بنك الاستثمار العربي الأردني
Arab Jordan Investment Bank

Annual Report **2024**

AJIB

Arab Jordan Investment Bank

46th Annual Report

For the year ended 31 December 2024

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Board of Directors

Mr. Hani Al-Qadi
Chairman of the Board

Mr. Samer Al-Qadi
Vice Chairman/Member

Mr. Mohamed Hnish
Representative of Libyan Foreign Bank/Member

Mr. Fahad AlHaqbani
Representative of the Arab Investment Company
Member

His Excellency Mr. 'Mohamad Sharif' Zu'bi
Representative of Petra Company for Restaurants Establishment and Management
Member

Mr. Hussein Dabbas
Representative of Rawnaq Al Thiqa Company for Commercial Investments

Mr. Wael Al-Qadi
Member

Mr. Eyhab Al-Okar
Member

Mr. Musa Shahin
Member

Mr. Adel Assad
Member

Mr. Zakaria Ghawanmeh
Member

Mission Statement

To be recognized as the leading bank in Jordan and the region; in products, and in the use of technology, by being customer-focused, innovative and having customer-service excellence and highly skilled employees.

Chairman’s Message

Dear esteemed Arab Jordan Investment Bank Shareholders,

It is my pleasure, and that of the Board of Directors of Arab Jordan Investment Bank, to present you with our 46th annual report, detailing the outcomes of our business and achievements, as well as the consolidated financial statements for the year 2024, and the bank’s business outlook for 2025.

Amidst various economic and geopolitical challenges at both regional and global levels, the bank performed strongly and achieved tangible successes in line with its strategic plan to ensure sustainable growth, deliver optimal shareholder returns, and address the needs of its valued customers.

Throughout 2024, the bank continued to reinforce its solid position in the Jordanian banking sector by strengthening its capital base and core operations, attaining a notable level of results through a clear and ambitious strategic plan that aligns with global best practices and adapts to evolving industry developments.

Dear Shareholders

The rapid developments, both globally and regionally, imposed challenges on the economic environment and business activities, namely with the ongoing repercussions of the Russian war on Ukraine, and regional conflicts, most notably the war in Gaza and Lebanon, the shipping crisis in the Red Sea, and the developments in Syria, in addition to the rise in inflation, and the decline in the performance of major economies.

During 2024, the global economy suffered a slowdown in growth due to these challenges, in conjunction with geopolitical fluctuations and tight monetary policies by major central banks, despite the decline in global inflation at a faster pace than expected, as well as the challenges resulting from the high level of global public debt. Due to these pressures, global growth decreased from 3.3% in 2023 to 3.2% in 2024.

The United States capped another strong year for the world’s largest economy, recording a growth of 2.8% in 2024, compared to 2.9% and 2.5% in the previous two years, defying expectations of a slowdown. The recovery was supported by strong consumption, despite higher borrowing costs and inflation, and a large increase in government spending. Additionally, exports rebounded, investments grew, and the labor market added 2.2 million jobs at a time when the Federal Reserve took a more cautious approach to interest rate cuts.

In the eurozone, estimates show the growth to be fragile, at less than 1%, with business sectors affected by higher interest rates, and impacted by the geopolitical crises, particularly the war in Ukraine. As for industrial production, in particular manufacturing activity, this has been clearly affected in the bloc’s three largest economies - Germany, France and Italy - with goods exports remaining weak.

China’s economic growth also slowed, to 5%, the slowest in three decades - except during the Covid-19 pandemic. The economy was hit by the ongoing property crisis, decreased domestic consumption, trade tensions with the US and EU, weak domestic demand, and operating and production difficulties for businesses.

Similarly, inflationary pressures continued to ease, with global inflation falling by about a percentage point in 2024, according to the International Monetary Fund, to 5.8%. Although several economies have returned to their inflation targets, this decline is fraught with risks from the geopolitical tensions that increase commodity prices, thus posing more challenges to monetary policy easing.

Amid these conditions, the Federal Reserve cut interest rates three times during 2024 by 100 basis points, bringing the main interest rate to 4.5% compared to 5.5% in 2023. Along the same lines, the European Central Bank also decreased interest rates four times by 100 basis points from 4% to 3%, reaching their lowest levels since March 2023.

Regionally, economies continued to record weak growth rates due to uncertainty and ambiguity resulting from the ongoing conflicts, which caused huge human and economic losses, casting a gloomy shadow over the region's development paths, and causing the ongoing impact of their repercussions in the region, such as the instability of shipping traffic in the Red Sea and the Bab al-Mandab Strait, and the need to resort to alternative trade routes, which reduced container shipping traffic through the Suez Canal and the Red Sea by more than 70%, and also caused a sharp decline in tourism activity, while the oil-producing countries in the region continued along a path of moderate growth as a result of the stability of energy prices.

Oil-importing countries in the region continue to suffer from high debt burdens, and although many have embarked on fiscal adjustments, debt levels have remained broadly stable in recent years, as the outcome of those efforts has been eroded by persistently high interest payments and currency exchange rate adjustments.

As a result of these developments and the continued application of tight monetary policies by central banks for most of 2024, regional growth declined to only 2% in 2024 compared to 1.8% in 2023.

Locally, the national economy maintained economic and financial stability and demonstrated flexibility and adaptability, achieving positive growth as a result of the measures included in the Economic Modernization Vision. Initial estimates indicate that the economy will record a growth rate of 2.4% in 2024, despite the security unrest and political turmoil in the region.

Credit rating institutions also referred to the prudence of fiscal and monetary policies, the effective management of the macroeconomy, the Kingdom's continued implementation of structural reforms, and the high confidence it enjoys in financial markets and among donors. Fitch confirmed the affirmation of Jordan's long-term sovereign credit rating at BB-, indicating Jordan's long-term record of gradual financial and economic reforms, and its ability to access domestic and external sources of financing.

Additionally, and for the first time in 21 years, Standard & Poors raised Jordan's long-term sovereign credit rating in local and foreign currency from B+ to BB- with a stable outlook.

Similarly, and also for the first time in 21 years, Moody's raised Jordan's long-term sovereign credit rating from B1 to Ba3 with medium credit viability and a stable outlook. Jordan was also able to complete the second review of the national financial and economic reform program with the International Monetary Fund, which confirmed Jordan's success in achieving financial and monetary stability despite the challenges.

Inflation rose by a limited 1.56% during 2024, resulting from the increase in prices of some goods and services, although this inflation rate remained among the lowest both regionally and globally.

As for the labor market, the unemployment rate decreased by 0.8 percentage points by the end of the third quarter of 2024, compared to the same period in 2023 to 21.5%, with the unemployment rate for males at 18.3% compared to 33.3% for females.

In the real-estate market, despite the 3% increase in apartment sales, trading activity during 2024 decreased by 3% to JD6.692 billion, driven by a 4% decrease in land sales. However, the market witnessed a 10% increase in non-Jordanian ownership operations, recording a value of JD221.8 million in purchases. The decision by the Cabinet of Ministers to stimulate the real-estate and housing sector, which includes exempting residential apartments with an area of more than 150 square meters by 50% from registration fees, also contributed to boosting the sector's growth during the last months of the year.

Despite the unfavorable developments in the regional environment, the general index of stock prices weighted by free float shares of the Amman Stock Exchange index increased by 2.4% to reach a level of 2488.8 points by the end of 2024. The market value of listed shares increased by 4.2% to JD17.7 billion, while the trading volume decreased by 17.7% to JD1.2 billion. The number of traded shares reached 913.2 million shares executed through 543,000 contracts.

With regards to foreign trade, total exports continued to grow, increasing by 5.8% to JD9.433 billion during 2024, while imports increased by 4.5% to JD19.110 billion. Therefore, the trade deficit increased by 3.2% to JD9.677 billion, while the total export coverage ratio for imports rose by about 0.7% to 49.4%.

Expatriate remittances to the Kingdom also increased by 2.8% reaching $3.599 billion, compared to $3.501 billion in 2023.

Despite unfavorable regional developments, the income from tourism reached $7.239 billion, down by just 2.3% compared to 2023. This is due to a 3.9% decline in the number of in-bound tourists, although indicators showed an increase in tourism income from Jordanian expatriates by 7.7%, and tourists from Arab countries by 12%, whereas the income from European, American tourists, and tourists from other nationalities decreased by 54%, 35.2% and 15.3% respectively, as a result of the repercussions of military operations in the region that affected tourism across the region. At the same time, spending on tourism abroad increased by 4.1% reaching $1.937 billion.

As for public finance, the general budget achieved public revenues of JD9.475 billion during 2024, including external grants of JD705 million, compared to public expenditures of JD11.538 billion. These developments resulted in a deficit, after grants, of JD2.099 billion.

In light of global, regional and local developments, the Central Bank of Jordan, whilst monitoring various indicators, reduced interest rates on all monetary policy instruments three times during 2024 by 100 basis points, following the end of the monetary tightening cycle implemented by the central bank since March 2022, during which it raised interest rates 11 times by 500 basis points on all monetary policy instruments, and 525 basis points on the overnight deposit window.

By the end of 2024, and as a result of these decisions, the main interest rate decreased to 6.5%, the rediscount rate decreased to 7.5%, overnight repurchase agreements decreased to 7.25%, and the overnight deposit window rate went down to 6.25%.

The achieved indicators reflected the results of monetary policies and measures aimed at maintaining monetary and financial stability, the strength of the banking system, and the soundness of its performance, as foreign reserves logged a record high exceeding $21 billion by the end of 2024, which was enough to cover imports for 8.2 months. The total credit facilities granted by the end of 2024 also increased to JD34.8 billion, compared to JD33.387 billion by the end of 2023, whilst total deposits increased to JD46.7 billion, compared to JD43.744 billion by the end of 2023.

Given these developments, Arab Jordan Investment Bank continued to implement its growth strategy and achieving better results for its shareholders throughout 2024, while simultaneously applying a package of initiatives to enhance its competitiveness and improve performance, with digital transformation being the cornerstone of these plans to provide the best and highest quality services to valued customers around the clock and meet the unique requirements of various segments.

The bank also continued its outstanding performance and achieved the best results, in light of economic challenges and the repercussions of international and regional developments, namely those resulting from wars in the region, which affected the activity of sectors such as tourism and transportation. Amongst these conditions, the bank achieved profits after tax during 2024 of JD17.7 million, compared to JD20.2 million in 2023.

Total profits before tax amounted to JD24.0 million in 2024, compared to JD28.5 million in 2023. Comprehensive income after tax amounted to JD21.4 million, compared to JD20.8 million in 2023, an increase of 2.9%.

The bank also continued to enhance its financial position and build a strong customer base in various sectors thanks to its leading position in the banking sector, which contributed to achieving positive growth in total customer deposits of 13% reaching JD1.864 billion by the end of 2024 compared to JD1.648 billion in 2023.

In 2024, the balance of the net direct credit facilities portfolio recorded JD827.2 million, compared to JD847.6 million in 2023. The bank also continued to boost the quality of its loan portfolio, which is reflected in the constant decline in the percentage of non-performing loans, reaching 1.66% of total facilities last year, compared to 1.75% during 2023, which is the lowest among Jordanian banks.

The bank was also able to maintain the strength of its capital base, with a total return on average equity (attributable to shareholders) before tax of 12%, while the capital adequacy ratio increased during the year 2024 to 16.60%, compared to 16.24% for 2023, which is higher than the minimum regulatory requirements of both the Central Bank of Jordan and the Basel Committee, amounting to 14% and 12% respectively.

In light of these financial achievements during 2024, the Board of Directors has recommended to the General Assembly of shareholders of Arab Jordan Investment Bank to distribute cash dividends to shareholders at a rate of 10% of the capital, or the equivalent of JD15 million, which is similar to the amount distributed in 2023.

In closing, I would like to extend my sincere gratitude to the members of the Board of Directors for their dedication and support in achieving these successes, and to all the customers and shareholders for their unwavering confidence in their banking institution, Arab Jordan Investment Bank, and to the executive management team and all the bank's employees for their continuous efforts to improve performance, thus contributing to the advancement of the bank's success, growth, development and the leading position it has attained.

Sincerely,

Hani Al-Qadi

Chairman of the Board of Directors

Our Achievements During 2024

1. Corporate Banking Services

The Jordanian banking sector and all banks operating in it faced significant challenges in 2024. The sector faced multiple global crises, most notably global financial inflation and its resulting widespread economic impacts, in addition to the repercussions of wars around the world, such as the Russia-Ukraine war and the war on Gaza, which negatively impacted the economic situation in general.

Despite this and thanks to advance planning and prudent policies, AJIB was able to overcome these challenges in a flexible and adept manner without affecting the performance of the Corporate Banking Department's portfolio, which continued financing operations for the corporate and the SME sectors by increasing their facilities or offering them new ones commensurate with their financial capabilities, after studying and analyzing their financial statements and obtaining acceptable guarantees.

The department continued to provide its customers loans and advances as part of programs by the Central Bank of Jordan designed to finance and support the economic sectors.

In line with its expansion strategy and increasing its share of the local market, AJIB successfully completed the acquisition of Standard Chartered Bank-Jordan, transferring the entire corporate portfolio to AJIB's Corporate Banking Department, which is in line with the bank's policy of expanding through acquisitions.

Following the acquisition, the department strengthened the relationship between itself and its new corporate portfolio customers by offering the best products and services at competitive prices, ensuring a comprehensive banking experience that meets their unique needs.

As part of the ongoing development of its operations and the quality of services provided to corporate customers, the bank advanced its online banking system to better meet the growing need of its customers for electronic services.

In line with the banking sector's strategy to achieve sustainable development goals, the department also took part in the Association of Banks in Jordan's training workshops on green finance.

2. Retail Banking Services

Throughout 2024, AJIB continued to develop its operations to improve the products and services provided to its individual customers. The bank continued to meet their unique needs through the launch of new products and services, which reflects its ability to keep pace with the latest developments in the banking services industry, strengthen its position, and expand its presence in the retail banking market.

At the beginning of 2024, the bank launched a housing loan campaign with competitive interest rates in line with prevailing rates in the local market, featuring a two-year fixed-interest housing loan. In addition, the pilot phase of the account opening service for individuals using the Workflow system was also completed. This system aims to improve the efficiency and accuracy of the account opening process, reduce data entry errors, save time for customer service employees, and enable them to serve customers with the highest quality standards.

In support of the industrial sector and to facilitate financial transactions for workers in industrial zones, the bank installed four new ATMs in 2024, in both the Al Hassan Industrial City and the Aqaba Industrial Zone, which allow customers to conduct financial and non-financial transactions easily and efficiently around the clock, utilizing the latest payment technologies available in the region. This brings the total number of ATMs operated by the bank to 79 by the end of 2024.

In line with the initiative by the Association of Banks in November 2024, a housing loan product was launched with a preferential interest rate of 4.99% fixed for the first three years to encourage first-time home buyers.

AJIB will continue its vital and important role in meeting the financial needs of its customers by offering innovative services and solutions that contribute to enriching their banking experience, ensuring the achievement of sustainability goals and the advancement of services in line with future developments.

3. Trade Finance Services

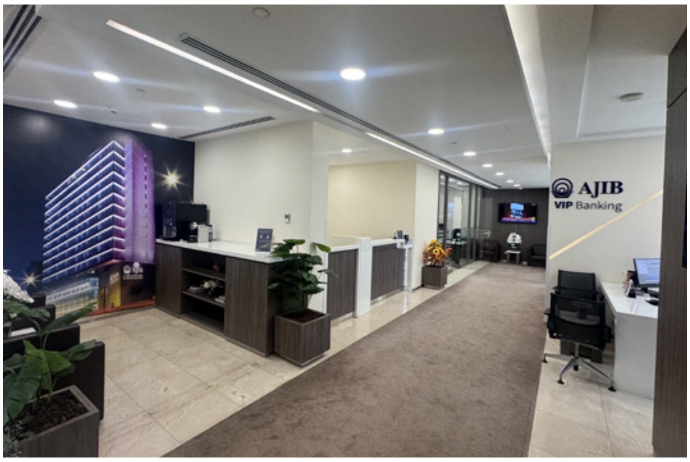
AJIB strengthened its position as a major contributor to domestic and international trade. The bank has become a strategic partner in supporting trade flows by building strong relationships with customers and providing specialized advice to support companies in facing the challenges of global trade. The bank seeks to be the number one choice for companies in the field of trade finance by offering services to support import and export operations, whether through documentary credits or documentary collection policies, as well as financing solutions and bank guarantees.

Despite the achievements made in 2024, the bank faced numerous challenges due to the economic and political conditions affecting the region. These challenges included interest rate fluctuations, rising transportation and logistics costs, and weak supply chains resulting from general regional tensions. However, the bank successfully overcame these challenges by adapting its strategies and offering flexible solutions to customers, which strengthened the bank's confidence among its trading partners.

Achieving excellence and maintaining AJIB's position locally and internationally depends on continuing to develop and pursue the latest financial information and technologies to provide innovative solutions that comply with international standards and increase efficiency and speed of completion to suit all customer segments related to commercial activities.

4. VIP Banking Services

The bank works diligently to provide its services to customers in accordance with the best international banking practices. In this regard, the VIP Banking Department continued to build strong relationships with its corporate and retail customers, providing them with the best and most innovative services and products that meet their unique banking needs, in addition to personal financial consultations, specialized investment management, and long-term financial planning.
The VIP department is ideal for customers who seek excellence and unique experience of unparalleled banking services.



5. Transfers Services

As part of its pursuit of excellence in the field of remittances and to provide the best services to customers, AJIB has continued offering its professional services for both incoming and outgoing transfers to ensure that they are sent and received to and from beneficiaries as soon as possible and with high degrees of efficiency. Customers can make transfers conveniently and securely through effective, safe and easy-to-access channels through AJIB Online and the AJIB Mobile app.
AJIB also boasts an extensive network of correspondents, which contributes to executing transfers at record speed.

6. International Investments Services

AJIB is a distinguished model in providing comprehensive banking and investment services. It is committed to providing innovative solutions that support individual and corporate customers in achieving their financial goals. The bank's International Investments Department manages a diverse range of global debt instruments, including US, European, and Arab government bonds, as well as Gulf debt instruments. It also offers stock trading services in major global markets, such as the US and European markets, with competitive commissions that expand the investment opportunities available to customers.

The bank's vision is based on innovation and strengthening partnerships with customers by offering advanced investment and financial services. The bank has a long history of achievements in the financial sector, strengthening its position as one of the region's leading financial institutions. It is also committed to providing integrated investment services supported by a specialized team and extensive experience, making it a strategic partner in achieving investment goals.

In 2024, the bank launched a variety of products specifically designed to meet customer needs and enhance their wealth growth, including personal wealth management solutions that help achieve sustainable returns over short, medium, and long terms. In 2025, the bank is preparing to launch the AJIB Trading app, which aims to facilitate the buying and selling of stocks and trading in options and futures contracts, while improving user experience and increasing investment awareness.

The International Investments Department has extensive experience in designing innovative investment solutions across international equities, fixed income instruments, and precious metals, ensuring a balance between risks and returns. In addition, the bank provides comprehensive advisory services based on careful analysis of global markets and asset allocation to achieve superior investment performance, whether in emerging or declining markets. Supported by risk management and liquidity strategies, the bank continues to work to enable its customers to effectively achieve their financial goals.

7. Prestige and Wealth Management Services

In 2024, AJIB continued to provide its Prestige personal banking service, which offers exclusive products and services at the highest levels of excellence through its team that has extensive experience in the field as well as unmatched levels of professionalism.

AJIB Prestige customers enjoy a diverse suite of exclusive benefits offered through a network of seven Prestige service centers located at the bank’s headquarters (AJIB Tower), Shmeisani branch, Abdoun branch, Bayader Wadi Al-Seer branch, Tla’ Al-Ali branch, Dabouq branch, and Mecca Street branch. Customers also benefit from preferential and competitive interest rates, discounted or exempted fees on a set of banking services.

AJIB Prestige includes wealth management services with a range of advanced investment products and services in local, regional, and global markets, delivered by a team specialized in wealth management, and using offers designed to meet individual needs and achieve the highest returns while maintaining their solvency.

AJIB Prestige service provides bancassurance services as part of the Prestige Life program, which is offered by AJIB in cooperation with the MetLife Jordan, an American life insurance company. This program includes a group of specialized insurance sub-programs such as life, retirement, investment, and education insurance that cover the needs of customers and their families; all delivered by a highly qualified team.

Prestige Life Program

8. Treasury Services

In 2024, the Treasury Department continued its significant role of managing the bank's assets and liabilities according to the best international practices with an eye on the exceptional circumstances experienced by the global and national economies, including the unprecedented rise in interest rates and prices of primary goods and the expansion of price pressures due to escalating geopolitical crises worldwide.

The Treasury Department was able to adapt well to the circumstances of the year and maintain its positive performance, thanks to its great flexibility in adapting to market changes. It is worth noting that the Treasury Department worked to reduce the cost of funding sources and improve interest margins by closely monitoring market developments, interest rate trends, and decisions made by central banks.

One of the Treasury Department's key focus areas in 2024 was improving the bank's ability to benefit from rising interest rates. By anticipating and responding promptly to market dynamics, and with the end of the year and the onset of a decline in interest rates and the end of the global and domestic monetary tightening cycle, the Treasury Department took the necessary measures to position the bank to maximize the benefits of changes in interest rate expectations in the short and long term. The Treasury Department also maintained high levels of liquidity and prioritized the stability of the bank's financial position. It was able to provide all the requirements necessary to achieve the desired growth of both its credit and investment portfolios, within the limits of the investment policy and the instructions of the Central Bank of Jordan.

The Treasury Department was also able to achieve significant growth in the volume of transactions during 2024 compared to previous years, which had a significant impact on increasing the bank's revenues. The profits of foreign currency exchange and financial derivatives operations also contributed to the increase in revenue.

The bank succeeded in reducing the negative impact of rising interest rates on its actual and estimated budgets through an extensive analysis of economic indicators and expectations, and by closely following the decisions of central banks made in 2024. This helped create opportunities for the bank by making optimal use of the market movements and turning them into positives, whether in banking or investment activities. The bank played a significant and effective role in the Jordanian capital market and the money market among Jordanian banks, and had the largest share of those transactions, which contributed to revitalizing those markets and increasing profitability returns from them for the benefit of the bank and its investments.

These results confirm once again AJIB's ability to continue its strong performance and growth, which reflects the strength of its financial position and its balance sheet, as well as the soundness of its existing strategy.

9. ATM and Cards Services

AJIB continuously works to improve its services and effective solutions and adopts the latest technologies to fulfill the needs of its customers, aiming to increase satisfaction levels and attract more customers by focusing on the latest innovations and fintech developments in the banking industry.

In 2024, credit card products witnessed significant development with the launch of new types with diverse benefits, most notably a new Visa Platinum credit card called AJIB Global Card, issued in US Dollars (USD), Euros (EUR), or British Pounds (GBP). This card offers its holders the advantage of completing purchase transactions and cash withdrawals outside Jordan using the same card currency (USD, EUR, GBP) without incurring foreign currency conversion fees or currency processing fees against the Jordanian Dinar, which enhances customer convenience and provides them with a more efficient and seamless banking experience. The new Virtual Prepaid Card was also launched, a Visa card in Jordanian Dinars only that can be issued directly through the AJIB Mobile app, eliminating the need to visit the bank branches. This card is accepted locally and globally and has been enhanced with 3DSecure to ensure a secure online shopping experience.

In another step, the bank launched a Platinum Debit Card from Mastercard in collaboration with Royal Jordanian, called the AJIB RJ Debit Card. Customers can earn miles through Royal Jordanian's frequent flyer program (Royal Club) when used for everyday purchases at point-of-sale terminals or online.

The online shopping limit service has also been activated through the AJIB Mobile app, allowing customers to set online shopping limits directly through the app, giving them full control over the purchase limit for all types of cards offered by the bank.

In addition, the Cardless Withdrawal service was launched through the AJIB Mobile application, an easy, fast, and secure way to withdraw cash from AJIB's ATM network without the need to use a debit card.

The bank also continued to develop the text messaging service to enable customers to stay up to date on financial transactions in their accounts, with SMS messages sent to their phones immediately after any account transaction is completed. This makes it easier for them to track financial activity instantly and directly, enhancing financial awareness and enabling them to make informed fiscal decisions. These text messages also enhance effective communication between the bank and its customers and reflect the bank's commitment to providing advanced banking services tailored to their needs.

In the field of environmental care and the preservation of resources, the bank has equipped its ATMs with the feature of eliminating paper receipts (Go Green). It has also launched a service to send credit card statements via the email address identified by the bank to all individual customers holding revolving credit cards.

10. Branches, Offices and ATMs' Network

As part of AJIB's strategy to expand its geographical reach and provide comprehensive banking services to its customers in areas close to them, a new branch was inaugurated in the Mafraq governorate in 2024. Additionally, the bank's branch in Irbid was relocated to a new strategic location and with the latest equipment, contributing to an improved customer experience.

With this expansion, the bank's total number of branches and offices reached 37, reflecting the bank's ongoing commitment to expanding its customer base and providing high-quality banking services.

To facilitate access to its banking services and meet customer needs around the clock, a new ATM was installed in the downtown area of Amman in 2024, providing convenient banking services to customers and visitors in this vital location.

Another ATM was also installed in the Khreibet Al-Souq area, reflecting the bank's commitment to geographic expansion and providing banking solutions in residential and commercial areas to meet customer needs easily and swiftly.

In support of the industrial sector and facilitating financial transactions for workers in industrial zones, the bank installed four new ATMs in 2024 in Al-Hassan Industrial City in the Irbid governorate and in the industrial zone in the Aqaba governorate. These ATMs allow customers to conduct financial transactions easily and efficiently around the clock, using the latest payment technologies available in the region. This brings the total number of ATMs operated by the bank to 79 by the end of 2024. AJIB ATM network is also linked to the national ATM network (JONET), which has more than 2,300 ATMs across the Kingdom.

As part of AJIB's efforts to modernize and develop its existing branches, the bank's branch at Queen Alia International Airport was redesigned and renovated, reflecting the bank's commitment to providing high-quality services in a modern and comfortable environment. Additionally, the bank's office in Taj Mall was restrategic area, aiming to provide distinguished banking services to the bank's customers in that area. The Tabarbour branch is expected to be inaugurated in early 2025, enhancing the bank's ability to meet the needs of its customers more effectively.

11. Information and Cybersecurity

The bank continuously strengthens and advances its information security and cybersecurity systems and technologies used in all its banking operations. The department provides continuous and permanent support for the growth of the bank's services by protecting the information of the bank and its customers and ensuring the safe use of technology with the aim of providing protection for the bank's assets, including information, people, processes, and systems, from any potential threats regardless of their origin.

In this context, the department follows up and monitors all security policies and arrangements applied to the bank's various systems to protect the infrastructure, systems networks, and data, and analysis of event records (audit trails/logs) to ensure their compliance with the best international practices for information security and the general Cyber Security Framework issued by the Central Bank of Jordan in order to provide a safe environment and strengthen the bank's systems against any upcoming cybersecurity incidents.
To strengthen information security and protection, the bank manages cybersecurity risks and protects information within the following principles:

- Develop information security and cybersecurity policies, plans, and strategies and update them in line with global developments and standards.
- Periodically monitor systems, servers, and devices to identify any security vulnerabilities through specialized programs and immediately address any potential threats.
- Review and monitor authorities and grant them in accordance with policies and business needs.
- Train the bank's employees and educate the customers about information security risks and how to deal with any cyber-attacks.

In this context, it is worth noting that the bank has obtained the Payment Card Industry Data Security Standard (PCI DSS) certification, as well as the SWIFT Customer Security Controls Framework (CSCF) compliance certification, along with several other international accreditations that enhance its ability to protect customer data and provide secure and seamless financial services. The bank also operates an advanced Security Operations Center (SOC), which serves as a centralized command unit ensuring the high efficiency of its cybersecurity systems.

12. Technology Management

During 2024, AJIB continued to strengthen its technological infrastructure through a set of vital projects aimed at improving performance and providing a safe and reliable environment for customers. The bank's internal systems for servers and core services were updated and developed. Advanced solutions were also implemented to enhance security protection for all systems and data, including adding new levels of security at administrative sites and branches to ensure the protection of banking data. The bank is also working to enhance digital transformation through several ongoing projects, in addition to its efforts to promote the concept of sustainability and environmental conservation by implementing solutions aimed at achieving a paperless environment.

In terms of protection and security systems, the bank added new security levels across multiple levels at its headquarters, alternate disaster site, and branches to provide a safe environment for the bank's customers and their data, and to protect banking systems in view of growing cyberattacks and in accordance with the best local and international standards. Moreover, and to enhance the robustness of its technological infrastructure, the bank recently inspected its recovery site, and the services provided through the disaster site, ensuring the sustainability of its services to customers.

It is worth noting that the bank has completed several projects to update and develop its private network infrastructure and enhance the level of security for systems and data at the bank's headquarters and its recovery site, in collaboration with several leading global companies in these fields. In addition, the bank has adopted several advanced technical and cloud services enhanced by artificial intelligence to provide optimal performance and protection for its infrastructure. This implementation aligns with the bank's goals and vision of keeping pace with technological developments and enhancing the digital transformation environment and competitiveness of the bank. Through these steps, AJIB aims to keep pace with the latest developments in the world of technology, enhancing its ability to meet customer needs, facilitating efficient access to services, and achieving its goals in digital transformation and banking innovation.

Regarding electronic payment channels, the bank focused on keeping pace with solutions and improving electronic payment channels. It upgraded the Automated Clearing House (ACH) system in response to the upgrade of JoPACC's central system to align with new message structures and formats and to comply with ISO 20022. The bank also developed the process of settling merchant payments via the CliQ service from the account held by Network International (NI) at the bank. This service allowed NI to settle merchant payments via CliQ instantly and free of charge for merchants. The bank also developed the account activation service via the bank's electronic channels, in line with the Central Bank's requirements regarding providing a safe and reliable environment for customers.

The Dealing and Investment project was launched through AJIB Mobile application, allowing our customers to trade online and fund their trading accounts from their savings and current accounts. In addition, the Virtual Prepaid Cards project was launched, which allows customers to request and create a Virtual Prepaid Card that can be used for online purchases. Furthermore, the department launched the Cardless Withdrawal service, which allows customers to withdraw cash from all of the bank's ATMs without using their cards through the AJIB Mobile app. It also automated sending the Credit Cards e-Statement via email, added a cash deposit service to NCR ATMs, and provided the ability to adjust the online purchase limit for cards from the AJIB Mobile app.

A variety of services were also developed for companies, offering innovative solutions that enhance their business efficiency, including the H2H service, which allows companies to conduct their banking transactions automatically and securely from their own locations without having to visit bank branches. These services include money transfer services, salary uploads, and other banking services.
The bank is also developing advanced integration platforms (Int. Layer), which allow companies to integrate with the bank's systems to provide more banking services quickly and securely, without the need to visit bank branches. These platforms enable emerging financial companies and financial services companies (Fintech) to integrate with the bank's systems securely and seamlessly, enhancing financial integration with private companies and government agencies that support these mechanisms.

With regard to the governance of information technology, the bank continued to implement the COBIT 2019 information governance framework, which seeks to achieve the highest benefits from information technology with the lowest degree of risk and the least resources. This framework includes a group of operations and practices that cover the various departments at the bank by highlighting cybersecurity issues, risk management, data privacy and protection, compliance, monitoring, auditing, and strategic compatibility. The bank has reached maturity level 4 in some information governance processes and associated technology and achieved maturity level 3 in the remaining processes with the participation of the Board of Directors, the executive management team, and department employees. This approach was based on IT management and the implementation of necessary plans to achieve the bank's strategic objectives. IT quality assurance tasks were also strengthened to positively impact overall technology performance.

13. Human Resources and Training

The year 2024 was rich with opportunities and challenges for the Human Resources and Training Department, which achieved numerous outstanding accomplishments across various levels. It was able to align with its objectives and strategic plans, supported by the bank's vision of excellence in banking services, creating a stimulating work environment, and fostering a unified corporate culture that enhances effectiveness, flexibility, and integration.

