

31 December 2024	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:				
From (Aaa) to (Baa3)	85,515,058	-	-	85,515,058
From (Ba1) to (Caa3)	23,334,926	-	-	23,334,926
From (1) to (6)	514,354	-	-	514,354
Total	109,364,338	-	-	109,364,338

31 December 2023	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:				
From (Aaa) to (Baa3)	103,450,336	-	-	103,450,336
From (Ba1) to (Caa3)	15,979,942	-	-	15,979,942
From (1) to (6)	849,750	-	-	849,750
Total	120,280,028	-	-	120,280,028

The movement on balances at banks and financial institutions is as follows:

31 December 2024	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	120,280,028	-	-	120,280,028
New balances during the year	126,975,599	-	-	126,975,599
Matured balances	(137,891,289)	-	-	(137,891,289)
Gross balance at the end of the year	109,364,338	-	-	109,364,338

31 December 2023	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	123,941,017	-	-	123,941,017
New balances during the year	20,066,323	-	-	20,066,323
Matured balances	(23,727,312)	-	-	(23,727,312)
Gross balance at the end of the year	120,280,028	-	-	120,280,028

Disclosure of the movement on the provision for expected credit losses:

31 December 2024	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	3,232	-	-	3,232
Expected credit losses on new balances for the year	14,988	-	-	14,988
Released expected credit losses on repaid balances	(12,956)	-	-	(12,956)
Balance at the end of the year	5,264	-	-	5,264

31 December 2023	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	20,272	-	-	20,272
Expected credit loss on new balances for the year	1,517	-	-	1,517
Released expected credit losses on repaid balances	(18,557)	-	-	(18,557)
Balance at the end of the year	3,232	-	-	3,232

7. Deposits at banks and financial institutions - net

The item details are as follows:

	2024	2023
	JD	JD
Deposits at local banks and financial institution maturing within:		
More than 3 to 6 months	-	31,000,000
More than 6 to 9 months	6,000,000	-
More than 9 to 12 months	2,481,715	2,317,705
More than a year	15,000,000	16,000,000
Total	23,481,715	49,317,705
Deposits at foreign banks and financial institution maturing within:		
More than 6 to 9 months	-	1,266,127
More than 9 to 12 months	8,492,870	196,626
More than a year	-	16,545,000
Total	8,492,870	18,007,753
Total	31,974,585	67,325,458
Less: Provision for expected credit losses (deposits at banks)	(33,205)	(66,383)
Total	31,941,380	67,259,075

- There are no restricted deposits as of 31 December 2024 and 31 December 2023.

Disclosure of the allocation of gross deposits at banks and financial institutions according to the bank's internal rating categories:

31 December 2024	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:				
From (Aaa) to (Baa3)	21,429,585	-	-	21,429,585
From (Ba1) to (Caa3)	10,545,000	-	-	10,545,000
Total	31,974,585	-	-	31,974,585

31 December 2023	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:				
From (Aaa) to (Baa3)	14,462,753	-	-	14,462,753
From (Ba1) to (Caa3)	52,862,705	-	-	52,862,705
Total	67,325,458	-	-	67,325,458

The movement on deposits at banks and financial institutions is as follows:

31 December 2024	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	67,325,458			67,325,458
New balances during the year	50,757,883	-	-	50,757,883
Matured balances	(86,108,756)	-	-	(86,108,756)
Gross balance at the end of the year	31,974,585	-	-	31,974,585

31 December 2023	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	73,151,451	-	-	73,151,451
New balances during the year	30,325,458	-	-	30,325,458
Matured balances	(36,151,451)	-	-	(36,151,451)
Gross balance at the end of the year	67,325,458	-	-	67,325,458

Movement on the provision for expected credit losses:

31 December 2024	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	66,383	-	-	66,383
Expected credit losses on new deposits for the year	6,546	-	-	6,546
Released expected credit losses on repaid balances	(33,563)	-	-	(33,563)
Changes resulting from adjustments	(6,161)	-	-	(6,161)
Balance at the end of the year	33,205	-	-	33,205

31 December 2023	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	68,183	-	-	68,183
Expected credit losses on new deposits for the year	51,580	-	-	51,580
Released expected credit losses on repaid balances	(55,138)	-	-	(55,138)
Changes resulting from adjustments	1,758	-	-	1,758
Balance at the end of the year	66,383	-	-	66,383

8- Financial assets at fair value through profit or loss

The details of this item are as follows:

	2024	2023
	JD	JD
Quoted corporate shares	9,554,285	9,120,040
Government treasury bonds	-	4,254,638
Total	9,554,285	13,374,678

9- Financial assets at fair value through other comprehensive income – net

The details of this item are as follows:

	2024	2023
	JD	JD
Quoted shares	119,379,549	84,879,129
Unquoted shares*	13,940,047	10,976,155
Quoted Bonds	201,525	168,592
	133,521,121	96,023,876
Less: provision for expected credit losses (Bonds)	(1,882)	(4,041)
Total	133,519,239	96,019,835

* Fair value calculation for unquoted investments are based on the most recent financial data available.

- Cash dividends on investments amounted to JD 5,161,308 for the year ended 31 December 2024 (JD 2,570,481 for the year ended 31 December 2023).

10 Financial assets at amortized cost – net

The details of this item are as follows:

	2024	2023
	JD	JD
Quoted financial assets		
Foreign government treasury bonds	62,372,948	42,372,382
Bonds and corporate loan bonds	40,147,978	21,772,555
Total of Quoted financial assets	102,520,926	64,144,937
Unquoted financial assets		
Governmental treasury bills	10,401,348	13,856,523
Governmental treasury bond	680,862,460	670,848,973
Corporate debt securities	69,000,000	54,000,000
Total unquoted financial assets	760,263,808	738,705,496
Total	862,784,734	802,850,433
Less: provision for expected credit losses	(554,068)	(761,756)
	862,230,666	802,088,677
Analysis of bonds:		
Fixed rate	862,784,734	802,850,433
Total	862,784,734	802,850,433

Disclosure of the allocation of total financial assets at amortized cost according to the bank's internal rating categories:

31 December 2024	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:				
From (Aaa) to (Baa3)	643,404,096	-	-	643,404,096
From (Ba1) to (Caa3)	114,872,838	-	-	114,872,838
From (1) to (6)	73,254,000	-	-	73,254,000
(7)	31,253,800	-	-	31,253,800
Total	862,784,734	-	-	862,784,734

31 December 2023	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:				
From (Aaa) to (Baa3)	714,724,200	-	-	714,724,200
From (Ba1) to (Caa3)	12,709,233	-	-	12,709,233
From (1) to (6)	75,417,000	-	-	75,417,000
Total	802,850,433	-	-	802,850,433

The movement on financial assets at amortized cost is as follows:

31 December 2024	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	802,850,433	-	-	802,850,433
New investments during the year	267,439,435	-	-	267,439,435
Matured investments	(207,505,134)	-	-	(207,505,134)
Total balance at the end of the year	862,784,734	-	-	862,784,734

31 December 2023	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	796,199,519	-	-	796,199,519
New investments during the year	198,178,413	-	-	198,178,413
Matured investments	(191,527,499)	-	-	(191,527,499)
Total balance at the end of the year	802,850,433	-	-	802,850,433

The movement on the provision for expected credit losses for financial assets at amortized cost is as follows:

31 December 2024	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	761,756	-	-	761,756
Expected credit losses on new investments during the year	220,258	-	-	220,258
Reversal from expected credit losses on matured investment	(443,868)	-	-	(443,868)
Changes resulting from adjustments	15,922	-	-	15,922
Balance at the end of the year	554,068	-	-	554,068

31 December 2023	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	834,379	-	-	834,379
Expected credit losses on new investments during the year	285,681	-	-	285,681
Reversal from expected credit losses on matured investment	(340,525)	-	-	(340,525)
Changes resulting from adjustments	(17,779)			(17,779)
Balance at the end of the year	761,756	-	-	761,756

11. Direct credit facilities – net

The details of this item are as follows:

	2024	2023
	JD	JD
Individual (retail)		
Overdrafts	16,854,089	6,614,425
Loans and bills *	785,853,220	819,460,797
Credit cards	16,857,979	16,709,817
Others	6,707,169	6,582,555
Real-estate mortgages	340,728,621	349,021,919
Corporate		
Overdrafts	126,402,236	124,225,843
Loans and bills *	618,947,463	623,364,730
Small and medium enterprises lending “SMEs”		
Overdrafts	29,617,356	20,973,913
Loans and bills *	204,877,804	229,018,913
Governmental and public sectors	290,823,729	242,962,246
Total	2,437,669,666	2,438,935,158
Less: Suspended interest	(14,729,654)	(13,310,310)
Less: Provision for expected credit losses	(176,804,040)	(131,389,710)
Net- Direct Credit Facilities	2,246,135,972	2,294,235,138

* Net of interest and commissions received in advance amounting to JD 1,614,030 as of 31 December 2024 (JD 2,024,011 as of 31 December 2023).

- Non-performing credit facilities amounted to JD 200,557,842 as of 31 December 2024 representing 8.23% of gross direct credit facilities granted. (JD 140,231,367 as of 31 December 2023 representing 5.75% of gross direct credit facilities granted).

- Non-performing credit facilities, net of suspended interest, amounted to JD 185,930,540 as of 31 December 2024 (JD 127,031,987 as of 31 December 2023), representing 7.67% (2023: 5.24%) of gross direct credit facilities granted after excluding the suspended interest.

- Credit facilities granted to the Government of Jordan amounted to JD 2,618 as of 31 December 2024 (JD 7,306,191 as of 31 December 2023), representing 0.0% (2023: 0.30%) of gross direct credit facilities granted.

- Credit facilities granted to the public sector in Palestine amounted to JD 93,748,050 as of 31 December 2024 (JD 89,882,785 as of 31 December 2023), representing 3.85% (2023: 3.69%) of gross direct credit facilities granted.

Disclosure on the movement of facilities at a collective level at the end of the year:

31 December 2024	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	766,274,553	907,347,794	403,771,857	197,624,132	163,916,822	2,438,935,158
New facilities during the year	195,878,775	102,206,253	60,035,297	15,513,558	16,829,579	390,463,462
Settled facilities	(154,839,892)	(126,090,672)	(64,596,738)	(19,411,282)	(21,442,722)	(386,381,306)
Transferred to stage 1	191,265,873	70,040,634	(189,792,762)	(55,904,966)	(15,608,779)	-
Transferred to stage 2	(80,240,524)	(151,054,713)	82,721,766	161,535,621	(12,962,150)	-
Transferred to stage 3	(8,551,140)	(30,213,068)	(31,766,081)	(35,072,496)	105,602,785	-
Written off facilities	-	-	-	-	(5,347,648)	(5,347,648)
Gross Balance at the End of the Year	909,787,645	772,236,228	260,373,339	264,284,567	230,987,887	2,437,669,666

31 December 2023	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	756,293,634	953,665,882	286,724,256	115,694,304	131,845,238	2,244,223,314
New facilities during the year	288,420,641	133,021,151	115,487,399	51,611,587	11,404,581	599,945,359
Settled facilities	(198,588,939)	(103,805,433)	(68,472,346)	(13,634,798)	(16,069,467)	(400,570,983)
Transferred to stage 1	41,638,652	39,998,243	(40,830,530)	(30,633,525)	(10,172,840)	-
Transferred to stage 2	(115,806,601)	(85,034,549)	119,194,601	93,745,453	(12,098,904)	-
Transferred to stage 3	(5,682,834)	(30,497,500)	(8,331,523)	(19,158,889)	63,670,746	-
Written off facilities	-	-	-	-	(4,662,532)	(4,662,532)
Gross Balance at the End of the Year	766,274,553	907,347,794	403,771,857	197,624,132	163,916,822	2,438,935,158

The movement on the provision for expected credit losses (direct credit facilities) is as follows:

	Individual	Real-estate	Corporates		Government and Public Sector	Total
			Large	SMEs		
31 December 2024	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	75,785,245	10,614,391	26,879,319	16,107,277	2,003,478	131,389,710
Credit loss on new facilities during the year	12,455,809	1,071,762	3,608,551	1,455,565	407,824	18,999,511
Reversed from credit losses on settled facilities	(3,610,273)	(3,108,541)	(2,031,969)	(3,580,141)	10,851	(12,320,073)
Transferred to stage 1	9,889,455	1,171,695	763,031	897,034	1,561,019	14,282,234
Transferred to stage 2	(4,093,121)	67,472	(4,446,220)	(320,343)	(1,561,019)	(10,353,231)
Transferred to stage 3	(5,796,334)	(1,239,167)	3,683,189	(576,691)	-	(3,929,003)
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	14,766,823	2,242,014	9,903,734	4,714,508	-	31,627,079
Changes resulting from adjustments	10,283,491	638,451	1,206,042	(376,049)	(209,985)	11,541,950
Written off facilities	(4,122,681)	(179,171)	(434,900)	(89,113)	-	(4,825,865)
Valuation differences	122,966	104,173	15,421	100,254	48,914	391,728
Balance at the end of the year	105,681,380	11,383,079	39,146,198	18,332,301	2,261,082	176,804,040

	Individual	Real-estate	Corporates		Government and Public Sector	Total
			Large	SMEs		
31 December 2023	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	51,451,216	10,525,858	25,435,190	15,514,527	2,719,736	105,646,527
Credit loss on new facilities during the year	12,812,482	1,990,916	5,661,102	1,998,981	634,120	23,097,601
Reversed from credit losses on settled facilities	(4,437,863)	(3,814,344)	(5,029,471)	(3,815,701)	(1,000,418)	(18,097,797)
Transferred to stage 1	3,821,699	385,691	985,694	571,577	565,360	6,330,021
Transferred to stage 2	2,562,933	337,748	(2,394,761)	766,605	(565,360)	707,165
Transferred to stage 3	(6,384,632)	(723,439)	1,409,067	(1,338,182)	-	(7,037,186)
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	15,034,719	3,186,116	1,398,649	2,462,228	(349,960)	21,731,752
Changes resulting from adjustments	5,500,225	(1,202,800)	(586,151)	(45,373)	-	3,665,901
Written off facilities	(4,483,108)	(71,355)	-	(7,385)	-	(4,561,848)
Valuation differences	(92,426)	-	-	-	-	(92,426)
Balance at the end of the year	75,785,245	10,614,391	26,879,319	16,107,277	2,003,478	131,389,710

- The amount of JD 19,533,824 was reversed due to settlements and reclassified to other facilities provision for the year ended 31 December 2024 (JD 18,426,120 for the year ended 31 December 2023).

Suspended Interest

The movement on suspended interest is as follows:

	Individual	Real-estate	Corporates		Government and Public Sector	Total
			Large	SMEs		
31 December 2024	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	2,999,507	1,513,370	6,355,367	2,442,066	-	13,310,310
Suspended interest on new exposures during the year	1,096,985	503,300	931,474	570,797	-	3,102,556
Suspended interest on settled exposures transferred to revenue during the year	(282,054)	(605,170)	(122,147)	(141,291)	-	(1,150,662)
Transferred to stage 1	3,585	-	57,692	-	-	61,277
Transferred to stage 2	(4,197)	29,878	-	2,688	-	28,369
Transferred to stage 3	612	(29,878)	(57,692)	(2,688)	-	(89,646)
Suspended interest on written off exposures	(74,633)	(2,152)	(450,737)	(5,028)	-	(532,550)
Balance at the end of the year	3,739,805	1,409,348	6,713,957	2,866,544	-	14,729,654

	Individual	Real-estate	Corporates		Government and Public Sector	Total
			Large	SMEs		
31 December 2023	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	2,595,086	1,207,271	5,278,638	2,301,727	-	11,382,722
Suspended interest on new exposures during the year	770,144	570,008	1,117,952	313,976	-	2,772,080
Suspended interest on settled exposures transferred to revenue during the year	(272,061)	(257,015)	(41,223)	(173,509)	-	(743,808)
Transferred to stage 1	71,621	33,983	-	45,371	-	150,975
Transferred to stage 2	73,862	22,141	242	13,856	-	110,101
Transferred to stage 3	(145,483)	(56,124)	(242)	(59,227)	-	(261,076)
Suspended interest on written off exposures	(93,662)	(6,894)	-	(128)	-	(100,684)
Balance at the end of the year	2,999,507	1,513,370	6,355,367	2,442,066	-	13,310,310

The movement on suspended interest by stage:

	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
31 December 2024	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	162	6,361	64	4,445	13,299,278	13,310,310
Suspended interest on new exposures during the year	-	-	-	-	3,102,556	3,102,556
Suspended interest on settled exposures transferred to revenue during the year	(57,854)	(9,946)	(2,752)	(30,126)	(1,049,984)	(1,150,662)
Transferred to stage 1	57,692	3,585	-	-	(61,277)	-
Transferred to stage 2	-	-	2,688	29,908	(32,596)	-
Transferred to stage 3	-	-	-	(4,227)	4,227	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	57,692	3,585	2,688	25,681	(89,646)	-
Suspended interest on written off facilities	-	-	-	-	(532,550)	(532,550)
Balance at the end of the Year	-	-	-	-	14,729,654	14,729,654

	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
31 December 2023	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	-	5,338	64	63	11,377,257	11,382,722
Suspended interest on new exposures during the year	162	999	4	2,653	2,768,262	2,772,080
Suspended interest on settled exposures transferred to revenue during the year	(44,319)	(106,631)	(11,670)	(96,706)	(484,482)	(743,808)
Transferred to stage 1	44,378	107,364	-	(28)	(151,714)	-
Transferred to stage 2	(59)	(692)	11,790	98,554	(109,593)	-
Transferred to stage 3	-	(17)	(124)	(91)	232	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	44,319	106,655	11,666	98,435	(261,075)	-
Suspended interest on written off facilities	-	-	-	-	(100,684)	(100,684)
Balance at the end of the Year	162	6,361	64	4,445	13,299,278	13,310,310

