JORDAN KUWAIT BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

Building a better
working world

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

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

Basis for Opinion

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

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another auditor who expressed an unqualified opinion on 28 February 2024.

Key Audit Matters

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

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

<table>
<tr><td colspan="2">Inadequate allowances (ECL) for direct credit facilities

Refer to note (8) to the consolidated financial statements</td></tr>
<tr><td>Key Audit matter</td><td>How the key audit matter was addressed in the audit</td></tr>
<tr><td>As of 31 December 2024, the Group reported total gross direct credit facilities at amortized cost of JD 2,259,428,405, with expected credit loss provisions of JD 214,864,878. The significance of these amounts highlights the critical importance of accurately estimating credit risk associated with them.

The estimation of ECL, governed by IFRS (9), requires significant management judgment and involves complex assumptions, which introduces a high degree of estimation uncertainty. Management must determine if there has been a significant increase in credit risk since the initial recognition of these facilities and apply a three-stage impairment model to calculate ECL. This process includes categorizing loans into stages 1, 2, or 3 and making assumptions about expected future cash flows and macroeconomic factors.</td><td>Our audit procedures included the following:

• Obtained an understanding of the Group's key credit processes, including granting, booking, and impairment provisioning, and tested the effectiveness of controls related to granting and booking of the facilities.

• Reviewed the Group's impairment provisioning policy and compared it with the requirements of IFRS (9).

• Evaluated the Group's expected credit loss model, focusing on its methodology and compliance with IFRS (9) requirements.</td></tr>
</table>

Given that credit facilities at amortized cost represent a major portion of the Group's assets, there is a risk that inappropriate impairment provisions could be recorded due to inaccurate data or unreasonable assumptions. The material impact of these judgments on the consolidated financial statements, along with the complexity of the ECL estimation process, makes this area a key audit matter. The expected credit loss provision policy and methodologies are presented in the material accounting policies information and risk management policies within the consolidated financial statement.	• Selected samples of credit facilities, including rescheduled ones, to evaluate the determination of significant increases in credit risk and the classification of exposures into various stages. • For a sample of exposures moved between stages, we checked the appropriateness of the Group's determination of significant increase in credit risk and the basis for classification of exposures into various stages. • Involved specialists to review key parameters such as Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD), and assessed the overlays considered by management. • Verified the appropriateness of the Group's staging criteria and the accuracy of ECL calculations, including the eligibility and value of collateral. • Assessed the completeness and accuracy of data inputs used in the ECL models and performed checks for mathematical integrity. • Assessed the impairment allowance for a sample of individually impaired credit facilities (Stage 3) in accordance with IFRS (9). • Evaluated the disclosures in the consolidated financial statements to ensure compliance with IFRS (9) requirements.

Other information included in the Group’s 2024 annual report

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

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

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

Responsibilities of Management and Those Charged with Governance for the 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 International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group’s 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.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.

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

- 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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

Amman – Jordan
24 February 2025

ERNST & YOUNG
Amman - Jordan

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	2024	2023
		JD	JD
Assets			
Cash and balances at Central Banks	4	1,333,864,050	1,072,306,647
Balances at banks and financial institutions	5	355,396,166	540,276,278
Financial assets at fair value through profit or loss	6	6,938,982	24,760,478
Financial assets at fair value through other comprehensive income	7	124,901,192	116,223,622
Direct credit facilities, net	8	2,001,903,672	2,006,746,300
Financial assets at amortised cost	9	1,433,988,867	1,122,883,189
Property and equipment, net	10	82,992,207	80,450,626
Intangible assets, net	11	12,465,570	11,907,278
Deferred tax assets	20	62,652,590	58,716,359
Other assets	13	203,921,338	174,624,209
Right of use assets	12	11,301,228	12,559,364
Assets held for sale	49	-	22,947,701
Total Assets		**5,630,325,862**	**5,244,402,051**
Liabilities and Shareholders' Equity			
Liabilities			
Bank's and financial institutions' deposits	14	44,504,263	69,620,351
Customers' deposits	15	3,974,141,644	3,707,096,482
Cash margins	16	154,192,799	139,974,833
Borrowed funds	17	346,495,061	363,157,170
Sundry provisions	18	26,695,281	20,297,592
Green bonds	19	35,450,000	35,450,000
Income tax provision	20	38,791,779	32,640,476
Deferred tax liabilities	20	1,622,124	3,497,873
Lease liabilities	12	12,307,675	12,791,946
Other liabilities	21	109,995,152	114,258,915
Liabilities directly related to assets held for sale	49	-	18,105,050
Total Liabilities		**4,744,195,778**	**4,516,890,688**
Equity			
Authorized, issued and paid-in capital	22	150,000,000	150,000,000
Perpetual bonds	23	89,010,000	89,010,000
Statutory reserve	24	118,411,845	106,382,863
Voluntary reserve	24	98,944,584	110,944,584
Fair value reserve – net	25	14,828,549	20,004,022
Actuarial (losses) gain from remeasurement of defined post-employment benefits, net		(294,908)	653,467
Foreign currency translation differences		(3,648,428)	(4,079,865)
Equity directly related to assets held for sale	49	-	(1,481,196)
Retained earnings	26	240,865,525	143,309,616
Total equity – Bank's shareholders		**708,117,167**	**614,743,491**
Non-controlling interests	2	178,012,917	112,767,872
Total Equity		**886,130,084**	**727,511,363**
Total Liabilities and Equity		**5,630,325,862**	**5,244,402,051**

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

	Notes	2024	2023
		JD	JD
Interest income	28	277,079,409	253,022,628
Less: Interest expense	29	138,451,979	119,782,760
Net Interest Income		**138,627,430**	**133,239,868**
Net commission income	30	161,171,050	89,931,280
Net Interest and Commission Income		**299,798,480**	**223,171,148**
Gain from foreign currencies	31	81,659,825	31,604,453
Gain from sale of subsidiaries	48	-	4,778,733
Gain from financial assets at fair value through profit and loss	6	2,463,526	3,218,682
Gain from sale of financial assets at fair value through other comprehensive income	7	43,633	-
Cash dividends from financial assets at fair value through other comprehensive income	7	1,519,458	2,486,319
Other income	32	8,031,604	12,005,655
Gross Income		**393,516,526**	**277,264,990**
Employees expenses	33	48,837,657	48,714,124
Depreciation and amortization	10&11	8,502,220	6,823,512
Expected credit losses provision - direct credit facilities	8	43,552,963	37,745,343
Expected credit losses provision – indirect credit facilities	46	312,933	3,580,797
Expected credit losses provision - banks and financial institutions	5	703,180	3,633,506
Expected credit losses provision - central banks	4	3,333,160	18,926,243
Expected credit losses provision - investments	7&9	90,477	659,090
Other provisions	18	4,873,025	4,603,216
Sundry expenses	34	52,138,020	46,420,117
Total Expenses		**162,343,635**	**171,105,948**
Gains resulting from acquisition deals	48	-	15,492,283
Profit for the year before income tax		**231,172,891**	**121,651,325**
Less: Income tax expense	20	36,852,142	31,614,643
Profit for the year		**194,320,749**	**90,036,682**
Attributable to:			
Bank's shareholders		117,329,104	59,108,014
Non-controlling interest		76,991,645	30,928,668
		194,320,749	**90,036,682**
Basic & diluted earnings per share attributable to Bank's shareholders (basic and diluted)		**JD/Fils**	**JD/Fils**
	35	**0.782**	**0.394**

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

	2024	2023
	JD	JD
Profit for the year	194,320,749	90,036,682
Other comprehensive income items		
Items that will not be reclassified subsequently to the consolidated statement of income after tax:		
Net change in the valuation reserve of financial assets at fair value through other comprehensive income after tax - equity instruments	(67,199)	7,321,115
Actuarial (loss) from remeasurement of defined post-employment benefits	(948,375)	(396,702)
Items that may be reclassified subsequently to consolidated income after tax:		
Net change in the valuation reserve of financial assets at fair value through other comprehensive income after tax - debt instruments	(4,962,816)	5,794,994
Foreign exchange translation differences	807,405	(7,291,432)
Total comprehensive income for the year	**189,149,764**	**95,464,657**
Attributable to:		
Bank's shareholders	111,584,426	67,747,556
Non-controlling interests	77,565,338	27,717,101
	189,149,764	**95,464,657**