The department continued working on the initiatives it launched following the bank's acquisition of Standard Chartered Bank's operations in Jordan during 2024, under the direction of management. These initiatives required the development and updating of human resources policies and procedures to support the achievement of the institution's objectives and advance operations in accordance with the highest standards of professionalism and sustainability. Most notable among these initiatives was human resources planning to meet the needs of these departments. Efforts were intensified to study workforce distribution and enhance the skills and aptitudes of all departments, at all functional and administrative levels. The bank continued to strengthen its internal recruitment policies, based on approved career paths for employees, to prioritize career development for the bank's employees. This is done to retain highly qualified and experienced employees and enable them to move to other internal positions, diversifying and enhancing their experiences within conditions that achieve fairness and transparency, and ensuring equal opportunities for all.

As part of the bank's external recruitment policies, the focus was on attracting outstanding talent from recent graduates of the best local and international universities, in addition to attracting talent with relevant experience in various fields. The Human Resources and Training Department took on the responsibility of creating a cultural change that aligns with the developments taking place in the bank's operations and exerted continuous efforts to instill the bank's values in every detail of its daily operations.

The department continued to review organizational structures to keep pace with the changes resulting from the development of the bank's business and the expansion of its services and network. The bank's organizational structure was completed and approved at the corporate level in general, and at the departmental level in particular. In addition, the organizational structures were reviewed and re-examined to organize the business in light of new developments to the nature of the work, and a comprehensive review of the roles and responsibilities assigned to the bank's employees was conducted, modifying them to meet the requirements of the work and to utilize talents and competencies in an appropriate manner.

As part of the bank's efforts to provide a stimulating work environment for employees, the incentive system was reviewed and developed to increase productivity and achieve the goals set forth in the bank's plans and strategies, ensuring increased profitability. These efforts expanded to include developing a performance management system and updating the employee performance evaluation mechanism and models used to monitor performance objectively and impartially, ensuring accountability with complete transparency.

Regarding the activities of the Training Department during 2024, a group of training activities and programs were implemented that aim to build the capabilities and develop the skills of employees at all their functional and administrative levels and within various specializations. The total number of employees participating in these activities and programs exceeded 890, some of whom received more than one training program and activity within various packages of courses, training seminars, workshops and conferences, totaling 75, organized via visual communication and self-study.

As part of the internal training program, all branch employees and managers underwent several courses in customer service, sales skills, and banking products, with the goal of providing excellent customer service and increasing sales. A banking training program was also held for new branch employees, and the Compliance Department's requirements in the field of combating money laundering and terrorist financing were met, in accordance with regulatory and legislative requirements.

To keep pace with the rapid and continuous transformation of businesses towards digitization and electronic channels and the associated risks, which have become a regulatory and legislative requirement, and to maintain knowledge and education for all employees in the field of information security, electronic training programs have been intensified through the KnowBe4 system, which is the leading global systems in electronic training in the field of information protection and security. The program covered approximately 2,000 opportunities, meeting operational risk, business continuity, and compliance requirements.

In this regard, several programs were launched on information security and business-related protection. These programs ranged from mandatory for new employees to specialized programs for specific jobs and departments, depending on their nature. Employees also continue to participate in seminars, workshops, and courses held by financial training centers and specialized agencies.

In the same context, work continued to enhance employee competencies in accordance with the highest professional and international standards. Employees were dispatched to obtain specialized professional certificates according to the nature and requirements of the work in 15 programs/certifications in most departments. This included the field of compliance: Certified Anti-Money Laundering Specialist (CAMS) and Certified Sanctions Specialist (CGSS); auditing and financial management (CMA and CIA); trade finance; four certificates in international standards and instructions issued by the World Trade Organization and others; and information technology and security such as (LINUX) and CEH). Several programs were implemented to meet the training requirements of the Ministry of Labor and the Social Security Corporation by qualifying supervisors and specialists in public safety and certified occupational health, and training employees according to requirements.
In addition to participating in local training programs in credit and financial risk management, compliance, information technology, human resources, and banking operations, and attending conferences with Arab and international participation, the department also supported the training needs of the bank's subsidiaries.

Looking forward to 2025, the department will continue developing, improving and expanding its scope of work to meet the growing needs of AJIB's human capital based on its strategic plans, including initiatives and projects that reinforce its role of advancing the work level and offering advanced systems and services, particularly in technology.

14. Securities Services

Arab Jordan Investment Bank is a licensed custodian by the Jordan Securities Commission, a business that aims to protect the investors assets by safekeeping clients financial assets under custody accounts to help in eliminating the risk of executing buy/sell orders on the clients' portfolio without their instruction and to ensure trade settlement is done based on their instruction as well as collecting cash/or stock dividend on behalf of the investor and other asset servicing facilities such as providing periodical reports showing the clients' holding as per the Securities Depository Center and the Central Bank of Jordan records.

The Securities Services department committed in providing custody and clearing services for financial instruments traded in Amman Stock Exchange through adopting best international standard and practices. In addition, providing asset services by acting on behalf of the investors and providing them with the required information on the Jordanian capital market through our bespoke newsflashes, newsletter and reports.

The bank also ensures its continuous communication with foreign investors including individuals, investment funds and international financial institutions, through an extended network of global custodians and participation in global events that are hosted and attended by expertise within the securities services industry and custody business.

15. Sustainability

During 2024, AJIB released its second annual sustainability report, highlighting the bank's serious efforts to contribute to achieving the global sustainable development goals by affirming its unwavering commitment to building a sustainable and responsible banking model.

The report addressed the steps the bank has taken to integrate sustainability into its corporate governance, with a focus on transparency, ethics, and regulatory compliance. The successful acquisition of Standard Chartered Bank's operations in Jordan also highlights the bank's strategic growth.

In the report, the bank emphasized the importance of its employees as the primary driver of its success, continuously investing in their professional development and well-being. The bank also places great importance on giving back to the community through various initiatives that focus on social welfare and community development, making significant investments and donations to support Jordanian families and local communities.

On the environmental front, the bank achieved notable accomplishments by recycling large quantities of paper and achieving a high percentage of electricity consumption from renewable sources. The bank also affirms its commitment to continuing its efforts to preserve the environment and reduce its carbon footprint, with a focus on achieving financial growth, community development, and individual empowerment, to build a more sustainable and just future for Jordan and the region.

In the same context, the bank supported the membership program of the Royal Society for the Conservation of Nature (RSCN) by paying annual subscriptions to interested employees, which provides numerous benefits, including access to social activities and events at both the individual and family levels.

The report addressed the bank's future plans, and the results achieved during the past period, in addition to addressing the bank's vision on key issues in the field of environmental, social, and corporate governance (ESG).

16. Cyprus Branch

The World Bank classifies the Cypriot economy as a high-income economy and has listed it among the advanced economies. Cyprus adopted the euro as its official currency on January 1, 2008, replacing the Cypriot pound.

For 2024, growth rate is expected to reach 3.6%. This positive momentum is expected to continue, with economic growth projected at 2.8% in 2025 and 2.5% in 2026.

Domestic demand is expected to remain the primary driver of growth, supported by the expected rise in investment from major existing and new construction projects, alongside already positive contributions from household and government consumption. Public investment is also expected to continue to grow strongly, partially financed by the Recovery and Resilience Facility (RRF) and other EU funds. Exports of tourism and non-tourism services are also expected to perform well, while imports continue to rise due to investment and consumption needs, with a significant share of imports required for most exports.

Moody's upgraded Cyprus's credit rating to A3 from Baa2, placing it in the Investment Grade for the first time in 13 years. This upgrade reflects Cyprus' improved economic stability, positive financial outlook, and reduced risks in the financial sector. This upgrade is a significant achievement, highlighting the country's strong financial fundamentals and prospects for future stability.

AJIB has been providing banking services in Cyprus for over 30 years through its branch in Limassol, the most economically developed city in Cyprus, offering a wide range of banking solutions to meet the needs of all customers.

17. The United Arab Jordan Company for Investment and Financial Brokerage

Throughout 2024, the United Arab Jordan Company for Investment and Financial Brokerage continued to provide its services in the field of buying and selling local shares and bonds in a comfortable atmosphere for customers in accordance with the highest standards.

The Amman Financial Market witnessed a decrease in trading volume by the end of 2024 compared to 2023. Total trading volume for 2024 came to about JD1.2 billion compared to JD1.5 billion in 2023. The total number of shares traded during 2024 decreased to 913.2 billion compared to 1.1 billion in 2023. As for the general stock price index, it closed at 2488.8 points, down by 57.6 points, an increase of 2.37% from its level recorded for 2023, which was at 2431.2 points.

18. Arab Jordan Investment Bank - Qatar

The Qatari economy showed signs of a gradual recovery after a slowdown in growth in 2023 following the FIFA World Cup. Real GDP growth declined from 4.2% in 2022 to 1.2% in 2023, primarily due to contracting construction activity and a decline in services growth. Tourism, on the other hand, has gained significant strength since the World Cup. Real GDP growth in 2024–2025 is expected to reach 2%, supported by public investment, the positive effects of expanding liquefied natural gas (LNG) production, and a strong tourism sector. The medium-term outlook is more favorable, with average annual growth expected to be around 4.75%, driven by the massive expansion in LNG production. The fiscal and current account surpluses are also likely to continue over the medium-term.

During 2024, Moody’s corporation upgraded Qatar’s credit rating to AA2 from AA3 and changed its outlook to stable, reflecting the expected continued improvement in Qatar’s financial metrics over the medium-term.
Fitch Ratings also announced an upgrade of Qatar’s credit rating to AA from AA-. The new rating places Qatar in the elite category, ahead of prominent global economies such as France and the United Kingdom. This decision is primarily due to the promising outlook for Qatar’s revenue streams, particularly from liquefied natural gas (LNG) exports, as the majority of Qatar’s LNG exports find their way to markets in Asia and Europe.

AJIB - Qatar was able to maintain its growth momentum during 2024, achieving strong financial results that reflect the bank’s ability to adapt to changing financial market conditions. The bank also continued to reap the benefits of its strategic diversification approach, supported by a strong balance sheet, a solid capital base, high asset quality, comfortable liquidity, financing portfolios, selective investments, and prudent risk management. This was achieved despite regional and international geopolitical tensions that cast a shadow over the global economic situation.

Also in 2024, the bank successfully completed its cloud computing migration project, providing greater flexibility, reliability, and efficiency, while reducing IT costs.

19. Jordan International Bank (JIB) - London

Jordan International Bank (JIB) London is considered an affiliate company of AJIB, which owns 25% of its capital. In 2024, the bank's total operating profit before tax reached £6.6 million, compared to £6.4 million in 2023. The bank's balance sheet grew by 8% in 2024, driven by higher customer deposit levels, reaching £484 million by the end of 2024, compared to £447 million at the end of 2023.

20. Al Kawthar Leasing Company

Al Kawthar Leasing Company is a private shareholding company established by AJIB in 2022 with a capital of JOD 8 million to meet the non-traditional financing needs and requirements of corporate and individual customers and supporting the continuous development of their businesses, using Islamic banking methods.

The establishment of this company stemmed from the bank's vision to be a leader in providing varied banking services and keeping pace with innovation and development in the banking sector. The company operates under the umbrella of a Sharia oversight authority to provide the best financing solutions and products that are compatible with the provisions of Islamic Sharia.

The company has a highly qualified team that provides customers with the best options and modern financing alternatives to meet their unique needs. It works to finance all assets ranging from production lines, trucks, buses, to various types of machinery, devices, medical and laboratory equipment, and cars, in addition to financing housing projects and ready-made housing units.

2025 Business Objectives

2025 Business Objectives

The business objectives for 2025 are divided into four main fields as follows:

First: Business

- Expanding the bank's customer base in the SME sector to increase its market share in this segment.
- Diversifying individual loan products designed specifically for customers with low risk assessment.
- Expanding banking services, particularly commercial financing for the bank's current low-risk senior customers and for new customers.
- Increasing the financing of infrastructure projects especially in the fields of energy, electricity, transportation, and planned megaprojects.
- Developing financial leasing through Al-Kawthar Leasing Company.

Second: Profitability

- Maintaining the strength and solidity of the bank's financial position and continuing to achieve the highest levels of relative returns among Jordanian banks to shareholders and cash dividends.
- Seeking investment opportunities through acquisitions or participating in investments in the local or foreign markets.

Third: Human Resources

- Focusing on and developing human resources through training and the use of technology.
- Empowering relevant departments, providing them with appropriate resources, developing their efficiency and increasing their expertise.

Fourth: Technology

- Adopting artificial intelligence (AI) and machine learning (ML) technologies to enhance internal operations and improve customer experience, to ensure we keep pace with the latest technological advancements in the financial sector.
- Beginning the implementation of an open banking system to meet the Central Bank of Jordan's requirements, enabling enhanced integration with other financial services and delivering innovative solutions that address evolving customer needs.
- Expanding our electronic systems and integrating the latest fintech innovations to enhance customer experience by providing convenience and ensuring the highest levels of security. As part of our digital transformation strategy, we are implementing a comprehensive suite of projects and programs that include upgrading servers in our main data center, acquiring new software that meets the requirements of future banking operations and the Central Bank's standards, and strengthening our cybersecurity measures by recruiting highly qualified personnel and providing them with ongoing training through courses, seminars, and workshops.

Summary of Key Financial Indicators

Summary of Key Financial Indicators for AJIB

(JD Million)

Statement/Year	2024	2023	2022	2021
Total Assets	2635.2	2537.5	2414.4	2300.9
Net Credit Portfolio	827.2	847.6	814.1	863.9
Financial Assets at Amortized Cost	682.2	729.3	769.0	734.7
Customer Deposits and Cash Margins	1864.3	1648.5	1383.0	1238.5
Total Equity	242.5	237.6	233.2	228.9
Total Income	72.2	80.7	68.8	62.0
Net Profit Before Tax	24.0	28.5	30.4	28.5
Net Profit After Tax	17.7	20.2	19.5	18.2
Net Shareholder Profit after Tax	16.0	18.6	18.1	17.1
Market Value	195.0	195.0	190.5	211.5
Share Price by End of Year (JD)	1.30	1.30	1.27	1.41
Earnings per Share (JD)	0.110	0.120	0.120	0.114
Dividend Distribution (JD)	0.10	0.10	0.10	0.10

Strength and Durability of the Financial Position

- Steady growth in the volume of operations, with total assets reaching JD2.6 billion by the end of 2024, a growth rate of 3.8% compared to 2023, while maintaining acceptable risk levels.
- The capital base is strong enough to meet the normal and calculated credit risks of the Bank.

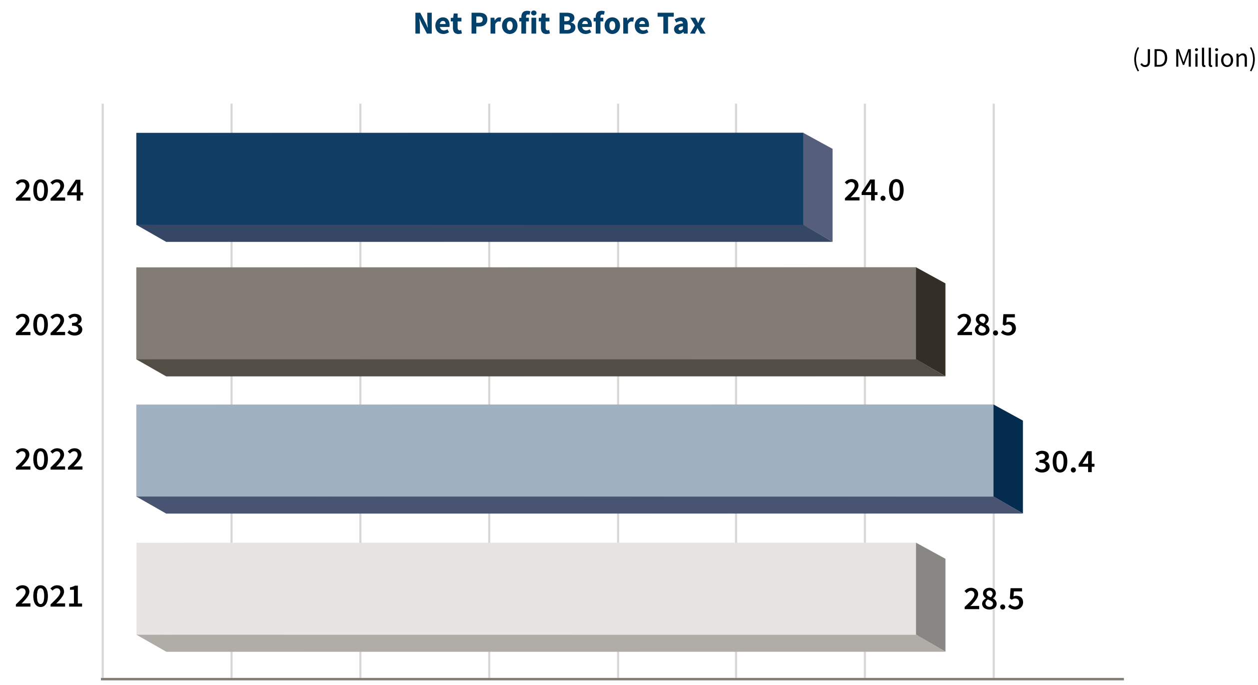
(JD Million)

	2024	2023	Change %
Net Credit Portfolio	827.2	847.6	(2.4%)
Securities Portfolio	753.2	782.6	(3.8%)
Total Assets	2635.2	2537.5	3.8%
Customer Deposits and Cash Margin	1864.3	1648.5	13.1%
Banks and Financial Institutions Deposits	363.3	375.7	(3.3%)
Total Equity	242.5	237.6	2.0%

	2024	2023	2022	2021
	Basel III	Basel III	Basel III	Basel III
Capital Adequacy Ratio	16.60%	16.24%	17.80%	17.43%

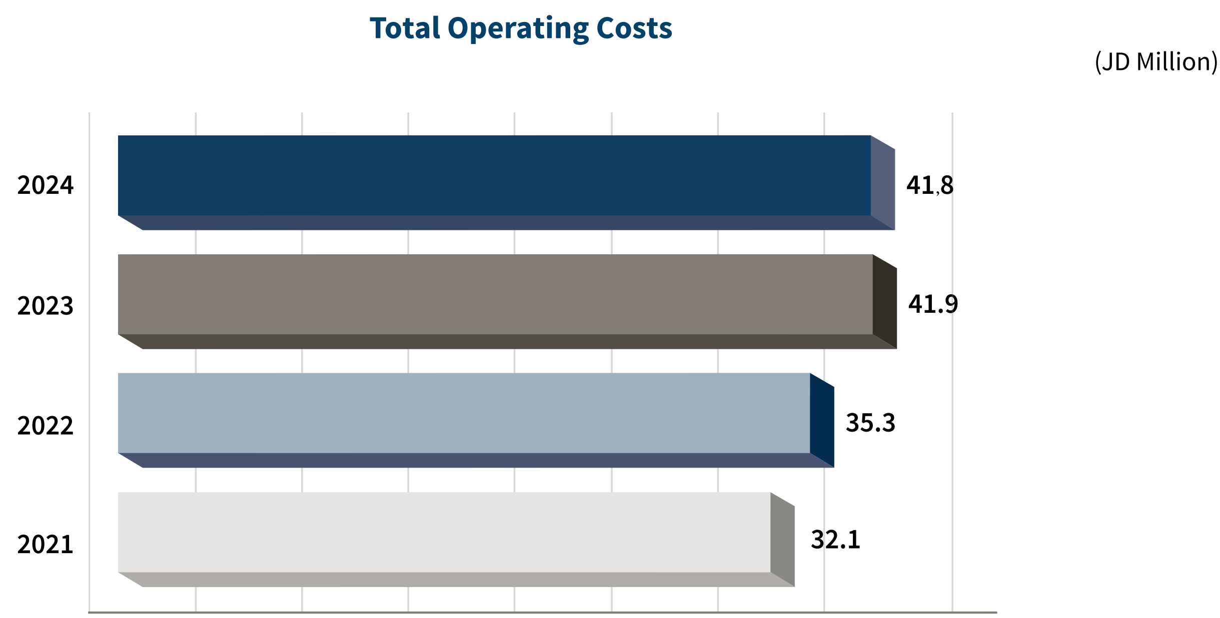
Net Profit Before Tax

In 2024, the bank achieved net profits before tax of JD24.0 million, which is in line with the economic conditions experienced in 2024 in the markets within which the Bank operates.



Total Operating Costs

In 2024, operating costs remained consistent with those recorded in 2023, and the operational efficiency index was recorded at 57.9%.

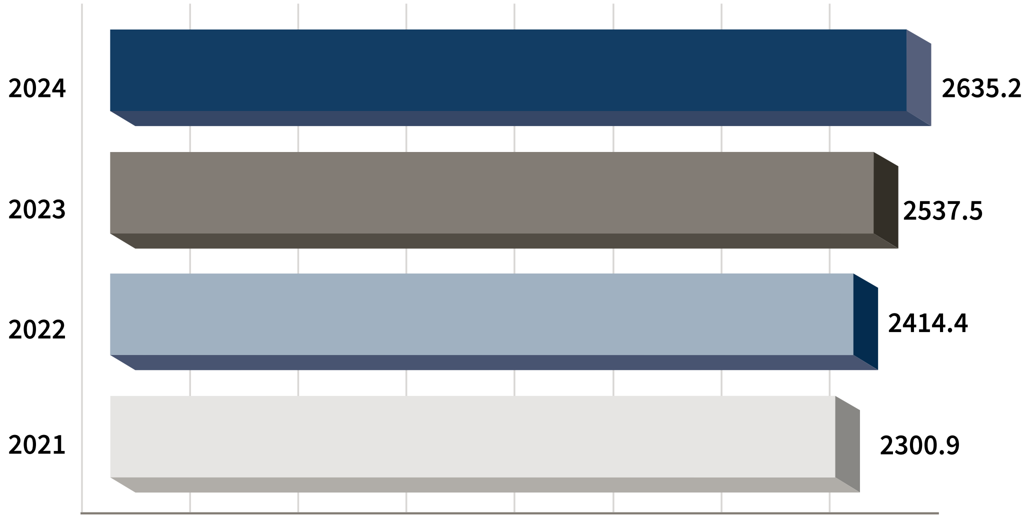


Steady and Balanced Growth in the Financial Position

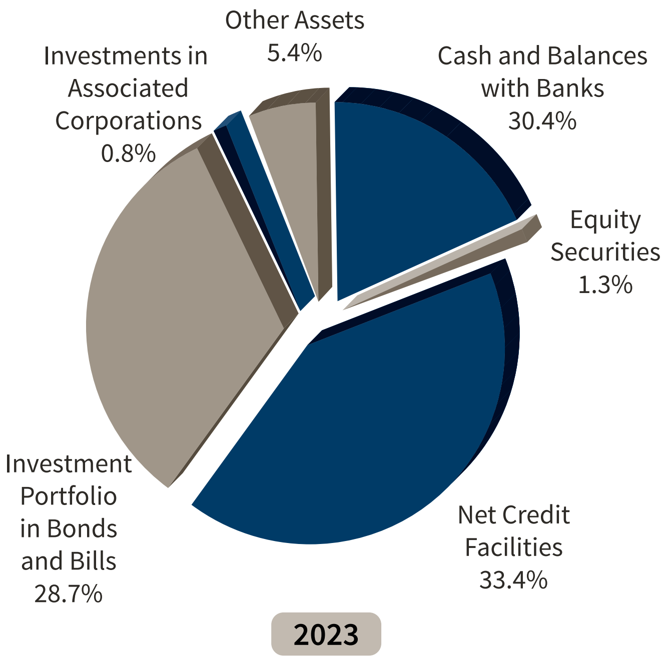
Assets witnessed a notable growth in 2024, increasing by 3.8% to reach JD2.6 billion, compared to JD2.5 billion in 2023. This growth came by diversifying the sources and investments of funds in a manner that achieves a rewarding return for our partners including shareholders, clients, and employees, while adhering to well-studied and acceptable banking risk levels amid the prevailing economic and political challenges in the region.

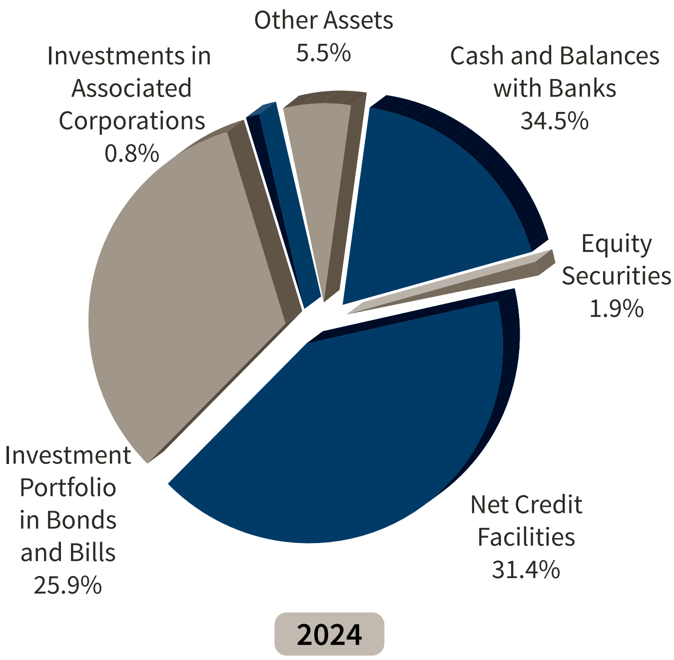
Total Assets

(JD Million)



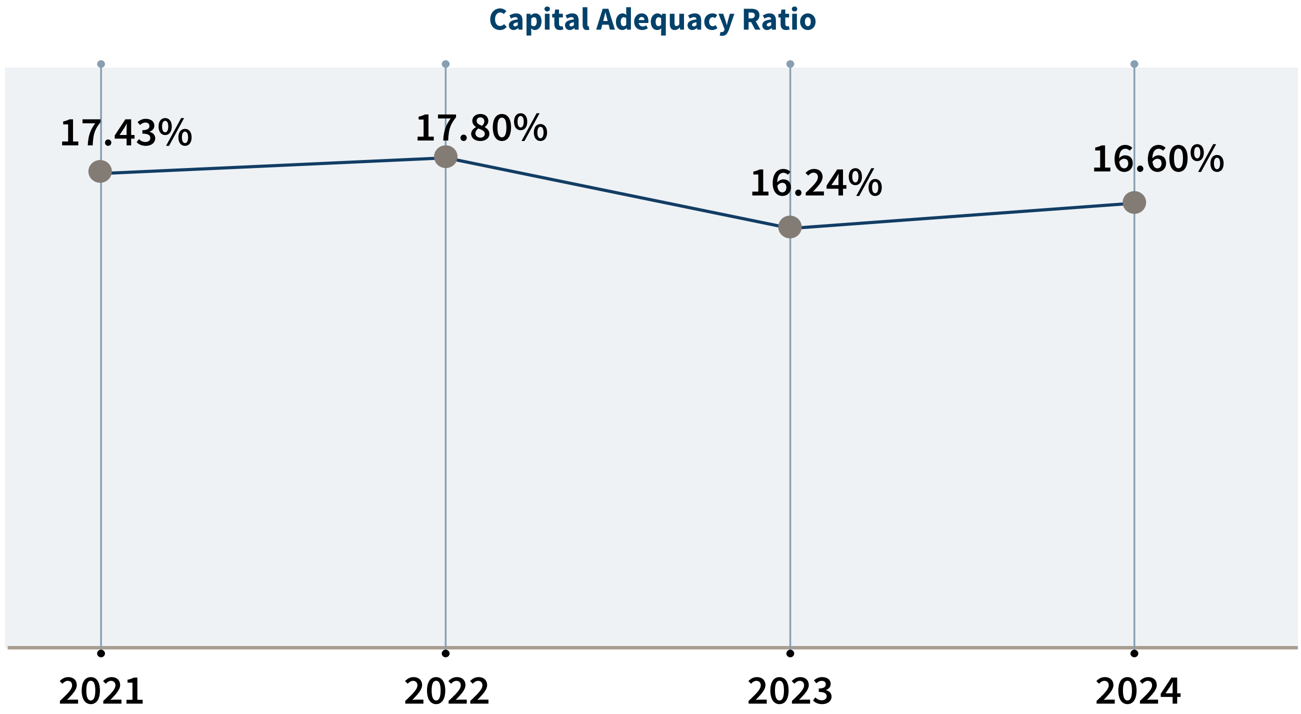
Balanced Composition of Funds Investments Demonstrates Strong and Solid Financial Position





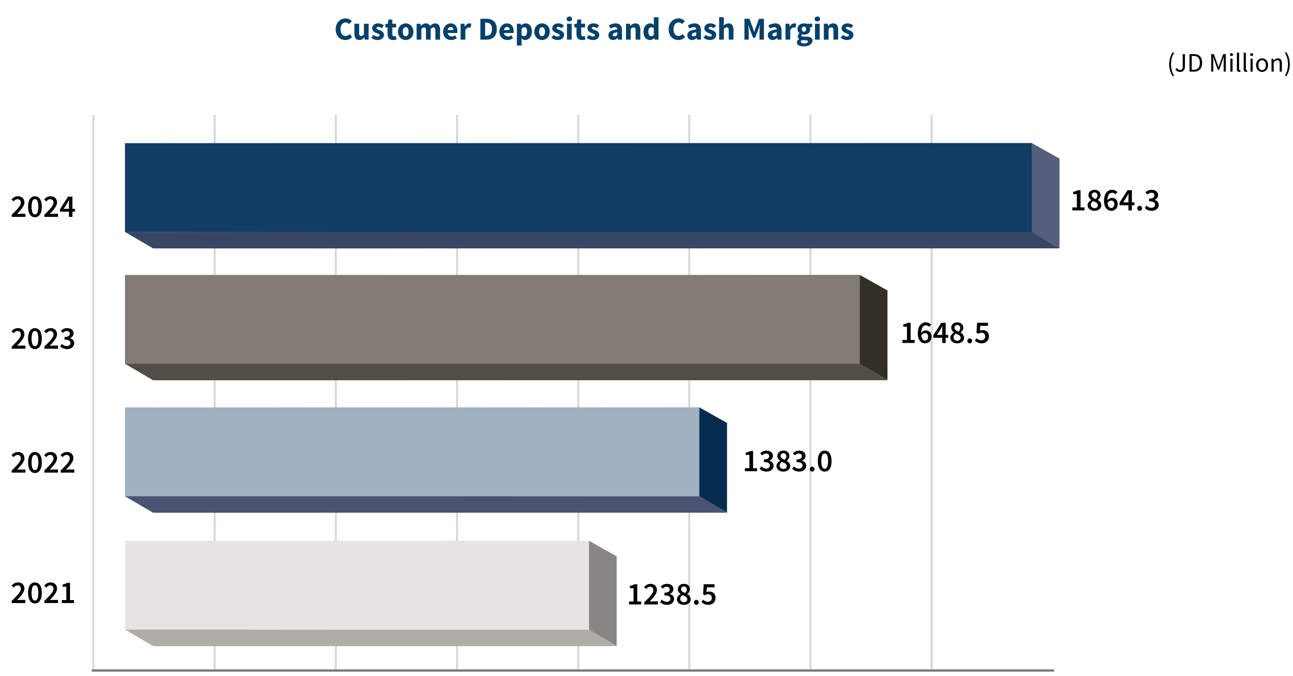
Capital Adequacy Ratio

The Bank's capital adequacy ratio significantly exceeded the minimum requirement set by the Basel Committee standards of 8%, the Central Bank of Jordan's minimum requirement of 12%, and the external presence threshold of 14% to operate within Jordan and abroad, reaching 16.60% in 2024 in accordance with Basel III standards.



Growth of Customer Deposits and Cash Margins

Steady growth in customer deposit balances while maintaining competitive interest rates in the market.