Below the credit facilities by portfolio and expected credit loss against it:

As of 31 December 2024

In accordance with IFRS (9) as adopted by the central bank of Jordan

	Stage 1			Stage 2			Stage 3			Total		
31 December 2024	Gross	Expected credit losses	Suspended interest	Gross	Expected credit losses	Suspended interest	Gross	Expected credit losses	Suspended interest	Gross	Expected credit losses	Suspended interest
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Individuals	581,026,335	5,240,393	-	144,382,015	23,921,046	-	100,864,107	76,519,941	3,739,805	826,272,457	105,681,380	3,739,805
Real estate	189,607,083	848,188	-	119,087,316	3,569,657	-	32,034,222	6,965,234	1,409,348	340,728,621	11,383,079	1,409,348
Corporates	519,625,999	1,184,409	-	172,592,582	7,567,912	-	53,131,118	30,393,877	6,713,957	745,349,699	39,146,198	6,713,957
SMEs	122,933,388	671,392	-	66,603,332	1,271,634	-	44,958,440	16,389,275	2,866,544	234,495,160	18,332,301	2,866,544
Government and Public Sector	268,831,068	1,988,103	-	21,992,661	272,979	-	-	-	-	290,823,729	2,261,082	-
	1,682,023,873	9,932,485	-	524,657,906	36,603,228	-	230,987,887	130,268,327	14,729,654	2,437,669,666	176,804,040	14,729,654

As of 31 December 2023

In accordance with IFRS (9) as adopted by the central bank of Jordan

	Stage 1			Stage 2			Stage 3			Total		
31 December 2023	Gross	Expected credit losses	Suspended interest	Gross	Expected credit losses	Suspended interest	Gross	Expected credit losses	Suspended interest	Gross	Expected credit losses	Suspended interest
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Individuals	652,605,214	5,234,878	6,356	124,052,698	14,137,017	4,442	72,709,682	56,413,350	2,988,709	849,367,594	75,785,245	2,999,507
Real estate	249,687,795	442,205	5	72,526,914	2,436,028	3	26,807,210	7,736,158	1,513,362	349,021,919	10,614,391	1,513,370
Corporates	502,805,008	860,813	-	213,381,813	9,676,137	-	31,403,752	16,342,369	6,355,367	747,590,573	26,879,319	6,355,367
SMEs	144,148,244	244,360	162	72,848,404	1,413,307	64	32,996,178	14,449,610	2,441,840	249,992,826	16,107,277	2,442,066
Government and Public Sector	124,376,086	292,230	-	118,586,160	1,711,248	-	-	-	-	242,962,246	2,003,478	-
	1,673,622,347	7,074,486	6,523	601,395,989	29,373,737	4,509	163,916,822	94,941,487	13,299,278	2,438,935,158	131,389,710	13,310,310

Disclosure on the allocation of gross facilities according to the Bank's internal rating categories for corporates:

31 December 2024	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:				
From (1) to (6)	519,625,999	134,069,888	98,309	653,794,196
(7)	-	38,522,694	-	38,522,694
From (8) to (10)	-	-	53,032,809	53,032,809
Total	519,625,999	172,592,582	53,131,118	745,349,699

31 December 2023	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:				
From (1) to (6)	502,805,008	159,752,144	2,815,710	665,372,862
(7)	-	53,629,669	463,214	54,092,883
From (8) to (10)	-	-	28,124,828	28,124,828
Total	502,805,008	213,381,813	31,403,752	747,590,573

The disclosure on the movement of facilities for corporates is as follows:

31 December 2024	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Gross balance as of the beginning of the year	502,805,008	213,381,813	31,403,752	747,590,573
New facilities during the year	109,693,214	41,826,240	2,914,367	154,433,821
Settled facilities	(112,742,957)	(41,181,522)	(1,864,707)	(155,789,186)
Transferred to stage 1	60,552,825	(59,656,214)	(896,611)	-
Transferred to stage 2	(39,461,427)	40,974,338	(1,512,911)	-
Transferred to stage 3	(1,220,664)	(22,752,073)	23,972,737	-
Written off facilities	-	-	(885,509)	(885,509)
Balance at the end of the year	519,625,999	172,592,582	53,131,118	745,349,699

31 December 2023	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Gross balance as of the beginning of the year	436,596,204	160,870,352	28,836,228	626,302,784
New facilities during the year	217,518,353	56,307,923	1,962,786	275,789,062
Settled facilities	(97,703,725)	(52,681,505)	(4,116,043)	(154,501,273)
Transferred to stage 1	24,979,811	(24,979,811)	-	-
Transferred to stage 2	(77,368,332)	78,414,323	(1,045,991)	-
Transferred to stage 3	(1,217,303)	(4,549,469)	5,766,772	-
Written off facilities	-	-	-	-
Balance at the end of the year	502,805,008	213,381,813	31,403,752	747,590,573

The disclosure on the movement of the provision for expected credit losses for facilities relating to corporates is as follows:

31 December 2024	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	860,813	9,676,137	16,342,369	26,879,319
Expected credit losses on new facilities during the year	667,985	1,589,313	1,351,253	3,608,551
Reversed from expected credit losses on matured facilities	(209,614)	(603,537)	(1,218,818)	(2,031,969)
Transferred to stage 1	986,645	(717,189)	(269,456)	-
Transferred to stage 2	(223,505)	700,974	(477,469)	-
Transferred to stage 3	(109)	(4,430,005)	4,430,114	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	(869,172)	1,298,633	9,474,273	9,903,734
Written off facilities	(28,634)	53,586	1,181,090	1,206,042
Changes resulting from adjustments	-	-	15,421	15,421
Gross balance at the end of the year	1,184,409	7,567,912	30,393,877	39,146,198

31 December 2023	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	893,541	8,458,959	16,082,690	25,435,190
Expected credit losses on new facilities during the year	315,808	4,652,356	692,938	5,661,102
Reversed from expected credit losses on matured facilities	(341,903)	(1,293,261)	(3,394,307)	(5,029,471)
Transferred to stage 1	1,226,965	(1,226,965)	-	-
Transferred to stage 2	(181,830)	809,599	(627,769)	-
Transferred to stage 3	(59,441)	(1,977,395)	2,036,836	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	(992,327)	252,844	2,138,132	1,398,649
Changes resulting from adjustments	-	-	(586,151)	(586,151)
Gross balance at the end of the year	860,813	9,676,137	16,342,369	26,879,319

Disclosure on the allocation of gross facilities according to the Bank's internal rating categories for SMEs:

31 December 2024	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:						
From (1) to (6)	121,330,578	1,602,810	54,509,905	813,092	28,209	178,284,594
(7)	-	-	11,278,191	2,144	376	11,280,711
From (8) to (10)	-	-	-	-	44,929,855	44,929,855
Total	121,330,578	1,602,810	65,788,096	815,236	44,958,440	234,495,160

31 December 2023	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:						
From (1) to (6)	139,093,459	-	62,338,071	-	36,005	201,467,535
(7)	-	-	9,465,813	-	429,978	9,895,791
From (8) to (10)	-	-	-	-	28,896,075	28,896,075
Uncategorized	-	5,054,785	-	1,044,520	3,634,120	9,733,425
Total	139,093,459	5,054,785	71,803,884	1,044,520	32,996,178	249,992,826

The disclosure on the movement of facilities for SMEs is as follows:

31 December 2024	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	139,093,459	5,054,785	71,803,884	1,044,520	32,996,178	249,992,826
New facilities during the year	34,940,479	340,816	16,124,012	178,441	2,397,992	53,981,740
Settled facilities	(37,361,264)	(2,964,000)	(22,682,243)	(584,922)	(5,797,524)	(69,389,953)
Transferred to stage 1	12,859,861	212,988	(12,283,361)	(77,444)	(712,044)	-
Transferred to stage 2	(20,871,481)	(462,558)	21,839,812	625,987	(1,131,760)	-
Transferred to stage 3	(7,330,476)	(579,221)	(9,014,008)	(371,346)	17,295,051	-
Written off facilities	-	-	-	-	(89,453)	(89,453)
Total	121,330,578	1,602,810	65,788,096	815,236	44,958,440	234,495,160

31 December 2023	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	152,336,267	7,606,430	49,386,325	1,135,017	30,832,108	241,296,147
New facilities during the year	59,934,912	1,846,531	24,934,287	92,845	2,496,621	89,305,196
Settled facilities	(57,728,582)	(3,202,949)	(12,868,412)	(685,097)	(6,115,964)	(80,601,004)
Transferred to stage 1	10,168,391	318,116	(9,360,269)	(232,995)	(893,243)	-
Transferred to stage 2	(21,151,998)	(834,592)	23,494,007	1,179,896	(2,687,313)	-
Transferred to stage 3	(4,465,531)	(678,751)	(3,782,054)	(445,146)	9,371,482	-
Written off facilities	-	-	-	-	(7,513)	(7,513)
Total	139,093,459	5,054,785	71,803,884	1,044,520	32,996,178	249,992,826

The disclosure on the movement of the provision for expected credit losses for facilities relating to SMEs is as follows:

31 December 2024	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	238,566	5,794	1,398,647	14,660	14,449,610	16,107,277
Expected credit loss on new facilities during the year	98,226	1,167	540,191	1,934	814,047	1,455,565
Reversed from credit loss on matured facilities	(100,192)	(2,994)	(240,906)	(4,044)	(3,232,005)	(3,580,141)
Transferred to stage 1	869,711	73,409	(611,367)	(541)	(331,212)	-
Transferred to stage 2	(34,104)	(623)	406,991	78,736	(451,000)	-
Transferred to stage 3	(10,630)	(729)	(186,200)	(7,962)	205,521	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	(392,908)	(73,307)	(45,123)	(73,382)	5,299,228	4,714,508
Changes resulting from adjustments	6	-	-	-	(376,055)	(376,049)
Written off facilities	-	-	-	-	(89,113)	(89,113)
Adjustments resulting from changes in exchange rates	-	-	-	-	100,254	100,254
Balance at the end of the year	668,675	2,717	1,262,233	9,401	16,389,275	18,332,301

31 December 2023	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	476,773	8,498	1,886,250	67,855	13,075,151	15,514,527
Expected credit loss on new facilities during the year	86,231	2,991	194,069	627	1,715,063	1,998,981
Reversed from credit loss on matured facilities	(162,083)	(4,291)	(546,036)	(22,625)	(3,080,666)	(3,815,701)
Transferred to stage 1	732,316	45,100	(320,282)	(9,177)	(447,957)	-
Transferred to stage 2	(72,569)	(882)	1,098,521	191,503	(1,216,573)	-
Transferred to stage 3	(131,625)	(763)	(162,481)	(31,479)	326,348	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	(690,477)	(44,859)	(751,394)	(182,044)	4,131,002	2,462,228
Changes resulting from adjustments	-	-	-	-	(45,373)	(45,373)
Adjustments resulting from changes in exchange rates	-	-	-	-	(7,385)	(7,385)
Balance at the end of the year	238,566	5,794	1,398,647	14,660	14,449,610	16,107,277

Disclosure on the allocation of gross facilities according to the Bank's internal rating categories for individuals:

31 December 2024	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:				
Uncategorized	581,026,335	144,382,015	100,864,107	826,272,457
Total	581,026,335	144,382,015	100,864,107	826,272,457

31 December 2023	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:				
Uncategorized	652,605,214	124,052,698	72,709,682	849,367,594
Total	652,605,214	124,052,698	72,709,682	849,367,594

The disclosure on the movement of facilities for individuals is as follows:

31 December 2024	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Gross balance at the beginning of the year	652,605,214	124,052,698	72,709,682	849,367,594
New facilities during the year	64,912,679	11,101,581	7,171,460	83,185,720
Settled facilities	(83,461,440)	(12,490,828)	(6,140,698)	(102,092,966)
Transferred to stage 1	54,315,281	(41,324,309)	(12,990,972)	-
Transferred to stage 2	(81,664,504)	88,873,535	(7,209,031)	-
Transferred to stage 3	(25,680,895)	(25,830,662)	51,511,557	-
Written off facilities	-	-	(4,187,891)	(4,187,891)
Gross balance at the end of the year	581,026,335	144,382,015	100,864,107	826,272,457

	2023			
31 December 2023	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Gross balance at the beginning of the year	697,133,236	65,844,323	52,913,011	815,890,570
New facilities during the year	83,413,090	37,718,299	4,858,191	125,989,580
Settled facilities	(76,332,926)	(8,070,633)	(3,532,227)	(87,935,786)
Transferred to stage 1	28,629,398	(20,886,207)	(7,743,191)	-
Transferred to stage 2	(55,617,441)	61,782,918	(6,165,477)	-
Transferred to stage 3	(24,620,143)	(12,336,002)	36,956,145	-
Written off facilities	-	-	(4,576,770)	(4,576,770)
Gross balance at the end of the year	652,605,214	124,052,698	72,709,682	849,367,594

The disclosure on the movement of the provision for expected credit losses for facilities relating to individuals is as follows:

31 December 2024	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	5,234,878	14,137,017	56,413,350	75,785,245
Expected credit losses on new facilities during the year	1,730,359	5,057,186	5,668,264	12,455,809
Reversed from credit loss on accrued facilities	(1,246,760)	(1,279,816)	(1,083,697)	(3,610,273)
Transferred to stage 1	11,004,359	(4,626,601)	(6,377,758)	-
Transferred to stage 2	(620,304)	4,212,109	(3,591,805)	-
Transferred to stage 3	(494,600)	(3,678,629)	4,173,229	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	(10,367,492)	7,550,585	17,583,730	14,766,823
Changes resulting from adjustments	(47)	2,528,674	7,754,864	10,283,491
Written off facilities	-	-	(4,122,681)	(4,122,681)
Adjustments resulting from changes in exchange rates	-	20,521	102,445	122,966
Gross balance at the end of the year	5,240,393	23,921,046	76,519,941	105,681,380

31 December 2023	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	7,310,513	2,131,744	42,008,959	51,451,216
Expected credit losses on new facilities during the year	2,794,157	5,673,653	4,344,672	12,812,482
Reversed from credit loss on accrued facilities	(2,058,983)	(193,531)	(2,185,349)	(4,437,863)
Transferred to stage 1	5,022,442	(767,572)	(4,254,870)	-
Transferred to stage 2	(711,630)	3,949,087	(3,237,457)	-
Transferred to stage 3	(489,113)	(618,582)	1,107,695	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	(4,633,641)	3,959,249	15,709,111	15,034,719
Changes resulting from adjustments	(1,998,867)	2,969	7,496,123	5,500,225
Written off facilities	-	-	(4,483,108)	(4,483,108)
Adjustments resulting from changes in exchange rates	-	-	(92,426)	(92,426)
Gross balance at the end of the year	5,234,878	14,137,017	56,413,350	75,785,245

Disclosure on the allocation of gross facilities according to the Bank's internal rating categories for Real-estate Mortgages:

31 December 2024	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:				
Uncategorized	189,607,083	119,087,316	32,034,222	340,728,621
Total	189,607,083	119,087,316	32,034,222	340,728,621

31 December 2023	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:				
Uncategorized	249,687,795	72,526,914	26,807,210	349,021,919
Total	249,687,795	72,526,914	26,807,210	349,021,919

The disclosure on the movement of facilities for Real-estate Mortgages is as follows:

31 December 2024	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Gross balance at the beginning of the year	249,687,795	72,526,914	26,807,210	349,021,919
New facilities during the year	36,952,758	4,233,536	4,345,760	45,532,054
Settled facilities	(39,665,232)	(6,335,532)	(7,639,793)	(53,640,557)
Transferred to stage 1	15,512,365	(14,503,213)	(1,009,152)	-
Transferred to stage 2	(68,927,651)	72,036,099	(3,108,448)	-
Transferred to stage 3	(3,952,952)	(8,870,488)	12,823,440	-
Written Off Facilities	-	-	(184,795)	(184,795)
Gross balance at the end of the year	189,607,083	119,087,316	32,034,222	340,728,621

31 December 2023	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Gross balance at the beginning of the year	248,926,216	48,714,964	19,263,891	316,905,071
New facilities during the year	47,761,530	13,800,443	2,086,983	63,648,956
Settled facilities	(24,269,558)	(4,879,068)	(2,305,233)	(31,453,859)
Transferred to stage 1	11,050,729	(9,514,323)	(1,536,406)	-
Transferred to stage 2	(28,582,516)	30,782,639	(2,200,123)	-
Transferred to stage 3	(5,198,606)	(6,377,741)	11,576,347	-
Written Off Facilities	-	-	(78,249)	(78,249)
Gross balance at the end of the year	249,687,795	72,526,914	26,807,210	349,021,919

The disclosure on the movement of the provision for expected credit losses for facilities relating to Real-estate Mortgages is as follows:

31 December 2024	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Gross balance at the beginning of the year	442,205	2,436,028	7,736,158	10,614,391
Credit loss on new facilities during the year	301,465	313,930	456,367	1,071,762
Reversed from credit loss on matured facilities	(107,737)	(96,960)	(2,903,844)	(3,108,541)
Transferred to stage 1	1,257,568	(905,713)	(351,855)	-
Transferred to stage 2	(78,046)	1,302,990	(1,224,944)	-
Transferred to stage 3	(7,827)	(329,805)	337,632	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	(966,081)	817,776	2,390,319	2,242,014
Changes resulting from adjustments	1,400	20,890	616,161	638,451
Written Off Facilities	-	-	(179,171)	(179,171)
Adjustments resulting from changes in exchange rates	5,241	10,521	88,411	104,173
Gross balance at the end of the year	848,188	3,569,657	6,965,234	11,383,079