				Reserves									
	Notes	Authorized, issued and paid-in capital	Perpetual bonds	Statutory	Voluntary	Fair value reserve	Actuarial (Loss) gain from re-measurement of defined post-employment benefits	Foreign currency translation differences	Equity directly related to assets held for sale	Retained earnings	Total Equity – Bank's shareholders	Non-controlling interest	Total Equity
		JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the year ended as at 31 December 2024													
Balance at the beginning of the year		**150,000,000**	**89,010,000**	**106,382,863**	**110,944,584**	**20,004,022**	**653,467**	**(4,079,865)**	**(1,481,196)**	**143,309,616**	**614,743,491**	**112,767,872**	**727,511,363**
Profit for the year		-	-	-	-	-	-	-	-	117,329,104	117,329,104	76,991,645	194,320,749
Net change in the fair value of financial assets through comprehensive income after tax		-	-	-	-	(5,227,740)	-	-	-	-	(5,227,740)	197,725	(5,030,015)
Foreign currency translation differences		-	-	-	-	-	-	431,437	-	-	431,437	375,968	807,405
Actuarial loss from re-measurement of defined post-employment benefits		-	-	-	-	-	(948,375)	-	-	-	(948,375)	-	(948,375)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**(5,227,740)**	**(948,375)**	**431,437**	**-**	**117,329,104**	**111,584,426**	**77,565,338**	**189,149,764**
Losses realized from financial assets-equity through comprehensive income		-	-	-	-	52,267	-	-	-	(52,267)	-	-	-
Equity directly related to assets held for sale		-	-	-	-	-	-	-	1,481,196	-	1,481,196	717,670	2,198,866
Interest on perpetual bonds	23	-	-	-	-	-	-	-	-	(7,691,946)	(7,691,946)	-	(7,691,946)
Transfer to reserves	24	-	-	12,028,982	-	-	-	-	-	(12,028,982)	-	-	-
Cash dividends distribution	27	-	-	-	(12,000,000)	-	-	-	-	-	(12,000,000)	(13,037,963)	(25,037,963)
Balance as at 31 December 2024		**150,000,000**	**89,010,000**	**118,411,845**	**98,944,584**	**14,828,549**	**(294,908)**	**(3,648,428)**	**-**	**240,865,525**	**708,117,167**	**178,012,917**	**886,130,084**
For the year ended as at 31 December 2023													
Balance at the beginning of the year		**150,000,000**	**-**	**99,983,479**	**122,944,584**	**6,887,913**	**1,050,169**	**-**	**-**	**94,967,563**	**475,833,708**	**1,721,520**	**477,555,228**
Profit for the year		-	-	-	-	-	-	-	-	59,108,014	59,108,014	30,928,668	90,036,682
Net change in the fair value of financial assets through comprehensive income after tax		-	-	-	-	13,116,109	-	-	-	-	13,116,109	-	13,116,109
Foreign currency translation differences		-	-	-	-	-	-	(4,079,865)	-	-	(4,079,865)	(3,211,567)	(7,291,432)
Actuarial gain from re-measurement of defined post-employment benefits		-	-	-	-	-	(396,702)	-	-	-	(396,702)	-	(396,702)
Total comprehensive income		**-**	**-**	**-**	**-**	**13,116,109**	**(396,702)**	**(4,079,865)**	**-**	**59,108,014**	**67,747,556**	**27,717,101**	**95,464,657**
Non-controlling interest resulted from acquisition		-	-	-	-	-	-	-	-	-	-	88,054,613	88,054,613
Equity directly related to assets held for sale		-	-	-	-	-	-	-	(1,481,196)	-	(1,481,196)	-	(1,481,196)
Perpetual bonds issuance		-	89,010,000	-	-	-	-	-	-	-	89,010,000	-	89,010,000
Interest on perpetual bonds	23	-	-	-	-	-	-	-	-	(4,366,577)	(4,366,577)	-	(4,366,577)
Transfer to reserves	24	-	-	6,399,384	-	-	-	-	-	(6,399,384)	-	-	-
Cash dividends distribution	27	-	-	-	(12,000,000)	-	-	-	-	-	(12,000,000)	(4,725,362)	(16,725,362)
Balance as at 31 December 2023		**150,000,000**	**89,010,000**	**106,382,863**	**110,944,584**	**20,004,022**	**653,467**	**(4,079,865)**	**(1,481,196)**	**143,309,616**	**614,743,491**	**112,767,872**	**727,511,363**

- Retained earnings include an amount of JD 62,652,590 as at 31 December 2024 (2023: JD 58,716,359) restricted against deferred tax assets in accordance with the instructions of the Central Bank of Jordan.

- Retained earnings include an amount of JD 188,212 as of 31 December 2024 and 31 December 2023 which represents the revaluation differences of financial assets at fair value through profit or loss, as a result of the early adoption of IFRS (9) during the year 2011. This amount is not available for distribution and restricted according to the Jordan Securities Commission regulations until the amount becomes realized.

- According to the Central Bank of Jordan Circular No. 13/2018, the bank transferred the balance of General Banking Risk Reserve in the amount of JD 14,288,875 as of 1 January 2018 to the retained earnings to offset the impact of IFRS (9) and all the balance is utilized.

- Use of fair value reserve is restricted and requires prior approval from the Central Bank of Jordan.

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

	Notes	2024	2023
		JD	JD
Operating activities:			
Profit for the year before income tax		231,172,891	121,651,325
Adjustments:			
Depreciation and amortization	10&11	8,502,220	6,823,512
Provision for expected credit losses on direct credit facilities	8	43,552,963	37,745,343
Provision for expected credit losses on a indirect credit facilities	46	312,933	3,580,797
Provision (recovered from) expected credit losses on banks	5	703,180	3,633,506
Provision (recovered from) expected credit losses on central banks	4	3,333,160	18,926,243
Provision for expected credit losses on investments	7&9	90,477	659,090
Net interest income	28&29	(25,407,642)	(23,073,340)
Provision for end of service indemnity	18	3,185,926	3,799,994
Provision for lawsuits against the bank and contingent liabilities	18	1,687,099	1,293,111
Additional provision – equity instruments	34	-	700,000
Loss on sale of seized assets	34	1,827,592	478,945
(Gain) loss on sale of property and equipment	34	-	1,621,690
(Gain) on sale of financial assets through profit or loss	6	(401,172)	(450,213)
(Gain) on financial assets through profit or loss valuation	6	(760,517)	(84,361)
(Gain) on sale of financial assets at fair value through other comprehensive income - debt instruments	7	(43,633)	-
(Gain) on sale of subsidiary	48	-	(4,778,733)
Provisions for seized assets	33	2,859,098	955,919
Payments of interest lease obligations	12	1,253,308	1,228,502
Amortisation of right of use assets	12	4,040,780	3,720,522
Effect of exchange rate fluctuations on cash and cash equivalents		(1,377,828)	(2,801,947)
Cash flows from operating activities before change in assets and liabilities		**274,530,835**	**175,629,905**
Change in assets and liabilities:			
(Increase) in balances and deposits at banks and financial institutions	4&5	(91,364,115)	(212,345,511)
(Increase) in direct credit facilities	8	(25,909,217)	(121,851,206)
Decrease in other assets	13	22,801,991	50,258,844
Increase in deposits at banks and financial institutions that are due in more than 3 months	14	14,180,000	12,000,000
Increase in customers' deposits	15	265,204,721	1,288,423,524
Increase in cash margins	16	14,217,966	22,048,261
(Decrease) increase in other liabilities	21	(32,120,253)	16,291,922
(Decrease) increase in liabilities directly related to assets held for sale	49	-	18,105,050
Net cash flows generated from operating activities before income tax paid and other provisions paid		**441,541,928**	**1,248,560,789**
End of service indemnity provision paid	18	(987,094)	(1,374,366)
Lawsuits provision paid	18	(44,083)	(33,713)
Income tax paid	20	(34,749,010)	(20,214,364)
Net cash flows generated from operating activities		**405,761,741**	**1,226,938,346**
Investing activities:			
Equity directly related to financial assets held for sale	49	-	(1,481,196)
Purchase of financial assets at amortized cost	9	(454,595,675)	(748,591,693)
Matured financial assets at amortized cost	9	143,505,086	243,038,016
Purchase of financial assets at fair value through other comprehensive income	7	(13,158,758)	(12,362,946)
Sale of financial assets at fair value through other comprehensive income	7	2,075,723	559,015
Decrease (increase) in financial assets at fair value through profit or loss	6	18,983,185	(3,387,840)
(Increase) in assets held for sale	49	-	(22,947,701)
(Increase) in property, equipment and intangible assets	10&11	(10,687,164)	(57,550,538)
Net cash flows (used in) investing activities		**(313,877,603)**	**(602,724,883)**
Financing Activities:			
Lease liabilities paid	12	(4,520,223)	(4,926,064)
Increase in borrowed funds	17	(31,741,437)	66,559,102
Increase in green bonds	19	-	35,450,000
Settlement of loan bonds		-	(11,000,000)
Issuance of perpetual bonds	23	-	89,010,000
Interest paid on perpetual bonds		(7,691,946)	(4,366,577)
Foreign currency translation differences		-	(4,079,865)
Increase in noncontrolling interests		717,670	80,117,684
Cash dividends distributed to shareholders		(24,667,839)	(11,859,085)
Net cash flows (used in) financing activities		**(67,903,775)**	**234,905,195**
Net Increase in cash and cash equivalents		23,980,363	859,118,658
Effect of exchange rate fluctuations on cash and cash equivalents		1,377,828	2,801,947
Cash and cash equivalent at the beginning of the year		1,356,581,140	494,660,535
Cash and cash equivalent at the end of the year	36	**1,381,939,331**	**1,356,581,140**