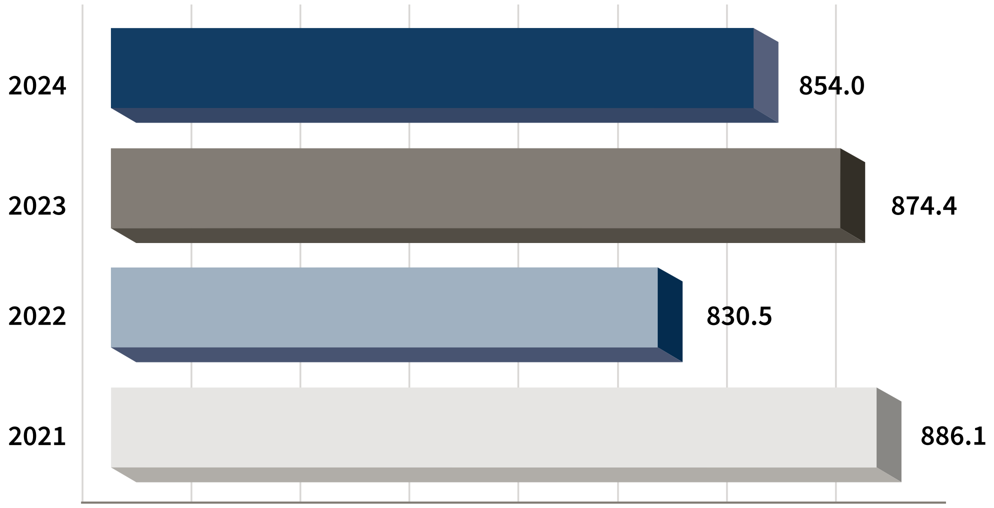


Total Credit Facilities Portfolio

Throughout 2024, the Bank continued to focus its efforts on improving the quality of its credit portfolio by pursuing two strategic directions: implementing a prudent and selective credit policy in granting facilities amid challenging economic conditions and maintaining ongoing efforts to address and recover non-performing debts in a manner that enhances their quality. As a result of these efforts, the balance of the total credit facilities portfolio reached JD854 million in 2024, compared to JD874.4 million in 2023. The non-performing loan (NPL) ratio stood at 1.66% of direct credit facilities after deducting suspended interests, which is one of the lowest ratios in the banking sector. Additionally, the provision coverage ratio for NPLs (excluding suspended interests) reached 40.5% in 2024.

Total Credit Facilities

(JD Million)

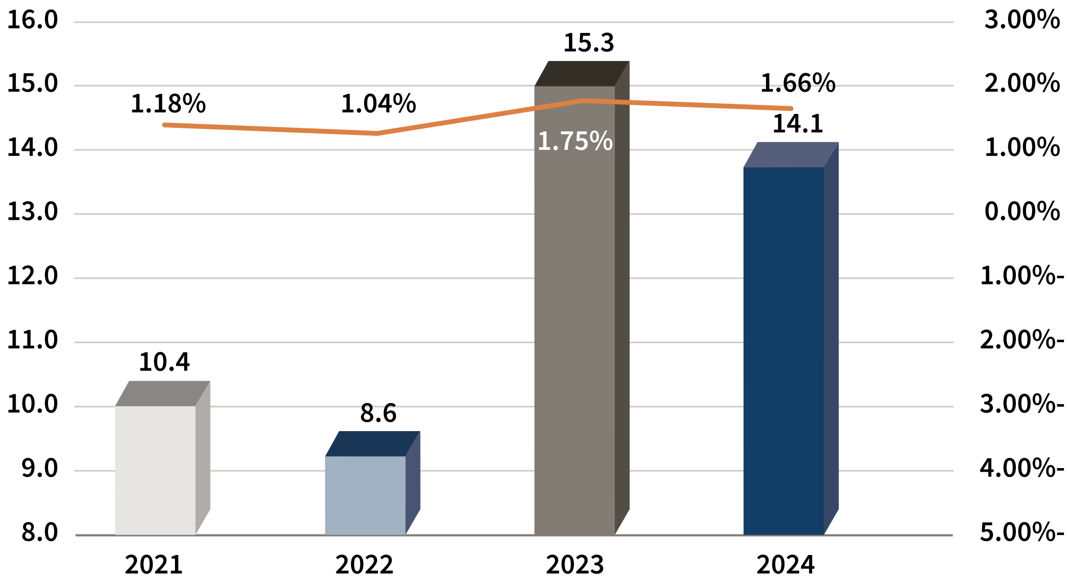


Non-Performing Credit Facilities

The net non-performing loans to total credit facilities ratio reached 1.66% in 2024, one of the lowest levels in the Jordanian banking sector.

Net Non-Performing Facilities and their Ratio to the Facilities Portfolio

(JD Million)

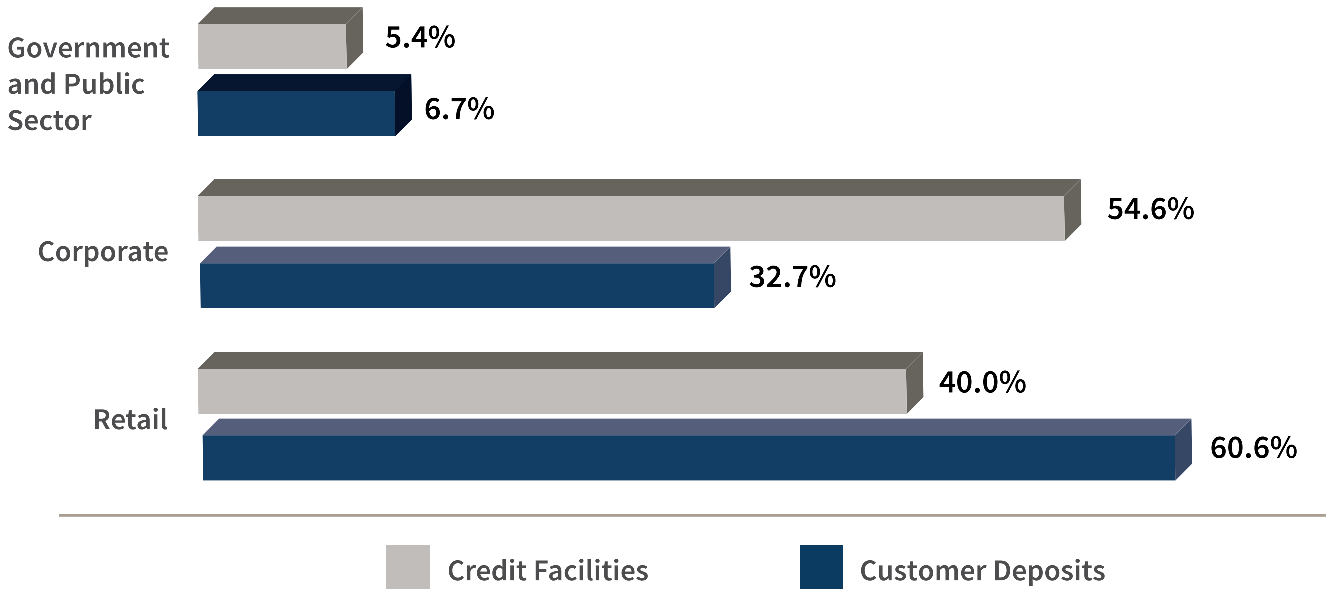


Composition of Customer Deposits and Credit Facilities Portfolio

Retail deposits are generally considered among the most stable sources of funding in the banking sector. In 2024, deposits from the retail sector accounted for 60.6% of total customer deposits, while loans and credit facilities extended to this sector represented 40.0%. Retail loans are typically classified as lower risk compared to corporate loans.

Composition of Customer Deposits and Credit Facilities Portfolio

(JD Million)

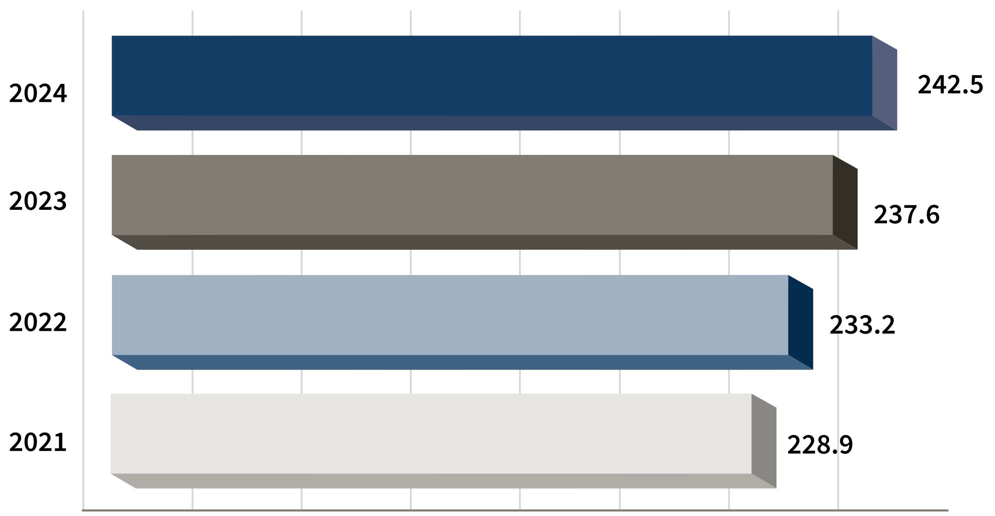


Total Equity

The Bank maintained a strong capital base, positioning it among well-capitalized banks with solid financial standing, reaching JD242.5 million in 2024.

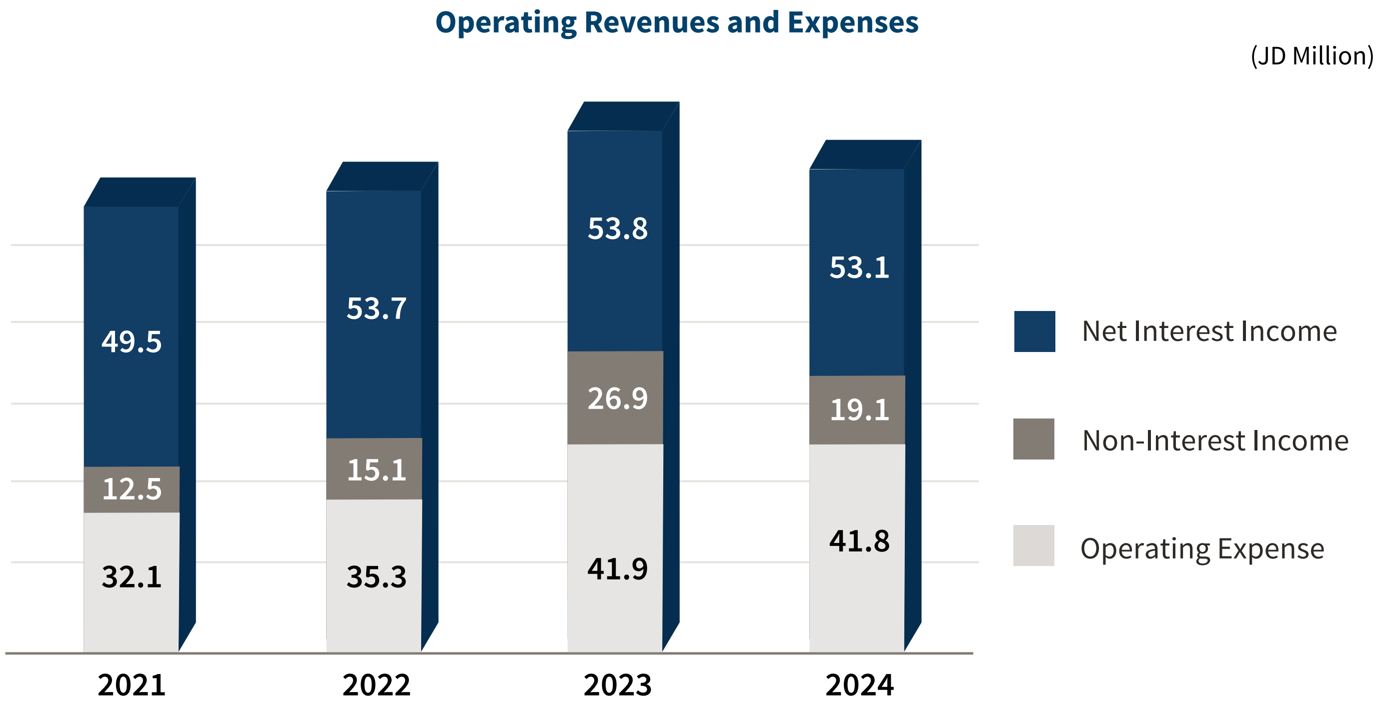
Total Equity

(JD Million)



Net Revenues and Operational Expenses

The operational efficiency index increased reaching 57.9% by the end of 2024.



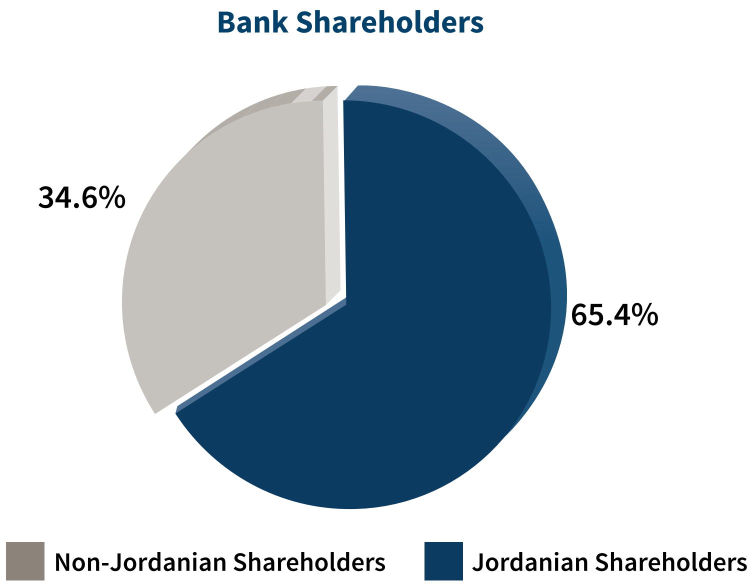
Financial Highlights

Statement / Year	2024	2023	2022	2021
Return on Average Assets (ROaA) Before Tax	0.9%	1.2%	1.3%	1.3%
Return on Average Assets (ROaA) After Tax	0.7%	0.8%	0.8%	0.8%
Return on Average Equity (ROaE) Before Tax	10.0%	12.1%	13.2%	12.6%
Return on Average Equity (ROaE) After Tax	7.4%	8.6%	8.4%	8.0%
Non-Performing Loans / Credit Facilities Portfolio	1.66%	1.75%	1.04%	1.18%
Net Credit Facilities / Customer Deposits	46.1%	53.6%	61.0%	72.2%
Net Credit Facilities / Total Assets	31.4%	33.4%	33.7%	37.5%
Cash and Balances with Banks / Total Assets	34.5%	30.4%	27.0%	23.4%
Total Equity / Total Assets	9.2%	9.4%	9.7%	9.9%

Number of Bank Employees

The number of employees at Arab Jordan Investment Bank reached 837 at the end of 2024, compared to 850 at the end of 2023.

Bank Shareholders



Independent Auditor's Report

Independent Auditor’s Report

To the Shareholders of Arab Jordan Investment Bank
(A Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Arab Jordan Investment Bank (the “Bank”) and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in owners’ equity and consolidated statement of cash flows for the year then ended, and notes to the 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 December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as adopted by the Central Bank of Jordan.

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

Other Matters

The consolidated financial statements of the Bank for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on January 30, 2024.

The accompanying consolidated financial statements are a translation of the original consolidated financial statements, which are in the Arabic language, to which reference should be made.

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 year ended. 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.

	Key Audit Matter	How our audit addressed the key audit matter
1.	**Allowance for Expected Credit Losses on Credit Facilities** As described in Note (9) to the consolidated financial statements, the Group had net direct credit facilities of JD 827.2 million as at December 31, 2024 representing 31% of total assets. The expected credit loss (ECL) allowance was JD 21.4 million as at this date. The determination of the Group's expected credit losses for credit facilities measured at amortized cost is a material and complex estimate requiring significant management judgement in the evaluation of the credit quality and the estimation of inherent losses in the portfolio. The financial statement risk arises from several aspects requiring the substantial judgement of management, such as the estimation of probabilities of default and loss given defaults for various stages, the determination of significant increases in credit risk (SICR) and credit-impairment status (default), the use of different modelling techniques and consideration of manual adjustments. In calculating expected credit losses, the Group considered credit quality indicators for each loan and portfolios, stratifies loans and advances by risk grades and estimates losses for each loan based upon their nature and risk profile. Post model adjustments are applied to address risk that are not specifically considered by the ECL model. The basis and calculation of the post model adjustments require significant management judgement including the consideration of the risk of management override. The Group's expected credit losses are calculated against credit exposures, according to the requirements of International Financial Reporting Standard 9 Financial Instruments (IFRS 9) as adopted by the Central Bank of Jordan. Credit exposures granted directly to the Jordanian Government as well as credit exposers guaranteed by Government are excluded from the determination of the allowance for expected credit losses. In addition, expected credit losses are also adjusted to take into consideration any special arrangements with the Central Bank of Jordan. Auditing these complex judgements and assumptions involves especially challenging auditor judgement due to the nature and extent of audit evidence and effort required to address these matters. Consequently, we have considered the allowance for expected credit losses on credit facilities to be a key audit matter.	We established an audit approach which includes both testing the design and operating effectiveness of internal controls over the determination of expected credit losses and risk-based substantive audit procedures. Our procedures over internal controls focused on the governance over the process controls around the ECL methodology, completeness and accuracy of loan data used in the expected loss models, management review of outcomes, management validation and approval processes, the assignment of borrowers' risk classification, consistency of application of accounting policies and the process for calculating individual allowances. The primary substantive procedures which we performed to address this key audit matter included, but were not limited to, the following: • For a risk-based sample of individual loans, we performed a detailed credit review, assessed the appropriateness of information for evaluating the credit-worthiness and staging classification of individual borrowers and challenged the assumptions underlying the expected credit loss allowance calculations, such as estimated future cash flows, collateral valuations and estimates of recovery as well as considered the consistency of the Group's application of its impairment policy. Further, we evaluated controls over approval, accuracy and completeness of impairment allowances and governance controls, including assessing key management and committee meetings that form part of the approval process for loan impairment allowances; • For loans not tested individually, we evaluated controls over the modelling process, including model monitoring, validation and approval. We tested controls over model outputs and the mathematical accuracy and computation of the expected credit losses by re-performing or independently calculating elements of the expected credit losses based on relevant source documents with the involvement of our modelling specialists. We challenged key assumptions, inspected the calculation methodology and traced a sample back to source data. We evaluated key assumptions such as thresholds used to determine SICR and forward looking macroeconomic scenarios including the related weighting; • We evaluated post model adjustments and management overlay in the context of key model and data limitations identified by the Group in order to assess the reasonableness of these adjustments, focusing on PD and LGD used for corporate loans, and challenged their rational;

	Key Audit Matter	How our audit addressed the key audit matter
		• We assessed the amendments made by management by evaluating the model adjustments in relation to SICR and the forward looking macroeconomic scenarios which were incorporated into the impairment calculations by utilizing our internal specialists to challenge the multiple economic scenarios chosen and weighting applied to capture non-linear losses; and • We determined if the amount recorded as the allowance for expected credit losses was determined in accordance with the instructions of the Central Bank of Jordan. • We tested, utilizing our internal IT specialists, the IT application used in the credit impairment process and verified the integrity of data used as input to the models including the transfer of data between source systems and the impairment models. We evaluated system-based and manual controls over the recognition and measurement of impairment allowances. • We assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards as adopted by the Central Bank of Jordan.
2.	**IT systems and controls over financial reporting** We identified IT systems and controls over the Group's financial reporting as an area of focus due to the extensive volume and variety of transactions which are processed daily by the Group and rely on the effective operation of automated and IT dependent manual controls. There is a risk that automated accounting procedures and related internal controls are not accurately designed and operating effectively. In particular, the incorporated relevant controls are essential to limit the potential error as a result of change to an application or underlying data.	Our audit approach relies on automated controls and therefore the following procedures were designed to test access and other controls over IT systems: • We obtained an understanding of the applications relevant to financial reporting and the infrastructure supporting these applications. • We tested IT general controls relevant to automated controls and computer-generated information covering access security, program changes, data center and network operations. • We examined computer generated information used in financial reports from relevant applications and key controls over their report logics. • We performed testing on the key automated controls on significant IT systems relevant to business processes.

Other Information

Management is responsible for the other information. The other information comprises the other information in the annual report but does not include the consolidated financial statements and the independent auditors' report thereon. that the other information 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 do not express any form of assurance or 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB as adopted by the Central Bank of Jordan, 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 exist. 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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, related safeguards procedures.

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. We recommend that the General Assembly of the Shareholders approve these consolidated financial statements.

The engagement partner on the audit resulting in these independent auditors is Karim Nabulsi.

Amman – Jordan
Deloitte & Touche (M.E.) – Jordan
January 30, 2025

Consolidated Financial Statements 31 December 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

Assets	Notes	2024	2023
		JD	JD
Cash and balances at Central Bank of Jordan	5	581,823,188	451,145,248
Balances at banks and financial institutions- net	6	258,510,217	291,847,547
Deposits at banks and financial institutions- net	7	68,993,141	28,547,873
Financial assets at fair value through other comprehinsve income	8	50,050,334	33,326,152
Direct credit facilities - net	9	827,164,940	847,574,520
Financial assets at amortized cost - net	10	682,249,912	729,273,864
Investment in associate company	11	20,944,766	20,045,724
Property and equipment - net	12	75,395,074	77,016,663
Intangible assets - net	13	10,275,835	13,053,896
Right of use assets	41	3,113,939	2,816,046
Deferred tax assets	20-d	2,856,919	3,308,754
Other assets	14	53,776,129	39,543,317
Total assets		2,635,154,394	2,537,499,604
Liabilities and Equity			
Liabilities:			
Banks and financial institutions' deposits	15	363,325,136	375,720,262
Customers' deposits	16	1,792,543,408	1,582,662,051
Borrowed funds from the Central Bank of Jordan	17	123,305,846	233,201,991
Cash margins	18	71,747,899	65,844,839
Sundry provisions	19	1,609,940	1,476,794
Income tax provision	20-a	6,201,541	7,877,274
Lease liabilities	41	2,869,842	2,520,870
Other liabilities	21	31,098,374	30,576,153
Total Liabilities		2,392,701,986	2,299,880,234
Equity:			
Equity attributable to Bank's shareholders			
Authorized and paid-up capital	22	150,000,000	150,000,000
Statutory reserve	23	44,188,812	42,292,126
Foreign currency translation adjustments	24	(3,435,929)	(3,143,891)
Fair value reserve - net	25	5,750,085	1,737,053
Retained earnings	26	26,449,964	27,359,753
Total Equity attributable to the Bank's shareholders		222,952,932	218,245,041
Non - controlling interest	28	19,499,476	19,374,329
Total Equity		242,452,408	237,619,370
Total Liabilities and shareholders' Equity		2,635,154,394	2,537,499,604

The accompanying notes constitute an integral part of these consolidated financial statements and should be read with them and with the accompanying audit report.

ARAB JORDAN INVESTMENT BANK (A PUBLIC SHAREHOLDING LIMITED COMPANY)

CONSOLIDATED STATEMENT OF POFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2024

Revenues	Notes	2024	2023
		JD	JD
Interest income	29	141,771,329	125,478,529
Interest expense	30	(88,595,174)	(71,665,244)
Net interest income		53,116,155	53,813,285
Net commissions gain	31	7,649,422	6,812,536
Net interest and commissions income		60,765,577	60,625,821
Foreign currencies gain	32	6,092,156	4,563,121
Gain from financial assets at fair value through profit or Loss	33	-	47,621
Cash dividends from financial assets at fair value through other comprehensive income	34	869,558	815,823
Other income	35	3,293,551	13,666,172
Total income		71,020,842	79,718,558
Employees expenses	36	19,946,895	19,010,081
Depreciation and amortization	12,13,41	7,284,206	6,495,020
Other expenses	37	14,576,432	16,381,024
Provision for expected credit losses	38	4,558,317	9,832,275
Sundry provisions	14,19	1,809,811	489,521
Total expenses		48,175,661	52,207,921
Bank's share of profit of associate company	11	1,183,884	969,501
Profit for the year before income tax		24,029,065	28,480,138
Income tax expense	20-b	(6,321,771)	(8,294,121)
Profit for the year		17,707,294	20,186,017
Attributable to:			
Bank's shareholders		15,986,897	18,576,406
Non - controlling interest		1,720,397	1,609,611
		17,707,294	20,186,017
		JD / Fils	JD / Fils
Basic and diluted earnings per share from profit for the year (bank's shareholder) JD/ Share	39	0.11	0.12

The accompanying notes constitute an integral part of these consolidated financial statements and should be read with them and with the accompanying audit report.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023
		JD	JD
Profit for the year		17,707,294	20,186,017
Comprehensive income items:			
Other comprehensive income items which may be transferred to profit or loss in subsequent periods:			
Foreign Currency translation adjustments - Associate Company	24	(292,038)	1,027,714
Other comprehensive income items which may not be transferred to profit or loss in subsequent periods:			
Cumulative change in fair value of financial assets through other comprehensive income - net after tax	25	4,013,032	(402,160)
Losses from selling financial assets through other comprehensive income	8	-	(579)
Total comprehensive income for the year		21,428,288	20,810,992
Total comprehensive income attributable to:			
Bank's shareholders		19,707,891	19,201,381
Non - controlling interest		1,720,397	1,609,611
		21,428,288	20,810,992

The accompanying notes constitute an integral part of these consolidated financial statements and should be read with them and with the accompanying audit report.

CONSOLIDATED STATEMNET OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

For the year ended December 31, 2024	Paid-up Capita	Reserves			Retained Earnings**	Total Equity attributable to the Bank's Shareholders	Non - Controlling Interest	Total Equity
		Statutory Reserve	Foreign Currency Translation Adjustments	Fair Value Reserve - Net				
	JD	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	150,000,000	42,292,126	(3,143,891)	1,737,053	27,359,753	218,245,041	19,374,329	237,619,370
Total comprehensive income for the year	-	-	(292,038)	4,013,032	15,986,897	19,707,891	1,720,397	21,428,288
Transferred to statutory reserve	-	1,896,686	-	-	(1,896,686)	-	-	-
Profit distributed to shareholders*	-	-	-	-	(15,000,000)	(15,000,000)	-	(15,000,000)
Change in non-controlling interest	-	-	-	-	-	-	(1,595,250)	(1,595,250)
Balance at the end of the year	150,000,000	44,188,812	(3,435,929)	5,750,085	26,449,964	222,952,932	19,499,476	242,452,408
For the year ended December 31, 2023								
Balance at the beginning of the year	150,000,000	39,903,516	(4,171,605)	2,133,996	26,177,753	214,043,660	19,182,718	233,226,378
Total comprehensive income for the year	-	-	1,027,714	(402,739)	18,576,406	19,201,381	1,609,611	20,810,992
Transferred to statutory reserve	-	2,388,610	-	-	(2,388,610)	-	-	-
Profit distributed to shareholders*	-	-	-	-	(15,000,000)	(15,000,000)	-	(15,000,000)
Adjustments	-	-	-	5,796	(5,796)	-	-	-
Change in non-controlling interest	-	-	-	-	-	-	(1,418,000)	(1,418,000)
Balance at the end of the year	150,000,000	42,292,126	(3,143,891)	1,737,053	27,359,753	218,245,041	19,374,329	237,619,370

* According to resolution of the Bank's General Assembly meeting held on March 28, 2024 it was approved to distrubtion 10% of the bank's capitalas cash dividands to the shareholders which equivlant to JD 15 million, (On March 21, 2023 it was approved to distrubtion 10% of the bank's capitalas cash dividands to the shareholders which equivlant to JD 15 million).

In accordance to the instructions of the regulatory authorities

** Retained earnings include an restricted amount of JD 2,856,919 as of December 31, 2024 against deferred tax assets, which cannot be utilized through capitalization or distribution unless actually realized

The accompanying notes constitute an integral part of these consolidated financial statements and should be read with them and with the accompanying audit report.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023
		JD	JD
Operating activities			
Profit for the year before income tax		24,029,065	28,480,138
Adjustments for:			
Gain from the acquisition of National Bank of Kuwait Jordan branch	35	-	(2,900,000)
Gain from the acquisition of Standard Chartered Bank Jordan branch	35	-	(4,728,000)
Depreciation and amortization	12,13,41	7,284,206	6,495,020
Provision for expected credit losses	38	4,558,317	9,832,275
(Gain) on financial assets at fair value through profit or loss	33	-	(47,621)
Cash dividends from financial assets at fair value through other comprehensive income	34	(869,558)	(815,823)
Sundry provisions	14,19	1,809,811	489,521
Gain from sale of property and equipment	35	(119,163)	(284,533)
Interest from lease liabilities	30	100,014	103,352
Losses from the sale of seized assets by the bank	35	63,365	-
Released from provision for expected credit losses		(1,616,231)	(3,900,436)
Effect of exchange rate fluctuations on cash and cash equivalents	32	(63,856)	(72,114)
Bank's share of profit of associate company	11	(1,183,884)	(969,501)
Cash profit before changes in assets and liabilities		33,992,086	31,682,278
Changes in assets and liabilities			
Deposits with banks and other financial institutions (maturing after more than 3 months)		(40,482,768)	(22,730,214)
Financial assets at fair value through profit or loss		-	711,518
Direct credit facilities – net		17,376,639	4,368,072
Other assets		(15,897,426)	10,385,847
Banks and financial institutions deposits (maturing after more than 3 months)		(11,344,000)	(10,635,000)
Customers' deposits		209,881,357	77,194,860
Cash margins		5,903,060	11,725,947
Other liabilities		474,183	(19,608,599)
Net change in assets and liabilities		165,911,045	51,412,431
Net cash flows from operating activities before tax and sundry provisions paid		199,903,131	83,094,709
Sundry provisions paid		(61,417)	(140,938)
Income tax paid	20-a	(7.545,669)	(9,786,423)
Net cash flows from operating activities		192,296,045	73,167,348
Investing activities			
Financial assets at amortized cost - net		47,109,671	135,672,841
Financial assets at fair value through other comprehensive income - net		(12,718,347)	(731,779)
Cash dividends from financial assets at fair value through other comprehensive income	34	869,558	815,823
Acquisition – net cash received (paid)	52	-	27,045,868
Purchase of property and equipment	12	(1,997,181)	(2,854,569)
Proceeds from sale of property and equipment		374,792	1,423,576
Purchase of intangible assets	13	(519,428)	(616,125)
Net cash flows from investing activities		33,119,065	160,755,635
Financing activities			
Borrowed money from the Central Bank of Jordan		(109,896,145)	(53,213,751)
Change in non - controlling interest		(1,595,250)	(1,418,000)
Dividends paid to shareholders		(14,942,745)	(14,974,763)
Paid from lease liabilities	41	(672,511)	(929,947)
Net cash flows (used in) from financing activities		(127,106,651)	(70,536,461)
Net increase in cash and cash equivalents		98,308,459	163,386,522
Effect of exchange rate fluctuations on cash and cash equivalents		63,856	72,114
Cash and cash equivalent - beginning of the year		378,716,810	215,258,174
Cash and cash equivalent - end of the year	40	477,089,125	378,716,810

The accompanying notes constitute an integral part of these consolidated financial statements and should be read with them and with the accompanying audit report.

Notes on the Consolidated Financial Statements

31 December 2024

1. General

The Arab Jordan Investment Bank is a public shareholding limited company with headquarters in Amman - Hashemite Kingdom of Jordan, it was registered on February 2, 1978 according to the Companies Law and related subsequent amendments the last of which was amendment No, (22) for the year 1997, the Bank's authorized and paid-up capital was increased gradually the last of which was during the year 2014 to become JD 150 million at par value of JD 1 per share.