31 December 2023	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD
Gross balance at the beginning of the year	2,348,679	1,198,490	6,978,689	10,525,858
Credit loss on new facilities during the year	129,149	661,466	1,200,301	1,990,916
Reversed from credit loss on matured facilities	(1446,599)	(156,944)	(2,210,801)	(3,814,344)
Transferred to stage 1	713,605	(278,527)	(435,078)	-
Transferred to stage 2	(248,064)	954,281	(706,217)	-
Transferred to stage 3	(79,850)	(338,006)	417,856	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	(669,111)	402,752	3,452,475	3,186,116
Changes resulting from adjustments	(305,604)	(7,484)	(889,712)	(1,202,800)
Written Off Facilities	-	-	(71,355)	(71,355)
Gross balance at the end of the year	442,205	2,436,028	7,736,158	10,614,391

Disclosure on the allocation of gross facilities according to the Bank's internal rating categories for the government and public sector:

31 December 2024	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:				
From (1) to (6)	268,831,068	21,992,661	-	290,823,729
Total	268,831,068	21,992,661	-	290,823,729

31 December 2023	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:				
From (1) to (6)	124,376,086	118,586,112	-	242,962,198
(7)	-	48	-	48
Total	124,376,086	118,586,160	-	242,962,246

The disclosure on the movement of facilities for the government and public sector loans is as follows:

31 December 2024	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Gross balance at the beginning of the year	124,376,086	118,586,160	-	242,962,246
New facilities during the year	51,245,082	2,085,045	-	53,330,127
Settled facilities	(4,735,671)	(732,973)	-	(5,468,644)
Transferred to stage 1	117,853,187	(117,853,187)	-	-
Transferred to stage 2	(19,907,616)	19,907,616	-	-
Gross balance at the end of the year	268,831,068	21,992,661	-	290,823,729

31 December 2023	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Gross balance at the beginning of the year	167,361,163	76,467,579	-	243,828,742
New facilities during the year	10,967,376	34,245,189	-	45,212,565
Settled facilities	(43,156,632)	(2,922,429)	-	(46,079,061)
Transferred to stage 1	6,490,450	(6,490,450)	-	-
Transferred to stage 2	(17,286,271)	17,286,271	-	-
Gross balance at the end of the year	124,376,086	118,586,160	-	242,962,246

The disclosure on the movement of the provision for expected credit losses for facilities relating to the government and public sector is as follows:

31 December 2024	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	292,230	1,711,248	-	2,003,478
Credit loss on new facilities during the year	407,910	(86)	-	407,824
Reversed from credit loss on accrued facilities	10,882	(31)	-	10,851
Transferred to stage 1	1,711,132	(1,711,132)	-	-
Transferred to stage 2	(150,113)	150,113	-	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	(332,852)	122,867	-	(209,985)
Adjustments resulting from changes in exchange rates	48,914	-	-	48,914
Gross balance at the end of the year	1,988,103	272,979	-	2,261,082

31 December 2023	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	271,081	2,448,655	-	2,719,736
Credit loss on new facilities during the year	39,462	594,658	-	634,120
Reversed from credit loss on accrued facilities	(31,180)	(969,238)	-	(1,000,418)
Transferred to stage 1	575,658	(575,658)	-	-
Transferred to stage 2	(10,298)	10,298	-	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	(552,493)	202,533	-	(349,960)
Gross balance at the end of the year	292,230	1,711,248	-	2,003,478

12- Property and Equipment – Net

The details of this item are as follows:

	Land	Buildings	Tools, Furniture & Fixtures	Vehicles	Computers	Projects in Progress	Total
31 December 2024	JD	JD	JD	JD	JD	JD	JD
Cost:							
Beginning Balance	5,009,584	25,537,627	48,752,473	1,448,528	36,160,988	2,945,916	119,855,116
Additions	-	-	907,465	46,052	3,022,025	1,438,603	5,414,145
Transfers	-	-	1,366,242	-	1,140,209	(2,506,451)	-
Disposals	-	(120,975)	(924,838)	-	(1,916,970)	-	(2,962,783)
Balance at the end of the year	5,009,584	25,416,652	50,101,342	1,494,580	38,406,252	1,878,068	122,306,478
Accumulated Depreciation:							
Balance at the beginning of the year	-	7,784,350	38,239,287	1,122,978	28,579,062	-	75,725,677
Depreciation for the year	-	581,157	2,512,181	77,411	2,971,092	-	6,141,841
Disposals	-	-	(792,205)	-	(1,906,489)	-	(2,698,694)
Balance at the end of the year	-	8,365,507	39,959,263	1,200,389	29,643,665	-	79,168,824
Net book value at the end of the year	5,009,584	17,051,145	10,142,079	294,191	8,762,587	1,878,068	43,137,654
31 December 2023							
Cost:							
Beginning Balance	5,009,584	25,544,617	50,039,092	1,418,228	34,344,341	1,499,008	117,854,870
Additions	-	-	939,318	53,900	2717,422	2,671,421	6,382,061
Transfers	-	(6,990)	420,225	-	811,278	(1,224,513)	-
Disposals	-	-	(2,646,162)	(23,600)	(1,712,053)	-	(4,381,815)
Balance at the end of the year	5,009,584	25,537,627	48,752,473	1,448,528	36,160,988	2,945,916	119,855,116
Accumulated Depreciation:							
Balance at the beginning of the year	-	7,203,066	38,374,869	1,081,064	27,271,044	-	73,930,043
Depreciation for the year	-	581,284	2,488,475	65,514	3,013,604	-	6,148,877
Disposals	-	-	(2,624,057)	(23,600)	(1,705,586)	-	(4,353,243)
Balance at the end of the year	-	7,784,350	38,239,287	1,122,978	28,579,062	-	75,725,677
Net book value at the end of the year	5,009,584	17,753,277	10,513,186	325,550	7,581,926	2,945,916	44,129,439

- Fully depreciated property and equipment amounted to JD 57,914,865 as of 31 December 2024 (JD 58,299,241 as of 31 December 2023) and are still being used by the Bank.
- The estimated cost to complete of the projects under construction amounted to JD 2,198,544 as of 31 December 2024.

13- Intangible Assets – Net

The details of this item are as follows:

	Computer Software	
	2024	2023
	JD	JD
Balance at the beginning of the year	6,105,699	5,361,339
Additions	3,265,436	2,224,421
Amortization for the year	(1,741,290)	(1,480,061)
Balance at the end of the year	7,629,845	6,105,699

14- Other Assets

The details of this item are as follows:

	2024	2023
	JD	JD
Accrued income	24,846,553	24,210,547
Prepaid expenses	8,088,714	7,026,476
Seized assets – net *	17,988,541	17,432,653
Accounts receivable – net	4,109,722	5,656,136
Clearing checks	5,648,783	3,645,684
Settlement guarantee fund	25,000	86,000
Refundable deposits	768,572	767,572
Other deposits	5,916,225	3,388,122
Others	4,075,881	3,500,826
Total	71,467,991	65,714,016

* The instruction of the Central Bank of Jordan require the Bank to dispose the assets it seizes during a maximum period of two years from the acquisition date, the Central Bank of Jordan might provide an exceptional exemption for an additional period of 2 years.

Movement on seized assets as a settlement against defaulted facilities details during the year is as follows:

	2024	2023
	JD	JD
Balance - beginning of the year	19,818,954	20,800,735
Additions	3,477,572	2,462,219
Disposals	(3,483,787)	(3,444,000)
Total	19,812,739	19,818,954
Impairment of seized assets	(1,824,198)	(2,386,301)
Balance - end of the year	17,988,541	17,432,653

A summary of the movement on the provision for seized assets:

	2024	2023
	JD	JD
Balance-beginning of the year	2,386,301	2,345,885
Additions	482,627	40,416
Recovered to the income statement	(1,000,000)	-
Disposals	(44,730)	-
Balance - end of the year	1,824,198	2,386,301

15- Banks and financial institutions' deposits

The details of this item are as follows:

	2024			2023		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Current and call accounts	1,467,902	2,687,975	4,155,877	4,966,476	6,257,714	11,224,190
Deposits maturing within 3 months or less	144,970,108	144,182,336	289,152,444	185,651,797	28,775,251	214,427,048
Deposits maturing within more than 3 months to 6 months	-	223,335	223,335	30,000,000	177,250	30,177,250
Deposits maturing within more than 6 months to 12 months	30,000,000	106,350	30,106,350	6,000,000	155,980	6,155,980
Deposits maturing within more than a year	23,000,000	1,217,353	24,217,353	23,000,000	1,688,838	24,688,838
Total	199,438,010	148,417,349	347,855,359	249,618,273	37,055,033	286,673,306

16- Customers' Deposits

The details of this item are as follows:

	Retail	Corporates	SMEs	Government and Public Sector	Total
	JD	JD	JD	JD	JD
31 December 2024					
Current and demand accounts	336,766,087	135,988,746	80,410,730	93,829,958	646,995,521
Saving deposits	520,869,910	4,376,675	4,800,335	553,821	530,600,741
Time and notice deposits	587,927,789	379,740,181	81,074,514	254,162,961	1,302,905,445
Total	1,445,563,786	520,105,602	166,285,579	348,546,740	2,480,501,707

	Retail	Corporates	SMEs	Government and Public Sector	Total
	JD	JD	JD	JD	JD
31 December 2023					
Current and demand accounts	357,584,180	119,110,453	74,663,536	98,241,803	649,599,972
Saving deposits	563,244,218	4,661,723	8,080,307	49,956	576,036,204
Time and notice deposits	622,041,919	417,372,604	49,311,074	284,922,131	1,373,647,728
Total	1,542,870,317	541,144,780	132,054,917	383,213,890	2,599,283,904

- The Government of Jordan and the public sector deposits inside the Kingdom amounted to JD 324,107,230 equivalent to 13.07% of gross deposits as of 31 December 2024 (JD 354,345,149 equivalent to 13.63% of total deposits of 31 December 2023).
- There are no restricted deposits as of 31 December 2024 and 2023.
- Non-interest-bearing deposits amounted to JD 557,137,358 equivalent to 22.46% of gross deposits as of 31 December 2024 (JD 573,610,659 equivalent to 22.07% of gross deposits as of 31 December 2023).
- Dormant deposit accounts amounted to JD 47,875,024 as of 31 December 2024 (JD 60,297,055 as of 31 December 2023).

17- Cash margins

The details of this item are as follows:

	2024	2023
	JD	JD
Margins on direct credit facilities	48,694,019	40,421,382
Margins on indirect credit facilities	43,942,902	32,750,500
Deposits against brokerage margin accounts	1,178,434	2,047,955
Other margin amount	6,225,632	7,410,872
Total	100,040,987	82,630,709

18- Borrowed Funds

The details of this item are as follows:

	Amount	No. of Installments		Payment frequency	Maturity Date	Collaterals	Interest Rate
		Total	Outstanding				
	JD						
31 December 2024							
Amounts borrowed from overseas investment company (OPIC)	15,598,000	1	1	At maturity	2034	None	4.845%-4.895%
Amounts borrowed from French Development Agency	177,250	20	1	Semi- annually	2025	None	3.358%
Amounts borrowed from Central Bank of Jordan*	2,850,000	20	6	Semi- annually	2027	None	7.174%
Amounts borrowed from Central Bank of Jordan**	106,298,468	984	984	At maturity / per Loan	2025-2035	None	0.5%-1.75%
Amounts borrowed from Central Bank of Jordan**	15,528,918	196	196	At maturity / per Loan	2025-2030	None	-
Amounts borrowed from Central Bank of Jordan*	2,255,000	20	10	Semi- annually	2030	None	7.174%
Amounts borrowed from Central Bank of Jordan*	6,464,079	35	30	Semi- annually	2039	None	3%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	74,231,040	7	7	Semi- annually	2028	None	4.47%
Jordan Mortgage Refinance Company ***	15,000,000	1	1	At maturity	2026	None	7.1%
Jordan Mortgage Refinance Company ***	30,000,000	1	1	At maturity	2026	None	6.75%
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2025	None	4.9%
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2028	None	4.75%
Jordan Mortgage Refinance Company ***	4,000,000	1	1	At maturity	2026	None	4.65%
Arab Fund for economic and social development	5,319,035	11	11	Semi- annually	2031	None	3.5%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	4,557,857	7	6	Semi- annually	2027	None	6.96%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	1,519,286	7	6	Semi- annually	2027	None	5.84%
Palestine Monetary Authority	1,224,134	-	-	Monthly	-	None	3%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	5,233,095	7	5	Semi- annually	2027	None	6.5%
Proparco	3,078,899	13	11	Semi- annually	2030	None	7.71%
Amounts borrowed from International Financial Markets (FMI)	1,074,224	1	1	1	-	None	-
Jordan Kuwait Bank	13,670,605	Revolving loan	-	Monthly	2027	None	5%
Etihad Bank	5,949,999	Revolving loan	-	Quarterly	2028	None	6.75%
Housing Bank for Trade and Finance	1,169,616	Overdraft	-	-	2025	None	6,75%
Jordan Ahli Bank	4,989,104	Revolving loan	-	Monthly	2027	None	5.75%
Jordan Ahli Bank	10,000,000	Revolving loan	-	Monthly	2025	None	4.75%
Total	**350,188,609**						

	Amount	No. of Installments		Payment frequency	Maturity Date	Collaterals	Interest Rate
		Total	Outstanding				
	JD						
31 December 2023							
Amounts borrowed from overseas investment company (OPIC)	15,598,000	1	1	At maturity	2034	None	4.845%-4.895%
Amounts borrowed from French Development Agency	531,750	20	3	Semi- annually	2025	None	3.358%
Amounts borrowed from Central Bank of Jordan*	3,800,000	20	8	Semi- annually	2027	None	8.65%
Amounts borrowed from Central Bank of Jordan**	106,779,184	802	802	At maturity / per Loan	2024-2035	None	0.5%-1.75%
Amounts borrowed from Central Bank of Jordan**	22,483,088	402	402	At maturity / per Loan	2024-2030	None	-
Amounts borrowed from Central Bank of Jordan*	215,856	14	2	Semi- annually	2024	None	2.5%
Amounts borrowed from Central Bank of Jordan*	2,665,000	20	12	Semi- annually	2030	None	8.75%
Amounts borrowed from Central Bank of Jordan	6,610,826	35	32	Semi- annually	2039	None	3%
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2024	None	8.65%
Jordan Mortgage Refinance Company ***	30,000,000	1	1	At maturity	2024	None	5.75%
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2025	None	4.9%
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2028	None	4.75%
Jordan Mortgage Refinance Company ***	4,000,000	1	1	At maturity	2026	None	4.65%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	5,317,500	7	7	Semi- annually	2028	None	6.812%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	1,772,500	7	7	Semi- annually	2028	None	5.692%
Amounts borrowed from French Development Agency	1,968,594	20	4	Semi- annually	2031	None	5.83%
Palestine Monetary Authority	1,708,447	-	-	Monthly	-	None	%3.0
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	5,672,000	7	7	Semi- annually	2027	None	6.9%
Proparco	3,545,000	13	13	Semi- annually	2030	None	8.7%
Amounts borrowed from International Financial Markets (FMI)	1,074,224	1	1	1	-	None	-
Jordan Kuwait Bank	13,797,500	8	8	Quarterly	2024	None	5.0%
Etihad Bank	5,551,666	8	7	Quarterly	2024	None	6.75%
Housing Bank for Trade and Finance	12,784,429	Overdraft	-	-	2024	None	7.25%
Jordan Ahli Bank	5,000,000	8	8	Quarterly	2024	None	5.75%
Jordan Ahli Bank	10,000,000	1	1	At maturity	2025	None	4.75%
Arab Jordan Investment Bank	5,000,000	24	24	Quarterly	2025	None	6%
Total	295,875,564						

* The borrowed funds from Central Bank of Jordan for SMEs loans were re-lent on an average interest rate of 8% (2023: 8%).

** The borrowed funds from Central Bank of Jordan for industrial, energy, agriculture and tourism financing loans were re-lent on an average interest rate of 2% to 4% (2023: 2%-4%).

*** Residential loans acquired from Jordan Mortgage Refinance Company amounted to JD 59,327,020 as of 31 December 2024 at an average rate of 8.8%. (2023: JD 57,148,659 and average rate of 7%)

19- Subordinated loan

The details of this item are as follows:

	Amount	No. of Installments		Payment	Maturity		Interest
		Total	Outstanding	frequency	Date	Collaterals	Rate
31 December 2024	JD						
Green for Growth Fund	7,905,350	1	1	At maturity	2026	None	9.85%
Sanad fund for MSME	10,635,000	1	1	At maturity	2027	None	9.99%
Total	18,540,350						

	Amount	No. of Installments		Payment	Maturity		Interest
		Total	Outstanding	frequency	Date	Collaterals	Rate
31 December 2023	**JD**						
Green for Growth Fund	7,905,350	1	1	At maturity	2026	None	9.9%
Sanad fund for MSME	10,635,000	1	1	At maturity	2027	None	9.54%
Total	18,540,350						

20- Sundry Provisions

	Balance - Beginning of the Year	Additions during the Year	Paid during the Year	Balance - End of the Year
	JD	JD	JD	JD
31 December 2024				
Provision for lawsuits against the Bank	1,908,328	1,106,290	(168,616)	2,846,002
Provision for end of service indemnity (Note 35)	12,442,130	1,677,103	(3,153,248)	10,965,985
Provision for other obligations	25,997	15,827	-	41,824
Total	14,376,455	2,799,220	(3,321,864)	13,853,811

	Balance - Beginning of the Year	Additions during the Year	Paid during the Year	Balance - End of the Year
	JD	JD	JD	JD
31 December 2023				
Provision for lawsuits against the Bank	1,861,739	100,000	(53,411)	1,908,328
Provision for end of service indemnity (Note 35)	12,177,996	1,983,855	(1,719,721)	12,442,130
Provision for other obligations	25,997	-	-	25,997
Total	14,065,732	2,083,855	(1,773,132)	14,376,455

21- Income Tax

A- Income Tax Provision

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

	2024	2023
	JD	JD
Balance - beginning of the year	23,492,297	23,867,415
Income tax paid	(20,037,625)	(20,114,636)
Income tax payable	5,943,000	19,739,518
Balance - end of the year	9,397,672	23,492,297

B- Income tax disclosed in the income statement represents the following:

	2024	2023
	JD	JD
Income tax for the year	5,943,000	19,739,518
Deferred Tax liabilities	-	(398,978)
Deferred Tax Assets	(1,706,238)	(2,868,455)
Income tax for the year's profits	4,236,762	16,472,085

- The statutory tax rate on banks in Jordan is 38%, and the statutory tax rate on foreign branches and subsidiaries ranges between 0%-31% (income tax rate for banks in Palestine is 15% plus VAT of 16%).