The accompanying notes from (1) to (51) form an integral part of these consolidated financial statements and should be read with them

(1) General Information

Jordan Kuwait Bank was established as a Jordanian public limited shareholding company under the registration number (108) on 25 October 1976 in accordance with the Jordanian Companies Law No. (13) for the year 1964. The Head Office of the Bank is located Amman – Al Abdali, Omaya Bin Abdshams Street. Tel. (+962 6 5629400), P.O. Box (9776), Amman – (11191) Jordan. The Bank's current authorized, issued and paid-in capital amounted to JD 150 million distributed on 150 million shares, with a par value of JD 1 per share.

The Bank provides all banking and financial activities related to its activities through its head office and (64) branches inside the Kingdom and (2) foreign branches and a group of its subsidiaries, which provide banking services, finance leasing, and brokerage services. During 2023, the Bank completed the acquisition of 53.44% of Bank of Baghdad's share capital in Iraq.

Jordan Kuwait Bank is a Public Shareholding Limited Company and is listed in Amman Stock Exchange.

Jordan Kuwait Bank is 50.927% owned at by Al Rawabi United Holding Company and the financial statements of the Bank are consolidated within the consolidated financial statements of the ultimate parent Company Kuwait Projects Holding Company (KIPCO).

The financial statements were approved by the Bank's Board of Directors at its meeting No. (2/2025) held on 12 February 2025 and are subject to the approval of General Assembly of Shareholders and the Central Bank of Jordan.

(2) Material Accounting Policies Information

2-1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Bank has fully transitioned to and implemented International Financial Reporting Standards (IFRS) starting from 1 January 2024, instead of the modified International Financial Reporting Standards according to the instructions of the Central Bank of Jordan. The differences between these two frameworks are not material to the consolidated financial statements.

The consolidated financial statements have been prepared in accordance with the historical cost principle, except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income which are measured at fair value as of the date of the consolidated financial statements, as shown at fair value, the financial assets and liabilities that have been hedged against the risks of changes in their fair value.

The consolidated financial statements have been presented in Jordanian Dinar, which is the functional currency of the Group.

(2-2) Basis of Consolidation of the Financial Statements

The consolidated financial statements include the financial statements of the Bank and its subsidiaries and companies under its control. Control is achieved when the Bank is able to manage the main activities of the subsidiaries, and when it is exposed to the variable returns resulting from its investment in the subsidiaries, or has rights to these returns, and is able to influence these returns through its control over the subsidiaries. Transactions, balances, revenues and expenses between the Bank and its subsidiaries are excluded.

The financial statements of the subsidiaries are prepared for the same financial period as the bank using the same accounting policies applied by the bank. If the subsidiaries follow accounting policies that differ from those used by the bank, necessary adjustments are made to the financial statements of the subsidiaries to align with the accounting policies followed by the Bank.

Non-controlling interests represent the portion of equity in the subsidiaries that is not owned by the Bank.

The Bank owns the following subsidiaries as of 31 December 2024:

Company Name	Paid in capital	Bank's ownership	Nature of operations	Location	Date of acquisition
	JD	%			
Ejara Finance Leasing Company	20,000,000	100	Finance leasing	Amman	2011
United Financial Investments Company*	10,000,000	78.38	Brokerage and investments	Amman	In phases, starting from 2002
Bank of Baghdad	162,366,412	53.44	Commercial Bank	Iraq	2023

As at 31 December 2023:

Company Name	Paid-in capital	Bank's ownership	Nature of operations	Location	Date of acquisition
	JD	%			
Ejara Finance Leasing Company	20,000,000	100	Finance leasing	Amman	2011
Bank of Baghdad	162,366,412	53.44	Commercial Bank	Iraq	2023

- Non-controlling interest amounted to JD 178,012,917 as at 31 December 2024, compared to an amount of JD 112,767,872 as at 31 December 2023, and their details are as follows:

	31 December	
	2024	2023
	JD	JD
United Financial Investments Company *	717,670	-
Bank of Baghdad	177,295,247	112,767,872
	178,012,917	**112,767,872**

* The Company has been reclassified to consolidate its accounts as of 31 December 2024, in accordance with the management's decision to retract the sale of the investment due to the lack of a suitable opportunity at this time.

The financial statements of the subsidiaries are consolidated from the date control is exercised until such control ceases. Control over the subsidiary is established when the group is granted the ability to direct the financial and operational policies of the subsidiary to influence the group's returns.

Control is achieved when the Bank has rights to variable returns arising from its association with the investee company and has the ability to affect these returns through its ability to control the investee company. Control is achieved when the Bank:

- Has the power over the investee (Existing rights that give the Group the ability to direct the relevant activities of the investee).
- The Bank is exposed, or has rights, to variable returns from its involvement with the investee.
- Has the ability to use its power to affect the investee's returns.

When the Bank owns less than a majority of voting or similar rights in an investee, the Bank considers all relevant facts and circumstances to determine whether it has control over an investee, including:

- Contractual arrangements with holders of voting rights of others in the investee company.
- Rights arising from other contractual arrangements.
- The current voting rights and potential voting rights of the Group.

The Bank reassesses whether it controls the investee company and if there are circumstances or facts that indicate a change in one or more of the three elements of control.

The subsidiary's financial statements are consolidated from the date on which control is exercised until such control ceases. The revenues and expenses of the subsidiaries are consolidated in the consolidated statement of comprehensive income from the date the Bank took control of the subsidiaries until stopping that control.

Profits and losses and each item of other comprehensive income are charged to the equity holders of the parent company and the interests of the non-controlling ones even if this leads to a deficit in the balance of the non-controlling interests. If necessary, the financial statements of the subsidiaries are amended to bring their accounting policies in line with the accounting policies of the Bank. Assets, liabilities, equity, revenues, expenses, profits and losses relating to transactions between the Bank and its subsidiaries are eliminated.

The effect resulting from a change in the ownership interest in the subsidiary that does not result in a loss of control is recorded in equity. Upon losing control over the subsidiary, the group does the following:

- Derecognize the assets (including goodwill) and liabilities of the subsidiary
- Derecognize of non-controlling interests
- Derecognize the foreign currency translation reserve
- Recognize the fair value of the amounts received
- Recognize the fair value of the investment retained in the subsidiary
- Recognize the profits or losses resulting from the loss of control
- Reclassification of the share of the company previously recognized in other comprehensive income to profit or loss

(2-3) Changes in accounting policies and disclosures

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

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

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

The amendments had no impact on the Group’s consolidated financial statements.

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

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

- What is meant by a right to defer settlement

- That a right to defer must exist at the end of the reporting period

- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

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

The amendments had no impact on the Group’s consolidated financial statements.

Supplier financing arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the International Accounting Standards Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures; to clarify the characteristics of supplier financing arrangements. These amendments also require additional disclosure of these arrangements. The disclosure requirements in the amendments are intended to help users of financial statements understand the impact of supplier financing arrangements on the entity's obligations, cash flows and exposure to liquidity risk. These amendments will be implemented as of 1 January 2024, and early application is permitted as long as this is disclosed.

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

(2-4) Segment information

The business segment represents a group of assets and operations that jointly provide products or services subject to risks and returns that are different from those related to other business segments and that are measured according to the reports that are used by the executive managers and decision makers in the Bank.

A geographical segment is associated with the provision of products or services in a particular economic environment that is subject to risks and rewards different from those related to segments operating in other economic environments.

(2-5) Financial instruments

Initial recognition of measurement

Financial assets and financial liabilities are recognised in the consolidated statement of financial position of the Bank when the Bank becomes a party to the contractual provisions of the instrument and loans and advances to customers are recognised if they are credited to the customers' account.