The Bank is engaged in commercial banking activities through its (37) branches and offices in Jordan and (1) branch in Cyprus and its subsidiaries in Qatar and Jordan (Arab Jordan Investment Bank - (Qatar) LLC and the United Arab Jordan Company for Investment and Financial Brokerage and Al- Kawthar for Financial Leasing).

The Bank's shares are listed and traded in the Amman Stock Exchange.

The consolidated financial statements have been approved by the Board of Directors of the Bank on January 30, 2025 and It is subject to the approval of the General Assembly of Shareholders.

2. Material Accounting Policies Information

Basis of Consolidated Financial Statements Preparation

The accompanying consolidated financial statements for the Bank have been prepared in accordance with the standards issued by the International Accounting Standards Board, and interpretations of the International Financial Reporting Interpretation Committee arising from the International Accounting Standards Committee as adopted by Central Bank of Jordan.

The key differences between International Financial Reporting Standards that should be applied and what adopted by the Central Bank of Jordan are as follows:

A. Provisions for expected credit losses are calculated in accordance with the Central Bank of Jordan (CBJ) instructions No. (13/2018) "International Financial Reporting Standard (9) Implementation" dated June 6, 2018 and in accordance with the regulatory authorities instructions in the countries that the Bank operates whichever is more strict, the main significant differences are as follows:

- Exclusion of the debt instruments issued or guaranteed by the Jordanian Government, so that credit exposures issued or guaranteed by the Jordanian Government are treated with no credit losses.
- When calculating credit losses against credit exposures, the calculation results in accordance to International Financial Reporting Standards (9) are compared with the calculation as per the instructions of the Central Bank of Jordan No. (47/2009) dated December 10, 2009 for each stage separately and the stricter results are recorded.
- The Expected Credit Loss were adjusted to taking in the consideration the special arrangements with the Central Bank of Jordan (if any).

B. In accordance with the instructions of the Central Bank of Jordan and the instructions of the supervisory authorities in the countries in which the Bank operates, interest and commissions are suspended on non-performing credit facilities.

C. Assets seized by the Bank are recorded in the consolidated statement of financial position among other assets at seized value or at fair value, whichever is least. At the date of the consolidated financial statements seized assets are revalued individually at fair value; any impairment loss is recorded in the consolidated statement of profit or loss while any increase in the value is not recorded as revenue; any subsequent increase in value is recognized only to the extent of not exceeding the previously recorded impairment losses. In addition, according to the instructions of the Central Bank of Jordan, the Bank started booking gradual provisions against seized assets which violated the requirements of article number (48) of the Banking Law at an annual rate of (5%) from its net book value for the previous years and for the current year until October 10, 2022, where, Central Bank of Jordan issued new circular that cancelled the previous requirements, in relation to sized assets additional provisions, however, required maintaining the booked additional provisions and allowed reversing it only upon the disposal of the related asset.

The consolidated financial statements have been prepared under the historical cost, except for certain financial instruments that have been measured at fair value at the end of each financial period, as described in the accounting policies below.

The reporting currency of the consolidated financial statements is the Jordanian Dinar, which is the functional currency of the Bank.

The accounting policies adopted in preparing the consolidated financial statements are consistent with those applied in the year ended December 31, 2023, except for the effect of the application of the new and revised standards applied on or after January 1, 2024 as stated in Note (3-a).

Basis of Consolidation

The consolidated financial statements include the financial statements of the Bank and its subsidiaries under its control. Control is achieved when the Bank has the power to govern the financial and operating policies of its subsidiaries in order to obtain benefits from their activities. Transactions, balances, income and expenses between the Bank and its subsidiaries are eliminated between the Bank and its subsidiaries.

As of December 31, 2024, the Bank owns the following subsidiaries:

Company's Name	Paid-up Capital	Ownership Percentage	Industry	Location	Acquisition Date
	JD				
United Arab Jordan Company for Investment and Financial Brokerage	2,500,000	100%	Financial Brokerage	Amman-Jordan	February 5, 2003
Arab Jordan Invest Bank / Qatar	35,450,000	50% + two shares	Bank activity	Doha-Qatar	December 5, 2005
Al Kawthar for Finance Leasing *	8,000,000	100%	Financial Leasing	Amman-Jordan	February 8, 2022

* The Bank increased the capital of Al-Kawthar for Financial Leasing Company (a subsidiary) by JD 4 million during the first half of year 2024.

The following are the most significant financial information for the subsidiary companies:

	United Arab Jordan Company for Investment and Financial Brokerage		Al Kawthar for Finance Leasing Company		Arab Jordan Investment Bank- Qatar	
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
Total assets	3,063,526	3,135,186	9,798,126	4,117,531	231,948,991	182,602,854
Total liabilities	289,586	349,817	1,361,872	33,731	192,950,036	143,854,195
Equity	2,773,940	2,785,369	8,436,254	4,083,800	38,998,955	38,748,659
	For the year ending December 31,		For the year ending December 31,		For the year ending December 31,	
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
Total revenue	221,874	296,765	823,790	259,612	14,185,903	11,409,088
Total expenses	151,671	206,063	471,336	202,551	10,745,109	8,189,864

The results of the subsidiaries' operations in the consolidated statement of profit or loss effective from their acquisition date, which is the date on which control over the subsidiaries is effectively transferred to the Bank. Furthermore, the results of the disposed-of subsidiaries are consolidated in the consolidated statement of profit or loss up to the date of their disposal, which is the date on which the Bank loses control over the subsidiaries.

Control is achieved when the Bank:
- Has the power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect the investee's returns.

The Bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

When the Bank has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. In this regard, the Bank considers all relevant facts and circumstances in assessing whether or not the Bank's voting rights in an investee are sufficient to give it power, including:

The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders, or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Bank has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

When the Bank loses control of a subsidiary, it performs the following:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the book value of any non-controlling interests.
- Derecognizes the transfer difference accumulated in Owners' Equity.
- Derecognizes the fair value of the consideration received controlling party.
- Derecognizes the fair value of any investment retained.
- Derecognizes any gain or loss in the statement of profit or loss.
- Reclassifies owners' equity already booked in other comprehensive income to the profit or loss statement, as appropriate.

The subsidiaries' financial statements are prepared under the same accounting policies adopted by the Bank. If the subsidiaries apply different accounting policies than those used by the Bank, the necessary modifications shall be made to the subsidiaries' financial statements to make them comply with the accounting policies used by the Bank.

The non-controlling interest represent the portion not owned by the Bank relating to the ownership of the subsidiaries.

Segment Information

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.

Net Interest Income

Interest income and expense for all financial instruments are recognized in 'Net Interest Income' as 'Interest Income' and 'Interest Expense' in the statement of profit or loss using the effective interest method.

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

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

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

Net Fees and Commission Income

Fees and commission income and expense include fees other than those that are an integral part of the effective interest rate. The fees included in this part of the Bank's consolidated statement of profit or loss include, among other things, fees charged for servicing a loan, non-utilization fees relating to loan commitments when it is unlikely that these will result in a specific lending arrangement, and loan syndication fees.

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

Contracts with customers that results in a recognition of financial instrument may be partially related to of IFRS 9 or IFRS 15. In this case, the commission related to IFRS 9 portion is recognized, and the remaining portion is recognized as per IFRS 15.

Net Trading Income

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

Net Income from Other Financial Instruments at Fair Value through Profit or Loss

Net income from other financial instruments at fair value through profit or loss includes all gains and losses from changes in the fair value of financial assets and financial liabilities at fair value through profit or loss. In addition to related dividend yields.

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

Dividend Income

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

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

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

Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognized in the Bank's consolidated statement of financial position when the Bank becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognized as soon as they are credited to the customer's account.

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

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

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

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

Financial Assets

Initial Recognition

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

Subsequent Measurement

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

Specifically:

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

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

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

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

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

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

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

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

Assessment of Business Models

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

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

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

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

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

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

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

Financial Assets at fair Value through Profit or Loss

Financial assets at fair value through profit or loss are:

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

These assets are measured at fair value, with any gains/losses arising on re-measurement recognized in the consolidated statement of income.

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

Foreign Exchange Gains and Losses
The carrying amount of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in the statement of income;
- For debt instruments measured at fair value through other comprehensive income that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in the statement of profit or loss. Other exchange differences are recognized in other comprehensive income in the investments revaluation reserve;
- For financial assets measured at fair value through profit or loss that are not part of a designated hedge accounting relationship, exchange differences are recognized in the statement of profit or loss; and
- For equity instruments measured at fair value through other comprehensive income, exchange differences are recognized in other comprehensive income in the investments revaluation reserve.

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

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

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

Impairment

The Bank recognizes loss allowances for expected credit losses on the following financial instruments that are not measured at fair value through the statement of income:

- Balances and deposits at banks and financial institutions;
- Direct credit facilities (Loans and advances to customers);
- Financial assets at amortized cost (Debt investment securities);
- Financial assets at fair value through other comprehensive income;
- Off statement of financial position exposures subject to credit risk (Financial guarantee contracts issued).

No impairment loss is recognized on equity investments.

With the exception of purchased or originated credit-impaired (POCI) financial assets (which are considered separately below), expected credit losses are required to be measured through a loss allowance at an amount equal to:

- 12-months expected credit loss, i.e. lifetime expected credit loss that results from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or

- expected credit loss, i.e. lifetime expected credit loss that results from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

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

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

For unutilized loan limits, the expected credit loss is the difference between the present value of the difference between the contractual cash flows that are due to the Bank if the holder of the commitment draws down the loan and the cash flows that the Bank expects to receive if the loan is utilized; and

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

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

Provisions for expected credit losses are calculated in accordance with the Central Bank of Jordan instructions No. (2018/13) "Adoption of IFRS 9" on June 6, 2018, and according to the instruction of the regulatory authorities in the countries in which the Bank operates, whichever is stricter, the material differences is as follows:

- Exclusion of the Debt instruments issued or guaranteed by the Jordanian Government, so that credit exposures issued or guaranteed by the Jordanian Government are treated with no credit losses

- When calculating credit losses against credit exposures, the calculation results in accordance to International Financial Reporting Standards (9) are compared with the calculation as per the instructions of the Central Bank of Jordan No. (47/2009) dated December 10, 2009 for each stage separately and the stricter results are recorded.

Credit-impaired Financial Assets

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

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- The disappearance of an active market for a security because of financial difficulties; or
- The purchase of a financial asset at a deep discount that reflects the incurred credit losses.

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

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession, the risk of not receiving the contractual cash flows has reduced significantly, and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted, the asset is deemed credit-impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes unlikeliness to pay indicators and a back- stop if amounts are overdue for 90 days or more. However, in cases where the assets impairment is not recognized after 90 days overdue are supported by reasonable information.

Purchased or Originated Credit-impaired (POCI) Financial Assets

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

Definition of Default

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

The Bank considers the following as constituting an event of default:

- The borrower is past due more than 90 days on any material credit obligation to the Bank; or
- The borrower is unlikely to pay its credit obligations to the Bank in full.

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

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

Significant Increase in Credit Risk

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

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

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

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

For corporate lending, forward-looking information includes the future prospects of the industries in which the Bank's counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various internal and external sources of actual and forecast economic information. For retail lending, forward-looking information includes the same economic forecasts as corporate lending with additional forecasts of local economic indicators, particularly for regions with a concentration to certain industries, as well as internally generated information of customer payment behavior. The Bank allocates its counterparties to a relevant internal credit risk grade depending on their credit quality. The quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime probability of default by comparing:

- The remaining lifetime probability of default at the reporting date; with
- The remaining lifetime probability of default for this point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure.

The probability of default used is forward looking, and the Bank uses the same methodologies and data used to measure the loss allowance for expected credit loss.

The qualitative factors that indicate significant increase in credit risk are reflected in probability of default models on a timely basis. However, the Bank still considers separately some qualitative factors to assess if credit risk has increased significantly. For corporate lending, there is particular focus on assets that are included on a 'watch list'. An exposure is on a watch list once there is a concern that the creditworthiness of the specific counterparty has deteriorated. For retail lending, the Bank considers the expectation of forbearance and payment holidays, credit scores and events such as unemployment, bankruptcy, divorce or death.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the probability of default will be more significant for a financial instrument with a lower initial probability of default than for a financial instrument with a higher probability of default.

As a backstop when an asset becomes more than 30 days past due, the Bank considers that a significant increase in credit risk has occurred, and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime expected credit loss.

Modification and Derecognition of Financial Assets

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

The Bank renegotiates loans to customers in financial difficulty to maximize collection and minimize the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default, or default has already happened, and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants. The Bank has an established forbearance policy, which applies for corporate and retail lending.

When a financial asset is modified, the Bank assesses whether this modification results in derecognition. In accordance with the Bank's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms, the Bank considers the following:

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

In the case where the financial asset is derecognized, the loss allowance for expected credit loss is re-measured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month expected credit loss except in the rare occasions where the new loan is considered to be originated- credit impaired. This applies only in the case where the fair value of the new loan is recognized at a significant discount to its revised paramount because there remains a high risk of default which has not been reduced by the modification. The Bank monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

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

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

For financial assets modified as part of the Bank's forbearance policy, where modification did not result in derecognition, the estimate of probability of default reflects the Bank's ability to collect the modified cash flows considering the Bank's previous experience of similar forbearance action, as well as various behavioral indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition, the loss allowance will continue to be measured at an amount equal to lifetime expected credit loss. The loss allowance on forborne loans will generally only be measured based on 12-month expected credit loss when there is evidence of the borrower's improved repayment behavior following modification leading to a reversal of the previous significant increase in credit risk.

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

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

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

Write-off

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

Presentation of Allowance for Expected Credit Loss in the Consolidation Statement of Financial Position

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

- For financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- For debt instruments measured at fair value through other comprehensive income;
- For loan commitments and financial guarantee contracts: as a provision; and
- Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the expected credit loss on the loan commitment component separately from those on the drawn component: The Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

Loans and Advances

The "loans and advances" included in the consolidated statement of financial position as follows:

Loans and advances measured at amortized cost, which are initially measured at fair value plus additional direct transaction costs, and later at amortized cost using the effective interest method.

Loans and advances that are measured at fair value through profit or loss, or that determined as being at fair value through profit or loss; measured at fair value and recognize changes directly in profit or loss; and

Lease obligations.

Interest and commissions are suspended on non-performing credit facilities granted to clients in accordance with the instructions of the Central Bank of Jordan.

All related credit facilities and outstanding interest covered by the provision are transferred out of the consolidated statement of financial position, and this according to the decisions of board of directors in this regard.

The outstanding accounts interest with lawsuits outside the consolidated statement of financial position are recognized in accordance with the decisions of the board of directors in this regard.

When the Bank purchases a financial asset and concludes an agreement simultaneously to resell the asset (or a substantially similar asset) at a fixed price. At later date (repurchase or borrow the shares) the consideration paid is calculated as a loan or advance, and the asset is not recognized in the Bank financial statements.

Financial Liabilities and Equity

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

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

Equity Instruments

Paid up Capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Bank are recognized at the proceeds received, net of direct issue costs.

Treasury Shares

Repurchase of the Bank's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in the consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Bank own equity instruments.

Compound Instruments

The component parts of compound instruments (e.g. convertible notes) issued by the Bank are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Bank's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. In the case there are non-closed related embedded derivatives, these are separated first with the remainder of the financial liability being recorded on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

Financial Liabilities

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

Financial liabilities at Fair Value through Statement of Profit or Loss

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

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

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

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

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

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

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

Other Financial Liabilities

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

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

Derecognition of Financial Liabilities

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

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

Derivative Financial Instruments

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

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

A derivative with a positive fair value is recognized as a financial asset within other assets whereas derivative with a negative fair value is recognized as a financial liability within other liability.

Embedded Derivatives

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

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

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at fair value through the statement of profit or loss and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

- The amount of the loss allowance determined in accordance with IFRS 9; and
- The amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the Bank’s revenue recognition policies.
- Financial guarantee contracts not designated at fair value through the statement of profit or loss are presented as provisions in the consolidated statement of financial position, and the re-measurement is presented in other revenue.

The Bank has not designated any financial guarantee contracts as at fair value through profit or loss.

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

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

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

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

The Bank has not designated any commitments to provide a loan below market rate designated at fair value through the statement of profit or loss.

Derivatives

Derivatives for Trading

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

Hedge Accounting

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

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

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

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

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

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

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

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

The fair values of the derivative instruments used for hedging purposes and movements in the hedging reserve are determined in equity.

Fair Value Hedges

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

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

Where hedging gains/losses are recognized in the statement of profit or loss, they are recognized in the same line as the hedged item.

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

Cash Flow Hedges

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

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

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

Hedges of Net Investments in Foreign Operations

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

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

Offsetting

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

Accounts Managed on Behalf of Customers

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

Fair value

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

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

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

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

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

Provisions

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

Employees Benefits

Short term employee benefits

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

Other long-term employee benefits

The Bank's net liabilities relating to employee benefits are the amount of future benefits that employees have received for their services in the current and previous periods. A provision is made to meet the statutory and contractual obligations for employees to end the service for each employee for the date of the consolidated statement of financial position in accordance with the internal regulations of the Bank.

Assets Seized by the Bank

Assets seized by the Bank are recorded in the consolidated statement of financial position among other assets at seized value or at fair value, whichever is least. At the date of the consolidated financial statements seized assets are revalued individually at fair value; any impairment loss is recorded in the consolidated statement of profit or loss while any increase in the value is not recorded as revenue; any subsequent increase in value is recognized only to the extent of not exceeding the previously recorded impairment losses. In addition, according to the instructions of the Central Bank of Jordan, the Bank started booking gradual provisions against seized assets which violated the requirements of article number (48) of the Banking Law at an annual rate of 5% from its net book value for the previous years and for the current year until October 10, 2022, where, Central Bank of Jordan issued new circular that cancelled the previous requirements, in relation to sized assets additional provisions, however, required maintaining the booked additional provisions and allowed reversing it only upon the disposal of the related asset.

Income Tax

Tax expense comprises of current tax and deferred taxes.

Current tax is based on taxable profits, which may differ from accounting profits published in the consolidated financial statements. Accounting profits may include non-taxable profits or tax non-deductible expenses which may be exempted in the current or subsequent financial years, or accumulated losses that are tax acceptable or items not subject to deduction for tax purposes.

Tax is calculated based on tax rates and laws that are applicable in the country of operation.

Deferred tax is the tax expected to be paid or recovered due to temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates expected to be applied in the period when the asset is realized or the liability is settled, based on the laws enacted or substantially enacted at the date of the consolidated statement of financial position.

The carrying values of deferred tax assets are reviewed at the date of the consolidated financial statement and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Mortgaged Financial Assets

These financial assets are mortgaged to third parties with the right to sell or re-mortgage. These financial assets are revalued according to the accounting policies at the date of initial classification.

Repurchase and Resale Agreements

Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) will continue to be recognized in the Bank's consolidated financial statements. This is due to the Bank's continuing control of these assets and the fact that exposure to the risks and rewards of these assets remains with the Bank. These assets continue to be evaluated in accordance with the applied accounting policies (where the buyer has the right to use these assets (sell or re-lien), they are reclassified as lined financial assets). The proceeds of the sale are recorded under loans and borrowings. The difference between the sale and the repurchase price is recognized as an interest expense over the agreement term using the effective interest rate method.

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

Property and Equipment

Property and equipment are measured at cost less accumulated depreciation and any impairment. Property and equipment (except 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
Computer	12-25
Solar energy plant	5
Others	2-12

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 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.

Intangible Assets

A. Goodwill

Goodwill is initially measured at cost, being the excess of the cost of acquisition or purchase of investment in an associate or subsidiary company over the Bank's share in the net fair value of the identifiable assets at the date of acquisition. Goodwill arising from the investment in subsidiaries will be separately shown under intangible assets, while that arising from the investment in associates will be shown as part of investment in associates and subsequently adjusted for any impairment losses.

Goodwill is allocated to each of the cash-generating units, or groups of cash-generating units for the purpose of impairment testing.

Goodwill is tested for impairment, at the date of the consolidated financial statements, if events or changes in circumstances indicate that the estimated recoverable amount of a cash-generating unit or group of cash-generating units is less than their carrying amount. Moreover, impairment losses are charged to the consolidated statement of profit or loss.

B. Other Intangible Assets

Intangible assets acquired through business combination are recorded at their fair value on that date. Other intangible assets are measured on initial recognition at cost.

Intangible assets are classified based on the assessment of their useful life to definite and indefinite. Intangible assets with definite lives are amortized over their useful economic life, while intangible assets with indefinite useful lives are assessed for impairment at each reporting date, and impairment loss is charged to the consolidated statement of profit or loss.

Internally generated intangible assets are not capitalized and are expensed in the consolidated statement of profit or loss in the same period.

Indications of impairment of intangible assets are reviewed, and their useful economic lives are reassessed at each reporting date. Adjustments are reflected in the current and subsequent periods.

Computer software: are amortized using the straight -line method during a period that does not exceed 3 years from acquisition date.

Impairment of Non-Financial Assets

The carrying amount of the bank's non-financial asset is reviewed at the end of each fiscal year except for the deferred tax assets, to determine if there is an indication of impairment, and if there is an indication of impairment, the amount recoverable from these assets will be estimated.

If the carrying amount of the assets exceeds the recoverable amount from those assets, the impairment loss is recorded in these assets.

The recoverable amount is the fair value of the asset – less cost of sales – or the value of its use, whichever is greater.

All impairment losses are recognized in the consolidated statement of profit or loss and other comprehensive income.

The impairment loss for goodwill is not reversed, for other assets, the impairment loss is reversed only if the value of the carrying amount of the assets does not exceed the book value that was determined after the depreciation or amortization has been reduced if the impairment loss is not recognized in value.

Foreign Currencies

For the purpose of the consolidated financial statements, the results and financial position of each entity of the Group are presented in the functional currency unit of the Bank and the presentation currency of the consolidated financial statements.

The standalone financial statements of the Bank's subsidiaries are prepared. Moreover, the standalone financial statements of each entity of the Bank are presented in the functional currency in which it operates. Transactions in currencies other than the functional currency of the Bank are recorded at the rates of exchange prevailing at the dates of those transactions. At the balance sheet date, financial assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates at the date when the fair value was determined. Non-monetary items measured at historical cost in a foreign currency are not reclassified.

Exchange differences are recognized in the consolidated statement of profit or loss in the period in which they arise except for:

- Foreign exchange differences on transactions made in order to hedge foreign exchange risk.
- Foreign exchange differences on monetary items required to / from a foreign operation that are not planned to be settled, are unlikely to be settled in the near future (and therefore, these differences form part of the net investment in the foreign operation), and are initially recognized in the comprehensive income statement and reclassified from equity to the income statement when selling or partially disposing of net investment.

In order to present the consolidated financial statements, the assets and liabilities of the Bank's foreign operations are translated at the rates of exchange prevailing at the statement of financial position date. Income is also converted to average exchange rates for the period, unless exchange rates change significantly during that period, in which case the exchange rates are used on the date of the transactions. Exchange differences arising, if any, are recognized in other consolidated statement of comprehensive income and collected in a separate line item of equity.

When foreign operations are disposed of (i.e. disposal of the Bank's entire share from foreign operations, or resulting from the loss of control of a subsidiary in foreign operations, or partial exclusion by its share in a joint arrangement, or an associate company of a foreign nature in which the share held is a financial asset), the net disposal is booked in the consolidated statement of profit or loss including foreign exchange differences.

In addition, in respect of the partial disposal of a subsidiary involving foreign operations that do not result in the Bank losing control of the subsidiary, its share of the accumulated exchange differences is credited to net comprehensive income at a rate that is derecognized and not recognized in the consolidated statement of profit or loss. For all other partial liquidation the net disposal is booked in the consolidated statement of profit or loss including foreign exchange differences

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash balances with central banks and balances with banks and financial institutions that mature within three months, less banks and financial institutions deposits that mature within three months and restricted balances.

Earning per Share

The bank calculates basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Bank by the weighted-average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Lease Contracts

The Bank as a Lessee

The Bank assesses whether the contract contains lease when starting the contract. The Bank recognizes the right to use assets and the corresponding lease obligations in relation to all lease arrangements in which the lessee is in, except for short-term lease contracts (defined as leases of 12 months or less) and low value asset leases, and for these contracts, the bank recognizes the lease payments as an operating expense on a straight-line basis over the period of the lease, unless another regular basis is more representative of the time pattern in which the economic benefits from the leased assets are utilized.

The lease obligation is initially measured at the present value of the lease payments that were not paid on the start date of the lease, deducted by using the price implicit in the lease. If this rate cannot be easily determined, the bank uses its additional expected rate.

The lease payments included in the rental obligation measurement include:

- Fixed rental payments (essentially including fixed payments), minus accrued receivable rental incentives;
- Variable rental payments that depend on an index or rate, initially measured using the indicator or the rate at the date the contract begins.
- The amount expected to be paid by the lessee under the residual value guarantees.
- The price of the exercise of purchase options, if the lessee is reasonably certain of the exercise of the options; and
- Paying the contract termination fines, if the lease reflects the exercise of the lease termination option.

Rental obligations are presented as a separate note in the consolidated statement of financial position.

Later, lease obligations are subsequently measured by increasing the book value to reflect the interest in the rental obligations (using the effective interest method) and by reducing the book value to reflect the rental payments paid.

The lease obligations (and a similar adjustment to the related right-to-use assets) are re-measured whenever:

- The lease term has changed or there is an event or important change in the conditions that lead to a change in the exercise of the purchase option assessment, in which case the lease obligations are re-measured by deducting the adjusted lease payment using the adjusted discount rate.
- Lease payments change due to changes in an index, rate, or change in expected payments under the guaranteed residual value, in which cases the lease obligation is re-measured by deducting the modified rental payments using a non-variable discount rate (unless the rental payments change due to a change in the floating interest rate, in this case the adjusted discount rate is used.
- The lease contract is adjusted and the lease amendment is not accounted as a separate lease, in which case the lease obligation is re-measured based on the duration of the adjusted lease contract by deducting the adjusted rental payments using the adjusted discount rate at the actual price at the date of the amendment.

The right to use assets are depreciated over the life of the lease or the useful life of the asset (whichever is shorter). If the lease contract transfers the ownership of the underlying asset or the cost of the right to use, which reflects that the company expects to exercise the purchase option, then the relevant value of the right to use is depreciated over the useful life of the asset. Depreciation begins on the date the commencement of the lease.

The right-to-use assets are presented as a separate note in the consolidated statement of financial position.

The Bank applies International Accounting Standard (36) to determine whether the value of the right to use has decreased its value and calculates any impairment losses as described in the policy of “property and equipment”.

Variable rents that are not dependent on an index or rate are not included in the measurement of lease obligations and right to use assets. Related payments are recognized as an expense in the period in which the event or condition that leads to these payments occurs and are included in “Other Expenditures” in the statement of profit or loss.

The Bank as a Lessor

The Bank enters into lease contracts as a lessor in regard with some investment properties.

Leases in which the Bank is the lessor are classified as operating or finance leases. In the event that the terms of the lease contract transfer all risks and rewards of ownership to the lessee, the contract is classified as a finance lease and all other leases are classified as operating leases.

When the Bank is an intermediary lessor, it represents the main lease and sub-contract as two separate contracts. The sublease contract is classified as finance or operating lease by reference to the original right of use arising from the main lease.

Rental income from operating leases is recognized on a straight-line basis over the period of the relevant lease. The primary direct costs incurred in negotiating and arranging an operating lease are added to the book value of the leased asset and are recognized on a straight-line basis over the lease term.

The amounts due from the lessee under finance leases are recognized as receivables with the amount of the company’s net investment in the rental contracts. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the bank’s existing net investment with respect to lease contracts.

When the contract includes leasing components and other components other than leasing, the bank applies IFRS 15 to distribute the amounts received or to be received under the contract for each component.

3. Adoption of new and revised Standards

A. New and amended IFRS Standards that are effective for the current year

- The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2024, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.
- Amendments to IFRS 16 Leases – Lease Liability in as Sale and Leaseback
- Amendments to IAS 1 Presentation of Financial Statements relating to classification of liabilities as current or non-current.
- Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements
- IFRS S1 - General Requirements for Disclosure of Sustainability – related financial information*
- IFRS S2 - Climate Related Disclosures*

* Provided that the regulatory authorities in the countries in which the Group operates approve its application, noting that no instructions have been issued regarding it until the date of the condensed interim consolidated financial information.

B. New IFRS Accounting Standards in issue but not yet effective

The Group has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective, management is in the process of assessing the impact of the new requirements.

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendments to the Sustainability Accounting Standards Board “SASB” standards to enhance their international applicability	January 1, 2025
Amendments to IAS 21 - Lack of Exchangeability	January 1, 2025
Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	January 1, 2026
IFRS - 18 Presentation and Disclosures in Financial Statements	January 1, 2027
IFRS - 19 Subsidiaries without Public Accountability	January 1, 2027

* The management anticipates adopting these new standards, interpretations, and amendments in the Group’s consolidated financial statements during the initial application period. Furthermore, they expect that adopting these new standards, interpretations, and amendments will not have any significant impact on the Group’s consolidated financial statements during the initial application period.

4. Significant Accounting Judgments and key Sources of Uncertainty Estimates

Preparation of the consolidated financial statements and application of the accounting policies require the Bank management to make judgments, estimates, and assumptions that affect the amounts of financial assets and financial liabilities and to disclose potential liabilities. Moreover, these estimates and judgments affect revenues, expenses, provisions, in general, expected credit losses, as well as changes in fair value that appear in the 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.

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:

Critical Judgements in Applying the Bank's Accounting Policies

The following are the critical judgements, apart from those involving estimations (which are disclosed below), that the managements have made in the process of applying the Bank's accounting policies and that have the most significant effect on the amounts recognized in consolidated financial statements:

Evaluation of business model

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

Significant increase in credit risk

The expected credit loss is measured as an allowance equivalent to the expected credit loss of 12 months for the assets of the first stage, or the credit loss over the life of the assets of the second or third stage. The asset moves to the second stage if credit risk increases significantly since initial recognition. IFRS (9) does not specify what constitutes a significant increase in credit risk. In assessing whether the credit risk of any asset has increased significantly, the Bank takes into account reasonable and reliable quantitative and qualitative information. The estimates used by the Bank's management concerning the significant change in credit risk that result in a change in the classification within the three stages (1, 2 and 3) are shown in details in note (47).

Establish groups of assets with similar credit risk characteristics

When the expected credit losses are measured on a collective basis, the financial instruments are grouped on the basis of common risk characteristics (e.g. instrument type, credit risk, collateral type, initial recognition date, remaining maturity period, industry, borrower's geographic location, etc.). The Bank monitors the appropriateness of credit risk characteristics on an ongoing basis to assess whether they are still similar. This is required to ensure that, in the event of a change in the credit risk characteristics, the asset is properly reallocated. This may result in the creation of new portfolios or the transfer of assets to an existing portfolio that better reflects the credit risk characteristics of that group of assets.

Re-division of portfolios and movements between portfolios

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

Models and assumptions used

The Bank uses various models and assumptions in measuring the fair value of financial assets as well as in assessing the expected credit loss described in Note (47). The judgment is applied when determining the best models for each type of asset as well as for the assumptions used in those models, which include assumptions regarding the main drivers of credit risk.

A. Classification and measurement of financial assets and liabilities:

The Bank classifies financial instruments or components of financial assets at initial recognition either as a financial asset or a financial liability, or as an equity instrument in accordance with the substance of the contractual agreements and the definition of the instrument. The reclassification of a financial instrument is subject to the substance of the consolidated financial statements and not to its legal form. The Bank shall determine the classification at initial recognition and reassess such determination, if possible and appropriate, at each date of the consolidated statement of financial position.

When measuring financial assets and liabilities, certain assets and liabilities of the Bank are re-measured at fair value for financial reporting purposes. In assessing the fair value of any assets or liabilities, the Bank uses available observable market data. In the absence of Level 1 inputs, the Bank conducts evaluations using professionally qualified independent evaluators. The Bank works closely with qualified external evaluators to develop appropriate valuation and data valuation techniques.