- The Bank reached a final settlement with the Income and Sales Tax Department for the year ended 2019 for the branches in Jordan and the department has not reviewed the accounts for the years 2020, 2021, 2022, & 2023.

- A final settlement was reached with the tax authorities for Palestine branches for the year ended 2023.

- Al-Watanieh Financial Services Company (Jordan) Awraq reached a final settlement with the Income and Sales Tax Department up to the year 2022 . The Income and Sales Tax Department imposed a fine on the company for previous years amounting to JD 1,355,039, in addition to the amounts already paid. A settlement and reconciliation request was submitted regarding the fines incurred by the company in accordance with the prime ministy's decision, but no final decision has been issued regarding this matter as of the date of the financial statements. The full amount has been provisioned in the company's data, and the review for the year 2023 has not been conducted.

- Al-Watanieh Securities Company (Palestine) reached a final settlement with the income tax Department till the end of the year 2023.

- Tamallak for leasing Company has reached a final settlement with the Income and Sales tax Department for the year 2022 and the department has not reviewed the accounts for the year 2023.

- In the opinion of the Bank's management, income tax provisions as of 31 December 2024 are sufficient to face any future tax liabilities.

C - Deferred Tax Assets and Liabilities

The details of this item are as follows:

	2024					2023
	Balance-beginning of the Year	Released Amounts	Added Amounts	Balance - End of the Year	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
Deferred tax assets						
Provision for expected credit losses	37,901,196	(6,592,481)	9,414,790	40,723,505	14,123,349	13,970,554
Interest in suspense	1,626,510	(597,997)	-	1,028,513	287,984	455,423
Sundry provisions	2,044,001	(121,410)	6,398,999	8,321,590	2,562,606	776,720
Impairment on repossessed assets	2,386,301	(1,044,730)	482,627	1,824,198	628,890	886,279
Interest received in advance	-	-	719,996	719,996	192,383	-
Unrealized Losses – financial assets at FVTOCI	10,122	(10,122)	-	-	-	1,417
Foreign currency translation effects	1,760,078	-	-	1,760,078	176,008	176,008
	45,728,208	(8,366,740)	17,016,412	54,377,880	17,971,220	16,266,401
Deferred tax liabilities						
Unrealized Gain – financial assets at FVTOCI	29,658,293	(7,085,867)	41,654,634	64,227,060	5,102,351	2,155,299
Unrealized gain – financial assets at FVTPL (early IFRS 9 implementation)	4,980,834	-	-	4,980,834	529,581	529,581
	34,639,127	(7,085,867)	41,654,634	69,207,894	5,631,932	2,684,880

The movement on deferred tax assets / liabilities is as follows:

	31 December 2024		31 December 2023	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance - beginning of the year	16,266,401	2,684,880	13,574,826	1,308,124
Additions	4,544,283	4,254,115	3,040,258	2,824,574
Disposal	(2,839,464)	(1,307,063)	(348,683)	(1,447,818)
Balance - end of the year	17,971,220	5,631,932	16,266,401	2,684,880

- Deferred tax is calculated using the tax rates that are expected to be applied when the deferred tax asset will be realized, or the deferred tax liability will be settled.

D- Summary of Reconciliation between Accounting Profits and Taxable Profits:

	2024	2023
	JD	JD
Accounting profit	18,489,892	51,451,416
Non-taxable profit	(18,702,547)	(10,358,385)
Non-deductible expenses	11,168,898	5,366,875
Taxable profit	10,956,243	46,459,906
Effective rate of income tax	22.91%	32.01%

22- Other Liabilities

	2024	2023
	JD	JD
Accrued interest	20,994,050	20,918,960
Unearned income	544,903	537,195
Accounts payable	5,383,264	6,814,916
Accrued expenses	9,413,902	10,818,804
Temporary deposits	33,608,812	25,057,407
Checks and withdrawals	7,807,276	7,644,290
Others	2,531,268	4,894,448
	80,283,475	76,686,020
Provision for expected credit losses for indirect credit facilities	3,218,212	4,320,898
	83,501,687	81,006,918

Disclosure on the movement of indirect credit facilities at a collective level at the end of the year:

31 December 2024	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	13,374,087	344,601,132	1,550,047	98,107,971	2,913,575	460,546,812
New exposures during the year	10,052,469	124,549,908	1,132,938	29,956,206	2,053,106	167,744,627
Accrued exposures	(9,078,963)	(101,515,374)	(801,636)	(42,419,560)	(816,591)	(154,632,124)
Transferred to stage 1	448,913	20,692,743	(378,200)	(20,637,919)	(125,537)	-
Transferred to stage 2	(290,675)	(25,773,011)	346,926	27,719,426	(2,002,666)	-
Transferred to stage 3	(242,479)	(154,890)	(98,641)	(820,060)	1,316,070	-
Gross balance at the end of the year	14,263,352	362,400,508	1,751,434	91,906,064	3,337,957	473,659,315

31 December 2023	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	12,302,978	307,356,309	910,910	72,799,844	1,177,193	394,547,234
New exposures during the year	5,353,813	162,721,012	660,706	47,874,258	1,155,422	217,765,211
Accrued exposures	(3,840,232)	(128,664,673)	(366,681)	(18,156,165)	(737,882)	(151,765,633)
Transferred to stage 1	171,649	17,568,068	(150,102)	(17,568,068)	(21,547)	-
Transferred to stage 2	(487,569)	(13,332,573)	531,177	13,337,073	(48,108)	-
Transferred to stage 3	(126,552)	(1,047,011)	(35,963)	(178,971)	1,388,497	-
Gross balance at the end of the year	13,374,087	344,601,132	1,550,047	98,107,971	2,913,575	460,546,812

The disclosure on the movement of the provision for expected credit losses for indirect facilities at a collective level is as follows:

31 December 2024	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	52,284	426,847	132,171	2,465,298	1,244,298	4,320,898
Credit loss on new exposures during the year	74,167	378,355	108,830	893,179	427,331	1,881,862
Credit loss on accrued exposures	(22,261)	(206,455)	(98,267)	(1,600,279)	(259,901)	(2,187,163)
Transferred to stage 1	39,963	527,177	(29,130)	(491,337)	(46,673)	-
Transferred to stage 2	(1,513)	(84,759)	10,336	939,046	(863,110)	-
Transferred to stage 3	(1,122)	(2)	(8,061)	(2,996)	12,181	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages at the end of the year	(36,517)	(480,267)	34,687	(550,030)	141,609	(890,518)
Changes resulting from adjustments	-	99,676	-	(22,490)	15,947	93,133
Gross balance at the end of the year	105,001	660,572	150,566	1,630,391	671,682	3,218,212

31 December 2023	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	516,716	889,163	112,093	2,664,388	624,681	4,807,041
Credit loss on new exposures during the year	13,250	158,743	30,005	880,206	46,007	1,128,211
Credit loss on accrued exposures	(426,474)	(272,608)	(36,824)	(941,357)	(407,896)	(2,085,159)
Transferred to stage 1	24,358	290,465	(15,780)	(290,465)	(8,578)	-
Transferred to stage 2	(45,672)	(89,958)	60,086	92,969	(17,425)	-
Transferred to stage 3	(5,908)	(3,396)	(3,718)	(4,530)	17,552	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages at the end of the year	(23,449)	(276,472)	(13,692)	160,760	989,344	836,491
Changes resulting from adjustments	(537)	(269,090)	1	(96,673)	613	(365,686)
Gross balance at the end of the year	52,284	426,847	132,171	2,465,298	1,244,298	4,320,898

Disclosure on the allocation of letters of credit and acceptances according to the Bank's internal rating policy:

As on 31 December 2024	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:						
From (Aaa) to (Baa3)	-	4,153,526	-	-	-	4,153,526
From (Ba1) to (Caa3)	-	28,338,712	-	-	-	28,338,712
From (1) to (6)	-	35,132,045	-	4,378,301	-	39,510,346
(7)	-	-	-	1,900,231	-	1,900,231
From (8) to (10)	-	-	-	-	-	-
Total	**-**	67,624,283	**-**	6,278,532	**-**	73,902,815

As on 31 December 2023	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:						
From (Aaa) to (Baa3)	-	3,876,493	-	-	-	3,876,493
From (Ba1) to (Caa3)	-	24,699,073	-	-	-	24,699,073
From (1) to (6)	-	45,993,035	-	7,522,086	-	53,515,121
(7)	-	-	-	2,497,267	-	2,497,267
From (8) to (10)	-	-	-	-	54,787	54,787
Total	-	74,568,601	-	10,019,353	54,787	84,642,741

Disclosure on the movement of indirect facilities relating to letters of credit and acceptances:

31 December 2024	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	-	74,568,601	-	10,019,353	54,787	84,642,741
New exposures during the year	-	30,073,527	-	1,888,398	-	31,961,925
Accrued exposures	-	(36,775,330)	-	(5,926,521)	-	(42,701,851)
Transferred to stage 1	-	87,466	-	(32,679)	(54,787)	-
Transferred to stage 2	-	(329,981)	-	329,981	-	-
Gross balance at the end of the year	-	67,624,283	-	6,278,532	-	73,902,815

31 December 2023	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	-	62,817,006	-	7,953,638	-	70,770,644
New exposures during the year	-	36,640,190	-	6,918,607	2,055	43,560,852
Accrued exposures	-	(23,531,401)	-	(6,157,354)	-	(29,688,755)
Transferred to stage 1	-	192,316	-	(192,316)	-	-
Transferred to stage 2	-	(1,496,778)	-	1,496,778	-	-
Transferred to stage 3	-	(52,732)		-	52,732	-
Gross balance at the end of the year	-	74,568,601	-	10,019,353	54,787	84,642,741

The disclosure on the movement of the provision for expected credit losses is as follows:

31 December 2024	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	-	83,890	-	359,031	35,819	478,740
Credit loss on new exposures during the year	-	102,781	-	142,589	-	245,370
Credit loss on accrued exposures	-	(58,242)	-	(305,443)	-	(363,685)
Transferred to stage 1	-	35,867	-	(48)	(35,819)	-
Transferred to stage 2	-	(4,730)	-	4,730	-	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages at the end of the year	-	(35,548)	-	26,713	-	(8,835)
Changes resulting from adjustments	-	47,173	-	-	-	47,173
Gross balance at the end of the year	-	171,191	-	227,572	-	398,763

31 December 2023	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	-	364,986	-	387,426	-	752,412
Credit loss on new exposures during the year	-	27,046	-	224,833	-	251,879
Credit loss on accrued exposures	-	(62,789)	-	(250,832)	-	(313,621)
Transferred to stage 1	-	7,731	-	(7,731)	-	-
Transferred to stage 2	-	(399)	-	399	-	-
Transferred to stage 3	-	(277)	-	-	277	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages at the end of the year	-	(6,957)	-	7,051	35,542	35,636
Changes resulting from adjustments	-	(245,451)	-	(2,115)	-	(247,566)
Gross balance at the end of the year	-	83,890	-	359,031	35,819	478,740

Disclosure on the allocation of letters of guarantee according to the Bank's internal rating policies:

31 December 2024	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:						
From (Aaa) to (Baa3)	-	10,936,632	-	-	-	10,936,632
From (Ba1) to (Caa3)	-	1,784,620	-	-	-	1,784,620
From (1) to (6)	-	56,753,243	-	29,977,821	-	86,731,064
(7)	-	-	-	1,290,210	-	1,290,210
From (8) to (10)	-	-	-	-	653,107	653,107
Total	-	69,474,495	-	31,268,031	653,107	101,395,633

31 December 2023	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:						
From (Aaa) to (Baa3)	-	10,234,582	-	-	-	10,234,582
From (Ba1) to (Caa3)	-	1,317,747	-	-	-	1,317,747
From (1) to (6)	-	48,287,980	-	17,590,637	-	65,878,617
(7)	-	-	-	837,578	-	837,578
From (8) to (10)	-	-	-	-	911,211	911,211
Total	-	59,840,309	-	18,428,215	911,211	79,179,735

Disclosure on the movement of indirect facilities relating letters of guarantee:

31 December 2024	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	-	59,840,309	-	18,428,215	911,211	79,179,735
New exposures during the year	-	30,748,155	-	9,619,069	-	40,367,224
Accrued exposures	-	(13,008,291)	-	(4,790,024)	(353,011)	(18,151,326)
Transferred to stage 1	-	2,326,132	-	(2,326,132)	-	-
Transferred to stage 2	-	(10,389,690)	-	10,654,690	(265,000)	-
Transferred to stage 3	-	(42,120)	-	(317,787)	359,907	-
Gross balance at the end of the year	-	69,474,495	-	31,268,031	653,107	101,395,633

31 December 2023	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	-	53,003,013	-	15,512,191	591,392	69,106,596
New exposures during the year	-	19,481,915	-	5,634,165	101,058	25,217,138
Accrued exposures	-	(10,215,279)	-	(4,771,672)	(157,048)	(15,143,999)
Transferred to stage 1	-	1,673,700	-	(1,673,700)	-	-
Transferred to stage 2	-	(3,813,036)	-	3,817,536	(4,500)	-
Transferred to stage 3	-	(290,004)	-	(90,305)	380,309	-
Gross balance at the end of the year	-	59,840,309	-	18,428,215	911,211	79,179,735

The disclosure on the movement of the provision for expected credit losses relating to letters of guarantees is as follows:

31 December 2024	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	-	131,709	-	374,883	399,624	906,216
Credit loss on new exposures during the year		141,257		310,270	101,184	552,711
Credit loss on accrued exposures	-	(73,757)	-	(326,686)	(159,018)	(559,461)
Transferred to stage 1	-	46,996	-	(46,996)	-	-
Transferred to stage 2	-	(44,724)	-	141,174	(96,450)	-
Transferred to stage 3	-	(30)	-	(2,579)	2,609	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages at the end of the year	-	(38,450)	-	66,337	57,810	85,697
Changes resulting from adjustments	-	37,849	-	(21,745)	15,947	32,051
Gross balance at the end of the year	-	200,850	-	494,658	321,706	1,017,214

31 December 2023	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	-	111,057	-	714,009	323,046	1,148,112
Credit loss on new exposures during the year	-	55,157	-	86,083	32,109	173,349
Credit loss on accrued exposures	-	(31,011)	-	(305,101)	(141,210)	(477,322)
Transferred to stage 1	-	53,834	-	(53,834)	-	-
Transferred to stage 2	-	(6,206)	-	9,218	(3,012)	-
Transferred to stage 3	-	(1,376)	-	(4,115)	5,491	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages at the end of the year	-	(50,119)	-	27,122	182,587	159,590
Changes resulting from adjustments	-	373	-	(98,499)	613	(97,513)
Gross balance at the end of the year	-	131,709	-	374,883	399,624	906,216

Disclosure on the allocation of unutilized ceilings according to the Bank's internal rating policy:

31 December 2024	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:						
From (1) to (6)	245,007	225,301,730	19,132	49,285,473	363	274,851,705
(7)	-	-	-	5,074,028	120,000	5,194,028
From (8) to (10)	-	-	-	-	386,406	386,406
Uncategorized	14,018,345	-	1,732,302	-	2,178,081	17,928,728
Total	14,263,352	225,301,730	1,751,434	54,359,501	2,684,850	298,360,867

31 December 2023	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Credit rating categories according to the Bank's internal policy:						
From (1) to (6)	-	210,192,222	-	63,099,628	-	273,291,850
(7)	-	-	-	6,560,775	-	6,560,775
From (8) to (10)	-	-	-	-	1,696,639	1,696,639
Uncategorized	13,374,087	-	1,550,047	-	250,938	15,175,072
Total	13,374,087	210,192,222	1,550,047	69,660,403	1,947,577	296,724,336

Disclosure on the movement of indirect facilities relating to unutilized limits:

31 December 2024	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	13,374,087	210,192,222	1,550,047	69,660,403	1,947,577	296,724,336
New exposures during the year	10,052,469	63,728,226	1,132,938	18,448,739	2,053,106	95,415,478
Accrued exposures	(9,078,963)	(51,731,753)	(801,636)	(31,703,015)	(463,580)	(93,778,947)
Transferred to stage 1	448,913	18,311,824	(378,200)	(18,311,787)	(70,750)	-
Transferred to stage 2	(290,675)	(15,053,340)	346,926	16,734,755	(1,737,666)	-
Transferred to stage 3	(242,479)	(145,449)	(98,641)	(469,594)	956,163	-
Gross balance at the end of the year	14,263,352	225,301,730	1,751,434	54,359,501	2,684,850	298,360,867

31 December 2023	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	12,302,978	191,536,290	910,910	49,334,015	585,801	254,669,994
New exposures during the year	5,353,813	106,598,907	660,706	35,321,486	1,052,309	148,987,221
Accrued exposures	(3,840,232)	(94,917,993)	(366,681)	(7,227,139)	(580,834)	(106,932,879)
Transferred to stage 1	171,649	15,702,052	(150,102)	(15,702,052)	(21,547)	-
Transferred to stage 2	(487,569)	(8,022,759)	531,177	8,022,759	(43,608)	-
Transferred to stage 3	(126,552)	(704,275)	(35,963)	(88,666)	955,456	-
Gross balance at the end of the year	13,374,087	210,192,222	1,550,047	69,660,403	1,947,577	296,724,336

The disclosure on the movement of the provision for expected credit losses relating to unutilized limits is as follows:

	Stage 1		Stage 2			
31 December 2024	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	52,284	211,248	132,171	1,731,384	808,855	2,935,942
Credit loss on new exposures during the year	74,167	134,317	108,830	440,320	326,147	1,083,781
Credit loss on accrued exposures	(22,261)	(74,456)	(98,267)	(968,150)	(100,883)	(1,264,017)
Transferred to stage 1	39,963	444,362	(29,130)	(444,341)	(10,854)	-
Transferred to stage 2	(1,513)	(35,305)	10,336	793,142	(766,660)	-
Transferred to stage 3	(1,122)	(20)	(8,061)	(369)	9,572	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages at the end of the year	(36,517)	(406,269)	34,687	(643,080)	83,799	(967,380)
Changes resulting from adjustments	-	14,654	-	(745)	-	13,909
Gross balance at the end of the year	105,001	288,531	150,566	908,161	349,976	1,802,235

	Stage 1		Stage 2			
31 December 2023	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	516,716	413,120	112,093	1,562,953	301,635	2,906,517
Credit loss on new exposures during the year	13,250	76,540	30,005	569,290	13,898	702,983
Credit loss on accrued exposures	(426,474)	(178,808)	(36,824)	(385,424)	(266,686)	(1,294,216)
Transferred to stage 1	24,358	228,900	(15,780)	(228,900)	(8,578)	-
Transferred to stage 2	(45,672)	(83,353)	60,086	83,352	(14,413)	-
Transferred to stage 3	(5,908)	(1,743)	(3,718)	(415)	11,784	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages at the end of the year	(23,449)	(219,396)	(13,692)	126,587	771,215	641,265
Changes resulting from adjustments	(537)	(24,012)	1	3,941	-	(20,607)
Gross balance at the end of the year	52,284	211,248	132,171	1,731,384	808,855	2,935,942

23- Subscribed and Paid-in Capital

Subscribed and paid-in capital amounted to JD 200,000,000 divided into 200,000,000 shares at a par value of JD 1 per share as of 31 December 2024 (JD 190,000,000 as of 31 December 2023).