Financial assets and liabilities are measured initially at fair value, and transaction costs that are directly attributable to the acquisition or issuance of financial assets and liabilities are added to the fair value of the financial assets or financial liabilities, or deducted from, as necessary, upon initial recognition. Transaction costs that are directly related to the acquisition of financial assets or financial liabilities at fair value through the consolidated statement of income are recognised directly in the consolidated statement of income.

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

- When the 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, the difference is recognised in the consolidated statement of income on initial recognition (i.e. profit or loss on the first day).
- In all other cases, the fair value is adjusted to align with the transaction price (i.e. day 1 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 released to the consolidated statement of income on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability, or upon the de-recognition of such instrument.

Financial assets

- Assessing whether contractual cash flows are solely payments of principal and interest (SPPI):

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

In assessing whether contractual cash flows are only SPPI, the Bank has considered the contractual terms of the instrument. This includes assessing whether the financial assets involve a contractual period that can change the timing or amount of contractual cash flows and therefore they do not meet the conditions of SPPI. In making this assessment, the Bank considers:

- Contingent events that change the amount or timing of cash flows.
- Prepaid features and the possibility to extend.
- Terms that limit the Bank's claim to cash flows from specified assets.

Financial assets at fair value through consolidated statement of income

Financial assets at fair value through consolidated statement of income:

- Assets of contractual cash flows, and which are not (SPPI); or / and
- Assets held within the business model other than those held to collect contractual cash flows or held for collection and sale; or
- Assets designated at fair value through the consolidated statement of income using fair value option.

These assets are measured at fair value, and any gains/ losses arising from re-measurement are recognised in the consolidated statement of income.

Reclassification

If the business model, under which the Bank holds financial assets, changes, the financial assets that were 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 that results in reclassifying the Bank's financial assets. Changes in contractual cash flows are considered within the framework of the accounting policy for the amendment and exclusion of financial assets set out below.

Initial recognition

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

Subsequent measurement

All recognised financial assets that are within the scope of IFRS (9) are required to be subsequently measured at amortised 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:

- Financing instruments held in the business model that aims to collect contractual cash flows, and which have contractual cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, and are subsequently measured at amortised cost.

- Financing instruments held within the business model that aim to both collect contractual cash flows and sell debt instruments, which have contractual cash flows, are SPPI on the principal amount outstanding, and are subsequently measured at fair value through other comprehensive income.

- All other financing instruments (such as debt instruments managed on fair value basis, or held for sale), and equity investments are subsequently measured at fair value through the consolidated statement of income.

However, the Bank can take a non-cancellable option/ determination after initial recognition of the financial asset on an asset-by-asset basis, as follows:

- The Bank can take the non-cancellable option by including subsequent changes in the fair value of the investment in equity that is not held for trading or a possible replacement recognised by the buyer within the business combination to which the IFRS (9) applies, in other comprehensive income;

- The Bank can determine in a non-cancellable manner the financing instruments that meet the criteria of amortised cost or fair value through other comprehensive income as measured by the fair value through the consolidated statement of income if it eliminates or significantly reduces mismatches in accounting (referred to as the fair value option).

Debt instruments at amortised cost or at fair value through other comprehensive income:

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

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

For the purpose of the SPPI test, the 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 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 options and risks, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

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

Business model assessment:

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 may adopt 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 takes into account all relevant information available when making the business model assessment. However, this assessment is not performed on the basis of scenarios that expected to Bank does not reasonably expect to occur, such as the so-called 'worst case' or 'stress case' scenarios. The Bank also takes into account all relevant evidence available such as:

- The policies and declared objectives of the portfolio and the application of those policies and whether the management strategy focuses on obtaining contractual revenue, maintaining a specific rate of profit, and matching the period of financial assets with the period of financial liabilities in which those assets are financed cash flows are realised through the sale of assets.
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the key management personnel.
- The risks that affect the performance of the business model (and financial assets held within that business model) and, in particular, the way in which those risks are managed.
- How managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- On initial recognition of the financial asset, the Bank determines whether the recently recognised financial assets are part of an existing business model or whether it reflects the beginning of a new business model. The Bank reassesses its business models in each reporting period to determine whether the business models have changed since the previous period.

When a debt instrument that is measured at fair value through other comprehensive income is derecognised, the cumulative gain/ loss previously recognised in other comprehensive income in equity is reclassified to the consolidated statement of income. In contrast, as for equity investment measured at fair value through other comprehensive income, the cumulative gain/ loss previously recognised in other comprehensive income is not subsequently reclassified to the consolidated statement of income but is rather transferred directly within equity.

Debt instruments that are subsequently measured at amortised cost or at fair value through other comprehensive income are tested for impairment.

Foreign exchange gains and losses

The carrying amount of financial assets recorded in foreign currency is determined and translated at the rates prevailing at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in the consolidated 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 amortised cost of the debt instrument are recognised in the statement of profit or loss. Other exchange differences are recognised in other comprehensive income in the investment's revaluation reserve.

- For financial assets measured through the statement of profit or loss that are not part of a designated hedging relationship, gains and losses of exchange differences are recognised in the consolidated statement of income.

- For equity instruments measured at fair value through other comprehensive income, exchange differences are recognised in other comprehensive income within investments valuation reserve.

Fair value option

A financial instrument with a fair value can be measured reliably at fair value through the consolidated statement of income (fair value option) upon initial recognition, even if the financial instruments are not acquired or incurred primarily for the purpose of selling or repurchasing. The fair value option for financial assets can be used if it substantially eliminates or reduces the inconsistency of the measurement or recognition that would otherwise have arisen from the measurement of assets or liabilities, or the recognition of related profit and loss on a different basis ("accounting mismatch"). The fair value option for financial liabilities can be chosen in the following cases:

- If the choice leads to the cancellation or substantially reduces accounting mis match.
- If the financial liabilities are part of a portfolio managed on a fair value basis, according to a documented risk or investment management strategy.
- If there is a derivative that is included in the host financial or non-financial contract and the derivative is not closely related to the host contract.

These tools cannot be reclassified to fair value through the consolidated statement of income while they are held or issued. Financial assets designated at fair value through the statement of profit or loss are recorded at fair value with any unrealised gains or losses arising from changes in the fair value recognised in investment income.

(2-6) Descriptive disclosures related to the application of the IFRS (9).

1. Definition of the Bank's implementation of default and the mechanism of addressing it:

The Bank defines the default and the mechanism of addressing it in accordance with the International Financial (IFRS (9)) it includes a number of indicators on a default event which must also be complied with.

- Existence of dues equal to or greater than (90) days.
- Increase in risk ratings above -7.
- Credit exposure / debt instruments that have evidence that they have become defaulted (irregular) or are expected to be defaulted soon.
- The debtor is experiencing significant financial difficulties (very weak financial data).
- The existence of clear indications that the debtor is near bankruptcy.

Mechanism of addressing default:

The Bank will follow-up with the customer before their default, trying not to reach the stage of classification of the facilities granted to them. In case of classification, the specific provision will be made against the facilities accordingly. In addition, they will be followed-up by the Department of Follow-up & Collections before starting the legal procedures in case of failure to reach solutions or schedules.

2. A detailed explanation of the Bank's internal credit rating system and its working mechanism:

- Internal credit rating system for corporate customers:

The Bank has an automated internal credit rating system from Moody's supplier. The rating system includes all of the processes, controls, data collected, and the information system that support and asses the credit quality of the borrower. It is then translated to the degree of risk to customers and linked to the customer’s PD. This contributes to calculating the expected credit loss.

Moody's system that contains following model's to calculate customers credit rating:

- Large Enterprises Rating Model.
- SME Rating Model (with financial data).
- SME Rating Model (without financial data).
- Customer Rating Model for Project Financing.
- High net worth customers Rating Model.

The grades in the system range from 1 (Exceptional: a very high quality and low risk company) to 10 (Poor: a non-performing classified company) - 7 working grades and 3 non-performing grades.

There is a clear and defined Master scale. Each credit rating is calculated that over the Moody's system, which corresponds to the probability of default (PD). Moody’s financial analysis conduct both financial and non- financial analysis for clients. Moody's Financial Analysis Structure consists of four main sections:

1. Operations.
2. Liquidity.
3. Capital structure.
4. Debt service.

An override can be used to classify the customer through an approval of the Facility Management Committee for the proposed ratings.

- Internal credit scoring system for individual customers:

Retail customers (individuals) are rated and given a rating grade based on their risk before their loans are approved. Such ratings are utilised to estimate the probability of default. This is done for housing loan products, auto finance and consumer loans.