B. Fair value measurement:

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

C. Derivative financial instruments:

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

- The expected timing and probability of future cash flows on the instrument where such cash flows are generally subject to the terms of the instrument, although Management's judgment may be required where the counterparty's ability to repay the instrument in accordance with contractual terms is in doubt; and
- An appropriate discount rate for the instrument. Management determines the instrument discount rate at a rate higher than the non-risk rate. In assessing the instrument by reference to comparative instruments, Management considers the maturity, structure, and degree of classification of the instrument based on the system in which the existing position is compared. When evaluating tools on a model basis using the fair value of the main components, Management also considers the need to make adjustments for a number of factors, such as bid differences, credit status, portfolio service costs, and uncertainty about the model.

Determining the duration of the lease

When determining the duration of the lease, management takes into account all the facts and circumstances that create an economic incentive for the extension option, or no termination option. Extension options (or periods following termination options) are included only in the lease term if the lease is reasonably certain to be extended (or not terminated). The evaluation is reviewed in the event of a significant event or significant change in the circumstances affecting this assessment that are under the control of the tenant.

Impairment of intangible assets with infinite life

Management is required to use significant judgments and estimates to determining whether intangible assets with indefinite life is impaired through estimation of the value in use of the cash-generating units to which has been allocated. The value in use calculation requires the Bank's Management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Details of the estimates used to assess the impairment of goodwill are disclosed in Note 14.

Key Sources of Uncertain Estimates

The principal estimates used by Management in applying the Bank's accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Determining the number and relative weight of scenarios, the outlook for each type of product / market, and the identification of future information relevant to each scenario.

When measuring the expected credit loss, the Bank uses reasonable and supported future information based on the assumptions of the future movement of the various economic drivers and the manner in which they affect each other.

Probability of default

The potential for default is a key input in measuring the expected credit loss. The probability of default is an estimate of the probability of default over a given period of time, which includes the calculation of historical data, assumptions, and expectations relating to future circumstances.

Loss given default

Loss given default is an estimate of the loss arising from default. It is based on the difference between the contractual cash flows due and those that the financer expects to collect, taking into account cash flows from collateral and integrated credit adjustments.

Fair value measurement and valuation procedures

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

Provision for expected credit losses

Management is required to use significant judgments and estimates to estimate the amounts and timing of future cash flows and assess the risks of a significant increase in credit risks for financial assets after initial recognition and future measurement information for the expected credit losses. The most important policies and estimates used by the Bank's management are detailed in Note (47).

Impairment of seized assets:

Impairment in seized assets is recognized based on recent real estate valuations by qualified independent evaluators for calculating the asset impairment, which is reviewed periodically.

Productive lifespan of tangible assets and intangible assets

The Bank's management periodically recalculates the useful lives of tangible assets and intangible assets for calculating annual depreciation and amortization based on the general condition of those assets and estimated future useful lives. The impairment loss is recognized in the consolidated statement of profit or loss for the year.

Income tax

The fiscal year is charged with the income tax expense in accordance with the accounting regulations, laws and standards. Moreover, deferred tax assets and liabilities and the required tax provision are recognized.

Litigation provision

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

Provision for end-of-service indemnity

The provision for end-of-service indemnity, representing the Bank's obligations to employees, is calculated in accordance with the Bank's internal regulations.

Assets and liabilities at cost

Management periodically reviews the assets and liabilities at cost for estimating any impairment in value, which is recognized in the consolidated statement of profit or loss for the year.

Extension and termination options in leases

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

Discounting of lease payments

Leasing payments are deducted using the Bank's additional borrowing rate ("IBR"). The Administration applied the provisions and estimates to determine the additional borrowing rate at the start of the lease.

5. Cash and Balances at Central Bank of Jordan

This item consists of the following:

	2024	2023
	JD	JD
Cash in vaults	22,164,919	22,039,312
Balances at Central Bank of Jordan:		
Current accounts	469,080,884	351,286,036
Statutory cash reserve	90,577,385	77,819,900
Total Balances at Central Banks	559,658,269	429,105,936
Total Cash and Balances at Central Banks	581,823,188	451,145,248

Except for the statutory cash reserve, there are no restricted balances as of December 31, 2024 and 2023.

There are no certificates of deposits maturing within a period exceeding three months as of December 31, 2024 and 2023.

The balances at Central Bank of Jordan have a low risk rating according to the bank's internal credit rating system.

The movement on balances at Central Bank of Jordan as follows:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance - beginning of the year	429,105,936	-	-	429,105,936	321,401,386
New balances	131,367,750	-	-	131,367,750	125,853,165
Paid balances	(815,417)	-	-	(815,417)	(18,148,615)
Balance - End of the Year	559,658,269	-	-	559,658,269	429,105,936

6. Balances at Banks and Financial Institutions- Net

This item consists of the following:

Description	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
Current and call accounts	1,217,879	1,115,899	24,682,996	27,190,892	25,900,875	28,306,791
Deposits maturing within 3 months or less	1,039,322	50,000,000	231,650,876	213,641,033	232,690,198	263,641,033
Total	2,257,201	51,115,899	256,333,872	240,831,925	258,591,073	291,947,824
Less: Provision for expected credit loss	-	-	(80,856)	(100,277)	(80,856)	(100,277)
Net	2,257,201	51,115,899	256,253,016	240,731,648	258,510,217	291,847,547

The balances at banks and financial institutions that bears no interest amounted to JD 25,900,875 as of December 31, 2024 (JD 28,306,791 as of December 31, 2023).

There are no restricted balances at banks and financial institutions as of December 31, 2024 and 2023.

The balances with banks and financial institutions have a low risk rating according to the bank's internal credit rating system.

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

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance - beginning of the year	289,003,623	2,944,200	-	291,947,823	304,065,666
New balances	186,224,066	-	-	186,224,066	233,941,344
Paid balances	(216,636,616)	(2,944,200)	-	(219,580,816)	(246,059,186)
Balance - End of the Year	258,591,073	-	-	258,591,073	291,947,824

The movement on the expected credit losses for balances at banks and financial institutions as follows:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance - beginning of the year	50,135	50,142	-	100,277	105,999
Transferred balances resulted from the acquisition	-	-	-	-	17,449
New balances	-	-	-	-	14,889
Paid balances	-	-	-	-	(28,360)
Transferred account	30,721	(50,142)	-	(19,421)	(9,700)
Balance - End of the Year	80,856	-	-	80,856	100,277

7. Deposits at Banks and Financial Institutions - net

This item consists of the following:

Description	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
Deposits maturing within 3-6 months	-	-	19,360,025	-	19,360,025	-
Deposits maturing within 9 months to 1 year	-	-	49,692,966	28,570,223	49,692,966	28,570,223
Total	-	-	69,052,991	28,570,223	69,052,991	28,570,223
Less: provision for expected credit loss	-	-	(59,850)	(22,350)	(59,850)	(22,350)
Net	-	-	68,993,141	28,547,873	68,993,141	28,547,873

There are no restricted deposits at banks and financial institutions of December 31, 2024 and 2023.

There are no restricted depoists as of December 31, 2024 and 2023.

The deposits with banks and financial institutions have a low risk rating according to the bank's internal credit rating system.

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

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance - beginning of the year	10,635,000	17,935,223	-	28,570,223	-
New balances	69,052,991	-	-	69,052,991	28,570,223
Paid balances	(10,635,000)	(17,935,223)	-	(28,570,223)	-
Balance - End of the Year	69,052,991	-	-	69,052,991	28,570,223

The movement on the expected credit losses for deposits at banks and financial institutions as follows:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance - beginning of the year	-	22,350	-	22,350	12,650
Transferd balances	38,580	(22,350)	-	16,230	9,700
New balances	21,270	-	-	21,270	-
Paid balances	-	-	-	-	-
Balance - End of the Year	59,850	-	-	59,850	22,350

8. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

	December 31,	
	2024	2023
	JD	JD
Quoted financial assets:		
Corporate shares	18,546,951	16,618,430
Total quoted financial assets	18,546,951	16,618,430
Unquoted financial assets:		
Corporate shares	31,503,383	16,707,722
Total unquoted financial assets	31,503,383	16,707,722
Total	50,050,334	33,326,152

There are no gain / loss from sale of financial assets through other comprehensive income for the year ended at December 31, 2024 (Loss of JD 579 for the year ended at December 31, 2023).

Cash dividends on the investments above amounted to JD 869,558 for the year ended December 31, 2024 (JD 815,823 for the year ended December 31, 2023).

There are no pledged financial assets as of December 31, 2024 and 2023.

9. Direct Credit Facilities - Net

This item consists of the following:

	2024	2023
	JD	JD
Individuals (Retail)		
Loans *	223,915,833	239,010,482
Credit cards	7,765,941	8,329,045
Real estate loans	109,533,839	134,059,208
Large companies		
Loans *	317,425,792	307,142,405
Overdraft	100,587,202	72,000,279
Small and medium companies		
Loans *	31,588,658	37,340,660
Overdraft	16,746,396	18,331,414
Government & public sector	46,479,997	58,169,861
Total	854,043,658	874,383,354
Less: provision for expected credit losses	(21,372,725)	(23,081,208)
Less: Interest in suspense	(5,505,993)	(3,727,626)
Net direct credit facilities	827,164,940	847,574,520

* Net after deducting interests and commission received in advance.

- Non-performing credit facilities amounted to JD 16,489,813 representing 1.93% of direct credit facilities balance as of December 31, 2024 (JD 17,423,674 representing 1.99% of the direct credit facilities balance as of December 31, 2023).

- Non-performing credit facilities net of interest in suspense amounted to JD 14,132,268 representing 1.66% of direct credit facilities balance net of interest in suspense as of December 31, 2024 (JD 15,276,659 representing 1.75% of the direct credit facilities balance as of December 31, 2023).

- Credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 27,809,645 representing 3.26% of total direct credit facilities as of December 31, 2024 (JD 54,226,794 representing 6.20% of direct credit facilities balance as of December 31, 2023).

The movement on the direct credit facilities:

2024	Individual	Small and medium companies	Corporate	Real Estate Loans	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	247,339,527	55,672,074	379,142,684	134,059,208	58,169,861	874,383,354
New balances	33,003,676	10,739,995	114,124,199	8,424,676	3,037,909	169,330,455
Paid balances	(40,763,793)	(15,011,879)	(85,944,779)	(31,349,331)	(14,727,773)	(187,797,555)
Transferred to stage 1	(6,078,983)	(1,634,192)	36,692,313	(664,193)	-	28,314,945
Transferred to stage 2	2,649,912	(19,085)	(38,688,035)	(303,819)	-	(36,361,027)
Transferred to stage 3	3,429,071	1,653,277	1,995,722	968,012	-	8,046,082
Effect resulting from stages change	(172,474)	(618,194)	(6,674,571)	(184,886)	-	(7,650,125)
Changes from adjustments	-	(1,799,933)	17,365,461	(1,262,375)	-	14,303,153
Transferred to off balance sheet	(7,707,178)	(647.009)	-	(153,453)	-	(8,507,640)
Written off balances	(17,984)	-	-	-	-	(17,984)
Balance - End of the Year	231,681,774	48,335,054	418,012,994	109,533,839	46,479,997	854,043,658

2023	Individual	Small and medium companies	Corporate	Real Estate Loans	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	235,338,165	48,902,712	344,109,504	129,815,573	72,284,441	830,450,395
Transferred balances resulted from the acquisition of Standard Chartered Bank Jordan branch	5,164,512	4,717,588	30,816,901	11,695,995	-	52,394,996
New balances through the year	49,184,813	14,745,659	72,526,976	13,555,757	1,339,200	151,352,405
Paid balances	(40,281,611)	(7,810,834)	(74,982,602)	(17,373,851)	(15,453,780)	(155,902,678)
Transferred to stage 1	(8,643,243)	(3,500,575)	(28,922,749)	(9,030,190)	-	(50,096,757)
Transferred to stage 2	2,889,963	1,516,072	28,922,749	8,114,569	-	41,443,353
Transferred to stage 3	5,753,280	1,984,503	-	915,621	-	8,653,404
Effect resulting from stages change	(158,559)	(731,623)	(866,866)	(1,405,079)	-	(3,162,127)
Changes from adjustments	-	(1,639,479)	7,999,320	(370,471)	-	5,989,370
Transferred to off balance sheet	(1,857,634)	(2,511,949)	-	(1,848,318)	-	(6,217,901)
Written off balances	(50,159)	-	(460,549)	(10,398)	-	(521,106)
Balance - End of the Year	247,339,527	55,672,074	379,142,684	134,059,208	58,169,861	874,383,354

Provision for expected credit losses of direct credit facilities:

2024	Individual	Small and medium companies	Corporate	Real Estate Loans	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	9,148,939	3,580,284	6,874,367	3,422,773	54,845	23,081,208
New balances	7,753,857	1,422,762	1,684,983	110,364	-	10,971,966
Paid balances	(3,176,679)	(719,780)	(946,702)	(644,986)	-	(5,488,147)
Transferred to stage 1	(19,161)	19,842	263,138	40,747	-	304,566
Transferred to stage 2	186,527	(26,230)	(272,058)	149,164	-	37,403
Transferred to stage 3	(167,366)	6,388	8,920	(189,911)	-	(341,969)
Effect resulting from stages change	891,484	(167,944)	187,101	288,794	-	1,199,435
Changes from adjustments	43,633	(1,702,511)	1,111,910	(1,544,394)	(54,845)	(2,146,207)
Transferred to off balance sheet	(5,576,243)	(587,675)	(24,108)	(39,520)	-	(6,227,546)
Written off balances	(17,984)	-	-	-	-	(17,984)
Balance - End of the Year	9,067,007	1,825,136	8,887,551	1,593,031	-	21,372,725
Redistribution:						
Provisions as Individual level	3,991,528	1,825,136	8,887,551	1,019,178	-	15,723,393
Provision as Collective level	5,075,479	-	-	573,853	-	5,649,332

2023	Individual	Small and medium companies	Corporate	Real Estate Loans	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	5,083,156	2,957,810	4,037,122	1,687,482	54,845	13,820,415
Transferred balances resulted from the acquisition of Standard Chartered Bank Jordan branch	335,449	615,526	793,789	1,563,265	-	3,308,029
New balances	3,903,240	1,495,303	4,110,282	1,496,927	-	11,005,752
Paid balances	(849,837)	(356,775)	(1,117,150)	(721,819)	-	(3,045,581)
Transferred to stage 1	(88,364)	(9,376)	(138,485)	17,041	-	(219,184)
Transferred to stage 2	2,149	(143,984)	138,485	42,964	-	39,614
Transferred to stage 3	86,215	153,360	-	(60,005)	-	179,570
Effect resulting from stages change	1,404,341	315,851	115,925	193,688	-	2,029,805
Changes from adjustments	(169,158)	(253,398)	(605,052)	4,382	-	(1,023,226)
Transferred to off balance sheet	(508,093)	(1,194,033)	-	(790,754)	-	(2,492,880)
Written off balances	(50,159)	-	(460,549)	(10,398)	-	(521,106)
Balance - End of the Year	9,148,939	3,580,284	6,874,367	3,422,773	54,845	23,081,208
Redistribution:						
Provisions as Individual level	1,829,887	3,580,284	6,874,367	1,162,748	54,845	13,502,131
Provision as Collective level	7,319,052	-	-	2,260,025	-	9,579,077

The provisions no longer needed resulted from settlements or debt repayments amounted to JD 5,488,147 for the year ended December 31, 2024 (JD 3,045,581 for the year ended December 31, 2023).

The following represents the direct credit facilities of individuals distributed based on Bank's internal credit rating:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Low risk (2-6)	207,921,870	-	-	207,921,870	223,110,717
Acceptable risk (7)	-	17,502,777	-	17,502,777	17,077,322
High risk (8-10)	-	-	6,257,127	6,257,127	7,151,488
Balance - End of the Year	207,921,870	17,502,777	6,257,127	231,681,774	247,339,527

The following represents the movement on the direct credit facilities for individuals:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance - beginning of the year	223,110,717	17,077,322	7,151,488	247,339,527	235,338,165
Transferred balances resulted from the acquisition of Standard Chartered Bank Jordan branch	-	-	-	-	5,164,512
New balances	26,989,424	4,387,130	1,627,122	33,003,676	49,184,813
Paid balances	(35,472,919)	(3,904,198)	(1,386,676)	(40,763,793)	(40,281,611)
Transferred to stage 1	1,949,524	(1,704,125)	(245,399)	-	-
Transferred to stage 2	(4,166,224)	5,055,887	(889,663)	-	-
Transferred to stage 3	(3,862,283)	(701,850)	4,564,133	-	-
Effect resulting from stages change	(142,208)	(171,125)	140,859	(172,474)	(158,559)
Transferred to off balance sheet	(484,161)	(2,536,264)	(4,686,753)	(7,707,178)	(1,857,634)
Written off balances	-	-	(17,984)	(17,984)	(50,159)
Balance - End of the Year	207,921,870	17,502,777	6,257,127	231,681,774	247,339,527

The following represents the movement on expected credit losses of individual credit facilities:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance - beginning of the year	4,276,063	722,639	4,150,237	9,148,939	5,083,156
Expected credit losses on balances resulted from acquisition of SCB Jordan branch	-	-	-	-	335,449
New balances	300,033	175,795	7,278,029	7,753,857	3,903,240
Paid balances	(169,771)	(114,308)	(2,892,600)	(3,176,679)	(849,837)
Transferred to stage 1	136,347	(77,569)	(58,778)	-	-
Transferred to stage 2	(80,701)	294,063	(213,362)	-	-
Transferred to stage 3	(74,807)	(29,967)	104,774	-	-
Effect resulting from stages change	(103,935)	(73,700)	1,069,119	891,484	1,404,341
Changes from adjustments	44,153	-	(520)	43,633	(169,158)
Transferred to off balance sheet	(7,166)	(109,314)	(5,459,763)	(5,576,243)	(508,093)
Written off balances	-	-	(17,984)	(17,984)	(50,159)
Balance - End of the Year	4,320,216	787,639	3,959,152	9,067,007	9,148,939

The following represents the direct credit facilities of small and medium companies distributed into credit rating categories based on Bank's internal system:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Low risk (2-6)	35,820,663	-	-	35,820,663	38,445,913
Acceptable risk (7)	-	9,201,746	-	9,201,746	10,917,506
High risk (8-10)	-	-	3,312,645	3,312,645	6,308,655
Balance - End of the Year	35,820,663	9,201,746	3,312,645	48,335,054	55,672,074

The following represents the movement on the direct credit facilities for small and medium companies:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance - beginning of the year	38,445,913	10,917,506	6,308,655	55,672,074	48,902,712
Transferred balances resulted from the acquisition of Standard Chartered Bank Jordan branch	-	-	-	-	4,717,588
New balances	9,765,881	787,044	187,070	10,739,995	14,745,659
Paid balances	(8,929,024)	(1,919,868)	(4,162,987)	(15,011,879)	(7,810,834)
Transferred to stage 1	1,373,490	(1,373,490)	-	-	-
Transferred to stage 2	(2,927,558)	2,927,558	-	-	-
Transferred to stage 3	(80,124)	(1,573,153)	1,653,277	-	-
Effect resulting from stages change	(35,381)	(531,608)	(51,205)	(618,194)	(731,623)
Changes from adjustments	(1,768,683)	(31,250)	-	(1,799,933)	(1,639,479)
Transferred to off balance sheet	(23,851)	(993)	(622,165)	(647,009)	(2,511,949)
Balance - End of the Year	35,820,663	9,201,746	3,312,645	48,335,054	55,672,074

The following represents the movement on expected credit losses of small and medium compaines facilities:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance - beginning of the year	1,355,682	159,798	2,064,804	3,580,284	2,957,810
Transferred balances resulted from the acquisition of Standard Chartered Bank Jordan branch	-	-	-	-	615,526
New balances	54,284	3,729	1,364,749	1,422,762	1,495,303
Paid balances	(9,767)	(97,512)	(612,501)	(719,780)	(356,775)
Transferred to stage 1	23,930	(23,930)	-	-	-
Transferred to stage 2	(4,008)	4,008	-	-	-
Transferred to stage 3	(80)	(6,308)	6,388	-	-
Effect resulting from stages change	(419,328)	9,295	242,089	(167,944)	315,851
Changes from adjustments	(5,221)	54,515	(1,751,805)	(1,702,511)	(253,398)
Transferred to off balance sheet	-	(50)	(587,625)	(587,675)	(1,194,033)
Balance - End of the Year	995,492	103,545	726,099	1,852,136	3,580,284

The following represents the direct credit facilities of corporate distributed into credit rating categories based on Bank's internal system:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Low risk (2-6)	362,538,497	-	-	362,538,497	285,169,145
Acceptable risk (7)	-	52,420,942	-	52,420,942	93,973,539
High risk (8-10)	-	-	3,053,555	3,053,555	-
Balance - End of the Year	362,538,497	52,420,942	3,053,555	418,012,994	379,142,684

The following represents the movement on the direct credit facilities for corporate:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance - beginning of the year	285,169,145	93,973,539	-	379,142,684	344,109,504
Transferred balances resulted from the acquisition of Standard Chartered Bank Jordan branch	-	-	-	-	30,816,901
New balances	110,737,897	3,386,302	-	114,124,199	72,526,976
Paid balances	(81,740,858)	(4,204,194)	-	(85,944,779)	(74,982,602)
Transferred to stage 1	40,373,380	(40,373,380)	-	-	-
Transferred to stage 2	(3,384,511)	3,384,511	-	-	-
Transferred to stage 3	(296,556)	(1,699,166)	1,995,722	-	-
Effect resulting from stages change	(6,864,827)	(867,577)	1,057,833	(6,674,571)	(866,866)
Changes from adjustments	18,544,554	(1,179,093)	-	17,365,461	7,999,320
Written off balances	-	-	-	-	(460,549)
Balance - End of the Year	362,538,497	52,420,942	3,053,555	418,012,994	379,142,684

The following represents the movement on expected credit losses of corporate facilities:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as beginning of the year	265,142	6,609,225	-	6,874,367	4,037,122
Transferred balances resulted from the acquisition of Standard Chartered Bank Jordan branch	-	-	-	-	793,789
New balances	342,870	1,342,113	-	1,684,983	4,110,282
Paid balances	(173,971)	(772,731)	-	(946,702)	(1,117,150)
Transferred to stage 1	287,623	(287,623)	-	-	-
Transferred to stage 2	(24,247)	24,247	-	-	-
Transferred to stage 3	(238)	(8,682)	8,920	-	-
Effect resulting from stages change	143,686	27,351	16,064	187,101	115,925
Changes from adjustments	(213,656)	1,151,707	173,859	1,111,910	(605,052)
Transferred to off balance sheet	-	-	-	-	-
Written off balances	-	(24,108)		(24,108)	(460,549)
Balance - End of the Year	627,209	8,061,499	198,843	8,887,551	6,874,367

The following represents the direct credit facilities of real estate loans distributed into credit rating categories based on Bank's internal system:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Low risk (2-6)	89,769,414	-	-	89,769,414	99,694,410
Acceptable risk (7)	-	15,897,939	-	15,897,939	30,401,267
High risk (8-10)	-	-	3,866,486	3,866,486	3,963,531
Balance - End of the Year	89,769,414	15,897,939	3,866,486	109,533,839	134,059,208

The following represents the movement on the direct credit facilities for real estate loans:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance - beginning of the year	99,694,410	30,401,267	3,963,531	134,059,208	129,815,573
Transferred balances resulted from the acquisition of Standard Chartered Bank Jordan branch	-	-	-	-	11,695,995
New balances	6,547,172	1,327,764	549,740	8,424,676	13,555,757
Paid balances	(14,326,717)	(15,480,249)	(1,542,365)	(31,349,331)	(17,373,851)
Transferred to stage 1	2,012,305	(1,876,777)	(135,528)	-	-
Transferred to stage 2	(1,221,118)	1,997,670	(776,552)	-	-
Transferred to stage 3	(1,455,380)	(424,712)	1,880,092	-	-
Effect resulting from stages change	(218,883)	(47,024)	81,021	(184,886)	(1,405,079)
Changes from adjustments	(1,262,375)	-	-	(1,262,375)	(370,471)
Transferred to off balance sheet	-	-	(153,453)	(153,453)	(1,848,318)
Written off balances	-	-	-	-	(10,398)
Balance - End of the Year	89,769,414	15,897,939	3,866,486	109,533,839	134,059,208

The following represents the movement on expected credit losses of real estate loans facilities:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance - beginning of the year	477,579	1,664,359	1,280,835	3,422,773	1,687,482
Transferred balances resulted from the acquisition of Standard Chartered Bank Jordan branch	-	-	-	-	1,563,265
New balances	25,297	60,554	24,513	110,364	1,496,927
Paid balances	(23,368)	(88,685)	(532,933)	(644,986)	(721,819)
Transferred to stage 1	46,973	(17,623)	(29,350)	-	-
Transferred to stage 2	(1,776)	169,941	(168,165)	-	-
Transferred to stage 3	(4,450)	(3,154)	7,604	-	-
Effect resulting from stages change	(42,571)	(152,713)	484,078	288,794	193,688
Changes from adjustments	3,780	(1,360,362)	(187,812)	(1,544,394)	4,382
Transferred to off balance sheet	-	-	(39,520)	(39,520)	(790,754)
Written off balances	-	-	-	-	(10,398)
Balance - End of the Year	481,464	272,317	839,250	1,593,031	3,422,773

The following represents the direct credit facilities of government and public sector distributed into credit rating categories based on Bank's internal system:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Low risk (2-6)	46,479,997	-	-	46,479,997	55,238,888
Acceptable risk (7)	-	-	-	-	2,930,973
High risk (8-10)	-	-	-	-	-
Balance - End of the Year	46,479,997	-	-	46,479,997	58,169,861

The following represents the movement on the direct credit facilities for government and public sector:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance - beginning of the year	55,238,888	2,930,973	-	58,169,861	72,284,441
New balances	3,037,909	-	-	3,037,909	1,339,200
Paid balances	(11,796,800)	(2,930,973)	-	(14,727,773)	(15,453,780)
Balance - End of the Year	46,479,997	-	-	46,479,997	58,169,861

The following represents the movement on expected credit losses of government and public sector loans facilities:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance - beginning of the year	-	54,845	-	54,845	54,845
Expected credit losses on new balances during the year	-	-	-	-	-
Changes from adjustments	-	(54,845)	-	(54,845)	-
Balance - End of the Year	-	-	-	-	54,845

The following represents the direct credit facilities distributed as stages into credit rating categories based on Bank's internal system:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Low risk (2-6)	742,530,441	-	-	742,530,441	701,659,073
Acceptable risk (7)	-	95,023,404	-	95,023,404	155,300,607
High risk (8-10)	-	-	16,489,813	16,489,813	17,423,674
Balance - End of the Year	742,530,441	95,023,404	16,489,813	854,043,658	874,383,354

The following represents the movement on the direct credit facilities based on stage:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance - beginning of the year	701,659,073	155,300,607	17,423,674	874,383,354	830,450,395
Transferred balances resulted from the acquisition of Standard Chartered Bank Jordan branch	-	-	-	-	52,394,998
New balances	157,078,283	9,888,240	2,363,932	169,330,455	151,352,405
Paid balances	(152,266,045)	(28,439,482)	(7,092,028)	(187,797,555)	(155,902,678)
Transferred to stage 1	45,708,699	(45,327,772)	(380,927)	-	-
Transferred to stage 2	(11,699,411)	13,365,626	(1,666,215)	-	-
Transferred to stage 3	(5,694,343)	(4,398,881)	10,093,224	-	-
Effect resulting from stages change	(7,261,299)	(1,617,334)	1,228,508	(7,650,125)	(3,162,129)
Changes from adjustments	15,513,496	(1,210,343)	-	14,303,153	5,989,370
Transferred to off balance sheet	(508,012)	(2,537,257)	(5,462,371)	(8,507,640)	(6,217,901)
Written off balances	-	-	(17,984)	(17,984)	(521,106)
Balance - End of the Year	742,530,441	95,023,404	16,489,813	854,043,658	874,383,354

The following represents the movement on expected credit losses of collective direct credit facilities base on stage:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance - beginning of the year	6,374,466	9,210,866	7,495,876	23,081,208	13,820,415
Transferred balances resulted from the acquisition of Standard Chartered Bank Jordan branch	-	-	-	-	3,308,029
New balances	722,484	1,582,191	8,667,291	10,971,966	11,005,752
Paid balances	(376,877)	(1,073,236)	(4,038,034)	(5,488,147)	(3,045,581)
Transferred to stage 1	494,873	(406,745)	(88,128)	-	-
Transferred to stage 2	(110,732)	492,259	(381,527)	-	-
Transferred to stage 3	(79,575)	(48,111)	127,686	-	-
Effect resulting from stages change	(422,148)	(189,767)	1,811,350	1,199,435	2,029,805
Changes from adjustments	(170,944)	(208,985)	1,766,278	(2,146,207)	(1,023,226)
Transferred to off balance sheet	(7,166)	(133,472)	(6,086,908)	(6,227,546)	(2,492,880)
Written off balances	-	-	(17,984)	(17,984)	(521,106)
Balance - End of the Year	6,424,381	9,225,000	5,723,344	21,372,725	23,081,208

Interest In Suspense:

The following is the movement on the interest in suspense:

For the year ended December 31, 2024	Individual	Real Estate Loans	Corporate	Small and medium companies	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	1,224,391	1,477,104	-	1,026,131	-	3,727,626
Add: Interest suspended during the year	1,621,943	1,276,671	1,447,218	48,024	-	4,393,856
Less: Interest in suspense reversed to revenues	(544,320)	(793,239)	-	(34,052)	-	(1,371,611)
Less:interest in suspense written off	(853,994)	(220,242)	-	(169,642)	-	(1,243,878)
Balance End of the Year	1,448,020	1,740,294	1,447,218	870,461	-	5,505,993

For the year ended December 31, 2023	Individual	Real Estate Loans	Corporate	Small and medium companies	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	785,065	1,109,703	-	593,348	-	2,488,116
Transferred balances resulted from the acquisition of Standard Chartered Bank Jordan branch	551,407	1,520,942	-	247,140	-	2,319,489
Add: Interest suspended during the year	425,637	501,637	-	1,073,159	-	2,000,433
Less: Interest in suspense reversed to revenues	(285,121)	(286,165)	-	(20,195)	-	(591,481)
Less: Interest in suspense written off	(252,597)	(1,369,013)	-	(867,321)	-	(2,488,931)
Balance End of the Year	1,224,391	1,477,104	-	1,026,131	-	3,727,626

Following is the economic distribution of credit facilities - net:

	December 31, 2024			December 31, 2023
	Inside Jordan	Outside Jordan	Total	Total
	JD	JD	JD	JD
Financial	3,673,008	-	3,673,008	1,492,359
Industrial	133,673,006	-	133,673,006	144,977,355
Trading	287,745,396	15,530,598	303,275,994	266,508,357
Real Estate	103,978,517	2,221,997	106,200,514	129,155,447
Equities	937,952	-	937,952	1,028,366
Retail	217,919,859	3,496,888	221,416,747	236,966,197
Governmental and Public Sector	46,479,997	-	46,479,997	58,115,016
Transportation and Freight	7,427,766	-	7,427,766	5,478,107
Tourism and Hotels	4,079,956	-	4,079,956	3,853,316
Total	805,915,457	21,249,483	827,164,940	847,574,520

Following is the geographical distribution of credit facilities - net:

	2024	2023
	JD	JD
Inside Jordan	805,915,457	826,496,143
Asia	20,272,876	16,498,252
Europe	976,607	4,580,125
Total	827,164,940	847,574,520

10. Financial Assets at Amortized Cost - Net

This item consists of the following:

	2024	2023
	JD	JD
Quoted financial assets		
Foreign government bonds	724,746	1,465,983
Corporate bonds	4,254,000	5,820,641
Total quoted financial assets	4,978,746	7,286,624
Unquoted financial assets		
Governmental or granted by govenment bonds	677,424,589	722,226,383
Corporate bonds	320,000	320,000
Total unquoted financial assets	677,744,589	722,546,383
Total	682,723,335	729,833,007
Less: Provision for expected credit loss	(473,423)	(559,143)
Net	682,249,912	729,273,864

Debt instruments analysis - net

	2024	2023
	JD	JD
Fixed rate	682,249,912	729,273,864
Total	682,249,912	729,273,864

The amount of the bonds pledged against funds borrowed from the Central Bank of Jordan as of December 31, 2024, amounted to JD 95,411,000 compared to JD 224,550,000 as of December 31, 2023.