24- Reserves

Statutory Reserve

This reserve represents amounts transferred from income before tax at the rates that applies in the locations where the bank operates during the year and the previous year's according to the Bank's Law and company's Law. The statutory reserve may not be distributed to shareholders.

General Banking Risk Reserve

This reserve represents the general banking risks reserve according to the instructions of the Palestinian Monetary Authority.

Cyclical Fluctuations Reserve

This item represents what has been transferred from the annual net profits for the Palestine branches and Al Safa Bank in accordance with the instructions of the Palestinian Monetary Authority.

Restricted reserves are as follows:

Reserve	Amount	Regulation
	JD	
Statutory	97,418,830	Banking law and corporate law
General banking risk	6,174,583	Palestinian Monetary Authority instructions
Cyclical fluctuations	11,526,630	Palestinian Monetary Authority instructions

25- Suggested Dividends to be distributed

In their ordinary meeting held on 6 February 2025, the board of directors has recommended the approval by the general assembly on the distribution of 6% cash dividends amounting to JD 12,000,000 (each share is JD 0.06) subject to the approval of the General Assembly of the shareholders and the Central Bank of Jordan.

26- Fair Value Reserve – Net

The details of this item are as follows:

	2024	2023
	JD	JD
Beginning balance	27,494,289	9,304,467
Unrealized gains	34,578,889	19,936,274
Gain from sale of financial assets at fair value through other comprehensive income transferred to retained earnings due to sale	-	(369,430)
Deferred tax assets	(1,417)	3,669
Deferred tax liability	(2,947,052)	(1,380,691)
Ending balance	59,124,709	27,494,289

The fair value reserve appears in net of deferred tax liabilities amounting to JD 5,102,351.

27- Retained Earnings for Bank's shareholders

The details of this item are as follows:

	2024	2023
	JD	JD
Beginning balance	108,402,893	97,910,555
Profit for the year for Bank's shareholders	16,560,714	35,284,694
Transferred to statutory reserve	(1,550,634)	(4,503,702)
Transferred (to) general banking risk reserve	-	(1,528,328)
Transferred (to) Cyclical fluctuations	-	(129,756)
Dividends distributed to shareholders	(13,300,000)	(19,000,000)
Transferred for capital increase	(10,000,000)	-
Capital increase expenses	(80,312)	-
Net change in non-controlling interest	358,813	-
Transferred due to sale of financial assets at fair value through other comprehensive income	-	369,430
Ending balance	100,391,474	108,402,893

- The General Assembly of Shareholders decided in its ordinary meeting held on 3 April 2024 to approve the distribution of cash dividends to shareholders at 70 Fils per share i.e 7% of the par value per share amounting to 1 JD as profits for 2023.

- The General Assembly of Shareholders decided in its extraordinary meeting held on 3 April 2024, to approve an increase in the bank's capital by JD 10 Million and to capitalize it from the retained earnings by distributing free shares at a rate of 5.263% to the shareholders.

- The General Assembly of Shareholders decided in its ordinary meeting held on 13 April 2023, to distribute cash dividends to the shareholders at an amount of 100 fils per share, i.e. 10% of the par value per share amounting to JD 1 as dividends for the year 2022.

- Retained earnings includes amount of JD 12,669,542 as of 31 December 2024 which represents the effect of early implementation of IFRS (9). According to the instructions of the Securities Authority, it is prohibited to dispose of it except to the extent that it is realized through sales operations.

- Retained earnings includes deferred tax assets amount of JD 17,971,220 as of 31 December 2024 (JD 16,266,401 as of 31 December 2023), which is not available for distribution in accordance with the Central Bank of Jordan instructions.

- It is not permissible to dispose of an amount of JD 1,155,916, which represents the remaining balance from the general banking risk reserve within the retained earnings in accordance with the Central Bank of Jordan instructions.

28- Interest Income

The details of this item are as follows:

	2024	2023
	JD	JD
Direct Credit Facilities:		
Individuals (retail)		
Overdrafts	1,071,676	1,333,746
Loans and bills	73,660,378	81,439,618
Credit cards	2,859,339	2,800,261
Margin accounts – financial services	491,088	537,036
Real-estate mortgages	21,973,028	21,131,198
Corporates		
Large Corporate		
Overdrafts	9,903,837	8,887,657
Loans and bills	41,816,106	41,078,683
Small and medium enterprises		
Overdrafts	2,527,494	2,476,096
Loans and bills	11,756,979	12,951,772
Public and governmental sectors	19,956,888	15,460,000
Balances at Central Banks	2,083,148	1,203,957
Balances and deposits at banks and financial institutions	6,677,511	8,278,628
Financial assets at fair value through profit or loss	277,063	41,979
Financial assets at amortized cost	50,568,118	41,899,844
Total	245,622,653	239,520,475

29- Interest expense

The details of this item are as follows:

	2024	2023
	JD	JD
Banks and financial institutions' deposits	15,320,874	13,301,844
Customers' deposits:		
Current and demand accounts	3,972,213	3,926,872
Savings' accounts	284,903	553,172
Time and notice deposits	74,034,894	63,884,967
Cash Margin	405,923	431,321
Borrowed funds	14,749,303	13,101,880
Deposit guarantee fees	2,972,671	2,859,461
Total	111,740,781	98,059,517

30- Net commission income

The details of this item are as follows:

	2024	2023
	JD	JD
Direct credit facilities' commissions	2,428,116	3,483,866
Indirect credit facilities' commissions	3,667,274	3,029,993
Other commissions	9,704,559	10,672,382
Less: commission expense	(188,382)	(162,292)
Total net commission	15,611,567	17,023,949

31- Gain from foreign currencies

The details of this item are as follows:

	2024	2023
	JD	JD
Trading/ operations in foreign currencies	180,937	186,136
Revaluation of foreign currencies	7,336,532	6,045,144
Total	7,517,469	6,231,280

32- Gain from financial assets at fair value through profit or loss

The details of this item are as follows:

	Realized Gains	Unrealized Gains	Stock Dividends	Total
	JD	JD	JD	JD
31 December 2024				
Corporate stocks	136,791	186,799	665,214	988,804
Government bonds	26,351	-	-	26,351
Total	163,142	186,799	665,214	1,015,155

	Realized Gains	Unrealized (Losses) Gains	Stock Dividends	Total
	JD	JD	JD	JD
31 December 2023				
Corporate stocks	728,802	(489,897)	455,886	694,791
Government bonds	-	292,393	-	292,393
Total	728,802	(197,504)	455,886	987,184

33- Dividends from financial assets at fair value through other comprehensive income

The details of this item are as follows:

	2024	2023
	JD	JD
Dividends from companies' stocks	5,161,308	2,570,481
Total	5,161,308	2,570,481

34- Other Income

The details of this item are as follows:

	2024	2023
	JD	JD
Suspended interest transferred to revenue	572,781	460,535
Safety boxes' rental income	128,912	125,756
Sold check books	33,419	48,237
Recovery of written off debts	2,684,770	2,614,871
Income from cards	2,005,007	3,270,245
(Losses) from sale of property and equipment	(123,323)	(2,411)
Gains from sale of seized assets	361,216	646,032
Buildings' rent revenue	204,784	80,865
Brokerage commissions	650,466	765,428
Other	237,773	219,248
Total	6,755,805	8,228,806

35- Employees' costs

The details of this item are as follows:

	2024	2023
	JD	JD
Employees' salaries, benefits, and allowances	38,519,408	38,017,430
Bank's contribution to social security	2,920,214	2,864,866
Bank's contribution to savings fund	486,130	496,364
Employees' end of service compensation (note 20)	1,677,103	1,983,855
Employees' end of service indemnity	275,904	56,332
Medical expenses	3,034,832	2,981,891
Employees' training	349,616	282,622
Employees' uniforms	70,203	143,552
Other employees' costs	127,216	110,450
Total	47,460,626	46,937,362

36- Other expenses

The details of this item are as follows:

	2024	2023
	JD	JD
Rent	323,732	90,014
Depreciation of right of use assets (Note 48)	3,680,383	4,269,336
Leases' interest expense (Note 48)	859,102	921,909
Maintenance and cleaning	2,663,135	2,982,306
Electricity, water, and heating	2,515,291	2,622,475
License and governmental fees	1,582,292	1,369,486
Printings and stationery	555,694	631,134
Donations and advertisements	993,753	1,041,095
Insurance expenses	1,741,559	1,676,992
Subscriptions	979,212	1,201,665
Telecommunications	486,993	475,049
Legal fees and expenses	8,698,094	1,928,965
Professional fees	1,573,677	1,377,095
Money and mail transportation expenses	639,497	787,582
Advertising and publicity expenses	1,833,992	3,188,798
Board of directors' expenses and remuneration	1,267,366	1,373,194
Information systems expenses	13,177,173	10,915,803
Travel and transportation expenses	509,156	496,426
Consultation expenses	431,970	266,921
Security expenses	498,843	511,344
Outsourcing expenses	936,974	933,359
Other expenses	1,022,980	1,471,254
Total	46,970,868	40,532,202

37- Provision for expected credit losses

The details of this item are as follows:

	2024	2023
	JD	JD
Balances at central banks	44,954	(7,138)
Balances at banks and financial institutions	2,032	(17,040)
Deposits at banks and financial institutions	(33,178)	(1,800)
Financial assets at fair value through OCI	(2,159)	(389)
Financial assets at amortized cost	(207,688)	(72,623)
Direct credit facilities	49,848,467	30,397,457
Indirect credit facilities	(1,102,686)	(486,143)
Total	48,549,742	29,812,324

38- Earnings per share for bank's shareholders

The details of this item are as follows:

	2024	2023
	JD	JD
Profit for the year attributable to bank's shareholders (JD)	16,560,714	35,284,694
Weighted average number of shares (share)	200,000,000	200,000,000
	Fils/JD	Fils/JD
Basic and diluted earnings per share for the year - (Bank's Shareholders)	0/083	0/176

The weighted average for earnings per shares was calculated from the basic and diluted profit attributable to the shareholders of the bank based on the number of shares authorized for the years ended 31 December 2024 and 2023, and in accordance with the requirements of the International Accounting Standard (33).

39- Cash and cash equivalents

The details of this item are as follows:

	2024	2023
	JD	JD
Cash and balances with Central Banks maturing within 3 months	367,701,669	337,265,942
Add: Balances at banks and financial institutions' maturing within 3 months	109,364,338	120,280,028
Less: Banks and financial institutions' deposits maturing within 3 months	293,308,321	225,651,238
Less: Restricted cash balances	10,635,000	10,635,000
Total	173,122,686	221,259,732

40- Balances and transactions with related parties

The Bank entered transactions with subsidiaries, major shareholders, directors, senior management and their related concerns in the ordinary course of business at commercial interest and commission rates. All the credit facilities to related parties are performing facilities and no provisions were recorded for them.

The accompanying consolidated financial statements of the Bank include the following subsidiaries:

		Paid in Capital	
Company Name	Ownership	2024	2023
	%	JD	JD
Al-Watanieh Financial Services Company Limited Liability	100	6,500,000	6,500,000
Al-Watanieh Securities Company private shareholding	100	1,600,000	1,600,000
Tamallak for Financial Leasing Company	100	8,000,000	5,000,000
Safa Bank	59,956	45,231,826	53,175,000

The following related party transactions took place during the year:

	Related Parties				Total	
					As of 31 December	
	Board of Directors and Relatives	Main shareholder	Executive Management	Other *	2024	2023
	JD	JD	JD	JD	JD	JD
Statement of consolidated Financial Position Items:						
Direct credit facilities	35,521,238	12,252,557	2,927,659	36,548,932	87,250,386	90,464,225
Deposits at the Bank	58,708,174	12,226,465	2,722,728	8,410,041	82,067,408	105,671,863
Margin accounts	3,100,490	161,555	1,914	79,422	3,343,381	99,057
Off Statement of consolidated Financial Position Items:						
Indirect credit facilities	4,169,179	1,736,166	-	133,956	6,039,301	6,746,366
					2024	2023
					JD	JD
Profit or loss consolidated Statement Items:						
Interest and commission income	861,470	623,606	142,433	3,514,410	5,141,919	3,670,014
Interest and commission expense	2,513,812	55,641	7,285	39,772	2,616,510	2,902,902

*Others include the rest of bank employees and their relatives up to the third degree.

- Credit interest rates on credit facilities in Jordanian Dinar range between 2% to 21%.

- Credit interest rates on credit facilities in foreign currency range between 4.25% to 8.75%.

- Debit interest rates on deposits in Jordanian Dinar range between zero% to 6.75%.

- Debit interest rates on deposits in foreign currency range between zero% to 5.25%.

Salaries, wages and bonuses of executive management amounted to JD 4,344,211 as of 31 December 2024 (JD 3,752,641 as of 31 December 2023).

41- Risk management

The bank is exposed to many risks, the following are the main risk categories:

- Credit Risk
- Market Risk
- Liquidity Risk
- Operational Risk
- Compliance Risk

Credit Risk:-

Credit risk is the risk that may result from a lack of commitment or the inability of the other party of the financial instrument to fulfil its obligations to the Bank, leading to a financial loss. The bank manages its credit risk through the design and development of various policies that identify and address all aspects of granting and maintenance of credit, in addition to determining the limits of credit facilities granted to clients and total credit facilities for each sector and geographical region.

The general framework for Credit Risk Management consists of the following:

Credit Policies:

The Bank manages its credit risk through the annual policies set by the board of Directors in their credit policy including credit ceilings and various credit conditions, which are renewed annually according to several changing factors, results of the analysis, and studies which are approved by the board of directors. These policies generally include principles of granting in the bank, stating authorities, collaterals, credit monitoring management, and the main frame of the Credit Risk Management. Moreover, these policies define maximum credit limits given to any customer and/or group of related customers in addition to the distribution of credit according to geographical regions and different economic sectors. The Bank considers the diversification of portfolios as an important risk mitigation factor of credit risks.

Customer Rating:

In order to develop credit risk Management at the bank, credit risks are performed internally which consists of customer credit risk rating; customers are rated according to their creditworthiness and ability to pay, in addition to assessing the quality of the facilities granted to clients, in terms of account activity and regularity of payment of principal and interest. The collaterals are classified according to type and coverage percentage for the risk of granted and/or existing facilities. Moreover, the Bank periodically monitors the bank's portfolio and its diversification, according to several classifications.

Mitigation Methodologies:

The Bank follows different procedures to mitigate risks, including determining the acceptable types of collaterals and their conditions, whereby good collaterals that can be liquidated at a reasonable time and value when the bank needs to do so, and taking into consideration that the value of the collateral is not related to the business of the customer. Moreover, the Bank requires insurance policies on certain portfolios and additional provisions as a means of mitigating risks. The management monitors the market value of the collaterals on a regular basis. In case the value of the collaterals decreased, the bank will ask for additional collaterals to make up for the shortage.

Managing Credit Granting:

The Bank adopts the principle of segregation of duties related to Risk Management in the Bank in line with best practices in this regard, clarifying the roles and responsibilities of each of these duties whereas the decision to grant is segregated from implementation to ensure a strong control and monitor over credit granting operations.

Credit decisions are checked against the credit policies and authority limits according to credit size and the collaterals against it, all documentations and contracts are reviewed before executing the credit to ensure the segregation of duties.

Prior to granting facilities, legal documentation is completed on the credit contracts and other documents related to the facilities, collaterals are checked against the credit conditions and legal condition per the terms of the agreement to retain the Bank’s rights.

Maintenance and Follow-up of Credit:

The performance of the credit portfolio is continuously monitored to make sure it is within the acceptable risk limits and economic sector limits that is determined by the board of directors to identify any primary indicators of increasing risk levels.