3- The mechanism adopted to calculate expected credit losses (ECL) on financial instruments for each item:

The "loss realisation" test model is used using the ECL model, which requires the use of estimates and judgments to estimate the economic factors that have an effect on the impairment in accordance with the new model. This model has been applied and the impairment loss has been calculated in accordance with the following rules:

- 12-month impairment losses: The expected impairment of default is calculated within 12 months following the date of the consolidated financial statements.

- Impairment losses for the useful life of the instrument: The expected impairment on the life of the financial instrument is calculated until the maturity date of the consolidated financial statements.

The mechanism for calculating expected losses depends on the probability of default, which is calculated according to the credit risk, future economic factors and loss given default (LGD), which depends on the value of the existing collateral and the amount of the exposure at default (EAD).

In accordance with the requirements of IFRS (9), ECL measurement model is applied within the following framework (except as measured at fair value through statement of income):

- Loans and credit facilities (direct and indirect).
- Debt instruments carried at amortised cost.
- Debt instruments classified at fair value through other comprehensive income.
- Trade receivables.
- Credit exposures to banks and financial institutions [excluding current balances used to cover bank transactions such as remittances, guarantees and credits within a very short period of time (days)].

In respect of revolving facilities, ECL are calculated based on the behavioural maturity of three years.

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

a. Probability of Default (PD):

This represents the risk arising from the borrower's inability or unwillingness to repay its debts in full or on time, which is normally anticipated by analysing the customer's ability to repay its debt in accordance with its financial statements. The probability of default of the customer generally relates to financial data such as insufficient cash flows to service debt, low operating income or margins, high leverage or low liquidity. Accounting is done as follows:

Corporate customers:

- PD is calculated by linking the credit ratings within the internal credit rating to the grade of default identified in the Master Scale and for each individual customer. The probability of default is converted from Through the Cycle (TTC) to Point In Time, after the credit rating has been calibrated and the probability of default to match the bank's default data.

- For defaulted loans (Stage 3), the probability of default is set at 100%.
- Accounts not rated internally are assumed to have a rating grade of 5 with the Bank.
- The probability of default was calculated for the Jordanian government based on its external credit rating.

Retail customers:

Their PD is calculated based on Behavioural Scoring and based on logistic regression for each customer.

For debt instruments and money market, Moody's external credit rating was adopted. If the debt instrument of an unrated company is treated as unrated companies. As for the unrated banks, the credit rating of the country to which the bank belongs is adopted and adjusted to suit the financial solidity of the Bank.

b. Losses Given Default:

This represents the ratio of assets that are expected to be lost if the customer defaults. This ratio is defined at the level of the facility rather than at the customer level. It is affected by various factors such as the availability of collateral, type of guarantee, priority of payment, the duration and quality of the loan. The accounting is done as follows:

Corporate customers and debt instruments:

- An LGD accounting system is used based on a number of determinants, including the customer's credit rating, economic sector, type and value of collateral and coverage ratio. These are calculated based on historical information.
- Haircut rates have been made for guarantees greater than those specified by the bank.
- Setting floor limits for LGD ranging from 0% to 10%.
- Defaulted facilities (Stage 3) - The proportion of LGD has been identified for the unsecured portion with guarantees of 100%.
- The ratio of LGD to the Jordanian government was set at 0%.

Retail customers:

A model was developed for the accounting (Logistic regression model) using the variables used in the accounting of the Probability of Default model.

c. Exposure at Default (EAD)

The amount at risk is defined as the amount of the indebtedness in which the Bank is exposed to the probability of default in the case of a customer default as following:

- The current balance of direct facilities and a CCF proportion of 100% for indirect facilities.
- In the case of limits, the value of the amount exposed to the default shall be divided into two parts: the utilised obligations and the unutilised obligations where the balance or ceiling is calculated, whichever is higher.
- For retail, credit is used to determine the value of the default amount using the facilities prepayment ratio of customers.

- Determinants of the significant change in the credit risk on which the Bank relied in calculating expected credit losses.

Rating	Criteria
Stage 1:	This includes credit exposures / debt instruments that have not received a significant increase in their credit risk since the initial recognition of the exposure / instrument or have a low credit risk at the date of preparation of the financial statements. Credit risk is considered to be low if the following conditions are met: Low default risk. The debtor has a high ability in the short term to meet commitments. The Bank does not expect adverse changes in the economy in the long-term working environment adversely affecting the debtor's ability to meet its obligations (macroeconomic indicators and stress tests).
Stage 2:	Accounts with dues more than 30 days and less than 90 days. Accounts that were previously scheduled. Accounts that were structured twice in a year. Accounts rated by internal credit -7. In case of reducing the actual or expected internal credit rating of the borrower or the credit exposure / debt instrument according to the internal rating system applied by the Bank. Actual or expected significant decrease in the external credit rating of the credit exposure / debt instrument. Substantial negative changes in the performance and behaviour of the borrower such as late payment of instalments or unwillingness to respond to the Bank.
Stage 3:	This includes credit exposure / debt instruments that have evidence(s) that they have defaulted (irregular) or are expected to default soon. The debtor is experiencing significant financial difficulties (very weak financial data). Non-compliance with contractual conditions such as the existence of maturities equal to or greater than (90) days, and credit rating higher than -7. The existence of clear indications that the debtor is near bankruptcy.

- There are clear and specific criteria for ratings in the three stages (1, 2 and 3) and the transfer among them. in the event of an improvement in the quality of credit and the availability of sufficient and documented reasons making it possible to transfer credit exposures from Stage 3 to Stage to or from Stage 2 to Stage 1, the transfer should only take place after the improvement of the credit position of the exposure and the obligation to pay at least three monthly instalments, two quarterly instalments or semi-annual instalment on time, in addition to improving the credit rating of the customer to be higher than -7 in order to be transferred to Stage 1.

- The downgrade of credit rating / debt instrument by two grades on the ten-point rating system since the date of initial recognition is evidence of a significant credit risk decline.

5- Key economic indicators used by the Bank in calculating expected credit loss (PD).

The Bank uses key economic indicators in calculating expected credit loss, as follows:

- Corporate: GDP growth indicators and the financial market index

- Retail: A larger number of variables has been used, the most important of which are consumer price index, GDP, interbank rate of interest, volume of consumption, expected inflation, unemployment rate, discount rate, deposit rate and other rate.

Governance of applying the requirements of IFRS (9), including the responsibilities of the Board of Directors and Executive Management to ensure compliance with the requirements of IFRS (9).

- The Board of Directors is responsible for establishing the Bank's acceptable risk profile and effective management of risk management.

- The Board of Directors is responsible and authorised to approve the expected credit losses in the Bank's financial statements.

- The Board of Directors of the Bank shall provide appropriate governance structure and procedures to ensure the proper application of IFRS (9) by defining the roles of the committees, departments and working units of the Bank, ensuring the integrity of the work among them and providing the appropriate infrastructure.

- The Board of Directors shall ensure that the Bank's management develops the necessary systems to provide adequate and accurate information and data in order to provide the Bank with the accurate ability to calculate and with the participation of all relevant business units in the Bank and under the supervision of the Board of Directors and its related committees.

- The Board of Directors shall ensure that the Bank's management implements high quality and reliable quality systems in terms of inputs, operating processes and results.

- The Board of Directors shall ensure that the Bank's control units, specifically risk department, internal audit department work to verify the validity and integrity of the methodologies and systems used in the application of IFRS (9) and to provide the necessary support to these supervisory units.

Board of Directors' Audit Committee:

- The Committee monitors compliance with the expected credit loss accounting framework in accordance with IFRS (9) and ensures that internal audit carried out its duties in this regard.

- The Committee recommends to the Board of Directors the adoption of expected credit loss figures as part of the quarterly financial statements.

Board Risk Committee:

- The Committee reviews and recommends the adoption of the credit risk assessment framework and assumptions.

- The Committee is responsible for the accounting of expected credit losses and is reviewed at the level of the Board of Directors with respect to the roles and models used for the accounting.

Management Committee for Provisions:

- It is responsible for any exceptions to the results of the outputs of the systems, the specific procedures and the documented models of the accounting process.
- It reviews the process of staging rules and sets the necessary recommendations.
- It views the accounting of the expected credit losses and recommends the adoption.

Risk management:

- The Risk Management Department undertakes the necessary work to verify the validity and integrity of the methodologies and systems used in the application of IFRS (9).
- It reviews the used models and assumptions used in the accounting and recommends any required modifications to the independent model validation.
- It evaluates the credit rating systems, determinants and results.
- It is responsible for the accounting of expected credit losses.
- It reviews the transition between different stages, compares them with staging rules and reviews these limits periodically.