Financial assets at amortized cost classifications based on the Bank's internal credit rating:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Low risk (2-6)	680,985,335	-	-	680,985,335	728,779,352
Acceptable risk (7)	-	1,418,000	-	1,418,000	733,655
High risk (8-10)	-	-	320,000	320,000	320,000
Total	680,985,335	1,418,000	320,000	682,723,335	729,833,007

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

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance - beginning of the year	728,779,352	733,655	320,000	729,833,007	771,435,588
Transferred balances resulted from the acquisition of Standard Chartered Bank Jordan branch	-	-	-	-	94,595,602
New balances	27,149,251	-	-	27,149,251	76,712,000
Paid balances	(73,525,268)	(588,694)	-	(74,113,962)	(212,443,186)
Transferred to stage 1	(1,418,000)	1,418,000	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Written off balances	-	-	-	-	(525,341)
Changes from adjustments	-	(144,961)	-	(144,961)	-
Effect resulting from stages change	-	-	-	-	(7,770)
Adjustments resulting from foreign exchange	-	-	-	-	66,114
Balance - End of the Year	680,985,335	1,418,000	320,000	682,723,335	729,833,007

The movement of the expected credit losses of the financial assets at amortized cost is as follows:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance - beginning of the year	168,243	70,900	320,000	559,143	2,394,063
Transferred balances resulted from the acquisition of Standard Chartered Bank Jordan branch	-	-	-	-	1,714,734
New balances	(49,561)	(36,159)	-	-	191,313
Paid balances	-	-	-	(85,720)	(3,215,626)
Written off balances	-	-	-		(525,341)
Balance - End of the Year	118,682	34,741	320,000	473,423	559,143

11. Investment in Associate Company

The following is the movement on the investment in the associate company:

	2024	2023
	JD	JD
Balance at the beginning of the year	20,045,724	17,950,200
The Bank's share in the associate company's profit	1,183,884	969,501
Foreign currency translation adjustments	(292,038)	1,027,714
Fair value reserve	7,196	98,309
Balance - End of the Year	20,944,766	20,045,724

- Investment in associate company represents the Bank's share in Jordan International Bank/ London (United Kingdom, which amounts to 25% of capital (GBP 65 million), the Bank's share in net income for the year ended December 31, 2024 was calculated based on latest unaudited available financial statements as of December 31, 2024, in addition to Bank's share percentage which is 25%.
- The Bank's right to vote on the General Assembly's decisions regarding this investment is based on the ownership percentage in the investment.

The Bank's share in the associate company's assets, liabilities, and revenues is as follows:

	2024	2023
	JD	JD
Total assets	428,626,183	401,123,857
Total liabilities	344,847,119	320,940,961
Net assets	83,779,064	80,182,896
The Bank's share in net assets	20,944,766	20,045,724
Net income for the year	4,735,536	3,878,004
The Bank's share in net income for the year	1,183,884	969,501

The Bank's share of 25% in the assets and liabilities and net profit of Jordan International Bank/ London has been calculated for the year 2024 as shown above according to the latest unaudited financial statements available on December 31, 2024.

12. Property and Equipment - Net

This item consists of the following:

For the year-ended December 31, 2024	Land	Buildings	Equipment furniture and fixtures	Vehicles	Computers	Solar energy plant	Others	Payments to acquire property and equipments	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost									
Balance at the beginning of the year	26,369,504	45,168,239	13,250,775	1,848,700	4,659,419	4,395,227	10,033,339	2,631,239	108,356,442
Additions	505,180	277,759	185,373	289,000	270,569	-	339,232	130,068	1,997,181
Disposals	-	(380,118)	(187,015)	(98,100)	(55,060)	-	(54,140)	-	(774,433)
Transfers*	504,651	683,323	72,717	-	12,879	-	183,535	(1,574,047)	(116,942)
Balance at the end of the Year	27,379,335	45,749,203	13,321,850	2,039,600	4,887,807	4,395,227	10,501,966	1,187,260	109,462,248
Accumulated depreciation :									
Balance at the beginning of the year	-	(9,634,814)	(9,138,142)	(1,319,567)	(3,639,532)	(1.116,982)	(6,490,742)	-	(31,339,779)
Depreciation for the year	-	(936,408)	(792,796)	(242,464)	(458,887)	(219,761)	(595,883)	-	(3,246,199)
Disposals	-	132,423	182,687	98,100	52,732	-	52,862	-	518,804
Balance at the end of the year	-	(10,438,799)	(9,748,251)	(1,463,931)	(4,045,687)	(1,336,743)	(7,033,763)	-	(34,067,174)
Net Book Value as of December 31, 2024	27,379,335	35,310,404	3,573,599	575,669	842,120	3,058,484	3,468,203	1,187,260	75,395,074
For the year-ended December 31, 2023									
Cost									
Balance at the beginning of the year	24,805,514	41,620,765	12,795,052	1,787,890	3,834,384	4,395,227	9,185,810	2,204,212	100,628,854
Additions	-	-	309,547	285,000	623,646	-	557,987	1,078,389	2,854,569
Disposals	(639,600)	(980,201)	(897,630)	(338,790)	(430,424)	-	(152,117)	-	(3,438,762)
Transfers*	-	-	104,026	-	167,492	-	191,279	(651,362)	(188,565)
Transferred balances resulted from the acquisition of Standard Chartared Jordan branch	2,203,590	4,527,675	939,780	114,600	464,321	-	250,380	-	8,500,346
Balance at the end of the Year	26,369,504	45,168,239	13,250,775	1,848,700	4,659,419	4,395,227	10,033,339	2,631,239	108,356,442
Accumulated depreciation :									
Balance at the beginning of the year	-	(6,646,268)	(8,489,140)	(1,330,842)	(3,199,874)	(897,221)	(5,958,323)	-	(26,521,668)
Depreciation for the year	-	(903,337)	(789,471)	(212,914)	(439,620)	(219,761)	(536,360)	-	(3,101,463)
Disposals	-	503,728	876,440	338,789	429,666	-	151,096	-	2,299,719
Transferred balances resulted from the acquisition of Standard Chartared Jordan branch	-	(2,588,937)	(735,971)	(114,600)	(429,704)	-	(147,155)	-	(4,016,367)
Balance at the end of the year	-	(9,634,814)	(9,138,142)	(1,319,567)	(3,639,532)	(1,116,982)	(6,490,742)	-	(31,339,779)
Net Vook value as of December 31, 2023	26,369,504	35,533,425	4,112,633	529,133	1,019,887	3,278,245	3,542,597	2,631,239	77,016,663

* Transfers represents an amount of JD 116,942 which has been transferred to intangible assets- during 2024 note (14).

- Property and equipment include assets that has been fully depreciated amounting to 12,036,574 as of December 31, 2024 (JD 10,269,176 as of December 31, 2023).

13. Intangible Assets - Net

This item consists of the following:

For the year ended December 31, 2024	Software	Customer Relation	Total
	JD	JD	JD
Balance at the beginning of the year	1,490,563	11,563,333	13,053,896
Additions	519,428	-	519,428
Transfers*	116,942	-	116,942
Amortization for the year	(754,431)	(2,660,000)	(3,414,431)
Balance - End of the Year	1,372,502	8,903,333	10,275,835

For the year ended December 31, 2023	Software	Customer Relation	Total
	JD	JD	JD
Balance at the beginning of the year	1,475,026	-	1,475,026
Additions	616,125	-	616,125
Additions - Intangible assets resulted from the NBK acquisitions	-	2,900,000	2,900,000
Additions - Intangible assets resulted from the SBC acquisitions	-	10,400,000	10,400,000
Transfers*	188,565	-	188,565
Transfers from Standard Chartered Bank	1,701,385	-	1,701,385
Disposals	(12,731)	-	(12,731)
Amortization for the year	(851,672)	(1,736,667)	(2,588,339)
Transfers from Standard Chartered Bank	(1,626,135)	-	(1,626,135)
Balance - End of the Year	1,490,563	11,563,333	13,053,896

* This represents what has been transferred from payments to acquire property and equipment during the year 2024 and 2023.

14. Other Assets

This item consists of the following:

	2024	2023
	JD	JD
Accrued interest and commissions revenue	18,218,820	19,047,658
Prepaid expenses	2,513,722	2,214,887
Assets seized by the Bank *	28,880,160	14,900,280
Stationery and printing	391,529	314,751
Refundable deposits	433,810	430,078
Cheque clearing	1,315,139	1,244,384
Others	2,022,949	1,391,279
Total	53,776,129	39,543,317

* The following is the movement on the assets seized by the Bank:

	2024	2023
	JD	JD
Balance at the beginning of the year	15,600,364	25,201,594
Additions	16,812,814	716,170
Disposals*	(1,231,686)	(10,317,400)
	31,181,492	15,600,364
Less: Provision for assets seized by the Bank **	(2,301,332)	(700,084)
Balance - End of the Year	28,880,160	14,900,280

** According to Central Bank of Jordan's Law, buildings and plots of land that were foreclosed by the Bank against debts due from clients should be sold within two years from the foreclosure date, however this period could be extended for two more years in exceptional cases by the Central Bank of Jordan.

The movement on provision for assets seized by the Bank is as follows:

	2024	2023
	JD	JD
Balance at the beginning of the year	700,084	2,665,992
Additions during the year	1,601,248	260,624
Disposal during the year	-	(2,226,532)
Balance - End of the Year	2,301,332	700,084

15. Banks and Financial Institutions' Deposits

This item consists of the following:

	2024			2023		
	Inside the Kingdom	Outside the Kingdom	Total	Inside the Kingdom	Outside the Kingdom	Total
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	952,486	12,089,599	13,042,085	121,940	8,622,077	8,744,017
Time deposits due within 3 months	55,111,251	295,171,800	350,283,051	129,044,223	226,588,022	355,632,245
Time deposits 3-6 months	-	-	-	-	4,254,000	4,254,000
Time deposits 9-12 months	-	-	-	-	7,090,000	7,090,000
Total	56,063,737	307,261,399	363,325,136	129,166,163	246,554,099	375,720,262

16. Customers' Deposits

This item consists of the following:

December 31, 2024	Individual	Large companies	Small and medium companies	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current accounts and demand deposits	170,877,731	41,676,496	172,818,722	10,548,053	395,921,002
Saving accounts	135,209,823	2,035,403	2,194,316	197,326	139,636,868
Time deposits	780,629,434	119,269,869	248,419,485	108,666,750	1,256,985,538
Total	1,086,716,988	162,981,768	423,432,523	119,412,129	1,792,543,408

December 31, 2023	Individual	Large companies	Small and medium companies	Government and Public Sector	Total
	JD	JD	JD	JD	JD
Current accounts and demand deposits	140,812,134	36,396,534	132,022,601	8,242,366	317,473,635
Saving accounts	149,222,126	1,624,640	4,759,241	163,987	155,769,994
Time deposits	738,437,538	132,969,486	167,945,232	70,066,166	1,109,418,422
Total	1,028,471,798	170,990,660	304,727,074	78,472,519	1,582,662,051

Deposits of the government and the general public sector inside the kingdom amounted to JD 114,274,699 outside kingdom JD 5,137,430equivalent to 6.37% from the total deposits as of December 31, 2024 (JD 78,472,519 equivalent to 4.96% as of December 31, 2023).

Non-interest bearing deposits amounted to JD 379,760,148 equivalent to 21.18% of total deposits as of December 31, 2024 (JD 307,991,880 equivalent to 19.46% as of December 31, 2023).

Restricted deposits amounted to JD 10,633,304 equivalent to 0.59% of total deposits as of December 31, 2024 of which JD 3,208 is at Cyprus branch and JD 10,630,096 at Jordan Branches (JD 13,717,258 equivalent to 0.87% as of December 31, 2023 of which JD 3,414 is at Cyprus branch and JD 13,713,844 at Jordan branches).

Dormant deposits amounted to JD 6,957,312 as of December 31, 2024 (JD 2,212,603 as of December 31, 2023).

17. Borrowed Fund from the Central Bank of Jordan

This item consists of the following:

December 31, 2024	Amount	Maturity date	Collaterals	Payment terms	Interest rates	Reborrowing rate
	JD				%	%
Central Bank of Jordan	90,000,000	January 2, 2025	Treasury Bonds	One payment	7.25	6.25
Central Bank of Jordan- productive projects funding	22,974,205	-	Bills of exchange	As periodic maturity	0.5 – 1	3.5 - 4.5
Central Bank of Jordan – national program facing covid-19 crisis	10,169,943	-	Bills of exchange	As periodic maturity	-	2
Central Bank of Jordan - National Program stand up	161,698	-	Bills of exchange	Monthly Payment	1	4.5
Total	123,305,846					

December 31, 2023	Amount	Maturity date	Collaterals	Payment terms	Interest rates	Reborrowing rate
	JD				%	%
Central Bank of Jordan	200,000,000	January 2, 2024	Treasury Bonds	One payment	8.25	7.25
Central Bank of Jordan- productive projects funding	15,624,613	-	Bills of exchange	As periodic maturity	0.5 - 1	3.5 - 4.5
Central Bank of Jordan - national program facing covid-19 crisis	17,334,636	-	Bills of exchange	As periodic maturity	-	2
Central Bank of Jordan - National Program stand up	242,742	-	Bills of exchange	Monthly Payment	1	4.5
Total	233,201,991					

18. Cash Margins

This item consists of the following:

	2024	2023
	JD	JD
Cash margins against direct credit facilities	59,450,731	53,277,214
Cash margins against indirect credit facilities	12,297,168	12,567,625
Total	71,747,899	65,844,839

19. Sundry Provisions

This item consists of the following:

2024	Beginning balance	Ttansferred balances from the aqcuision of Standard Chartered Bank Jordan branch	Provision during the year	Used during the year	Ending balance
	JD	JD	JD	JD	JD
Provision for end of service indemnity	941,403	-	88,563	(38,815)	991,151
Lawsuits provision	476,391	-	120,000	(22,602)	573,789
Other provisions	59,000	-	-	(14,000)	45,000
Total	1,476,794	-	208,563	(75,417)	1,609,940

2023	Beginning balance	Ttansferred balances from the aqcuision of Standard Chartered Bank Jordan branch	Provision during the year	Used during the year	Ending balance
	JD	JD	JD	JD	JD
Provision for end of service indemnity	524,363	464,785	88,897	(136,642)	941,403
Lawsuits provision	390,687	-	90,000	(4,296)	476,391
Other provisions	9,000	-	50,000	-	59,000
Total	924,050	464,785	228,897	(140,938)	1,476,794

20. Income Tax

A. Income tax provision

The movement on the income tax provision is as follows:

	2024	2023
	JD	JD
Balance at the beginning of the year	7,877,274	9,380,725
Income tax paid	(7,545,669)	(9,786,423)
Accrued income tax expense	5,869,936	8,282,972
Balance - End of the Year	6,201,541	7,877,274

B. Income tax in the consolidated statement of profit or loss represents the following:

	2024	2023
	JD	JD
Accrued Income tax expense for the year	5,869,936	8,282,972
Deferred tax assets for the year	451,835	11,149
Total	6,321,771	8,294,121

c. Tax situation

The Bank has reached a final settlement with the Income and Sales Tax Department for all previous years up to 2020.

The Bank has submitted its tax returns for the year 2021, 2022, 2023 noting that the income and sales tax department did not review the company date until the date of issuance of these financial statements.

United Arab Jordan Company for Investment and Financial Brokerage (subsidiary) has reached a final settlement with the Income and Sales Tax Department in Jordan up to the year 2020, In addition the company has submitted its tax returns for the years 2021, 2022, 2023, noting that the income tax department did not review the company data for these years up until the date of issuance of these financial statements, All tax balances due were paid by the Bank.

A final settlement has been reached with the Income and Sales Tax Department in Jordan regarding Al-Kawthar Financial Leasing Company (the subsidiary) for all periods up to the end of 2022. The company has also submitted its self-assessed tax returns for the year 2023. As of the date of issuance of these consolidated financial statements, the Income Tax Department has not yet reviewed the company's accounts for those years, and there are no outstanding balances due to the department.

A final tax settlement has been reached for the bank in Qatar up to the year 2023.
A final tax settlement has been reached for Cyprus branch up to the year 2023.

The Bank has booked a provision against any expected tax liabilities for the declared years which includes the above-mentioned years, in the opinion of the bank's management and its tax consultant the income tax provision booked in the consolidated financial statement is sufficient to cover any future tax liabilities that may arise.

D. Deferred tax assets

The details of this item are as follows:

	2024						2023
	Beginning of the year	Transsferred from the acquisition	Amount released	Additional amounts	End of the year	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD	JD
Provision for impairment of direct credit facilities	8,687,414	-	(1,202,335)	-	7,485,079	2,844,330	3,301,217
Provision for employee end-of-service Indemnity*	407,676	-	-	13,296	420,972	12,589	7,537
Total	9,095,090	-	(1,202,335)	13,296	7,906,051	2,856,919	3,308,754

* Deferred tax assets has not been calculated on the total balance of end-of-service indemnity provision as a part of this balance relates to Arab Jordan Investment Bank – Qatar.

The movement on deferred tax assets is as follows:

	2024	2023
	JD	JD
Balance at the beginning of the year	3,308,754	3,319,903
Addition	5,052	4,272
Released	(456,887)	(15,421)
Balance - End of the Year	2,856,919	3,308,754

E. Reconciliation between accounting profit and taxable profit is as follows:

	2024	2023
	JD	JD
Accounting profit	24,029,065	28,480,138
Non-taxable income	(12,487,026)	(13,916,046)
Non- deductible expenses	5,024,994	10,222,699
Taxable profit	16,567,033	24,786,791
Effective income tax rate	26.31%	29.12%

According to the Income Tax Law No, (38) for the year 2018 which has come effective from 1 January 2019 income tax expense was calculated at tax rate of 35% and 3% social contribution, as of December 31, 2024 and for the year December 31, 2023.

The tax rate on the Bank's branch in Cyprus is 12.5 % and the subsidiary in Qatar is 10% and 28% for the subsidiary in Jordan.

Deferred tax assets are calculated by 38% of provision for impairment, end of service provision and other provisions as of December 31, 2024, where the management thinks that the deferred taxes are due in future periods.

21. Other Liabilities

This item consists of the following:

	2024	2023
	JD	JD
Accrued interest expense	16,111,356	13,419,891
Accounts payable	3,166,216	3,182,563
Accrued unpaid expenses	2,721,887	3,869,882
Transfers and checks payable	561,793	394,302
Bank cheques issued	3,865,012	4,531,036
Safe boxes deposits	184,572	179,882
Other deposits	565,909	312,553
Creditors	827,851	274,417
Dividends payable	240,429	183,175
Due to income tax	479,553	1,331,693
Restricted deposits	41,013	41,013
Provision for expected credit loss for indirect credit facilities	1,113,998	1,123,215
Unearned revenues	619,551	649,197
Others	559,234	1,083,334
Total	31,098,374	30,576,153

Indirect credit facilities classification based on the Bank's internal credit rating is as follows:

	December 31, 2024																	December 31, 2023
	Letters of guarantee				Letters of credit				Acceptances				Unused balance					
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Low risk (2-6)	114,235,823	-	-	114,235,823	9,691,349	-	-	9,691,349	19,795,236	-	-	19,795,236	131,029,803	-	-	131,029,803	274,752,221	315,576,739
Acceptable risk (7)	-	-	-	-	-	-	-	-	-	-	-	-	-	4,790,396	-	4,790,396	4,790,396	7,413,280
Balance - End of the Year	114,235,823	-	-	114,235,823	9,691,349	-	-	9,691,349	19,795,236	-	-	19,795,236	131,029,803	4,790,396	-	135,820,199	279,542,607	322,990,019

The movement on the indirect credit facilities is as follows:

	December 31, 2024																	December 31, 2023
	Letters of guarantee				Letters of credit				Acceptances				Unused balance					
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	105,620,468	-	-	105,620,468	10,461,118	-	-	10,461,118	45,335,756	-	-	45,335,756	154,159,397	7,413,280	-	161,572,677	322,990,019	317,848,146
Transferred balances resulted from the acquisition of Standard Chartered Bank Jordan branch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	81,358,489
New balances	10,412,739	-	-	10,412,739	-	-	-	-	-	-	-	-	25,180,515	1,131,298	-	26,311,813	36,724,552	33,320,298
Paid balances	(1,797,384)	-	-	(1,797,384)	(769,769)	-	-	(769,769)	(25,540,520)	-	-	(25,540,520)	(37,696,881)	(1,310,084)	-	(39,006,965)	(67,114,638)	(108,826,307)
Transferred to stage 1	-	-	-	-	-	-	-	-	-	-	-	-	3,716,631	(3,716,631)	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-	-	-	-	-	-	-	(205,933)	205,933	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect resulting from stages change	-	-	-	-	-	-	-	-	-	-	-	-	79,774	1,055,557	-	1,135,331	1,135,331	293,163
Changes from adjustment	-	-	-	-	-	-	-	-	-	-	-	-	(14,203,700)	11,043	-	(14,192,657)	(14,192,657)	(1,003,770)
Balance - End of the Year	114,235,823	-	-	114,235,238	9,691,349	-	-	9,691,349	19,795,236	-	-	19,795,236	131,029,803	4,790,396	-	135,820,199	279,542,607	322,990,019

The following is the movement on the provision for expected credit losses of indirect credit facilities:

	2024																	2023
	Letters of guarantee				Letters of credit				Acceptances				Unused balance					
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	274,980	-	-	274,980	72,629	-	-	72,629	275,606	-	-	275,606	230,000	270,000	-	500,000	1,123,215	916,740
Transferred balances resulted from the acquisition of Standard Chartered Bank Jordan branch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	203,602
New balances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000
Paid balances	-	-	-	-	(9,217)	-	-	(9,217)	-	-	-	-	-	-	-	-	(9,217)	(2,127)
Balance - End of the Year	274,980	-	-	274,980	63,412	-	-	63,412	275,606	-	-	275,606	230,000	270,000	-	500,000	1,113,998	1,123,215

22. Authorized and Paid-up Capital

The paid-in capital of the Bank is JD 150,000,000 divided into 150,000,000 shares at a par value of one Jordanian Dinar each as of December 31, 2024 and 2023.

23. Statutory Reserve

The amount accumulated in this account is transferred from the annual income at 10% during the year and previous years according to the companies Law, this reserve cannot be distributed to shareholders.

24. Foreign Currency Translation Adjustments

This represents differences resulting from the translation of the net investment in associates and foreign branches outside of Jordan upon consolidation of the financial statements of the Bank and the movement for this account is the following:

	2024	2023
	JD	JD
Balance at the beginning of the year	(3,143,891)	(4,171,605)
Movement during the year	(292,038)	1,027,714
Balance - End of the Year	(3,435,929)	(3,143,891)

25. Fair Value Reserve- Net

The details are as follows:

	2024	2023
	JD	JD
Balance at the beginning of the year	1,737,053	2,133,996
Unrealized gains (loss)	4,013,032	(402,739)
Adjustments	-	5,796
Balance - End of the Year	5,750,085	1,737,053

- There are no hedging derivatives.

26. Retained Earnings

The movement on retained earnings account as the following:

	2024	2023
	JD	JD
Balance at the beginning of the year	27,359,753	26,177,753
Profit for the year	15,986,897	18,576,406
Adjusments	-	(5,796)
Transferred to reserves	(1,896,686)	(2,388,610)
Distributed dividends to shareholders	(15,000,000)	(15,000,000)
Balance - End of the Year	26,449,964	27,359,753

Retained earnings include as of December 31, 2024 an amount of JD 2,856,919 (JD 3,308,754 as of December 31, 2023) restricted amount against deferred tax benefits, which cannot be utilized through capitalization or distribution unless actually realized according to the Central Bank of Jordan instructions.

27. Proposed Distribution of Dividends to the General Assembly

The Board of Directors of the General Assembly of Shareholders recommended the distribution of 10% of capital as cash dividends to the shareholders equivalent to JD 15,000,000 on the consolidated financial statements level subject to the approval of the General Assembly of Shareholder.

28. Non - Controlling Interest

This item represents other shareholders' interest of 50% (minus two shares) as of December 31, 2024 from the net shareholders' equity of Arab Jordan Investment Bank in Qatar (subsidiary company).

29. Interest Income

This item consists of the following:

	2024	2023
	JD	JD
Direct credit facilities:		
Individuals (retail):		
Loans	21,818,566	23,310,943
Credit cards	1,305,345	1,213,401
Real estate loans	7,228,345	7,686,161
Large companies		
Loans	23,918,674	20,978,285
Overdraft	8,281,185	6,238,580
Small and medium companies		
Loans	4,092,348	4,142,898
Overdraft	1,330,637	1,375,217
Government and public sector	3,816,600	4,393,542
Balances at the Central Bank of Jordan	17,004,778	3,643,615
Balances and deposits at banks and financial institutions	13,685,885	11,952,688
Financial assets at amortized cost	39,228,966	40,543,199
Total	141,711,329	125,478,529

30. Interest Expense

This item consists of the following:

	2024	2023
	JD	JD
Deposits from banks and financial institutions	16,105,669	14,220,424
Borrowed fund	189,765	1,230,139
Customers' deposits:		
Current accounts and demand deposits	1,622,484	1,292,135
Saving accounts	731,563	756,743
Time and notice deposits	67,528,172	52,188,665
Lease interest	100,014	103,352
Cash margins	1,240,330	890,786
Deposits guarantee	1,077,177	983,000
Total	88,595,174	71,665,244

31. Net Commissions Income

This item consists of the following:

	2024	2023
	JD	JD
Commissions income:		
Direct credit facilities	1,963,632	2,176,192
Indirect credit facilities	8,180,776	7,313,601
Less: Commissions expense	(2,494,986)	(2,677,257)
Net commissions income	7,649,422	6,812,536

32. Foreign Currencies Income

This item consists of the following:

	2024	2023
	JD	JD
Resulting from trading	6,028,300	4,491,007
Resulting from revaluation	63,856	72,114
Total	6,092,156	4,563,121

33. Gain from Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

For the year ended December 31, 2024	Realized gain	Unrealized losses	Cash dividends	Total
	JD	JD	JD	JD
Corporate equity shares	-	-	-	-
Total	-	-	-	-

For the year ended December 31, 2023	Realized gain	Unrealized losses	Cash dividends	Total
	JD	JD	JD	JD
Corporate equity shares	47,621	-	-	47,621
Total	47,621	-	-	47,621

34. Cash Dividends from Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

	2024	2023
	JD	JD
Dividends from financial assets - shares	869,558	815,823
Total	869,558	815,823

35. Other Income

This item consists of the following:

	2024	2023
	JD	JD
Gains from acqusitons of Standard Chartared Jordan branch	-	4,728,000
Gains from acqusitons of National Bank of Kuwait Jordan branch	-	2,900,000
Released from provision for expected credit losses	1,616,231	3,900,436
Returns from shares trading on behalf of customers	370,928	513,654
Recovered revenues from bad debts	525,776	490,608
Gains from sale of property and equipment	119,163	284,533
Revenues from credit cards sponsorship	39,934	68,966
Commission of salary transfer	46,975	46,328
Returns from managed portfolios	11,607	9,145
Losses from sales of repossessed assets	(63,365)	-
Other	626,302	724,502
Total	3,293,551	13,666,172

36. Employees Expenses

This item consists of the following:

	2024	2023
	JD	JD
Salaries, bonuses and employees benefits	16,005,004	15,367,268
Bank’s contribution in social security	1,858,512	1,741,777
Bank’s contribution in saving fund	494,690	481,019
Employees’ life insurance	107,287	158,908
Medical expenses	1,094,433	895,465
Staff training	58,152	23,452
Travel expenses	144,318	166,176
Other	184,499	176,016
Total	19,946,895	19,010,081

37. Other Expenses

This item consists of the following:

	2024	2023
	JD	JD
Short - term rent	1,866,161	1,697,999
Stationery and printing	201,132	394,237
Subscriptions	984,280	1,092,076
Legal and audit fees	542,406	312,298
Telephone, telex, postage and stamps	946,278	877,006
Insurance expenses	292,587	323,859
Maintenance and repair	803,275	789,552
General services	695,629	813,161
Swift services	159,655	150,384
Security	276,162	279,511
Donations	89,391	489,900
Board of directors remunerations	55,000	55,000
Board of directors expenses	1,124,454	1,113,830
Foreign currency trading fees	234,202	173,445
Registration and governmental fees	210,614	231,271
Mortgage and insurance fees	763,156	1,300,113
Consultations	145,472	224,000
Automated clearing (offset) expenses	89,129	123,207
Property tax fees	286,880	245,103
Marketing and advertising expenses	845,393	869,765
Computers and ATMs expenses	2,626,070	2,557,810
Other expenses	1,339,106	2,267,497
Total	14,576,432	16,381,024

38. Provision for Expected Credit Losses

	For the year ended December 31,	
	2024	2023
	JD	JD
Banks and financial institutions	21,270	14,889
Bonds at amortized cost	-	191,313
Direct credit facilities	4,537,047	9,621,073
Indirect credit facilities	-	5,000
Total	4,558,317	9,832,275

39. Basic and Diluted Earnings per Share from Profit for the Year (Bank's Shareholder)

	2024	2023
	JD	JD
Income for the year	15,986,897	18,576,406
Weighted average number of shares	150,000,000	150,000,000
Basic and diluted earnings per share (Bank shareholders) JD/ share	0.11	0.12

40. Cash and Cash Equivalents

This item consists of the following:

	2024	2023
	JD	JD
Cash and balances at the Central Bank of Jordan maturing within 3 months	581,823,188	451,145,248
Add: balances at banks and other financial institutions maturing within 3 months	258,591,073	291,947,824
Less: deposits from banks and financial institutions maturing within 3 months	(363,325,136)	(364,376,262)
Total	477,089,125	378,716,810

41. Right of Use Assets and Lease Liabilities

The movement of right of use assets and lease liabilities - long term was as follows:

	2024		2023	
	Right of use assets	Lease liabilities	Right of use assets	Lease liabilities
	JD	JD	JD	JD
Balance at the beginning of the year	2,816,046	2,520,870	2,724,869	2,451,070
Addition during the year	921,469	921,469	896,395	896,395
Amortization	(623,576)	-	(805,218)	-
Finance costs	-	100,014	-	103,352
Paid during the year	-	(672,511)	-	(929,947)
Balance as at the end of the year	3,113,939	2,869,842	2,816,046	2,520,870

* Details of lease contracts liabilities as follows:

	2024	2023
	JD	JD
Lease liabilities less than a year	691,776	557,005
Lease liabilities more than a year	2,178,066	1,963,865
Total	2,869,842	2,520,870

42. Related Parties Transactions

The following is a summary of the transactions with related parties during the year:

Statement of Financial Position Items:	Related party					Total	
	Subsidiaries companies	Board of directors members	Executive management	Associate company	Other*	31 December 2024	31 December 2023
	JD	JD	JD	JD	JD	JD	JD
Total deposits for related parties	69,825,546	142,512,417	1,696,927	3,926,317	3,797,904	221,759,111	212,659,233
Total Bank deposits with related parties	59,270,237	191,662	-	21,085,737	-	80,547,636	83,682,303
Loans and credit facilities granted to related parties	921,441	960	1,519,549	-	6,859,364	9,301,314	7,840,670
Off-Statement of Financial Position Items:							
Letter of credit and guarantee	6,527,182	-	-	-	-	6,527,182	3,405,687
Managed account	5,697,898	-	-	-	-	5,697,898	6,449,384
Statement of Profit or Loss Items:							
Credit interest and commission	3,173,357	-	78,130	1,005,302	307,984	4,564,773	3,650,678
Debit interest and commission	3,822,710	6,598,943	53,991	285,277	262,055	11,022,976	11,034,021

* This item represents employees' deposits and facilities for other than Board of Directors and executive management.