The Bank continuously monitors its nonperforming portfolios to identify any need for additional provisions.

There are specialized and independent departments responsible for managing irregular credit and handling the task of managing and collecting irregular credit facilities. The Bank has allocated several monitoring departments to monitor and follow up on credit and report any early warning indicators for follow-up and correction.

1- Reclassified credit exposures

A- Gross reclassified credit exposures

31 December 2024	Stage 2		Stage 3			
Item	Gross exposure amount	Reclassified exposures	Gross exposure amount	Reclassified exposures	Gross reclassified exposures	Percentage of reclassified exposures
	JD	JD	JD	JD	JD	%
Direct credit facilities	524,657,906	244,257,387	230,987,887	105,602,785	611,166,679	25.07٪
Total	524,657,906	244,257,387	230,987,887	105,602,785	611,166,679	
Financial guarantees	31,268,031	10,654,690	653,107	359,907	13,340,729	13.16٪
Letters of credit	6,278,532	329,981	-	-	417,447	0.56٪
Other liabilities	56,038,629	17,081,681	2,379,729	956,162	36,798,580	12.33٪
Total	618,243,098	272,323,739	234,020,723	106,918,854	661,723,435	

31 December 2023	Stage 2		Stage 3			
Item	Gross exposure amount	Reclassified exposures	Gross exposure amount	Reclassified exposures	Gross reclassified exposures	Percentage of reclassified exposures
	JD	JD	JD	JD	JD	%
Direct credit facilities	601,395,989	212,940,054	163,916,822	63,670,746	358,247,695	14.69٪
Total	601,395,989	212,940,054	163,916,822	63,670,746	358,247,695	
Financial guarantees	18,428,215	3,817,536	911,211	380,309	5,871,545	7.42٪
Letters of credit	10,019,353	1,496,778	54,787	52,732	1,741,826	2.06٪
Other liabilities	71,210,450	8,553,936	1,947,577	955,456	25,383,093	8.55٪
Total	701,054,007	226,808,304	166,830,397	65,059,243	391,244,159	

B- Expected credit losses for reclassified credit exposures:

31 December 2024	Reclassified Exposures			Expected credit losses for Reclassified Exposures				
				Stage 2		Stage 3		
Item	Gross exposures reclassified to stage 2	Gross exposures reclassified to stage 3	Gross reclassified exposures	Individual	Collective	Individual	Collective	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Direct credit facilities	244,257,387	105,602,785	611,166,679	1,258,078	5,593,835	9,146,496	-	15,998,409
Total	244,257,387	105,602,785	611,166,679	1,258,078	5,593,835	9,146,496	-	15,998,409
Financial guarantees	10,654,690	359,907	13,340,729	141,174	-	2,609	-	143,783
Letters of credit	329,981	-	384,768	4,730	-	-	-	4,730
Other liabilities	17,081,681	956,162	36,798,580	793,142	10,336	9,572	-	813,050
Total	272,323,739	106,918,854	661,690,756	2,197,124	5,604,171	9,158,677	-	16,959,972

31 December 2024	Reclassified Exposures			Expected credit losses for Reclassified Exposures				
				Stage 2		Stage 3		
Item	Gross exposures reclassified to stage 2	Gross exposures reclassified to stage 3	Gross reclassified exposures	Individual	Collective	Individual	Collective	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Direct credit facilities	212,940,054	63,670,746	358,247,695	1,918,418	5,094,871	3,888,735	-	10,902,024
Total	212,940,054	63,670,746	358,247,695	1,918,418	5,094,871	3,888,735	-	10,902,024
Financial guarantees	3,817,536	380,309	5,871,545	9,218	-	5,491	-	14,709
Letters of credit	1,496,778	52,732	1,741,826	399	-	277	-	676
Other liabilities	8,553,936	955,456	25,383,093	83,352	60,086	11,784	-	155,222
Total	226,808,304	65,059,243	391,244,159	2,011,387	5,154,957	3,906,287	-	11,072,631

2- Allocation of exposures according to economic sectors:

A- Allocation of exposures according to financial instruments – net:

As of 31 December 2024	Financial	Industrial	Commercial	Real Estate*	Agricultural	Trading	Consumer	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	-	-	-	-	-	-	-	186,818,870	186,818,870
Balances at banks and financial institutions	109,359,074	-	-	-	-	-	-	-	109,359,074
Deposits at banks and financial institutions	31,941,380	-	-	-	-	-	-	-	31,941,380
Direct credit facilities	142,697,904	160,672,971	374,516,924	464,513,260	25,037,920	15,722,433	772,897,071	290,077,489	2,246,135,972
Financial assets at fair value through OCI	-	-	-	-	-	-	-	199,643	199,643
Financial assets at amortized cost	73,494,722	4,245,973	31,229,974	-	-	-	-	753,259,997	862,230,666
Other assets	13,082,560	582,997	11,275,870	571,664	504,370	532,236	2,360,706	11,610,880	40,521,283
Total Assets	370,575,640	165,501,941	417,022,768	465,084,924	25,542,290	16,254,669	775,257,777	1,241,966,879	3,477,206,888
Financial guarantees	13,880,313	7,948,658	65,794,509	9,506,291	169,191	-	-	3,079,457	100,378,419
Letters of credit	32,446,656	20,212,578	15,289,165	-	-	-	-	5,555,653	73,504,052
Other liabilities	30,151,927	58,144,830	164,776,681	11,602,567	413,776	424	15,844,602	15,623,825	296,558,632
Total	447,054,536	251,808,007	662,883,123	486,193,782	26,125,257	16,255,093	791,102,379	1,266,225,814	3,947,647,991

As of 31 December 2023	Financial	Industrial	Commercial	Real Estate*	Agricultural	Trading	Consumer	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	-	-	-	-	-	-	-	198,284,869	198,284,869
Balances at banks and financial institutions	120,276,796	-	-	-	-	-	-	-	120,276,796
Deposits at banks and financial institutions	67,259,075	-	-	-	-	-	-	-	67,259,075
Direct credit facilities	213,254,962	153,101,452	392,846,806	467,522,772	22,645,173	19,841,363	782,837,254	242,185,356	2,294,235,138
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	4,254,638	4,254,638
Financial assets at fair value through OCI	-	-	-	-	-	-	-	164,551	164,551
Financial assets at amortized cost	61,443,103	-	21,034,683	-	-	-	-	719,610,891	802,088,677
Other assets	10,543,955	3,942,416	9,207,376	951,807	480,611	520,962	1,618,921	9,634,441	36,900,489
Total Assets	472,777,891	157,043,868	423,088,865	468,474,579	23,125,784	20,362,325	784,456,175	1,174,134,746	3,523,464,233
Financial guarantees	4,162,115	9,654,862	50,204,940	7,813,849	5,010,783	-	-	1,426,970	78,273,519
Letters of credit	7,076,174	31,705,548	34,643,717	182,784	-	-	-	10,555,778	84,164,001
Other liabilities	18,798,744	47,381,865	165,711,174	8,926,568	5,014,072	424	11,831,921	36,123,626	293,788,394
Total	502,814,924	245,786,143	673,648,696	485,397,780	33,150,639	20,362,749	796,288,096	1,222,241,120	3,979,690,147

* The economic sector of real estate includes loans granted to corporates and real-estate loans.

B. Allocation of exposures according to IFRS (9) stages categories:

As of 31 December 2024	Stage 1		Stage 2			
Item	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Financial	433,254,115	7,460,746	6,308,146	-	31,529	447,054,536
Industrial and mining	168,093,324	544,286	81,040,085	123,960	2,006,352	251,808,007
General Commercial	423,636,054	57,310,729	127,831,547	14,378,826	39,725,967	662,883,123
Real estate purchase financing	176,333,801	132,575,326	100,633,744	57,372,945	19,277,966	486,193,782
Agricultural	14,695,182	505,252	3,861,430	11,179	7,052,214	26,125,257
Trading	10,604,726	5,499,113	151,254	-	-	16,255,093
Consumer	-	604,041,805	-	166,498,421	20,562,153	791,102,379
Government and public sector	1,231,618,825	12,887,307	21,719,682	-	-	1,266,225,814
Total	2,458,236,027	820,824,564	341,545,888	238,385,331	88,656,181	3,947,647,991

As of 31 December 2023	Stage 1		Stage 2			
Item	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Financial	494,285,918	5,203,527	3,325,462	-	17	502,814,924
Industrial and mining	154,506,845	4,066,426	77,399,315	5,556,460	4,257,097	245,786,143
General Commercial	441,594,043	10,087,402	202,683,939	9,339,058	9,944,254	673,648,696
Real estate purchase financing	84,696,590	261,934,593	65,370,447	55,008,919	18,387,231	485,397,780
Agricultural	24,106,762	504,179	6,924,029	-	1,615,669	33,150,639
Trading	4,408,938	4,939,253	11,004,518	10,040	-	20,362,749
Consumer	3,016,196	655,769,256	1,826,197	112,535,381	23,141,066	796,288,096
Government and public sector	1,094,770,381	9,376,212	118,094,527	-	-	1,222,241,120
Total	2,301,385,673	951,880,848	486,628,434	182,449,858	57,345,334	3,979,690,147

3- Allocation of exposures according to geographical locations:

A. Allocation of exposures according to geographical regions – net:

As of 31 December 2024	Inside Jordan	Other Middle Eastern Countries	Europe	Asia	America	Other Countries	Total
	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	71,069,712	115,749,158	-	-	-	-	186,818,870
Balances at banks and financial institutions	30,481,481	19,694,736	54,983,269	270,416	3,924,107	5,065	109,359,074
Deposits at banks and financial institutions	23,482,762	8,458,618	-	-	-	-	31,941,380
Direct credit facilities	1,670,927,818	563,267,972	11,781,022	-	159,160	-	2,246,135,972
Financial assets at fair value through OCI	-	199,643	-	-	-	-	199,643
Financial assets at amortized cost	820,234,921	41,995,745	-	-	-	-	862,230,666
Other assets	27,811,405	6,368,755	6,336,396	-	4,727	-	40,521,283
Gross assets	2,644,008,099	755,734,627	73,100,687	270,416	4,087,994	5,065	3,477,206,888
Financial guarantees	82,208,276	10,402,668	6,902,042	298,879	212,596	353,958	100,378,419
Letters of credit and acceptances	35,770,107	35,592,030	2,102,039	-	-	39,876	73,504,052
Other liabilities	250,848,090	45,710,118	424	-	-	-	296,558,632
Total	3,012,834,572	847,439,443	82,105,192	569,295	4,300,590	398,899	3,947,647,991

As of 31 December 2023	Inside Jordan	Other Middle Eastern Countries	Europe	Asia	America	Other Countries	Total
	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	98,734,974	99,549,895	-	-	-	-	198,284,869
Balances at banks and financial institutions	44,860,477	29,789,349	33,133,689	164,583	12,274,523	54,175	120,276,796
Deposits at banks and financial institutions	49,282,574	17,976,501	-	-	-	-	67,259,075
Direct credit facilities	1,632,338,076	637,222,150	13,364,966	11,191,535	118,411	-	2,294,235,138
Financial assets at fair value through profit or loss	4,254,638	-	-	-	-	-	4,254,638
Financial assets at fair value through OCI	-	164,551	-	-	-	-	164,551
Financial assets at amortized cost	764,742,843	36,780,033	565,801	-	-	-	802,088,677
Other assets	25,345,742	7,516,894	4,023,330	-	14,523	-	36,900,489
Gross assets	2,619,559,324	828,999,373	51,087,786	11,356,118	12,407,457	54,175	3,523,464,233
Financial guarantees	51,081,214	23,117,419	3,563,123	299,083	212,680	-	78,273,519
Letters of credit and acceptances	39,528,203	44,635,798	-	-	-	-	84,164,001
Other liabilities	228,797,582	64,990,388	424	-	-	-	293,788,394
Total	2,938,966,323	961,742,978	54,651,333	11,655,201	12,620,137	54,175	3,979,690,147

B. Allocation of exposures according IFRS (9) stages categories:

As of 31 December 2024	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Inside Jordan	1,925,524,685	736,849,045	231,041,039	63,243,018	56,176,785	3,012,834,572
Other Middle Eastern Countries	453,014,375	78,059,294	108,744,065	175,142,313	32,479,396	847,439,443
Europe	74,592,070	5,916,225	1,596,897	-	-	82,105,192
Asia	569,295	-	-	-	-	569,295
America	4,136,703	-	163,887	-	-	4,300,590
Other Countries	398,899	-	-	-	-	398,899
Total	2,458,236,027	820,824,564	341,545,888	238,385,331	88,656,181	3,947,647,991

As of 31 December 2023	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Inside Jordan	1,799,341,513	730,653,615	269,103,750	93,372,623	46,494,822	2,938,966,323
Other Middle Eastern Countries	438,233,270	217,839,111	205,742,850	89,077,235	10,850,512	961,742,978
Europe	39,481,377	3,388,122	11,781,834	-	-	54,651,333
Asia	11,655,201	-	-	-	-	11,655,201
America	12,620,137	-	-	-	-	12,620,137
Other Countries	54,175	-	-	-	-	54,175
Total	2,301,385,673	951,880,848	486,628,434	182,449,858	57,345,334	3,979,690,147

4- Credit risk exposure (net of impairment allowances and suspended interest and returns, and before collaterals and other risk mitigators):

	2024	2023
	JD	JD
On- Consolidated Statement of Financial Position Items		
Balances at Central Banks	186,818,870	198,284,869
Balances at banks and financial institutions	109,359,074	120,276,796
Deposits at banks and financial institutions	31,941,380	67,259,075
Direct credit facilities:		
Individuals	716,851,272	770,582,842
Real estate mortgages	327,936,194	336,894,158
Large corporations	699,489,544	714,355,887
Small and medium enterprises	213,296,315	231,443,483
Government and public sectors	288,562,647	240,958,768
Financial assets at fair value through profit or loss	-	4,254,638
Financial assets at fair value through OCI	199,643	164,551
Financial assets held at amortized cost, net	862,230,666	802,088,677
Other assets	40,521,283	36,900,489
Total on- consolidated statement of financial position items	3,477,206,888	3,523,464,233
Off-Statement of Financial Position Items		
Letters of credit & acceptances	73,504,052	84,164,001
Letters of guarantee	100,378,419	78,273,519
Un-utilized credit facilities limits	296,558,632	293,788,394
Total off- consolidated statement of financial position items	470,441,103	456,225,914
Total on & off- consolidated statement of financial position items	3,947,647,991	3,979,690,147

- The above table represents the maximum credit risk for the bank as of 31 December 2024 and 2023 without taking the collaterals or the effect of risk mitigators into consideration.

- The exposure mentioned above for on-Consolidated statement of financial position items is based on the balance shown in the Consolidated statement of financial position.

Types of collaterals against loans and credit facilities are as follows:

- Real estate properties.
- Financial instruments (equities and bonds).
- Bank guarantees.
- Cash collateral.
- Government guarantees.

Management monitors the market value of these guarantees periodically and if the value of collateral decreased, the bank requests additional collaterals to cover the deficit. In addition, the bank assesses the collaterals against non-performing credit facilities periodically.

Rescheduled Loans:
These represent loans previously classified as non-performing loans and reclassified as other than non-performing loans according to proper scheduling to watch list loans they amounted to JD 42,434,338 as of 31 December 2024 against JD 21,362,142 as of 31 December 2023.

The balance of the rescheduled loans represents the loans which were rescheduled either still classified as watch list or transferred to performing.

Restructured Loans:
Restructuring means to rearrange facilities instalments or by increasing their duration postpone some instalments or increase the grace period…etc, the value of these loans amounted to about JD 115,692,078 as of 31 December 2024 against JD 98,695,148 as of 31 December 2023.
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5) Debt Securities and Treasury Bonds & Bills
The schedule below shows the distribution of bonds, bills, and other according to the international agency's classification:

Rating grade	Financial Assets at Amortized Cost and Financial Assets Pledged as Collateral
	JD
Un-rated	109,147,978
Governmental	753,636,756
Total	862,784,734

Development of Credit Risk Measurement and Management System

It is established by being up to date on the best practices for credit management specifically relating to risk measurement and the required capital evaluation implementing the instructions of the Central Bank of Jordan and related to implementing Basel III.

Market Risk:

Market risks are the risks that the bank may be exposed to due to the existence of open financial positions on and off-balance sheet as a result of any changes in market price such as changes in interest rates, foreign currency risks, and the risks of changes in stock prices. These risks are monitored according to specific policies and procedures and through specialized committees and concerned departments.

Market risk is measured and monitored through many techniques including maturity schedule/re-pricing, Stress Tests, and Stop loss Limits.

Interest Rate Risk:

Interest rate risk arises from the possibility that changes in interest rates will affect the Bank's profits or the value of financial instruments. The bank is exposed to interest rate risk as a result of inconsistency or a gap in the amounts of assets and liabilities according to multiple time periods or a review of interest rates in a specific time period and the Bank manages these risks by reviewing interest rates on assets and liabilities through the risk management strategy.

The Asset and Liability Committee (ALCO) reviews interest rate sensitivity gaps through its periodic meetings and studies the extent to which the bank's profitability is affected in light of the existing gaps with any changes in interest rates.

Interest Rate Risk Management

The Bank seeks to obtain long-term financing to fund long-term investments at fixed rates whenever possible. Furthermore, the Bank uses hedging instruments such as interest rate swaps to reduce any negative effects.