Finance Department:

- Calculation of the expected credit losses (ECL).
- It analyses the various accounting results and reviews the accuracy and efficiency of the accounting process.
- It prepares detailed statements required by the Central Bank of Jordan.
- It participates with the departments concerned with reviewing the business model, through which the objectives and bases of acquisition and classification of financial instruments are determined, in order to ensure integration with other business requirements.
- Preparation of accounting entries on the main banking system.

Internal audit:

The Internal Audit Department undertakes the necessary work to verify the validity and integrity of the methodologies assumptions and systems used.

2-7 Impairment of financial asset

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

- Balances and deposits with banks and banking institutions
- Direct credit facilities (loans and advances to customers)
- Financial assets at amortised cost (debt instruments securities)
- Financial assets at fair value through the statement of other comprehensive income.
- Exposures off-the statement of financial position that are subject to credit risk (issued financial guarantee contracts).

Impairment loss is not recognised for equity instruments as they are resulted at fair value.

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

- 12-month ECL, that result from those default events on the financial instrument that can be realised within 12 months after the reporting date, referred to in Stage 1.
- Lifetime ECL that result from those possible default events over the age of the financial instrument, referred to in Stage 2 and Stage 3.

A loss allowance for lifetime ECL 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, ECL are measured at an amount equal to the 12-month ECL.

ECL 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, which arise from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

For the limits not utilised, the expected credit loss is the difference between the present value of the difference between the contractual cash flows due to the Bank if the borrower withdraws the financing and the cash flows that the Bank expects to receive if the financing is utilised.

For financial guarantee contracts, the ECL 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 instrument holder, the customer or any other party.

The Bank measures ECL on an individual basis, or on the portfolio basis 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 EIR, regardless of whether it is measured on an individual basis or a portfolio basis.

Credit-impaired financial assets

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

- Significant financial difficulty faced by borrower or issuer.
- Breach of contract, for example, default or delay in payment.
- The Bank grants the borrower a waiver for economic or contractual reasons related to the borrower's financial difficulty.
- The disappearance of an active market for that financial asset because of financial difficulties.
- The purchase of a financial asset at a significant 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 amortised 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 raise funding.

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

Purchased or originated credit-impaired' (POCI) financial assets

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Bank recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in the statement of profit or loss. A favourable change for such assets creates an impairment gain.

Definition of default

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

The Bank considers the following as an event of default:

- The borrower defaults for more than 90 days on any significant credit obligation to the Bank; or
- It is unlikely that the borrower will fully repay its credit obligations to the Bank

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

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

The Bank will not consider that financial assets with ‘low’ credit risk at the reporting date did not have 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 that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. 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 financing, forward-looking information includes the future prospects of the industries in which the Bank's counterparties operate, that can be obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as taking into consideration various internal and external sources of actual and forecast economic information. For retail financing, forward looking lending 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 behaviour.

The Bank allocates its counterparties to a relevant credit risk grade depending on their quality. The quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime PD by comparing:

- The remaining lifetime PD at the date of reporting.
- The remaining lifetime PD at a point in time that was estimated based on facts and circumstances at the initial recognition of the exposure.

The PDs are considered forward-looking, and the Bank uses the same methodologies and data used to measure the expected credit loss provisions.

The qualitative factors that indicate significant increase in credit risk are reflected in PD 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' given 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 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 PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

Modification and de-recognition 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 with customers who face financial difficulties to increase collection and reduce the risk of default. The terms of repayment of the loan are facilitated in cases where the borrower has made all reasonable efforts to pay under the original contractual terms, and an important risk of default or default has occurred and it is expected that the borrower will be able to fulfil 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 a waiting policy that applies to corporate and individual lending.

When a financial asset is modified, the bank assesses whether this amendment leads to de-recognition. As per the Bank's policy, the modification leads to de-recognition when it causes a significant difference in the terms.

- Qualitative factors, such as the non-existence of contractual cash flows after modification as SPPI, change in currency or change in the counterparty, or extent of change in interest rate, maturity. If this does not clearly indicate a fundamental modification, then;
- Conducting a quantitative evaluation to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows in accordance with the revised terms, and deduct both amounts based on the original effective interest.

In the case where the financial asset is derecognised, the loss allowance for ECL is remeasured at the date of de-recognition 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 de-recognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated as credit- impaired.

This applies only in the case where fair value of the new loan is recognised at a significant discount to its revised par amount 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 de-recognition, the Bank determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- The remaining lifetime PD estimated based on data at initial recognition and the original contractual terms.
- The remaining PD at the reporting date based on the revised terms.

For financial assets modified as part of the Bank's forbearance policy, where modification did not result in de-recognition, the estimate of PD reflects the Bank's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural 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 ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to de-recognition, the Bank calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then, the Bank measures ECL 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 derecognises a financial asset only when the contractual rights to the asset's cash flows expire, 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 recognises 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 recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

When a financial asset is fully derecognized, 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 recognised in OCI and accumulated in equity is recognised in the consolidated 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 recognised in other comprehensive income is not subsequently reclassified to the consolidated statement of income.

Write-off

Financial assets are written off when there is no reasonable expectation of recovery, such as the customer not participating in a payment plan with the Bank. The Bank classifies the funds or amounts due for write-off after exhausting all possible payment methods. However, if the financing or receivable is written off, the Bank continues the enforcement activity to try to recover the outstanding receivables, which are recognised in the consolidated statement of income upon recovery.

Provision for expected credit loss presented in the consolidated statement of financial position

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

- For financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.
- For debt instruments measured at FVTOCI: no loss allowance is recognised in the consolidated statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investment's revaluation reserve.
- Loan commitments and financial guarantee contracts.
- Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL 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.
- Financial liabilities and equity.

Issued Debt and equity instruments 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 that are potentially unfavourable 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.

2-8 Loans and advances

The "loans and advances" included in the consolidated statement of financial position comprise the following:

- Loans and advances measured at amortised cost; initially measured at fair value plus incremental direct transaction costs, and subsequently measured at amortised cost using the effective interest method.
- Loans and advances, which are measured at FVTPL or designated as at FVTPL; are measured at fair value with changes recognised immediately in profit or loss.
- Lease payables.
- Interest and commissions are suspended on non-performing credit facilities granted to clients.
- Credit facilities and their suspended interest covered by provisions are transferred entirely off the statement of financial position, 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 a later date (repurchase or borrowing shares), the consideration paid is calculated as a loan or advance, and the asset is not recognised in the Bank's consolidated financial statements.

Equity instruments

Share 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 recognised at the proceeds received, net of direct issue costs.

Treasury shares

Repurchase of the Bank’s own equity instruments is recognised and deducted directly in equity. No gain/ loss is recognised in the consolidated statement of income on the purchase, sale, issue or cancellation of the Bank’s own equity instruments.

Financial liabilities

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

Financial liabilities at fair value through the consolidated statement of income.

Financial liabilities are classified at fair value through profit or loss when financial liabilities (1) are held for trading or (2) are classified at fair value through the statement of profit or loss. A financial liability is classified as held for trading if:

- It is incurred principally for the purpose of repurchasing in the near term.
- Upon initial recognition it is part of a portfolio of identified financial instruments that the Bank manages and has a recent actual pattern of short-term profit-taking.
- It is a derivative that is not designated and effective as a hedging instrument.
- A financial liability other than a financial liability held for the purpose of trading or the potential consideration that a buyer may pay as part of a business combination at fair value is determined through the consolidated statement of income upon initial recognition if:
- 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;
- If the financial obligation forms part of a contract that contains one derivative or more. IFRS (9) allows a fully hybrid contract (composite) to be determined at fair value through the consolidated statement of income.

Financial liabilities at fair value through the statement of profit or loss are stated at fair value. Any gains or losses arising on remeasurement are recognised in the consolidated statement of income to the extent that they are not part of a designated hedging relationship. The net gain/ loss recognised in the consolidated statement of income includes any interest paid on the financial liabilities and is incorporated in the item "net profit or loss from other financial instruments" at fair value through profit or loss.

However, in respect of non-derivative financial liabilities classified at fair value through the consolidated statement of profit or loss, the amount of the change in the fair value of the financial liabilities that resulted from changes in the credit risk of those liabilities is recognised in other comprehensive income, unless recognition of the effects of changes in the credit risk of liabilities in other comprehensive income would create or increase accounting mismatch in the consolidated statement of income. The remaining amount of changes in the fair value of the liability is recognised in the consolidated statement of income, and changes in the fair value attributable to the credit risk of financial liabilities recognised in other comprehensive income are not reclassified subsequently to the consolidated statement of income. Instead, it is transferred to retained earnings upon de-recognition of the financial liability.