- Revenues and expenses balances and transactions between the Bank and the subsidiaries are eliminated.
- Interest expense rates ranges from 0 – 7% (current accounts included).
- Interest revenue rates ranges from 2% - 7%.
- All credit facilities granted to related parties are considered performing and consequently no related provisions have been booked.

The following is a summary of the benefits (salaries and remunerations plus other benefits) of the executive management of the Bank:

	2024	2023
	JD	JD
Salaries, remunerations and other benefits	1,667,921	1,401,668
Travel and transportation	57,083	46,947
Total	1,725,004	1,448,615

43. Risk Management

Risks are a fundamental part of banking operations. The bank manages risk-related challenges within a comprehensive and general framework. This framework focuses on identifying, understanding, and evaluating the risks that the bank is exposed to, ensuring that they remain within defined and acceptable limits. Necessary measures are taken to reduce risks, aiming to achieve the optimal balance between risk factors and returns.

The comprehensive risk management framework includes the risk tolerance document, which is approved by the board of directors and specifies the acceptable risk levels and the degree of bearing such risks (Risk Tolerance). Meanwhile, the risk management team conducts stress tests at the portfolio level to assess the bank's ability to withstand shocks and high risks, complying with regulatory requirements. Reports on the results of these tests and the impact evaluation on the capital and profits are submitted to the Risk Management Committee formed by the Board of Directors. Based on that, a periodic review is conducted to ensure the policy's adequacy aligns with the current situation.

The Risk Department at the bank is responsible for risk management based on strategies and policies approved by the Board of Directors, abiding by the following principles:

- Regular updating of the bank's risk management policies to identify, analyze, measure these risks, set risk limits and controls, and monitor risks through the risk information system.
- Reviewing the general framework and risk management systems to reflect any developments in banking that align with the best international practices before approval by the Board of Directors.
- Submitting regular reports to the Risk Committee formed by the Board of Directors, who review the bank's risk management operations, and to the Board of Directors, indicating the extent to which existing risks comply with approved policies and acceptable risk levels.

In this process, the Asset and Liability Management Committee and the Investment Committee are integral parts. Moreover, all business centers are responsible for identifying risks associated with their areas of operation and implementing appropriate control measures.The most significant types of risks include credit risks, liquidity risks, operational risks, and market risks, which consist of interest rate risks and currency risks.

Credit Risk

Credit risk arises from the probable default or inability of the borrower or third party to fulfil its obligations to the Bank Moreover, this risk is one of the most important risks the Bank faces during the conduct of its activities, Therefore the Bank manages credit risk continuously this risk relates to items such as loans bonds and activity investments in debt instruments in addition to credit risk related to off- statement of financial position items such as unutilized loans guarantees and documentary credits.

A. Expected credit loss for direct credit facilties

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.

Inputs, assumptions and techniques used for ECL calculation – IFRS 9 Methodology

Key concepts in IFRS 9 that have the most significant impact and require a high level of judgment, as considered by the Bank while determining the impact assessment, including the following:

- **Detailed explanation of the bank's internal credit rating system and its working mechanism.**

- The Bank relies on Moody's RA application to classify corporate credit risk ratings, which reviews and analyzes financial and objective information about the borrower, The program generates a comprehensive assessment of the creditworthiness of the borrower, that results in the probability of default (PD), The system classifies the corporate customers within 7 levels of active accounts and 3 levels of non- performing accounts, The probability of default (PD) increase with the level of risk, wherein, 3 segments are adopted at each level (grade) except for grade 1 as shown in the table below:

Risk Grade of the Customer	Credit Rating	Credit Quality
1	Aaa	Exceptional business credit, judged to be of highest quality, with minimal credit risk.
2+	Aa1	Very good business credit with very low credit risk.
2	Aa2	
2-	Aa3	
3+	A1	Low credit risk facilities.
3	A2	
3-	A3	
4+	Baa1	Moderate credit risk facilities.
4	Baa2	
4-	Baa3	
5+	Ba1	High credit risk facilities.
5	Ba2	
5-	Ba3	
6+	B1	Very high credit risk facilities,
6	B2	
6-	B3	
7+	Caa1	Weak Business credit: judged to be of poor standing and subject to very high credit risk.
7	Caa2	
7-	Caa3	
8	Default Ca	Substandard facilities.
9	Default Ca	Doubtful facilities.
10	Default Ca	Loss facilities.

- Risk of individuals is measured based on portfolio valuation through customer behaviour records and their commitment for timely payments.
- Global ratings are used to measure the risk of other financial assets (fixed-rate financial instruments and credit claims on banks and financial institutions).

- **The mechanism for calculating expected credit losses (ECL) on financial instruments and for each item separately.**
  The Bank has adopted a special mechanism for calculating expected credit losses based on the type of financial instrument:

- Financial instruments for the portfolio of companies and instruments with fixed income and credit claims on banks and financial institutions:
  - In calculating the expected credit losses for this portfolio, the Bank relies on a specialized and developed system from Moody's, Each customer/ instrument is calculated individually at the level of each account/ instrument.
  - In collaboration with Moody's, the Bank has developed a retail portfolio model to calculate expected credit loss based on the requirements of the Standard, The provision for the Retail Portfolio is calculated on an aggregate basis.

- Governs the application of the requirements of IFRS 9 and includes the responsibilities of the board of directors and executive management to ensure compliance with the requirements of the IFRS.

The Board of Directors has several specialized committees, each with its own objectives and to implement the Standard,

Risk Management Committee

- Review the implementation strategy of the standard and its impact on the risk management of the bank before its adoption by the Board.
- Keeping pace with developments affecting the Bank's risk management and reporting periodically to the Board.
- Verify that there is no difference between the actual risks taken by the Bank and the level of acceptable risks approved by the Board.
- To create the appropriate conditions to ensure the identification of risks that have a material impact and any activities carried out by the Bank that could expose it to risks greater than the acceptable risk level, report to the Board and follow up on their treatment.

Audit Committee

- Review the financial statements after application of the Standard to verify the orders of the Central Bank of Jordan regarding the adequacy of the provisions and to give an opinion on the non-performing bank debts before submitting them to the Board of Directors.
- Review the observations contained in the reports of the Central Bank and the reports of the external auditor and follow up the actions taken thereon.
- Review the accounting issues that have a significant impact on the financial statements of the Bank and ensure the accuracy of the accounting and control procedures and their compliance.

Financial Department

- Calculate ECL and customer classification based on the three stages quarterly in accordance with the accounting standards requirements and the Central Bank of Jordan requirements and the acquaintance of the executive management on the results of calculation.

- Make necessary accounting adjustments and restrictions after the results are approved and verify that all products have been calculated.

- Prepare the necessary disclosures in cooperation with the concerned departments in the bank in accordance with the requirements of the standard and the instructions of the Central Bank.

Risk Management Department

- Participate with the departments in the development and construction of the business model, including the classification of the Bank's financial assets in accordance with the principles of IFRS 9.

- Calculate the ECL then classify the customers based on the three stages quarterly in accordance with the accounting standards requirements and the Central Bank of Jordan requirements and the acquaintance of the executive management on the results of calculation.

- Review and approve risk factors in accordance with the bank methodology and policy.

* Definition and mechanism for calculating and monitoring the probability of default (PD) and exposure at default (EAD) and loss given default (LGD).

- Corporate and fixed-income financial instruments and credit claims on banks and financial institutions:

  • Probability of default (PD): The percentage of the probability of the borrower defaulting or failing to meet the payment of the instalments or obligations towards the bank on its due dates.
  • The probability of default is calculated for each customer using Moody's Credit Lens, which is based on the customer's financial data and / or based on the objective evaluation of the customer.

The system has three calculation models to reach the default rate:
A, Large and medium-sized companies (with financial statements).
B, Small businesses (without financial statements).
C, Individuals with high solvency.

Loss given Default (LGD)

The percentage that represents the portion of the exposure that will be lost in case of default

The Loss Given Default (LGD) is calculated through a specialized system from Moody's, The system has a model calculation that is used to reach the (LGD):

A. Clean Basis Exposure: The loss ratio is calculated based on the economic sector, the probability of default and the geographical area of the customer.

B. Exposure to acceptable collateral Credits: which include the covered and unsecured portion, are considered when calculating losses at default, Haircut ratios are defined in accordance with the requirements of the Central Bank of Jordan.

- Exposure at Default (EAD): This is the present value of used and unused facilities at defaults, in addition to any outstanding receivables, plus any accrued interest not received.
  All the above ratios shall be entered at the level of each account / instrument together with details of facilities / financial instruments on the expected credit loss calculation system which also calculates exposure at default (EAD).

Retail Portfolio:

- **Probability of Default (PD):** is calculated based on the relationship between the historical regression ratios of each product and the economic variables.
- **Loss Given Default (LGD)** is calculated based on historical bad debts compared with its time of default.
- **Exposure at default (EAD)** for both personal loans and housing loans is calculated based on future cash flows (cash flows according to repayment schedules) For credit cards, credit exposure is assumed to be equal to the current outstanding balance plus a certain percentage of the unutilized balance Based on a study by Moody's.

Determines the significant change in credit risk that the Bank has relied on in calculating the expected credit losses.

Stage	Nature of the accounts within the stage.
First Stage Stage 1 (First recognition)	- Regular financial instruments - Financial instruments with less than 30 days' receivables. - Customers with a risk rating of -6 and below. - Bonds and financial investments with a credit rating of B1 and above according to Moody's.
Second Stage Stage 2 (Credit quality decline)	Regular financial instruments that have shown a significant increase in credit risk since the date of initial recognition. - Financial instruments that have dues from 30-90 days. - Current and under-exposed accounts if the period of non-payment is more than 30 days and less than 90 days. - Customers with a risk score of +7, 7, and 7. - Bonds and financial investments that carry a credit rating between B1 and Caa3. - A decline in the possibility of stumbling to the customer by 2% and above. - A decline in the credit rating since the initial recognition of bonds and financial investments by four degrees or more. - All accounts classified under observation. - The ceilings that have expired and have not been renewed or have not been postponed. - All performing Credit Cards
Third Stage Stage 3 (Decrease in credit value)	Unregulated financial instruments that have objective evidence / evidence to default with a negative impact on the future cash flow of the financial instrument.

1. The Bank's policy in identifying the common elements on which the credit risk and expected credit loss were measured on a collective basis.

The Retail Portfolio is calculated on a lump sum basis, The portfolio was divided into three categories:
1) Personal loans
2) Housing loans.
3) Credit cards.

These categories share the same credit characteristics:
1) Credit Product Type
2) Quality of guarantees

• **Macroeconomic Factors, Forward Looking Information (FLI) and Multiple Scenarios**

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions, The estimation and application of forward-looking information will require significant judgment from the bank's management.

PD, Loss Given Default (LGD) and Exposure At Default (EAD) inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio, Each macroeconomic scenario used in our expected credit loss calculation will have forecasts of the relevant macroeconomic variables.

Each macroeconomic scenario used in calculating the expected credit losses is linked to changing macroeconomic factors.
Our estimates are used to calculate expected credit losses for stage 1 and stage 2 using discounted weighted scenarios that include future macroeconomic information for the next three years.

- The bank uses the following macroeconomic indicators when performing futuristic forecasts for the countries that it operates in:
1. Gross Domestic Product
2. Unemployment rate
3. Stock market index price
4. Oil prices

- The bank uses 3 scenarios to reach a probable value when to estimate the expected credit losses as follows:
1. Main scenario(Baseline) weighted 40%
2. Best scenario(Optimistic S1) weighted 30%
3. Worst case scenario 1 (Pessimistic S3) weighted 30%
   The primary scenario is (Baseline) given a 40% weightage, the most favorable scenario (Optimistic S1) gets a 30% weightage, and the first negative scenario is (Pessimistic S3) weighted at 30% too. These weighted probabilities are taken into account to compute a cumulative estimated value of potential credit loss for individuals.

These scenarios are extracted from Data Buffet system of Moodys in 14 historical values format and 20 future estimated value(Forecasted) for all the previously mentioned macroeconomic indicators.

The probable options are estimated according to the best approximation related to the historical probability and current affairs, The probable scenarios are evaluated every three months, All scenarios are implemented to all the wallets that are subject to expected credit losses for 2023 and 2024.

The bank altered the scenarios used for calculating expected credit losses starting from 1 January 2023. The second worst-case scenario (Pessimistic S4) was eliminated, and the pre-COVID-19 probabilities and weightings for measuring expected credit losses were reinstated

Definition of default

The definition of default used in the measurement of expected credit losses and the assessment to determine movement between stages will be consistent with the definition of default used for internal credit risk management purposes, IFRS 9 does not define default, but contains a rebuttable presumption that default has occurred when an exposure is greater than 90 days past due.

The management of credit risks, to ensure they remain within the bank's acceptable levels, is conducted through:

- Credit Policy: This policy establishes the fundamentals of granting credit, acceptable collateral, as well as the principles and procedures for credit monitoring.
- Credit Risk Measurement: The bank uses an internal rating system, (CreditLens) from (Moody's), to assess the risk levels of corporate clients, contributing to credit decisions. For measuring credit exposure risks for debt instruments, the bank uses external ratings issued by international rating agencies like (Standard & Poor) and (Moody's), or their equivalents, according to the specified ratings and in line with the instructions of the regulatory authorities.
- Credit Monitoring: The bank manages caps and oversees credit concentration risks at the client level (individual or institution) and the size of credit exposure for each sector or geographical area. The bank sets acceptable credit risk levels by establishing caps for the amount of acceptable risk with each borrower or borrower group and for each sector or geographic area.
- Credit Risk Mitigation: The bank relies on various methods and practices to alleviate credit risks, including securing guarantees. These guarantees are accepted according to approved criteria and principles. The most prominent types of guarantees against loans and facilities include:
  - Real estate mortgages.
  - Mortgages of financial instruments such as shares.
  - Bank guarantees.
  - Cash Collaterals.
  - Government guarantees.

- Moreover, the Bank adopts the following methods to improve the quality of credit and mitigate risks:
  - A system of three approvals for granting a credit.
  - Credit approval authority that varies from one management level to another depending on the volume of the customer's portfolio extent of exposure maturity and customer's risk degree
  - Complete segregation between credit management departments (business) credit control and analysis departments.

The continual training and development of credit review staff is crucial to ensure the presence of credit analysis expertise capable of properly understanding these risks.

Adjusting the use of the interest rate between banks

As a result of the decisions of global regulatory bodies to abandon the use of interbank lending rates and replace them with alternative indicators, the Bank conducted a study on the impact that may result from the use of alternative indicators for interbank lending rates. The study did not show any significant impact on risks or on financial statements due to the absence of significant operations linked to interest rates associated with interbank lending rates or hedging contracts.

Second: Quantitative Disclosures:

(43/A) Credit Risk

1-A. Exposure to credit risks (after provision for impairment and interest in suspense and before collaterals and any other risk decreasing factors):

	2024	2023
	JD	JD
Statement of Financial Position items:		
Cash and balances at Central Bank of Jordan	559,658,269	429,105,936
Balances at banks and financial institutions - net	258,510,217	291,847,547
Deposits at banks and financial Institutions - net	68,993,141	28,547,873
Direct credit Facilities - net:		
Individual	221,166,747	236,966,197
Real-estate loans	106,200,514	129,159,331
Large companies	407,678,225	372,268,317
Small and medium companies	45,639,457	51,065,659
Government & public sector	46,479,997	58,115,016
Bonds and Treasury Bills:		
Financial assets at amortized cost - net	682,249,912	729,273,864
Other assets	18,218,820	19,047,658
Total	2,414,795,299	2,345,397,398
Contingent liabilities - net:		
Letters of guarantee	113,960,843	105,345,488
Letters of credit	9,627,937	10,388,489
Acceptances	19,519,630	45,060,150
Un-utilized facilities	135,320,199	161,072,677
Grand total	278,428,609	321,866,804
Total	2,693,223,908	2,667,264,202

The Bank obtains cash and in-kind collaterals representing real estates and shares to mitigate credit risks to which the Bank might be exposed.

B. Distribution of credit exposure (direct credit facilities):

The Bank's Internal Credit Rating	Classification Category based on (47/2009) Instruction	Total Exposure Amount	Expected Credit Losses (ECL)	Probability of Default (PD)	Rating According to External Rating Institutions	Exposure at Default (EAD)	Loss Given Default (LGD)
		JD	JD				
2-7	Performing	837,553,845	15,649,381	3.4%	Moody's	837,553,845	26.7%
8-10	Non performing	16,489,813	5,723,344	100%	Moody's	16,489,813	19.5%

Regarding assets items within consolidated financial statements, the exposure mentioned above is based on the balance presented in the consolidated financial statements.

2- A Distribution of fair value of collateral against total credit exposures:

Item	Gross exposure amount	Fair value of collaterals							Net exposure after collaterals	Expected credit losses (ECL)
		Cash margins	Quoted shares	Accepted banking guarantees	Housing	Vehicles and machines	Others	Gross collateral amount		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central bank	559,658,269	-	-	-	-	-	-	-	559,658,269	-
Balances at banks and financial institutions	258,591,073	-	-	-	-	-	-	-	258,591,073	80,856
Deposits at banks and financial institutions	69,052,991	-	-	-	-	-	-	-	69,052,991	59,850
Credit facilities:										
Retail	231,681,774	18,894,295	18,797,575	-	34,897,976	-	-	72,589,846	159,091,928	9,067,007
Real Estate Loans	109,533,839	436,757	-	-	104,892,660	-	64,767	105,394,184	4,139,655	1,593,031
Large Corporate	418,012,994	6,800,028	60,469,289	1,744,140	181,269,979	-	10,000,000	260,283,436	157,729,558	8,887,551
Small and medium companies	48,335,054	2,408,728	-	-	19,810,846	-	-	22,219,574	26,115,480	1,825,136
Government and public sector	46,479,997	-	-	-	-	-	17,744,878	17,744,878	28,735,119	-
Bonds and bills:										
Financial assets at amortized cost	682,723,335	-	-	-	320,000	-	-	320,000	682,403,335	473,423
Other assets	18,218,820	-	-	-	-	-	-	-	18,218,820	-
Total	2,442,288,146	28,539,808	79,266,864	1,744,140	341,191,461	-	27,809,645	478,551,918	1,963,736,228	21,986,854
Letters of guarantee	114,235,823	-	-	-	-	-	-	-	114,235,823	274,980
Letters of credit	9,691,349	-	-	-	-	-	-	-	9,691,349	63,412
Acceptances	19,795,236	-	-	-	-	-	-	-	19,795,236	275,606
Unutilized facilities	135,820,199	-	-	-	-	-	-	-	135,820,199	500,000
Grand total	2,721,830,753	28,539,808	79,266,864	1,744,140	341,191,461	-	27,809,645	478,551,918	2,243,278,835	23,100,852
Total comparative figures	2,695,878,021	25,072,389	61,032,334	1,744,140	476,080,582	-	54,226,794	618,156,239	2,077,721,782	24,886,193

2- B The fair value of collateral against total stage 3 credit exposures

Item	Gross exposure (stage 3)	Fair value for collaterals							Net exposure after collaterals	Expected credit losses (ECL)
		Cash margins	Quoted shares	Accepted banking guarantees	Housing	Vehicles and machines	Others	Gross collateral amount		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Credit facilities:										
Retail	6,257,127	-	163,992	-	-	-	-	163,992	6,093,135	3,959,152
Real Estate Loans	3,866,486	-	-	-	4,652,977	-	-	4,652,977	(786,491)	839,250
Small and medium companies	3,312,645	-	-	-	1,873,702	-	-	1,873,702	1,438,943	726,099
Large companies	3,053,555	271,144	-	-	4,519,288	-	-	4,790,432	(1,736,877)	198,843
Bonds and bills:										
Financial assets at amortized cost	320,000	-	-	-	320,000	-	-	320,000	-	320,000
Total	16,809,813	271,144	163,992	-	11,365,967	-	-	11,801,103	5,008,710	6,043,344
Letters of guarantee	-	-	-	-	-	-	-	-	-	-
Letters of credit	-	-	-	-	-	-	-	-	-	-
Acceptances	-	-	-	-	-	-	-	-	-	-
Unutilized facilities	-	-	-	-	-	-	-	-	-	-
Grand total	16,809,813	271,144	163,992	-	11,365,967	-	-	11,801,103	5,008,710	6,043,344
Total comparative figures	17,743,674	22,443	163,992	-	29,142,947	-	-	29,329,382	(11,585,708)	7,815,876

3-A Total reclassified exposures

Item	Stage 2		Stage 3		Total reclassified exposures	Reclassified exposures
	Total exposure amount	Reclassified exposures	Total exposure amount	Reclassified exposures		
	JD	JD	JD	JD	JD	JD
Total exposures	85,798,404	12,873,367	10,766,469	9,965,538	22,838,905	23.65%

3-B Expected credit losses for reclassified facilities

Item	Reclassified exposures			ECL for reclassified exposures		
	Reclassified exposures Stage 2	Reclassified exposures Stage 3	Total reclassified exposures	Stage 2 individual	Stage 3 individual	Total
	JD	JD	JD	JD	JD	JD
Total exposures	12,873,367	9,965,538	22,838,905	492,259	127,686	619,945

Rescheduled loans:

These represent loans classified previously as non-performing and reclassified as performing but taken out therefrom according to proper scheduling and classified as watch list loans which amounted to JD 6,823,249 as December 31, 2024 (JD 3,013,850 as of December 31, 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, they are classified as a watch-list debt and the restructuration for the current year JD 19,194,993 and JD 43,832,408 in previous year.

4. Bills bonds and debentures

4-A The table below shows the classification of bills bonds and debentures according to external rating agencies:

Risk rating class	Rating agency	Included in assets at amortized cost
		JD
Government guaranteed bonds	Moody’s	671,025,186
Government guaranteed bonds Ba3	Moody’s	6,399,402
Government guaranteed bonds Ba1	Moody’s	708,100
Companies Bond B3	Moody’s	1,383,243
Companies Bond without classification	Moody’s	2,733,981
Total in net		682,249,912

5-A The schedule below shows he geograohical distribution of the credit risk exposure:

	Inside the Kingdom	Other Middle East Countries	Europe	Asia	Africa	America	Total
	JD	JD	JD	JD	JD	JD	JD
Balance at Central Bank of Jordan	559,658,269	-	-	-	-	-	559,658,269
Balances at banks and financial institutions - net	2,257,201	172,516,598	75,003,158	1,248,938	191,662	7,292,660	258,510,217
Deposits at banks and financial institutions - net	-	50,518,525	18,474,616	-	-	-	68,993,141
Direct Credit facilities - net:	805,915,457	20,272,876	976,607	-	-	-	827,164,940
Bonds and bills:							
Financial assets at amortized cost - net	680,158,570	-	-	708,083	-	1,383,259	682,249,912
Other assets	16,657,910	1,421,604	114,065	-	-	25,241	18,218,820
Total current year	2,064,647,407	244,729,603	94,568,446	1,957,021	191,662	8,701,160	2,414,795,299
Letters of guarantee	102,567,247	11,370,731	22,865	-	-	-	113,960,843
Letters of credit	5,730,900	3,897,037	-	-	-	-	9,627,937
Acceptances	18,727,131	792,499	-	-	-	-	19,519,630
Un-utilized facilities	134,496,134	824,065	-	-	-	-	135,320,199
Grand total	2,326,168,819	261,613,935	94,591,311	1,957,021	191,662	8,701,160	2,639,223,908
Total comparative figures	2,358,180,814	218,445,500	70,073,648	1,815,232	3,458,530	15,290,478	2,667,264,202

Exposure distribution according to IFRS 9- net:

Item	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3 Individual	Total
	JD	JD	JD	JD	JD	JD
Inside Jordan	1,972,066,623	264,066,867	64,491,968	18,231,753	7,311,608	2,326,168,819
Other middle east countries	260,516,619	-	-	-	1,097,316	261,613,935
Europe	94,591,311	-	-	-	-	94,591,311
Asia	1,957,021	-	-	-	-	1,957,021
Africa	191,662	-	-	-	-	191,662
America	7,317,901	-	1,383,259	-	-	8,701,160
Total	2,336,641,137	264,066,867	65,875,227	18,231,753	8,408,924	2,693,223,908
Total Comparative Figures	2,213,554,663	279,555,720	147,965,198	18,407,838	7,780,783	2,667,264,202

5-B The schedule below shows the credit risk exposure according to financial instruments:

Item	Finance	Industrial	Trade	Real estate	Shares	Retail	Transportation	Hotels and Tourism	Government and public sector	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at Central Bank of Jordan	-	-	-	-	-	-	-	-	559,658,269	559,658,269
Balances at banks and financial institutions -net	258,510,217	-	-	-	-	-	-	-	-	258,510,217
Deposits at banks and financial institutions- net	68,993,141	-	-	-	-	-	-	-	-	68,993,141
Direct credit facilities - net	3,673,008	133,673,006	303,525,994	106,200,514	937,952	221,166,747	7,427,766	4,079,956	46,479,997	827,164,940
Bonds and bills:										
Financial assets at amortized cost - net	2,733,980	1,383,259	-	-	-	-	-	-	678,132,673	682,249,912
Other assets	1,317,294	1,037,797	1,484,596	1,244,483	25,487	1,417,212	68,541	32,854	11,590,556	18,218,820
Total current year	335,227,640	136,094,062	305,010,590	107,444,997	963,439	222,583,959	7,496,307	4,112,810	1,295,861,495	2,414,795,299
Letters of guarantee	-	-	113,960,843	-	-	-	-	-	-	113,960,843
Letters of credit	-	-	9,627,937	-	-	-	-	-	-	9,627,937
Acceptances	-	-	19,519,630	-	-	-	-	-	-	19,519,630
Un- utilized ceilings	-	-	135,320,199	-	-	-	-	-	-	135,320,199
Grand total	335,227,640	136,094,062	583,439,199	107,444,997	963,439	223,583,959	7,496,307	4,112,810	1,295,861,495	2,693,223,908
Total comparative figures	325,051,611	149,549,316	589,965,562	130,861,443	1,080,782	238,218,646	5,780,621	3,979,190	1,222,777,031	2,667,264,202

The distribution of the risk exposure according to the staging classification as per IFRS (9) - net

Item	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3 Individual	Total
	JD	JD	JD	JD	JD	JD
Finance	335,227,640	-	-	-	-	335,227,640
Industry	131,324,717	-	4,421,844	-	347,501	136,094,062
Trade	531,264,249	-	48,114,899	-	4,060,051	583,439,199
Real estate	8,300,457	82,231,977	11,860,290	2,932,816	2,119,457	107,444,997
Shares	963,439	-	-	-	-	963,439
Retail	23,120,798	181,834,890	447,419	15,298,937	1,881,915	222,583,959
Transportation	6,527,736	-	968,571	-	-	7,496,307
Hotels and Tourism	4,050,606	-	62,204	-	-	4,112,810
Government and public sector	1,295,861,495	-	-	-	-	1,295,861,495
Total	2,336,641,137	264,066,867	65,875,227	18,231,753	8,408,924	2,693,223,908
Total comparative figures	2,213,554,663	279,555,720	147,965,198	18,407,838	7,780,783	2,667,264,202

43/B Market risks:

Market risk is the risk of the fluctuation in the fair value or cash flows of financial instruments due to changes in market prices such as interest rates, currency rates and stock prices, The risks subject to this requirement are foreign currency, risk price risk, commodity risk and market risks arise due to open positions for interest rate, foreign currency exchange rate, investment rate and share prices, These risks are controlled according to predetermined policies and procedures and through specialized committees and work centers.

Sensitivity analysis is based on estimating the loss risk in fair value due to changes in interest rate and exchange rate, Moreover, fair value is calculated according to the current value of future cash flows that will be affected by price changes.

1-Interest Rate Risks:

Interest rate risk arises from the probable impact of changes in interest rates on the value of other financial assets, The Bank is exposed to the risk of interest rates due to a mismatch or a gap in the amounts of assets and liabilities according to the various time limits or review of interest rates in a certain period, Moreover, the Bank manages these risks through reviewing the interest rates on assets and liabilities based on the risk management strategy, The Bank will study all the factors that have an effect on the interest rates whether they are local regional or global in addition to studying the interest rate gap and their future expectations to determine the degree of risk in the short and long term so as to be able to put a suitable future plan and make the right decisions such as amending the maturity date and repricing the deposits and loans and the purchase and sale of the financial investments.

Sensitivity Analysis 2024

Currency	Change increase in interest rate	Sensitivity of interest revenue profit and loss	Sensitivity of shareholders' equity
	(%)	JD	JD
US Dollar	1	1,015,732	-
Euro	1	877,715	-
British Pound	1	9,579	-
Japanese Yen	1	(1,374)	-
Others	1	53,175	-
Currency	Change decreased in interest rate	Sensitivity of interest revenue profit and loss	Sensitivity of shareholders' equity
	(%)	JD	JD
US Dollar	1	(1,015,732)	-
Euro	1	(877,715)	-
British Pound	1	(9,579)	-
Japanese Yen	1	1,374	-
Others	1	(53,175)	-

Sensitivity Analysis 2023

Currency	Change increase in interest rate	Sensitivity of interest revenue profit and loss	Sensitivity of shareholders' equity
	(%)	JD	JD
US Dollar	1	755,469	-
Euro	1	225,758	-
British Pound	1	(3,818)	-
Japanese Yen	1	(808)	-
Others	1	18,221	-
Currency	Change decreased in interest rate	Sensitivity of interest revenue profit and loss	Sensitivity of shareholders' equity
	(%)	JD	JD
US Dollar	1	(755,469)	
Euro	1	(225,758)	-
British Pound	1	3,818	-
Japanese Yen	1	808	-
Others	1	(18,221)	-

2. Foreign currencies risk

This is the risk that results from the changes in foreign exchange rates with potential impact on the Bank's assets and liabilities in foreign currencies The Bank prepares a sensitivity analysis to monitor the changes in exchange rates at (± 5%) of net profits and losses.

Sensitivity analysis 2024

Currency	Change in currency exchange rate	Effect on profits and losses	Sensitivity of shareholders' equity
	(%)	JD	JD
Euro	5	5,024	-
British Pound	5	59,194	987,685
Japanese Yen	5	(87)	-
Other currencies	5	37,973	-

Sensitivity analysis 2023

Currency	Change in currency exchange rate	Effect on profits and losses	Sensitivity of shareholders' equity
	(%)	JD	JD
Euro	5	5,765	-
British Pound	5	48,475	948,896
Japanese Yen	5	(3,067)	-
Other currencies	5	33,679	-

In case the decrease in the currency exchange rate amounts to 5% the same financial effect will result with an opposite sign.

3. Shares Prices Risks:

Is the risk arising from changes in the prices of stocks within the portfolio of financial assets at fair value through the statement of income and comprehensive income, The Bank manages the risks of stock prices by analysing value at losses.

Sensitivity analysis 2024

Indicator	Change in equity prices	Effect on profit and losses	Effect on shareholders
	(%)	JD	JD
Amman Stock Exchange	5	-	927,348

Sensitivity Analysis 2023

Indicator	Change in equity prices	Effect on profit and losses	Effect on shareholders
	(%)	JD	JD
Amman Stock Exchange	5	-	830,922

If the stock exchanges indicator decreases by the same percentage, the same financial effect will arise but with an opposite sign.

4. Interest rate sensitivity gap

Classification is done according to interest re-pricing or maturity whichever is closer.