The following table demonstrates the sensitivity analysis of interest rates:

Currency	Increase Change in interest rate	Sensitivity of interest income (profit or loss)	Change (decrease) in interest price	Sensitivity of interest income (profit or loss)
	Basis points	JD	Basis points	JD
2024				
USD	100	1,245,721	100	(1,245,721)
EURO	100	120,920	100	(120,920)
GBP	100	(36,691)	100	36,691
JPY	100	345,167	100	(345,167)
Other Currencies	100	1,676,946	100	(1,676,946)
2023				
USD	100	1,158,492	100	(1,158,492)
EURO	100	400,800	100	(400,800)
GBP	100	(23,113)	100	23,113
JPY	100	685,000	100	(685,000)
Other Currencies	100	1,716,060	100	(1,716,060)

Interest Rate Re-Pricing Gap

The classification is based on the interest re-pricing periods or maturities whichever is earlier.

As of 31 December 2024	Less than One Month	Until 3 Months	Till 6 Months	Till One Year	3 Years	More than 3 Years	Non-Interest Bearing	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Assets								
Cash and balances at Central Banks – Net	10,635,000	-	-	-	-	-	357,013,318	367,648,318
Balances at banks and financial institutions – Net	67,490,500	13,703,117	-	-	-	-	28,165,457	109,359,074
Deposits at banks and financial institutions – Net	-	-	-	14,252,383	17,722,202	-	(33,205)	31,941,380
Financial assets at fair value through profit or loss	-	-	-	-	-	-	9,554,285	9,554,285
Financial assets at fair value through Other Comprehensive Income	-	-	-	-	199,643	-	133,319,596	133,519,239
Financial assets at amortized cost – Net	9,975,739	19,999,319	87,081,445	78,172,360	322,204,113	345,351,758	(554,068)	862,230,666
Direct credit facilities - Net	326,135,882	618,939,263	291,375,150	773,735,698	125,048,474	90,978,942	19,922,563	2,246,135,972
Property and equipment	-	-	-	-	-	-	43,137,654	43,137,654
Intangible assets	-	-	-	-	-	-	7,629,845	7,629,845
Deferred tax assets	-	-	-	-	-	-	17,971,220	17,971,220
Other assets	-	-	-	-	-	-	88,791,689	88,791,689
Total assets	414,237,121	652,641,699	378,456,595	866,160,441	465,174,432	436,330,700	704,918,354	3,917,919,342
Liabilities								
Banks and financial institutions' deposits	252,037,786	13,090,000	223,335	30,106,350	24,217,353	-	28,180,535	347,855,359
Customers' deposits	584,309,975	461,207,452	299,834,907	397,486,492	128,611,991	51,913,532	557,137,358	2,480,501,707
Margin accounts	8,551,722	7,018,214	4,754,831	2,888,436	3,418,504	3,488,752	69,920,528	100,040,987
Borrowed funds	11,149,954	42,416,044	44,331,745	31,247,935	92,785,484	127,183,223	1,074,224	350,188,609
Subordinated Loans	10,635,000	-	7,905,350	-	-	-	-	18,540,350
Sundry provisions	-	-	-	-	-	-	13,853,811	13,853,811
Income tax provision	-	-	-	-	-	-	9,397,672	9,397,672
Deferred tax liabilities	-	-	-	-	-	-	5,631,932	5,631,932
Other liabilities	-	-	-	-	-	-	101,444,611	101,444,611
Total liabilities	866,684,437	523,731,710	357,050,168	461,729,213	249,033,332	182,585,507	786,640,671	3,427,455,038
Interest rate re-pricing gap	(452,447,316)	128,909,989	21,406,427	404,431,228	216,141,100	253,745,193	(81,722,317)	490,464,304

As of 31 December 2023								
Total assets	478,214,046	661,304,651	356,788,125	848,767,766	522,771,350	424,109,556	591,497,304	3,883,452,798
Total liabilities	832,192,976	559,619,433	319,234,768	472,506,701	286,354,966	158,459,049	797,123,839	3,425,491,732
Interest rate re-pricing gap	(353,978,930)	101,685,218	37,553,357	376,261,065	236,416,384	265,650,507	(205,626,535)	457,961,066

Currency Risk:

Foreign currency risk is the risk of change in value of financial instruments due to the change in the foreign currency prices. The Bank's functional currency is the Jordanian Dinar. The Board of Directors identifies the set of currencies in which it is acceptable to take positions in and the limits of these positions for each currency annually. Foreign currencies positions are monitored on a daily basis to make sure that the Bank will not exceed those acceptable levels that could lead to the bank enduring more risk than the acceptable levels. Strategic policies are followed to maintain the position in the acceptable level.

The following table shows the effect of the possible change in the Jordanian dinar's exchange against foreign currencies on the statement of Profit or Loss, with all other variables remaining constant:

	2024			2023		
	Change in Exchange Rate	Effect on Profit or Loss	Effect on Equity	Change in Exchange Rate	Effect on Profit or Loss	Effect on Equity
	%	JD	JD	%	JD	JD
EURO	+1	(1,316)	-	+1	806	-
GBP	+1	(326)	-	+1	484	-
JPY	+1	(393)	-	+1	1	-
Other Currencies	+1	47,753	-	+1	39,919	-

In case of negative change in the interest price, the effect will be equal to the change above with an opposite sign.

Concentration in foreign currency risk

As of 31 December 2024	US Dollar	Sterling Pound	Japanese Yen	Euro	Other Currencies	Total
	JD	JD	JD	JD	JD	JD
Assets						
Cash and balances at Central Banks – net	77,193,165	510,892	182	2,288,431	152,755,989	232,748,659
Balances at banks and financial institutions – net	55,545,220	6,567,664	210,447	2,444,591	32,384,455	97,152,377
Deposits at banks and financial institutions – net	3,534,279	-	-	-	1,251,128	4,785,407
Direct credit facilities - net	371,809,530	-	37,648,174	6,687,656	279,790,303	695,935,663
Financial assets at fair value through profit or loss	749,986	-	-	-	-	749,986
Financial assets at fair value through other comprehensive income	3,620,326	-	-	94,895	1,082,173	4,797,394
Financial assets at amortized cost	197,527,231	-	-	1,475,179	-	199,002,410
Property and equipment - net	8,466,693	-	-	-	999	8,467,692
Intangible assets	728,502	-	-	-	-	728,502
Other assets	13,388,420	-	11	2,350,857	928,251	16,667,539
Total assets	732,563,352	7,078,556	37,858,814	15,341,609	468,193,298	1,261,035,629
Liabilities						
Banks and financial institution deposits	96,733,599	1,779,281	-	18,895,693	59,549,539	176,958,112
Customers' deposits	472,761,819	5,593,353	322,263	36,142,340	358,562,856	873,382,631
Cash margins	43,702,530	12	-	7,127,548	8,772,471	59,602,561
Borrowed funds	37,363,810	-	-	79,283	338,687	37,781,780
Subordinated loans	18,540,350	-	-	-	-	18,540,350
Sundry provisions	1,273,986	-	-	-	-	1,273,986
Income tax liability	266,225	-	-	-	2,048,156	2,314,381
Other liabilities	28,161,814	76,330	12	14,755,834	2,308,183	45,302,173
Total liabilities	698,804,133	7,448,976	322,275	77,000,698	431,579,892	1,215,155,974
Net concentration on consolidated statement of financial position	33,759,219	(370,420)	37,536,539	(61,659,089)	36,613,406	45,879,655
Contingent liabilities off consolidated statement of financial position	131,518,674	-	-	25,262,598	494,842	157,276,114
As of 31 December 2023						
Total Assets	687,304,605	6,911,949	52,939,569	22,135,709	475,312,802	1,244,604,634
Total Liabilities	641,985,097	6,761,367	432,247	51,674,793	448,731,932	1,149,585,436
Net concentration on consolidated statement of financial position	45,319,508	150,582	52,507,322	(29,539,084)	26,580,870	95,019,198
Contingent liabilities off the consolidated statement of financial position	93,031,255	-	59,839	24,112,034	51,989,064	169,192,192

Risks of Changes in Stock Price:

Risks of changes in stock price arise from changes in fair values of investments in stocks. The Bank manages this risk through diversification of investments in terms of geographical distribution and industry concentration. The majority of the Bank's investments are quoted on Amman Stock Exchange and the Palestine Securities Exchange.

	2024			2023		
Market Indices	Change in Index	Effect on Profit or Loss	Effect on Equity	Change in Equity Price	Effect on Profit or Loss	Effect on Equity
	%	JD	JD	%	JD	JD
Amman Stock Exchange	5+	271,399	481,282	5+	279,985	547,104
Palestine Stock Exchange	5+	2,996	1,035,566	5+	-	1,241,975
Other Markets	5+	33,749	3,616,712	5+	16,574	1,757,725

In case of negative change in the index, the effect will be equal to the change above with an opposite sign.

Liquidity Risk

Liquidity risk is the risk that the Bank will be unable to meet its payment obligations on their maturity dates, without incurring high costs or losses, the Bank adopts the following principles for the management of liquidity risk.

<u>Diversification of funding sources</u>

Bank's management seeks to diversify sources of funding and prevent the concentration in the funding sources. In addition to the capital base and customer deposits, the bank also borrows from institutions and local and foreign banks which would provide sources of funding at appropriate costs and maturities.

The bank had also established a Liquidity Contingency Plan, which provides the basic framework for liquidity management in crisis time and keep it from deteriorating. This includes defining an effective mechanism to manage liquidity shortages during times of crisis, within reasonable costs and preserving the rights of depositors, borrowers, and shareholders.

The Liquidity Contingency Plan is regularly reviewed and updated by the Assets and Liabilities Committee (ALCO).

<u>Analyzing and monitoring the maturities of assets and liabilities</u>

The Bank studies the liquidity of its assets and liabilities and monitors the major liquidity ratios, as well as any changes that occur on them on a daily basis. The Bank seeks through the Assets and Liabilities Committee to match between the maturities of its assets and liabilities and control the liquidity gaps within the limits defined in the Bank’s policies.

Measure and manage market risk according to the standard requirements of Basel II and Basel III

Based on best practices in managing market risk and liquidity risk, the Bank is pursuing a policy to manage these risks as approved by the board of directors and that by relying on several methodologies and techniques and models to measure and assess and monitor these risks on an ongoing basis, in addition to estimating the required capital for market risk and other applications of the instructions of the Central Bank of Jordan and the standards for the application of Basel II. The Bank takes into account the implementation of the best practice and techniques concurred by Basel III.

Operational Risk
Operational risk is the risk of loss arising from deficient or failure of internal procedures, employees, internal systems, or external events.

The general framework for the operational risk management:
Managing operational risk is the responsibility of all employees in the bank at all levels through the proper application of internal policies and procedures that would curb these risks and exposures that arise during daily operations.

As a result of the willingness of the bank management to keep pace with technology in internal policies and procedures continuously, the general framework for the operational risk management is implemented by dedicated staff that aims to facilitate and support all the Bank's departments to carry out their duties in managing these risks.

The Bank implements several operational risk measurement methodologies aimed at identifying and assessing the risks to which the Bank may be exposed, in order to take appropriate control measures that facilitate the decision making process in reducing these risks, the most important of which are self-assessment of risks and control measures, review the actual and potential losses resulting from ongoing operations, monitor and follow up key risk indicators to develop control and avoid future losses.

Compliance Risk
Pursuant to Central Bank of Jordan instruction and in line with the international directions and updates as well as Basel's regulations, with the aim to ensure compliance of the bank and its internal policies and procedures with all applicable laws, regulations, international banking standards and best practices as well as safe and sound banking practices disseminated by local and international regulatory and supervisory official authorities, this Compliance and AML/CFT Policy is issued with the approval of the Board of Directors in addition to the internal AML/CFT Manual. In addition, the Compliance and AML/CFT Division was restructured to consist of two departments; Compliance Department and AML/CFT Department to monitor the bank's compliance with applicable laws and regulations and best practices issued by regulatory official authorities through well devised monitoring programs and internal procedures oriented towards a Risk Based Approach.

The main objectives of the compliance department are as follows:

- Identify, assess, and manage compliance risks.
- Prepare and make available applicable laws and regulation files governing the nature and scope of work of all relevant divisions and departments on the bank intranet and update these regularly to stay current with legal and regulatory updates; support and assist executive management to manage compliance risks.
- Advise and assist the bank’s management with all laws and regulations in relation to compliance risks.
- Advice and guidance to the bank's management on the applicable laws, regulations and standards and any amendments thereto.
- Monitor compliance risks through regulatory databases, which contain all laws and regulations issued by regulatory and official authorities and which is updated and amended regularly in accordance with the latest regulatory updates that should be adhered to.
- Review and assess all pre-existing and new banking products and services, as well as internal policies and procedures to ensure that they are in strict compliance with applicable laws and regulations.
- Submit reports directly to the compliance committee, formed by the board of directors, regarding the scope and level of compliance of the bank and its international branches and subsidiaries.

With regards to Anti-Money Laundering, an independent AML Department was formed and restructured within the Compliance and AML/CFT Division. The division recruits highly qualified and trained staff on the automated AML/CFT Systems and Software Solutions to perform its work in accordance with policies and procedures approved by the board of directors and in accordance with Anti-Money Laundering and Terrorist Financing Law No.46/2007 and its amendments, together with AML/CFT instructions issued by Central Bank of Jordan and international banking best practice in this regard to lessen and mitigate the risks involved with those transactions; the aim of which is to identify the procedures applicable and appropriate to financial transactions and to apply due diligence measures to identify pre-existing and potential customers and to understand their legal and personal capacity and status and the ultimate beneficial owner and the ongoing monitoring and reviewing of such transactions during the period of the banking relationship.

The main objectives of the AML Department are as follows:

- Ensure the bank's compliance with all Anti Money Laundering and Combating Terrorist Financing Policies and procedures as approved by the competent authority within the bank.
- Ensure the bank's compliance with all applicable laws and regulations issued by the Official Authorities.
- Prohibit and protect the bank's reputation and image from any allegation of involvement with money laundering and terrorist financing.
- Prohibit the use of banking products and services in money laundering and terrorist financing transactions.
- Participate in national and international efforts and initiatives relevant to anti-money laundering and combating terrorism financing.
- Protect the bank and its employees from being exposed to Anti Money Laundering and Terrorist Financing risks which might lead to material financial losses or regulatory, legal, administrative, civil and criminal sanctions and liability.

Cash reserves with banking regulatory authorities.

The Bank maintains statutory cash reserve with the with banking regulatory authorities amounting to JD 135,776,657.

First: The table below summarizes the distribution of the Bank's financial liabilities (undiscounted) based on the contractual maturity period as of the date of the financial statements:

As of 31 December 2024	Less than One Month	From 1 to 3 Months	From 3 to 6 Months	From 6 to 12 Months	From 1 to 3 Years	More than 3 Years	No Fixed Maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities								
Banks and financial institution deposits	281,187,681	13,241,036	228,489	31,495,851	26,452,764	-	-	352,605,821
Customers' deposits	797,502,742	559,885,244	382,621,343	475,769,883	247,419,660	52,794,908	-	2,515,993,780
Cash margins	24,707,320	38,220,065	19,020,395	5,146,488	8,949,606	4,125,770	-	100,169,644
Borrowed funds	11,150,177	42,493,712	44,349,589	31,282,148	99,340,407	154,235,931	1,074,224	383,926,188
Subordinated loans	-	-	-	-	22,209,632	-	-	22,209,632
Sundry provisions	1,217,707	817,736	1,039,454	1,939,842	1,798,563	7,040,509	-	13,853,811
Income tax liabilities	650,000	2,400,000	4,572,146	1,775,526	-	-	-	9,397,672
Deferred tax liabilities	5,421	12,457	54,217	75,493	99,473	40,063	5,344,808	5,631,932
Other liabilities	33,123,305	16,314,748	11,629,800	33,314,689	3,161,137	6,455,625	356,248	104,355,552
Total Liabilities	1,149,544,353	673,384,998	463,515,433	580,799,920	409,431,242	224,692,806	6,775,280	3,508,144,032
Total assets (as per their expected maturities)	604,690,742	200,544,506	309,232,269	446,402,988	977,628,647	1,168,552,734	210,867,456	3,917,919,342

As of 31 December 2023	Less than One Month	From 1 to 3 Months	From 3 to 6 Months	From 6 to 12 Months	From 1 to 3 Years	More than 3 Years	No Fixed Maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities								
Banks and financial institution deposits	228,366,038	-	30,615,697	6,246,279	24,888,139	-	-	290,116,153
Customers' deposits	833,090,157	632,342,146	341,884,454	494,238,949	276,909,149	55,807,092	-	2,634,271,947
Cash margins	6,003,589	7,502,552	14,091,463	28,440,472	19,669,641	7,153,007	-	82,860,724
Borrowed funds	13,437,246	26,866,766	27,525,473	46,293,195	97,398,138	105,389,500	1,074,224	317,984,542
Subordinated loans	-	-	-	-	10,221,076	13,827,977	-	24,049,053
Sundry provisions	22,564	522,535	570,658	1,986,144	2,354,008	8,920,546	-	14,376,455
Income tax liabilities	3,850,000	1,000,000	13,766,562	4,875,735	-	-	-	23,492,297
Deferred tax liabilities	-	-	-	-	-	-	2,684,880	2,684,880
Other liabilities	32,323,917	15,359,527	11,076,158	18,314,396	9,855,385	18,716,884	42,266	105,688,533
Total Liabilities	1,117,093,511	683,593,526	439,530,465	600,395,170	441,295,536	209,815,006	3,801,370	3,495,524,584
Total assets (as per their expected maturities)	614,598,454	213,245,083	313,390,874	437,720,121	917,273,085	1,221,379,719	165,845,462	3,883,452,798

Second: Off consolidated statement of financial position:

As of 31 December 2024	Up to One Year	From One to Five Years	More than 5 Years	Total
	JD	JD	JD	JD
Letters of credit and acceptances	66,675,743	-	-	66,675,743
Letters of guarantee	95,170,669	5,712,941	512,023	101,395,633
Unutilized limits	229,129,838	-	-	229,129,838
Total	390,976,250	5,712,941	512,023	397,201,214

As of 31 December 2023	Up to One Year	From One to Five Years	More than 5 Years	Total
	JD	JD	JD	JD
Letters of credit and acceptances	76,785,719	561,493	-	77,347,212
Letters of guarantee	73,690,295	4,947,287	542,153	79,179,735
Unutilized limits	230,439,236	-	-	230,439,236
Total	380,915,250	5,508,780	542,153	386,966,183

42- Segment information

A. Information on the Bank's Activities:

For management purposes, the Bank’s sectors are measured according to the reports used by the general manager and key decision maker at the bank, through the following major sectors:

- Retail banking: handling individual customers’ deposits, and providing consumer type loans, overdrafts, credit cards facilities and other services.