With regard to liabilities for issued loans and financial guarantee contracts classified as fair value through the statement of profit or loss, all gains and losses are recognised in the consolidated statement of income.

When determining whether recognition of changes in the credit risk of liabilities in other comprehensive income will create or increase the accounting mismatch in the consolidated statement of income, the Bank assesses whether it expects to offset the effects of changes in the credit risk of the liabilities in the consolidated statement of income with a change in the fair value of another financial instrument that has been measured at fair value through profit or loss.

Other financial liabilities

The effective interest method is a method for calculating the amortised cost of a financial liability and allocating interest expenses over the relevant period. An effective interest rate is the rate that exactly discounts estimated future cash payments during the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount at initial recognition to obtain details on the effective interest rate.

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

De-recognition of financial liabilities

The Bank derecognises financial liabilities when, and only when, the Bank's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in consolidated statement of income.

The exchange between the Bank and its existing lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Likely, the Bank treats the significant modification of the outstanding obligation conditions or part thereof as extinguishment of the original financial liabilities and the recognition of new liabilities. The terms are assumed to be 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 interest rate, is at least 10% 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 maintained to manage exposure to interest rate risk, credit risk, and foreign exchange rate risk. Financial derivatives include foreign currency forward contracts, interest rate swaps, interest rate swaps across currencies and credit default swaps.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value at the date of each statement of financial position. The resulting profits/ losses are recognised in the consolidated statement of income immediately unless the derivative is identified and are effective as a hedging instrument, in which case the timing of recognition in the consolidated statement of income depends on the nature of the hedge relationship. The Bank identifies certain derivatives as either fair value hedges for recognised assets and liabilities, or for the company's obligations (fair value hedges), potential forecasting hedges, foreign currency risk hedges for fixed obligations (cash flow hedges) or net investments in foreign operations (net investment hedges).

Derivatives with positive fair value are recognised as a financial asset, while derivatives with negative fair value are recognised as financial liabilities. Derivatives are presented as non-current assets or non-current liabilities if the residual maturity of the instrument is more than (12) months and is not expected to be realised or settled within (12) months. Other derivatives are presented as current assets or current liabilities.

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 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 realised or settled within 12 months. Other embedded derivatives are presented as current assets or current 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 incurred because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Bank’s entity are initially measured at their fair value, and if they are not determined at fair value through the statement of profit or loss that does not result from the transfer of a financial asset, they are subsequently measured:

- The amount of the loss allowance determined in accordance with IFRS (9).

- The amount initially recognised, less, where appropriate, the amount of accumulated profit or loss recognised in accordance with the Bank's revenue collection policies, whichever is greater.

Financial guarantee contracts that are not designated at fair value through the statement of profit or loss are presented as provisions in the consolidated statement of financial position and remeasurement is presented in other income.

The Bank did not specify any financial guarantee contracts at fair value through profit or loss.

Commitments to provide a loan at an interest rate lower than the market price.

Commitments to provide a loan at an interest rate lower than the market price are measured initially at their fair value, and if they are not determined at fair value through the consolidated statement of income, they are subsequently measured:

- The amount of the loss allowance determined in accordance with IFRS (9).
- The amount initially recognised, less, where appropriate, the amount of accumulated profit or loss recognised in accordance with the Bank's revenue collection policies, whichever is greater.

Commitments to provide a loan at an interest rate lower than the market price, which are not designated at fair value through the consolidated statement of profit or loss are presented as provisions in the consolidated statement of financial position, and remeasurement is presented in other income.

The bank did not designate any commitments to provide a loan at an interest rate lower than the market price, which are designated at fair value through profit or loss.

Financial derivatives

Financial derivatives for trading

The fair value of derivatives of financial instruments held for trading purposes (such as foreign exchange forward contracts, future interest contracts, swaps contracts, foreign exchange rate options rights) is recognised in the consolidated statement of financial position and the fair value is determined according to the prevailing market rates, In the event that market rates are not available, the valuation method is mentioned. The amount of changes in the fair value is recorded in the consolidated statement of income.

Hedge accounting

The Bank identifies certain derivatives as hedging instruments with respect to foreign currency risk and interest rate risk in fair value hedges, cash flow hedges or net investment hedges in foreign operations, as appropriate. Foreign exchange risk hedges on the Bank’s commitments are also accounted for as cash flow hedges. The Bank does not apply fair value hedge accounting to hedges of interest rate risk portfolio. In addition, the Bank does not use the hedge accounting rules as per IAS (39), i.e. the Bank applies the hedge accounting rules as per IFRS (9).

- At the beginning of the hedge relationship, the Bank documents the relationship between the hedging instrument and the hedged item, as well as the risk management objectives and strategy for undertaking various hedging transactions. Furthermore, at the commencement of the hedging and on a continuous basis, the Bank documents whether the hedging instrument is effective in offsetting changes in the fair value or cash flows of the hedged item that can be attributed to the hedged risk, and for which all hedging relationships meet the following hedging 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 this economic relationship.

- The hedge ratio for the hedge relationship is the same as that results from the amount of the hedged item to which the Bank actually hedges and the amount of the hedging instrument that the Bank actually uses to hedge that amount of the hedged item.

The Bank rebalances the hedging relationship in order to comply with the requirements of the hedging rate when necessary. In such cases, the suspension may apply to only part of the hedging relationship. For example, the hedging ratio may be adjusted in such a way that part of the hedged item is not part of the hedging relationship, and therefore the hedge accounting is suspended only for the size of the hedging item that is no longer part of the hedging relationship. The Bank rebalances the hedging relationship in order to comply with the requirements of the hedging rate when necessary. In such cases, the suspension may apply to only part of the hedge relationship. For example, the hedging ratio may be adjusted in such a way that part of the hedged item is not part of the hedging relationship, and therefore the hedging accounting is suspended only for the size of the hedging item that is no longer part of the hedging relationship.

If the hedging relationship ceases to meet the hedging effectiveness requirements related to the hedging ratio but the risk management objective of this hedging relationship remains the same, the Group adjusts the hedging ratio for the hedging relationship (such as the hedging rebalance) so that the qualification criteria are combined again.

In some hedging relationships, the Bank only determines the true value of the options. In this case, a change in the fair value of the component of the time value of the option in the other comprehensive income is deferred, over the hedging period, to the extent that it relates to the hedged item and is reclassified from equity to the consolidated statement of income when the hedged item does not lead to recognition of non-financial items. The Bank's risk management policy does not include hedging items that lead to recognition of non-financial items, because the Bank's risks relate to financial items only.

The hedged items determined by the Bank are hedging items related to the time period, which means that the original time value of the option related to the hedged item of equity is amortised to the consolidated statement of income on a rational basis (for example, according to the straight-line method) over the period of hedging relationship.

In some hedging relationships, the Bank does not determine the forward component of a forward contract or the difference on a currency basis for the hedging instrument across the currencies. In this case, a similar treatment applies to the time value of the options. It is optional to treat the forward component of the forward contract and the difference on a currency basis, and the option is applied on a hedging basis separately, other than treating the time value of options that are mandatory. With regard to hedging relationships and forward derivatives or foreign currencies such as interest rate swaps across currencies, when the forward component or the difference on the currency basis is excluded from classification, the Bank generally recognises the excluded item in other comprehensive income.

Details of 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 change in the fair value of the qualified hedging instrument is recognised in the consolidated statement of income except when the hedging instrument hedges the equity instrument designated at fair value through other comprehensive income, in which case it is recognised in other comprehensive income. The Bank has not specified fair value hedging relationships when the hedging instrument hedges the equity instrument designated at fair value through other comprehensive income.

The carrying amount of the hedged item that was not measured at fair value is adjusted for the change in the fair value, which can be attributed to the hedged risk and a corresponding recognition in the consolidated statement of income. For debt instruments that are measured at fair value through other comprehensive income, the carrying amount is not adjusted as it is at fair value, but the profit or loss portion of the fair value on the hedged item associated with the risk hedged is included in the consolidated statement of income instead of the other comprehensive income. When the hedged item has a fair value equity instrument determined through other comprehensive income, the hedging gains/ losses remain in the other comprehensive income to match the hedging instrument.