December 31, 2024	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From1 to 3 years	Over 3 years	Non - interest bearing Items	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Assets								
Cash and balances at Central Bank of Jordan	581,823,188	-	-	-	-	-	-	581,823,188
Balances at banks and financial institutions - net	215,567,641	17,041,701	-	-	-	-	25,900,875	258,510,217
Deposits at banks and financial institutions - net	-	-	19,337,675	49,655,466	-	-	-	68,993,141
Financial assets at fair value through other comprehensive income-net	-	-	-	-	-	-	50,050,334	50,050,334
Direct credit facilities- Net	45,351,083	69,437,745	82,768,876	50,435,942	172,191,828	406,979,466	-	827,164,940
Financial assets at amortized cost- net	6,999,978	55,008,484	21,934,219	91,091,907	297,880,373	209,334,951	-	682,249,912
Investments in associate company	-	-	-	-	-	-	20,944,766	20,944,766
Property and equipment - net	-	-	-	-	-	-	75,395,074	75,395,074
Intangible assets - net	-	-	-	-	-	-	10,275,835	10,275,835
Right of use Assets	-	-	-	-	-	-	3,113,939	3,113,939
Deferred tax assets	-	-	-	-	-	-	2,856,919	2,856,919
Other assets	-	-	-	-	-	-	53,776,129	53,776,129
Total assets	849,741,890	141,487,930	124,040,770	191,183,315	470,072,201	616,314,417	242,313,871	2,635,154,394
Liabilities								
Banks and financial institution deposits	355,325,136	8,000,000	-	-	-	-	-	363,325,136
Customers' deposits	818,244,883	235,093,124	207,948,930	147,454,886	4,000,000	41,437	379,760,148	1,792,543,408
Borrowed funds from the Central Bank of Jordan	90,160,345	719,351	902,550	1,104,675	15,716,929	14,701,996	-	123,305,846
Cash margins	26,407,570	17,885,975	11,271,012	6,824,255	130,161	70,204	9,158,722	71,747,899
Sundry provisions	-	-	-	-	-	-	1,609,940	1,609,940
Income tax provision	-	-	-	-	-	-	6,201,541	6,201,541
Lease Liabilities	-	-	-	-	-	-	2,869,842	2,869,842
Other liabilities	-	-	-	-	-	-	31,098,374	31,098,374
Total Liabilities	1,290,137,934	261,698,450	220,122,492	155,383,816	19,847,090	14,813,637	430,698,567	2,392,701,986
Interest rate sensitivity gap	(440,396,044)	(120,210,520)	(96,081,722)	35,799,499	450,225,111	601,500,780	(188,384,696)	242,452,408
December 31, 2023								
Total Assets	725,095,608	118,931,841	139,113,113	101,758,378	541,659,407	693,523,914	217,417,343	2,537,499,604
Total Liabilities	1,206,563,154	318,310,037	222,059,973	157,904,214	8,382,343	23,504,199	363,156,314	2,299,880,234
Interest rate sensitivity gap	(481,467,546)	(199,378,196)	(82,946,860)	(56,145,836)	533,277,064	670,019,715	(145,738,971)	237,619,370

5. Concentration of Foreign Currency Risks:

Item/Currency	USD	Euro	Sterling Pounds	Japanese Yen	Other	Total
December 31, 2024	JD	JD	JD	JD	JD	JD
Assets:						
Cash and balances at Central Bank of Jordan	32,644,797	1,055,446	405,508	613	533,937	34,640,301
Balances and deposits at banks and financial institutions	150,359,330	119,434,299	10,222,175	495,471	42,509,641	323,020,916
Direct credit facilities	218,180,645	980,083	3,792	-	20,390,501	239,555,021
Financial securities at amortized cost	208,922,467	-	-	-	-	208,922,467
Financial assets through Comprehensive Income	35,672	-	-	-	-	35,672
Investments in associate company	-	-	20,944,766	-	-	20,944,766
Property and equipment - net	932,850	-	-	-	-	932,850
Right of use assets	471,713	-	-	-	-	471,713
Other assets	9,014,902	216,728	92,306	-	1,658,964	10,982,900
Total Assets	620,562,376	121,686,556	31,668,547	496,084	65,093,043	839,506,606
Liabilities:						
Banks and financial institutions deposits	203,608,790	5,915,773	347,609	-	754,714	210,626,886
Customers' deposits	402,388,083	115,602,437	9,126,964	497,786	53,791,933	581,407,203
Cash Margins	6,891,913	304,707	231,587	-	6,184,816	13,613,023
Sundry provisions	602,494	-	-	-	-	602,494
Income Tax Provision	350,516	32,697	-	-	-	383,213
Lease Liabilities	452,194	-	-	-	-	452,194
Other liabilities	(5,573,579)	(269,535)	6,078,846	29	3,602,114	3,837,875
Retained earnings	1,978	-	-	-	-	1,978
Non - Controlling Interest	19,499,476	-	-	-	-	19,499,478
Total Liabilities	628,221,865	121,586,079	15,785,006	497,815	64,333,577	830,424,342
Net concentration on - balance sheet for the current year	(7,659,489)	100,477	15,883,541	(1,731)	759,466	9,082,264
Contingent liabilities off - balance sheet for the current year	139,446,742	10,839,013	8,454	453,805	21,121,912	171,869,926
December 31, 2023						
Total Assets	627,892,824	75,538,396	31,285,878	344,611	45,174,281	780,235,990
Total Liabilities	641,707,386	75,423,090	11,215,286	405,956	44,500,696	773,252,414
Net concentration on - balance sheet for the current year	(13,814,562)	115,306	20,070,592	(61,345)	673,585	6,983,576
Contingent liabilities off - balance sheet for the current year	162,221,785	11,958,733	20,423	139,295	24,802,703	199,142,939

(43/C) Liquidity risk

Liquidity risk is defined as the Bank's inability to provide the necessary funding to cover its obligations at the due date, Liquidity risk is managed through the following:

- Funding requirements are managed through daily oversight of future cash flows to ensure the possibility of meeting them and the Bank maintains a presence in the market of cash that allows the bank to achieve it.
- Holding highly marketable assets that can be easily liquidated to meet any unexpected liquidity requirements.
- Monitoring the liquidity ratios according to the internal requirements and the requirements of the regulatory authorities.
- Managing concentrations in assets / liabilities and their maturities.
- Maintaining a portion of customers' deposits as a cash reserve at the Central Bank of Jordan; this reserve cannot be disposed of except for certain conditions as specified by the Central Bank of Jordan.

  Liquidity is measured on the basis of normal and emergency conditions, this includes analyzing the remaining period of the contractual maturity and financial assets on the basis of the expected recoverability, also the liquidity ratio is controlled by the bank management and the CBJ is informed with all related issues half-yearly.

  The treasury Department at the bank oversees this aspect, while also considering unused loans and facilities and potential obligations related to credits and guarantees.

The following table shows the components of liquidity coverage ratio as of 31 December 2024:

	2024		2023	
	Before applying average cash flow	After applying average cash flow*	Before applying average cash flow	After applying average cash flow*
High Quality Liquid Assets	1,210,096,853	1,200,823,377	1,132,415,681	1,124,106,466
Cash Outflows	1,927,173,600	760,925,915	1,915,170,726	696,467,393
Cash Inflows	404,983,152	265,411,894	542,273,225	296,477,717
Net cashflow	1,522,190,448	495,514,021	1,372,897,501	399,989,676

* The flow rates represent the weighting weights for each of the items related to the liquidity coverage ratio according to the liquidity coverage ratio instructions No, (5/2022) issued by the Central Bank of Jordan.

The liquidity coverage ratio is 242.3% as of December 31, 2024 (281.0% as of December 31, 2023).

According to the Central Bank's instructions, the minimum liquidity coverage ratio is 100%. Accordingly, the monthly average (from 1 January 2024 to December 31, 2024) of the total currencies of the banking group amounted to 230.64% (248.31% as of December 31, 2023) .

The net stable funding ratio (NSFR) is 163.19% as of December 31, 2024, the minimum NSFR requirement as per the Central Bank of Jordan regulation is 100%.

The treasurer is in charge of controlling the liquidity of the Bank taking into consideration loans and any related commitments letters of credit and guarantees.

Sources of funds

The Bank diversifies its funding sources according to geographical areas, currencies customers, and products in order to achieve financial flexibility and reduce funding costs, It also endeavors to maintain stable and reliable funding sources, Moreover the Bank has a large customer base including individual customers companies and corporations.

December 31, 2024	Less than 1 Month	1 to 3 Months	From 3 to 6 Months	From 6 Months to 1 year	From 1to 3 Years	Over 3 Years	Without Maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities:								
Banks' and financial institution's deposits	355,677,006	8,023,973	-	-	-	-	-	363,700,979
Customers' deposits	819,452,749	236,855,461	212,129,000	154,457,066	4,045,704	55,537	379,760,148	1,806,755,665
Borrowed funds from the Central Bank of Jordan	90,160,345	719,351	902,550	1,104,675	15,716,929	14,701,996	-	123,305,846
Cash margins	26,425,632	17,919,283	11,339,938	7,063,029	130,161	154,422	9,158,722	72,191,187
Sundry provisions	-	-	-	-	-	-	1,609,940	1,609,940
Income tax provision	836,628	3,928,873	-	-	-	-	1,436,040	6,201,541
Lease Liabilities	-	-	-	-	-	-	2,869,842	2,869,842
Other liabilities	13,419,891	-	-	-	-	-	17,678,483	31,098,374
Total	1,305,972,251	267,446,941	224,371,488	162,624,770	19,892,794	14,911,955	412,513,175	2,407,733,374
Total assets (according to expected maturities)	1,520,166,501	86,479,446	102,106,551	101,474,667	175,633,892	406,979,466	242,313,871	2,635,154,394
December 31, 2023								
Liabilities:								
Banks' and financial institution's deposits	301,319,621	63,267,463	4,938,828	7,421,753	-	-	-	376,947,665
Customers' deposits	680,945,636	244,069,135	211,431,852	152,152,949	683,483	57,568	307,991,880	1,597,332,503
Borrowed funds from the Central Bank of Jordan	200,694,619	37,498	168,809	1,951,831	7,358,505	22,990,729	-	233,201,991
Cash margins	24,677,525	11,211,746	7,145,464	9,521,747	368,248	510,932	12,713,343	66,149,005
Sundry provisions	-	-	-	-	-	-	1,476,794	1,476,794
Income tax provision	2,152,251	4,620,102	-	-	-	-	1,104,921	7,877,274
Lease Liabilities	-	-	-	-	-	-	2,520,870	2,520,870
Other liabilities	13,419,891	-	-	-	-	-	17,156,262	30,576,153
Total	1,223,209,543	323,205,944	223,684,953	171,048,280	8,410,236	23,559,229	342,964,070	2,316,082,255
Total assets (according to expected maturities)	1,435,676,200	96,930,521	110,774,321	59,869,083	188,379,129	428,453,007	217,417,343	2,537,499,604

The table below summarizes the distribution of liabilities (not deducted) on the basis of the remaining period of contractual maturity on the date of the financial statements

2- The following table summarizes forward currency contracts based on the remaining period to the contractual maturity date on the date of the financial statements:

December 31, 2024	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 Months to 1 Year	1 to 3 Years	Over 3 Years	Total	Fair Value
	JD	JD	JD	JD	JD	JD	JD	JD
Forward currency contracts	1,308,076	1,355,768	5,920,717	-	-	-	8,584,561	14,331
December 31, 2023								
Forward currency contracts	4,264,500	-	8,433,590	7,151,426	-	-	19,849,516	37,091

Off - the statement of financial position items:

2024	Up to 1 Year	From 1 to 5 Years	Over 5 Years	Total
	JD	JD	JD	JD
Letters of credit and acceptances / issued	32,681,222	-	-	32,681,222
Un-utilized facilities	135,820,199	-	-	135,820,199
Letters of guarantee	106,989,173	7,246,650	-	114,235,823
Total	275,490,594	7,246,650	-	282,737,244
2023				
Letters of credit and acceptances / issued	56,356,797	-	-	56,356,797
Un-utilized facilities	161,572,677	-	-	161,572,677
Letters of guarantee	85,049,110	20,548,358	23,000	105,620,468
Total	302,978,584	20,548,358	23,000	323,549,942

44. Segment Analysis

A. Information about the Bank’s Business Segments

The Bank is organized for administrative purposes to the following four main business segments:

1- Individual accounts:

Include following up on individual customers accounts, real estate loans, overdrafts, credit cards facilities and transfer facilities.

2- Institutions and corporate:

The loans and the credit facilities, other sector services, deposits, currant accounts related to the customers of the corporations and institutions.

3- Treasury:

Principally providing money market trading and treasury services as well as management of the Bank’s funding operations through treasury bills, and bond government securities placements, and acceptances with other banks and that is through treasury and banking services.

4- Institutional financing:

This sector relates to finance structure special arrangements and share issuance.

A- The Following represents information about the bank's sector activities:

	Individual bank sector activities	Corporate bank sector activities	Treasury	Others	2024	2023
	JD (In Thousands)	JD (In Thousands)	JD (In Thousands)	JD (In Thousands)	JD (In Thousands)	JD (In Thousands)
Gross revenues	30,352	41,439	76,882	10,943	159,616	151,384
Bank's share in the income of associate company	-	-	1,184	-	1,184	970
Provision for expected credit losses	(3,722)	(815)	(21)	-	(4,558)	(9,832)
Segment results	26,630	40,624	78,045	10,943	156,242	142,522
Undistributed expenses					(132,213)	(114,042)
Income before tax					24,029	28,480
Income tax expense					(6,322)	(8,294)
Net income for the year					17,707	20,186
Capital expenditures					2,517	3,471
Depreciation and amortization					7,284	6,495
					2024	2023
					JD (In Thousands)	JD (In Thousands)
Segment's assets	306,420	520,744	1,641,627	-	2,468,791	2,381,715
Investments in associate company	-	-	20,945	-	20,945	20,046
Undistributed assets	-	-	-	145,418	145,418	135,739
Total assets	306,420	520,744	1,662,572	145,418	2,635,154	2,537,500
Segment's liabilities	1,090,422	773,869	486,631	-	2,350,922	2,257,429
Undistributed liabilities	-	-	-	41,780	41,780	42,451
Total Liabilities	1,090,422	773,869	486,631	41,780	2,392,702	2,299,880

B- Geographical Information

This item represents the geographical distribution of the Bank's activities, Moreover, the Bank conducts its activities mainly in Jordan representing local activities, additionally, the Bank performs its international activities through its branch in Cyprus, and its subsidiary in Qatar.

The following table shows the distribution of the Bank's operating income, total assets and capital expenditure by geographical segment:

	Inside Jordan		Outside Jordan		Total	
	December 31		December 31		December 31	
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
Total revenues	148,056,417	141,287,077	12,743,483	11,066,226	160,799,900	152,353,303
Capital expenditure	2,372,882	3,430,383	143,727	40,311	2,516,609	3,470,694
	Inside Jordan		Outside Jordan		Total	
	December 31	December 31	December 31	December 31	December 31	December 31
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
Total Assets	2,244,281,762	2,185,541,124	390,872,632	351,958,480	2,635,154,394	2,537,499,604

45. Capital Management:

The Bank seeks to achieve the following goals:

- Compliance with the Central Bank of Jordan requirements relating to share capital.
- Maintaining the ability to continue as a going concern.
- Maintaining a strong capital base for supporting the expansion and development of the Bank's activities.

Capital adequacy is monitored and reviewed by the Bank's management moreover the Bank provides the Central Bank of Jordan with quarterly reports on the adequacy of its capital.

According to the Central Bank of Jordan instructions the minimum requirements for the capital adequacy ratio is 12%, Moreover, banks are classified into five categories the best one having an average capital adequacy ratio equal to or more than 14%. Additionally the Bank's capital adequacy ratio is 16.60% as of December 31, 2024 (16.24% as of December 31, 2023).

The schedule below shows capital components total risk weighted assets and capital adequacy ratio according to the Central Bank of Jordan instructions in accordance with Basel III 2023 Committee regulations:

Primary capital according to bank's management requirements	2024 JD In Thousands	2023 JD In Thousands
Paid-up capital	150,000	150,000
Retained Earnings	11,450	12,360
Other Comprehensive income items:		
Cumulative change in fair value	5,750	1,737
Foreign currency translation adjustments	(3,436)	(3,144)
Share Issuance Premium	-	-
Statutory Reserve	44,189	42,292
Authorized minority rights	6,475	4,461
Total Ordinary Share Capital	214,428	207,706
Total regulatory Adjustments (deductions from capital)		
Goodwill and Intangible assets	(10,276)	(13,054)
Deferred tax assets resulting from provisions of credit facilities	(2,857)	(3,309)
Investment in Bank's Capital and financial institutions and insurance companies Outside the scope of regulatory consolidation and where the bank owns more than 10%	(815)	(911)
Net Ordinary Shareholders	200,480	190,432
Additional Capital	-	-
Total primary Capital	200,480	190,432
Secondary Capital		
General banking risk reserve	-	-
Provision required against credit facilities/ credit compensation in stage 1	7,528	7,446
Total Stable Capital	7,528	7,446
Net stable capital	7,528	7,446
Total regulatory capital	208,008	197,878
Total risk weighted assets	1,253,206	1,218,751
Capital adequacy ratio %	16.60%	16.24%
Primary capital ratio %	16.00%	15.63%

46. Accounts Managed on Behalf of Customers

This item represents the accounts managed by the Bank on behalf of its customers but are not considered part of the bank's assets and its balances as of December 31, 2024 was JD 120,176,918 (JD 108,297,049 as of December 31, 2023), The fees and commissions on such accounts are stated in the consolidated statement of Income.

47. Assets and Liabilities Maturity Analysis:

The following table analyzes assets and liabilities according to the expected period of their recoverability or settlement:

	Up to 1 year	Over 1 year	Total
December 31, 2024	JD	JD	JD
Assets:			
Cash and balances at Central Bank of Jordan	581,823,188	-	581,823,188
Balances at banks and financial institutions - net	258,510,217	-	258,510,217
Deposits at banks and financial institutions - net	68,993,141	-	68,993,141
Financial assets at fair value through other comprehensive income	50,050,334	-	50,050,334
Direct Credit facilities - net	346,515,118	480,649,822	827,164,940
Financial assets at amortized cost	678,807,849	3,442,063	682,249,912
Investments in associate company	-	20,944,766	20,944,766
Property and equipment- net	-	75,395,074	75,395,074
Intangible assets- net	-	10,275,835	10,275,835
Right of use assets	-	3,113,939	3,133,939
Deferred tax assets	-	2,856,919	2,856,919
Other assets	-	53,776,129	53,776,129
Total assets	1,984,699,847	650,454,547	2,635,154,394
Liabilities:			
Banks and financial institutions' deposits	363,325,136	-	363,325,136
Customers' deposits	1,408,356,759	384,186,649	1,792,543,408
Borrowed money from Central Bank of Jordan	92,886,921	30,418,925	123,305,486
Cash margins	71,547,534	200,365	71,747,899
Sundry provisions	-	1,609,940	1,609,940
Income tax provision	4,765,501	1,436,040	6,201,541
Lease Liabilities	691,776	2,178,066	2,869,842
Other liabilities	13,419,891	17,678,483	31,098,374
Total liabilities	1,954,993,518	437,708,468	2,392,701,986
Net	29,706,329	212,746,079	242,452,408

December 31, 2023	Up to 1 year	Over 1 year	Total
	JD	JD	JD
Assets:			
Cash and balances at Central Bank of Jordan	451,145,248	-	451,145,248
Balances at banks and financial institutions - net	291,847,547	-	291,847,547
Deposits at banks and financial institutions - net	28,547,873	-	28,547,873
Financial assets at fair value through other comprehensive income	33,326,152	-	33,326,152
Direct Credit facilities - net	366,938,449	480,636,071	847,574,520
Financial assets at amortized cost	720,147,145	9,126,719	729,273,864
Investments in associate company	-	20,045,724	20,045,724
Property and equipment- net	-	77,016,663	77,016,663
Intangible assets- net	-	13,053,896	13,053,896
Right of use assets	-	2,816,046	2,816,046
Deferred tax assets	-	3,308,754	3,308,754
Other assets	-	39,543,317	39,543,317
Total assets	1,891,952,414	645,547,190	2,537,499,604
Liabilities:			
Banks and financial institutions’ deposits	375,720,262	-	375,720,262
Customers’ deposits	1,201,817,760	380,844,291	1,582,662,051
Borrowed money from Central Bank of Jordan	202,852,757	30,349,234	233,201,991
Cash margins	65,006,610	838,229	65,844,839
Sundry provisions	-	1,476,794	1,476,794
Income tax provision	6,772,353	1,104,921	7,877,274
Lease Liabilities	557,005	1,963,865	2,520,870
Other liabilities	13,419,891	17,156,262	30,576,153
Total liabilities	1,866,146,638	433,733,596	2,299,880,234
Net	25,805,776	211,813,594	237,619,370

48. Fair Value Hierarchy

A. Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis,

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period, The following table gives information about How the fair value of these financial assets and financial liabilities are determined (valuation techniques and key inputs).

	Fair Value as at		Fair Value Hierarchy	Valuation techniques and key inputs	Significant Intangible	Intangible inputs to fair value
	2024	2023				
	JD	JD				
Financial assets at fair value through comprehensive income						
Quoted shares	18,546,951	16,618,430	level 1	Quoted rates in financial markets	Not Applicable	Not Applicable
Unquoted shares	31,503,383	16,707,722	level 3	Compare to similar financial instruments	Not Applicable	Not Applicable
Total	50,050,334	33,326,152				

There were no transfers between level 1 and 2 during 2024 and 2023.

B. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis,

Except what is detailed in following table we believe that the carrying amounts of financial assets recognized in the Company's financial statements approximate their fair values, due to that the bank's management believes that the item's book value are equals to the fair value which is due to its Short term maturity or to the interest rates being revaluated during the year.

	2024		2023		
	Book value	Fair value	Book value	Fair value	Fair value hierarchy
	JD	JD	JD	JD	
Financial assets not masured at fair value					
Balances at central bank	559,658,269	559,808,380	429,105,936	429,239,292	level 2
Balances at banks and financial institutions - net	258,510,217	259,371,148	291,847,547	293,124,696	level 2
Deposits at banks and financial institutions - net	68,993,141	69,303,006	28,547,873	28,649,148	level 2
Direct credit facilities - net	827,164,940	832,459,331	847,574,520	852,639,476	level 2
Financial assets at amortized costs	682,249,912	693,184,084	729,273,864	740,793,648	level 1&2
Total Financial assets not masured at fair value	2,396,576,479	2,414,125,949	2,326,349,740	2,344,446,260	
Financial liabilities not masured at fair value					
Banks and financial institution deposits	363,325,136	363,417,601	375,720,262	376,914,911	level 2
Customer deposits	1,792,543,408	1,806,752,809	1,582,662,051	1,593,241,863	level 2
Borrowed money from the central bank of Jordan	123,305,846	123,305,846	233,201,991	286,415,742	level 2
Cash margins	71,747,899	72,113,172	65,844,839	66,207,577	level 2
Total Liabilities not masured at Fair Value	2,350,922,289	2,365,589,428	2,257,429,143	2,322,780,093	

The fair values of the financial assets included in level 2 and 3 categories above have been determined in accordance with the generally accepted pricing.

49. Commitments and Contingent Liabilities (Off-Statement of Financial Position)

A- Contingent liabilities:

	2024	2023
	JD	JD
Letters of credit		
Export	8,711,364	8,711,666
Import (backed)	979,985	1,749,452
Import (not backed)	29,489,148	21,774,474
Acceptance		
Export / letter of credit	19,795,236	45,335,756
Export / policies	4,174,622	2,309,375
Import (not backed)	11,792,576	15,974,886
Letters of guarantee		
Payments	49,737,930	38,815,186
Performance	44,377,700	46,112,796
Other	20,120,193	20,692,486
Forward contracts	8,584,560	19,849,516
Un-utilized facilities	135,820,199	161,572,677
Total	333,583,513	382,898,270

b. There are no contractual commitments to purchase fixed assets or constructional contracts.

c. There are no guarantees provided against contractual obligations.

d. Operating and finance lease contracts.

The minimum capital lease payment is as follows:

	2024	2023
	JD	JD
Within one year	94,698	94,698
Total	**94,698**	**94,698**

50. Lawsuits Against the Bank

Lawsuits raised against the Bank are to repeal third party claims and to settle seized assets matters applying for malfunctional and damage as well, amounted to JD 3,550,722 as of December 31, 2024 (JD 4,034,669 as of December 31, 2023), In the opinion of the management and the Bank's lawyer, the Bank will not incur any significant amount against these lawsuits except for the booked provision which amounted to JD 573,789 as of December 31, 2024 (JD 476,391 as of December 31, 2023). Moreover, the amounts paid by the Bank against concluded or settled lawsuits are taken to the consolidated income statement upon payment.

51. Acquisition of the Banking business of the Standard Chartered Bank Jordan Branch and national bank of kuwait Jordan Branch

A- Standard Chartered Bank Jordan Branch

On March 26, 2023, the Bank has signed an agreement with Standard Chartered Bank to acquire their banking operation in Jordan after obtaining the approvals of the board of directors of Arab Jordan Investment Bank and the Central Bank of Jordan. Arab Jordan Investment Bank has acquired the assets and liabilities of Standard Chartered Bank on August 10, 2022 which have been transferred to Arab Jordan Investment Bank records as per the below:

	Book value at acquisition (August 10, 2023)	Adjustments	Fair value at acquisition (August 10, 2023)
	JD	JD	JD
Assets			
Cash and balances at the Central Bank of Jordan	94,272,511	-	94,272,511
Balances at banks and financial institutions	23,918,420	-	23,918,420
Direct credit facilities - net	46,767,478	-	46,767,478
Financial assets at amortized cost - net	92,880,868	-	92,880,868
Financial assets through profit or loss	85,631	-	85,631
Property and equipment - net	4,559,229	-	4,559,229
Other assets	3,645,337	-	3,645,337
Total Assets	266,129,474	-	266,129,474
Liabilities and Equity			
Liabilities -			
Banks and financial institutions’ deposits	14,142,134	-	14,142,134
Customers’ deposits	170,905,310	-	170,905,310
Cash margins	5,679,382	-	5,679,382
Other provision	464,785	-	464,785
Other liabilities	3,606,934	-	3,606,934
Total Liabilities	194,798,545	-	194,798,545
Net assets acquired	71,330,929	-	71,330,929
Provisional goodwill	5,672,000	-	5,672,000
Paid acquisition price	77,002,929	-	77,002,929
Analysis of cash flow at acquision			
Net cash acquired	104,048,797	-	104,048,797
Paid acquisition price	77,002,929	-	77,002,929
Acquisition - Net cash received	27,045,868	-	27,045,868

Management has distributed the acquision price as shown in the above disclosure. The acquisition resulted in a provisional goodwill amounting to JD 5,672,000 which was recorded in intangible assets for the period ended September 30, 2023.

In the last quarter of 2023, an independent third party has prepared a Purchase Price Allocation (PPA) for the allocation of assets and liabilities of Standard Chartered Bank - Jordan Branch. The study resulted in an intangible asset related to customer relationships amounting to JD 10,400,000. Accordingly, the Bank amortized the value of provisional goodwill and recorded JD 4,728,000 in other revenues for the year ended on December 31, 2023. As detailed below:

	December 31, 2023
	JD
Intangable Assets (Customer Relationships)	10,400,000
Amortize provisional goodwill	(5,672,000)
	4,728,000

Acquisition expenses:

	August 10, 2023
	JD
Consulting services	809,056
Rewards and indemnity	150,000
Total expenses	959,056

B- National Bank of Kuwait Jordan Branch

At February 17, 2023, the Bank has signed an agreement with National Bank of Kuwait to acquire their banking operation in Jordan after obtaining the approvals of the board of directors of Arab Jordan Investment Bank and the Central Bank of Jordan. Arab Jordan Investment Bank has acquired the entire assets and liabilities of National Bank of Kuwait - Jordan at May 25, 2022 and all assets and liabilities have been transferred to Arab Jordan Investment Bank records as below:

	Book value at acquisition (May 25, 2022)	Adjustments	Fair value at acquisition (May 25, 2022)
	JD	JD	JD
Assets			
Cash and balances at Central Bank of Jordan	27,546,789	-	27,546,789
Balances at banks and financial institutions- net	2,055,423	-	2,055,423
Financial assets at fair value through other comprehensive income	8,558,882	-	8,558,882
Direct credit facilities - net	75,869,863	-	75,869,863
Financial assets at amortized cost - net	458,956	-	458,956
Property and equipment - net	4,777,899	-	4,777,899
Intangible assets - net	-	-	-
Right of use	93,913	-	93,913
Other assets	2,208,019	-	2,208,019
Total Assets	121,569,744	-	121,569,744
Liabilities and Equity			
Liabilities:			
Banks and financial institutions’ deposits	353,122	-	353,122
Customers’ deposits	56,433,729	-	56,433,729
Borrowed money from the Central Bank of Jordan	1,711,473	-	1,711,473
Cash margins	674,748	-	674,748
Income tax provision	-	-	-
Lease liabilities	82,764	-	82,764
Other liabilities	691,789	-	691,789
Total Liabilities	59,947,625	-	59,947,625
Net assets acquired	61,622,119	-	61,622,119
Paid acquisition price	59,772,119	-	59,772,119
Gain from acquisition	1,850,000	-	1,850,000
Cash flow			
Net cash acquired	29,249,090	-	29,249,090
Paid acquisition price	59,772,119	-	59,772,119
Acquisition – Net paid acquisition price	30,523,029	-	30,523,029

Management has distributed the acquision price as shown in the disclosure. The acquisition resulted in gain amounted to JD 1,850,000 which were recorded in the other revenues for the period ended December 31,2022.

In the second quarter of 2023, an independent third party has prepared a Purchase Price Allocation (PPA) for the allocation of assets and liabilities of Kuwait National Bank - Jordan Branch. The study resulted in an intangible asset related to customer relationships amounting to JD 2,900,000. Accordingly, the Bank recorded JD 2,900,000 in other revenues for the year ended on December 31, 2023.

Acquisition Expenses:

	May 25, 2022
	JD
Consulting Services	223,509
Rewards and Indemnity	92,127
Total	**315,636**

Domestic and International Branches, Offices, Subsidiaries, and Affiliated Bank

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Tel: +962(6)4751641

Wadi Saqra Branch
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Tel: +962(6)4621942

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Tabarbour Branch
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Arrivals Terminal
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Marj Al-Hamam Branch
Airport Road - Manaseer Gas Station
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Salt Gate Commercial Complex
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Bab Al Madineh Branch
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Tel: +962(6)5822489
Fax: +962(6)5824305

TAJ Mall Office
Tel: +962(6)5929956
Fax: +962(6)5932083

Four Seasons Hotel Office
Tel: +962(6)5540080
Fax: +962(6)5932083

Queen Alia International Airport Offices
Departures
Passports 1
Passports 2
Transit
Gates 1
Gates 2
Crew Center
Tel: +962(6)5003005

King Hussein Airport – Aqaba
Tel: +962(3)2022877

Al-Huson Street Office – Irbid
Tel: +962(2)7245656

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23 Olympion Street, 3035 Limassol, Cyprus
P.O.Box 54384, Limassol 3723 Cyprus
Tel: +357(25)351351
Fax: +357(25)360151

SUBSIDIARIES AND AFFILIATED BANK

SUBSIDIARIES:

Arab Jordan Investment Bank (Qatar) L.L.C.

Qatar Financial Center Tower No.1, Floor No. 17
P.O. Box 37563 Doha, Qatar
Tel: (+974)44967338
Fax: (+974)44967348
Website: www.ajib.com

The United Arab Jordan Company for Investment & Financial Brokerage

Shmeisani, Al Thaqafeh Street
Building No. 2 - 3rd Floor
P.O. Box 8797 Amman 11121 Jordan
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Website: www.uajib.com

Al Kawthar Leasing Company

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Tel: +962(6)5800411
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