- Corporate banking: handling deposits, loans, credit facilities and other banking services for corporate customers.

- Treasury: this segment includes providing trading and treasury services, as well as the management of the Bank’s money and investments.

Following is information on the Bank's business segments:

	Retail	Corporate	Treasury	Other	Total 2024	Total 2023
	JD	JD	JD	JD	JD	JD
Total revenues	112,975,928	92,521,847	73,182,093	3,004,089	281,683,957	274,562,175
Provision for expected credit losses	34,739,535	14,006,246	(196,039)	-	48,549,742	29,812,324
Sundry provisions	-	-	-	1,106,290	1,106,290	100,000
Provision of repossessed assets	-	-	-	(517,373)	(517,373)	40,416
Segment business results	37,881,135	30,848,651	49,659,560	2,415,171	120,804,517	146,549,918
Unallocated expenses					(102,314,625)	(95,098,502)
Profit before tax					18,489,892	51,451,416
Income tax					(4,236,762)	(16,472,085)
Net profit					14,253,130	34,979,331
Other information						
Segment Total Assets	1,044,787,464	1,201,348,508	1,532,224,182	139,559,188	3,917,919,342	3,883,452,798
Segment Total Liabilities	1,158,367,724	1,566,425,973	577,965,247	124,696,094	3,427,455,038	3,425,491,732
Capital expenditures					8,679,326	8,606,482
Depreciation and amortization					7,883,131	7,628,938

Following is information on the Bank's business segments:

B- Geographical Information:

This note represents the geographical distribution of the bank's business. The bank carries out its activities mainly in the Kingdom, which represent local business. Also, the bank carries out its activities in Palestine and Bahrain.

This note represents the geographical distribution of the bank's business. The bank carries out its activities mainly in the Kingdom of Jordan, which represent local business.

Below is the distribution of the revenues, assets, and capital expenditures of the bank as per the geographical sector:

	Inside Kingdom		Outside Kingdom		Total	
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
Total revenues	223,050,117	211,119,265	58,633,840	63,442,910	281,683,957	274,562,175
Capital expenditures	6,557,081	6,952,262	2,122,245	1,654,220	8,679,326	8,606,482

	Inside Kingdom		Outside Kingdom		Total	
	December 31		December 31		December 31	
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
Total assets	2,731,938,272	2,727,637,883	1,185,981,070	1,155,814,915	3,917,919,342	3,883,452,798

43- Capital management

The Bank maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision ("BIS rules/ratios") that is adopted by the Central Bank of Jordan.

According to Central Bank of Jordan regulation (52/2010), the minimum paid in capital of Jordanian banks should be JD 100 million before the end of 2011. In addition, the regulation requires a minimum leverage ratio of 4%.

As per the Central Bank of Jordan the capital adequacy ratio must not be lower than 14.5%.

The Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. No changes were made in the objectives, policies and processes for the current year and previous year.

Description of what is considered capital

As per Central Bank of Jordan regulations, capital consists of Tier 1 capital, which comprises share capital, share premium, reserves, declared reserves, retained earnings, non-controlling interest allowed to be recognized, other comprehensive income items less proposed dividends, goodwill, cost of treasury stocks, deficit in requested provisions, deferred tax assets related to non-performing loans and any other restricted amounts. The other component of regulatory capital is Tier 2 capital, which includes subordinated long term debt that may be transferred to shares, preference shares not accrued interest and non-controlling allowed to be recognized. The third component of capital is Tier 3 (which supports Tier 2 capital) which is used against market risk. Investments in the capital of banks and other financial institutions are deducted from regulatory capital if not consolidated, in addition to deductions for investments in the capital of insurance companies. Also, any excess over 10% of the Bank’s capital if invested in an individual company investee as per the Central Bank of Jordan regulations is deducted from regulatory capital.

On 31 November 2016, the Central Bank of Jordan issued instructions regarding capital adequacy in accordance with Basel III and canceled the instructions of regulatory capital adequacy according to Basel II.

The capital adequacy percentage is calculated in accordance with the Central Bank of Jordan according to Basel committee . The below Capital Adequacy percentage is according to Basel III:

	2024	2023
	JD	JD
Ordinary Shares' Rights		
Subscribed and paid-in capital	200,000,000	190,000,000
Retained earnings after subtracting the expected distributions	88,391,474	95,102,893
Fair value reserve -net	59,124,709	27,494,289
Statutory reserve	97,418,830	95,868,196
Other reserves approved by the Central Bank	11,526,630	11,526,630
Foreign currencies translation reserve - net	(1,584,070)	(1,584,070)
Minority rights allowed to be recognized	7,702,093	12,272,908
Total ordinary shares' capital	462,579,666	430,680,846
Regulatory Adjustments (Deductible from capital)		
Intangible assets	(7,629,845)	(6,105,699)
Deferred tax assets that should be deducted	(17,971,220)	(16,266,401)
Net ordinary shareholders' equity	436,978,601	408,308,746
Net primary capital (Tier I)	**436,978,601**	**408,308,746**
Tier II Capital		
Subordinated loans	5,835,700	9,543,140
General banking risk reserve	6,174,583	6,174,583
Required provisions against debt instruments for stage 1 according to IFRS (9)	11,346,312	8,397,423
Minority rights allowed to be recognized	1,750,475	2,789,297
Tier II Capital Total	25,107,070	26,904,443
Oversight Adjustment (deducted from capital)		
Net Tier II	**25,107,070**	**26,904,443**
Regulatory capital	462,085,671	435,213,189
Total risk weighted assets	2,811,672,994	2,742,582,172
Capital adequacy percentage (%)	**16.43%**	**15.87%**
Primary capital percentage (%)	**15.54%**	**14.89%**
Subordinated capital percentage (%)	**0.89%**	**0.98%**

The details of the Bank's Liquidity Coverage Ratio were as follows:

	2024	2023
	JD	JD
Gross high quality liquid assets	1,045,639,661	1,073,156,527
Gross high quality liquid assets after deduction and subtracting maximum adjustments	1,045,639,661	1,073,156,527
Net cash outflow	538,108,446	493,351,033
Liquidity coverage ratio (LCR)	**194.3%**	**217.5%**

- The average liquidity coverage ratio reached 247.64%.

44- Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled:

	Up to 1 Year	More than 1 Year	Total
31 December 2024	JD	JD	JD
Assets			
Cash and balances at Central Banks - Net	367,648,318	-	367,648,318
Balances at banks and financial institutions - net	109,359,074	-	109,359,074
Deposits at banks and financial institutions - net	16,974,585	14,966,795	31,941,380
Financial assets at fair value through profit or loss	9,554,285	-	9,554,285
Financial assets at fair value through other comprehensive income	-	133,519,239	133,519,239
Financial assets at amortized cost- net	195,225,386	667,005,280	862,230,666
Direct credit facilities- net	790,331,939	1,455,804,033	2,246,135,972
Property and equipment- net	6,107,000	37,030,654	43,137,654
Intangible assets- net	1,800,000	5,829,845	7,629,845
Deferred tax assets	14,315,489	3,655,731	17,971,220
Other assets	84,243,672	4,548,017	88,791,689
Total assets	1,595,559,748	2,322,359,594	3,917,919,342
Liabilities			
Banks and financial institutions' deposits	323,638,006	24,217,353	347,855,359
Customers' deposits	2,147,197,649	333,304,058	2,480,501,707
Cash margins	87,059,388	12,981,599	100,040,987
Borrowed funds	99,322,292	250,866,317	350,188,609
Subordinated loans	-	18,540,350	18,540,350
Sundry provisions	5,014,739	8,839,072	13,853,811
Income tax provision	9,397,672	-	9,397,672
Deferred tax liabilities	5,492,396	139,536	5,631,932
Other liabilities	94,083,949	7,360,662	101,444,611
Total liabilities	2,771,206,091	656,248,947	3,427,455,038
Net	(1,175,646,343)	1,666,110,647	490,464,304

31 December 2023	Up to 1 Year JD	More than 1 Year JD	Total JD
Assets			
Cash and balances at Central Banks - Net	337,257,545	-	337,257,545
Balances at banks and financial institutions - net	120,276,796	-	120,276,796
Deposits at banks and financial institutions - net	34,765,143	32,493,932	67,259,075
Financial assets at fair value through profit or loss	9,120,040	4,254,638	13,374,678
Financial assets at fair value through other comprehensive income	-	96,019,835	96,019,835
Financial assets at amortized cost- net	207,122,301	594,966,376	802,088,677
Direct credit facilities- net	844,056,154	1,450,178,984	2,294,235,138
Property and equipment- net	6,134,000	37,995,439	44,129,439
Intangible assets- net	1,800,000	4,305,699	6,105,699
Deferred tax assets	3,704,477	12,561,924	16,266,401
Other assets	42,407,116	44,032,399	86,439,515
Total assets	1,606,643,572	2,276,809,226	3,883,452,798
Liabilities			
Banks and financial institutions' deposits	263,673,306	23,000,000	286,673,306
Customers' deposits	2,231,424,164	367,859,740	2,599,283,904
Cash margins	55,991,264	26,639,445	82,630,709
Borrowed funds	82,752,644	213,122,920	295,875,564
Subordinated loans	-	18,540,350	18,540,350
Sundry provisions	3,101,901	11,274,554	14,376,455
Income tax provision	23,492,297	-	23,492,297
Deferred tax liabilities	2,684,880	-	2,684,880
Other liabilities	76,375,996	25,558,271	101,934,267
Total liabilities	2,739,496,452	685,995,280	3,425,491,732
Net	(1,132,852,880)	1,590,813,946	457,961,066

45- Accounts managed on behalf of customers

Accounts Managed on behalf of customers amounted to JD 544,959 as of 31 December 2024 compared to JD 558,559 as of 31 December 2023. These accounts are not presented in the bank's assets and liabilities on the financial statements.

46- Contingent commitments and liabilities

A- Credit commitments and liabilities:

	2024	2023
	JD	JD
Letters of credit:		
Issued	53,901,619	70,160,614
Acceptances	12,774,124	7,186,598
Letters of guarantee:		
Payments	49,876,193	34,927,304
Performance	32,036,128	27,108,920
Other	19,483,312	17,143,511
Unutilized direct credit facilities ceilings	229,129,838	230,439,236
	397,201,214	386,966,183

B- Contractual Obligations:

	2024	2023
	JD	JD
Contracts to purchase property and equipment	1,893,884	3,264,313

47. Lawsuits raised against the bank

In the normal course of business, the Bank appears as a defendant in several lawsuits amounting to JD 25,641,111 and JD 29,500,750 as of 31 December 2024 and as of 31 December 2023 respectively. Provision for possible legal obligations amounted to JD 2,846,002 and JD 1,908,328 as of 31 December 2024 and as of 31 December 2023 respectively.

In the opinion of the management and Bank's attorney, the bank will not be liable for more than the recorded provision for the possible legal obligations in regard to these lawsuits.

On 1 January 2019, multiple civil lawsuits have been filed at US courts against multiple banks and financial institutions claiming financial compensation using the United States antiterrorism law for damages allegedly resulting from attacks by groups listed under the United States sanctions list in 2001. These lawsuits have been filed at courts hours before their filing deadline and have been filed by an attorney office which has filed several similar complaints against other banking institutions on behalf of the same plaintiffs that are claiming the damages. Cairo Amman Bank is one of the banks that the aforementioned lawsuit has been filed against. The lawsuit is still in the preliminary and discussion phases.

In the opinion of the group's management, no provisions should be recorded for the claims filed at US courts against the Bank as of 31 December 2024 as the Bank has consulted with legal consultants specialized in US courts and concluded that the legal status of the lawsuits is in favor of the Bank and that there is no legal or judicial grounds for the lawsuits. Therefore, there is no need to record any provisions for this lawsuit in the meantime, as there is no legal basis, and the position of Cairo Amman Bank Group is strong. In the opinion of the legal consultant, the legal position of the lawsuit falls in favor of the Bank based on the possibility of dismissal of all complaints raised for the aforementioned reasons above. Also, based on the opinion of the legal consultant the amount of the claims cannot be estimated as no specific amount was set against the Bank.

48. Lease contracts

The bank leases many assets, including lands and buildings, the average lease term is 5 years, and the following is the movement over the right to use assets during the year:

	2024		2023	
	Right of Use Assets	Lease Liabilities	Right of Use Assets	Lease Liabilities
	JD	JD	JD	JD
Beginning balance	20,725,499	20,927,349	23,347,071	23,137,223
Add: additions during the year	1,903,824	1,915,830	1,766,816	1,769,979
Less: depreciation for the year (Note 36)	(3,680,383)	-	(4,269,336)	-
Cancelled contracts	(1,625,242)	(1,487,778)	(119,052)	(225,233)
Paid during the year	-	(4,271,579)	-	(4,676,529)
Interest during the year (Note 36)	-	859,102	-	921,909
Balance at the end of the year	17,323,698	17,942,924	20,725,499	20,927,349

Maturity of lease obligations' analysis:

	2024	2023
	JD	JD
Up to a year	3,084,922	3,520,116
From one to 5 years	11,065,185	12,353,064
More than 5 years	3,792,817	5,054,169
Total	17,942,924	20,927,349

49. Fair value hierarchy

Some financial assets and liabilities of the Bank are measured at fair value at the end of each fiscal period. The following table shows information about how the fair value of these financial assets and liabilities is determined (valuation methods and inputs used).

Financial assets / financial liabilities	Fair Value December 31 2024	Fair Value December 31 2023	The Level of Fair Value	Valuation Method and Inputs Used	Important Intangible Inputs
	JD	JD			
Financial assets at fair value through profit or loss					
Companies Shares	9,554,285	9,120,040	Level I	Prices listed in stock exchanges	Not Applicable
Government bonds	-	4,254,638	Level I	Prices listed in stock exchanges	Not Applicable
Total	9,554,285	13,374,678			
Financial assets at fair value through other comprehensive income					
Quoted shares	119,379,549	84,879,129	Level I	Prices listed in stock exchanges	Not Applicable
Unquoted shares	13,940,047	10,976,155	Level III	Equity method and using latest available financial information	Not Applicable
Quoted bonds	199,643	164,551	Level I	Prices listed in stock exchanges	Not Applicable
Total	133,519,239	96,019,835			
Gross financial assets at fair value	143,073,524	109,394,513			

There were no transfers between the first level and second level during 2024.

Fair value of financial assets and financial liabilities of the Bank with non-specific fair value on an ongoing basis:

Except as set out in the table below, we believe that the carrying value of financial assets and financial liabilities in the financial statements of the Bank approximates their fair value, as the Bank's management believes that the carrying value of the items listed below approximate their fair value due to either their short-term maturity or repricing of interest rates during the year.

	31 December 2024		31 December 2023		
	Book Value	Fair Value	Book Value	Fair Value	Fair Value Level
	JD	JD	JD	JD	
Financial Assets with an unspecified fair value					
Balances at Central Banks - net	186,818,870	186,818,870	198,284,869	198,333,908	Level II
Balances at Banks and other financial institutes - net	109,359,074	110,098,664	120,276,796	120,843,827	Level II
Deposits at Banks and other financial institutes - net	31,941,380	32,412,970	67,259,075	69,152,332	Level II
Financial assets at amortized costs	862,230,666	877,450,839	802,088,677	814,258,671	Level I and II
Direct credit facilities - net	2,246,135,972	2,254,551,172	2,294,235,138	2,303,766,364	Level II
Total financial assets with an unspecified fair value	3,436,485,962	3,461,332,515	3,482,144,555	3,506,355,102	
Financial liabilities with an unspecified fair value					
Banks and financial institutions' deposits	347,855,359	349,573,557	286,673,306	289,326,910	Level II
Customers deposits	2,480,501,707	2,496,935,088	2,599,283,904	2,615,685,736	Level II
Cash margins	100,040,987	100,048,125	82,630,709	82,630,709	Level II
Borrowed funds	350,188,609	352,496,919	295,875,564	297,223,308	Level II
Subordinated loans	18,540,350	19,067,373	18,540,350	19,056,130	Level II
Total financial liabilities with an unspecified fair value	3,297,127,012	3,318,121,062	3,283,003,833	3,303,922,793	

For the above-mentioned items, the second level financial liabilities and financial assets have been determined at fair value according to the agreed-upon pricing model, which reflects the credit risk of the parties dealt with.

50. STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

Amendments to the Classification and Measurement of Financial Instruments— Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Bank is currently not intending to early adopt the Amendments.

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

Contracts Referencing Nature-dependent Electricity — Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to address the accounting and disclosure requirements for contracts referencing nature-dependent electricity, such as wind, solar, and hydro power. These amendments aim to provide clearer guidance on the classification, measurement, and recognition of these contracts, which are inherently variable due to their dependence on natural conditions. The changes seek to improve the consistency and comparability of financial statements by clarifying whether such contracts should be treated as financial instruments or executory contracts and how they should be measured. Additionally, the amendments enhance disclosure requirements to provide greater transparency about the risks and financial impacts associated with these contracts, thereby offering users more relevant and reliable information. This initiative supports the global transition to renewable energy by addressing the unique accounting challenges posed by nature-dependent electricity contracts.

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, but will need to be disclosed.

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

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

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

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

This standard will result in new presentation of the income statement with some new required totals, in addition to the disclosure of management-defined performance measures.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

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