The Bank does not suspend hedging accounting except when the hedging relationship (or part of it) ceases to meet the qualifying criteria (after rebalancing, if any). This includes cases where the hedging instrument expires, is sold, terminated, or exercised, and exclusion is stated for the future effect. Amortisation is accounted for the fair value adjustment to the book value of the hedged items for which the effective interest method is used (i.e. tools we have measured at amortised cost or at fair value through other comprehensive income) that results from the hedged risk in the consolidated statement of income as of a date not later than the date of suspension of hedge accounting.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualified hedging instruments that are determined and qualify as cash flow hedges in the hedging reserve for cash flow is recognised, as a separate component, in other comprehensive income. This is limited to the cumulative change in the fair value of the hedged item from the start of the hedge less any amounts recycled to the consolidated statement of income.

Amounts previously recognised in other comprehensive income and the accumulation of shareholders' equity in the consolidated statement of income in the periods in which the hedging item affects profit or loss are reclassified in the same line of the hedged recognised item. If the Bank no longer expects the transaction to occur, then this amount is immediately reclassified to the consolidated statement of income.

The Bank does not suspend hedging accounting except when the hedging relationship (or part of it) ceases to meet the qualifying criteria (after rebalancing, if any). This includes cases where the hedging instrument expires, is sold, terminated, or exercised, or when the occurrence of a specific hedging transaction is not considered to be highly probable. Suspension is calculated with a future effect. Any gains/ losses recognised in other comprehensive income and accumulated in equity at that time remain in equity and recognised when the expected transaction is finally recorded in profit or loss. When the occurrence of a forecast transaction becomes unpredictable, the accumulated profits/ losses in shareholders' equity is reclassified and recognised directly in the consolidated statement of income.

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gains/ losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income and accumulated in the reserve of foreign exchange.

The profits and losses resulting from the hedging instrument related to the effective portion of the hedging accumulated in the foreign currency translation reserve are reclassified into profits or losses in the same way as the foreign exchange differences of the foreign operation as described above.

Offsetting

Financial assets and liabilities are offset, and net amounts are reported in the consolidated statement of financial position, only when legally enforceable rights are established and when such amounts are settled on a net basis, and when assets and liabilities are settled simultaneously.

(2-9) Accounts managed for the interest of clients

Accounts managed by the Bank on behalf of clients are not considered as assets of the Bank. Fees and commissions for managing these accounts are shown in the consolidated statement of income. A provision is made against the decrease in the value of the capital-guaranteed portfolios, which are managed for the interest of clients.

(2-10) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Bank takes into account, when pricing the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value such as value as used in IAS (36). In addition, for the purposes of preparing financial reports, fair value measurements are categorised to level (1), (2) or (3) based on the clarity of the inputs in relation to the fair value measurements and the importance of the inputs in relation to the full fair value measurements, and they are defined as follows:

- Level (1) inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level (2) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level (3) inputs for the asset or liability that are not based on observable market data.

(2-11) Assets seized by the Bank against debts

Assets seized by the Bank are recognised in the consolidated statement of financial position within the "other assets" item at the lower of the value seized by the Bank and the fair value, whichever is lesser and are revaluated at the consolidated financial statements date at fair value separately. Any impairment is recorded as a loss in the consolidated statement of income and any appreciation in value is not recognised as income. Subsequent increase is included in the consolidated statement of income to the extent that impairment value does not exceed the previously recorded value.

The Central Bank of Jordan, pursuant to Circular No. 16239/1/10 dated 10 October 2022, cancelled all previous circulars, which stipulate the deduction of provisions against seized assets that violates the banking law, while maintaining the provisions balances against real estate and to be released upon the disposal of such assets.

(2-12) Property and equipment

Property and equipment are stated at cost, less the accumulated depreciation and any impairment. Property and equipment (excluding lands) are depreciated when they are ready for use through straight-line method over their expected useful lives using the following annual percentages:

	%
Buildings	3
Equipment, Furniture and Fixtures	9-15
Transport	15
Computers	20
Building Improvements	20

The value of an item of property and equipment is written down to its recoverable amount if its net carrying amount is greater than its recoverable amount. Impairment is recognised in the consolidated statement of income.

The useful lives of property and equipment are reviewed at the end of each year, and if the expectations of the useful lives differ from the estimates made previously, then the change in the estimate for subsequent years is recognised as a change in the estimates.

The property and equipment are derecognised at the disposal or when there are no expected future benefits from their use or disposal.

(2-13) Intangible assets

Intangible assets that are acquired through the merger are stated at fair value at the date of acquisition. The intangible assets that are obtained by a method other than the merger are stated at cost.

Intangible assets are classified on the basis of their estimated lifetime for a definite or indefinite period. Intangible assets that have a definite lifetime are amortised during this lifetime and are recognised in the consolidated statement of income. For intangible assets that have an indefinite lifetime, their impairment is reviewed at the date of the consolidated financial statements and any impairment is recognised in the consolidated statement of income.

Intangible assets resulting from the Bank's business are not capitalised and are recognised in the consolidated statement of income in the same period.

Any indications of impairment in the value of intangible assets statements the consolidated financial statements date are reviewed. Furthermore, the estimated useful life of those assets are reviewed, and any adjustment is made in the subsequent periods.

Computer systems and software are amortised over their estimated useful lives using the straight-line method, at a rate of 20-33% annually.

(2-14) Cash and cash equivalents

Cash and cash equivalents comprise cash and cash balances that mature within three months. They include cash and balances with banks and financial institutions, less deposits with banks and banking institutions that mature within three months, as well as restricted balances.

(2-15) Non-current assets held for sale

Non-current assets are classified as held for sale if the recovery of restricted amounts will be mainly made through a sale rather than through continuing operations. The asset should be ready for sale in its current condition, and the sale order should be highly probable. In addition, the management should have a commitment to the sale plan, so that the sale is eligible to be recognised as a completed sale within one year from the date of this classification.

When the Bank is committed to a sale plan that includes the loss of control over a subsidiary, it must classify all its assets and liabilities as held for sale, when all the conditions referred to above are met.

Non-current assets classified as held for sale are measured at book value or fair value less costs to sell, whichever is lower. The results of that company's business are also shown in a separate line in the consolidated statement of income as net profit from discontinued operations.

(2-16) Pledged financial assets

These are the financial assets pledged in favour of other parties, with the other party having the right to dispose of it (by selling or re-pledging). These assets continue to be evaluated according to the accounting policies used to evaluate each asset according to its original classification.

(2-17) Provision for employees' end of service indemnity

A provision is made to meet the statutory and contractual obligations of employees for the end of service or for the accumulated service period of employees at the date of the consolidated statement of financial position in accordance with the internal regulations of the Bank.

Annual compensations paid to employees who leave the service are paid from the provision. A provision for the Bank's obligations for employees' end of service is stated in the consolidated statement of income or comprehensive income in accordance with the provisions of IAS (19) relating to employees’ benefits.

(2-18) Provisions

Provisions are recognised when the Bank has obligations at the date of the consolidated statement of financial position arising from past events and obligations can be paid and measured reliably.

(2-19) Income tax

Tax expenses represent amounts of tax payable and deferred tax.

Payable tax expenses are calculated based on taxable profits. Taxable profits are different from profits disclosed in the consolidated financial statements, as disclosed profits include revenue that is not subject to tax, expenses that are not recognizable in the financial year but in subsequent years or accumulated losses that are accepted in terms of tax, or items that are not taxable or recognisable for tax purposes.

Taxes are calculated as per the tax rates established by the laws, regulations and instructions applicable in the countries where the Bank operates.

Deferred tax is the tax expected to be paid or recovered as a result of temporary timing differences between the value of assets or liabilities in the consolidated financial statements and the value based on which taxable profit is calculated. Deferred tax is calculated using the liability method in the consolidated statement of financial position, and deferred tax is accounted for in accordance with tax rates expected to be applied to settle the tax liability or realise deferred tax assets.

Deferred tax assets and liabilities are reviewed at the date of the consolidated financial statements and written down when it is not probable to utilise tax assets partially or fully.

(2-20) Net interest income

Interest income and expense for all financial instruments with the exception of those classified as held for trading or measured or those determined at fair value through the consolidated statement of profit or loss in "net interest income" as "interest income" and "interest expenses" are recognised in the consolidated statement of income using the effective interest method. Interest on financial instruments measured at fair value through the consolidated statement of profit or loss also included in the fair value movement during the period.

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

The interest income/ interest expense is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance), or to the amortised cost of financial liabilities. For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised 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 and are credit-impaired, the EIR reflects the ECL 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 income also includes the effective portion of fair value changes for derivatives that are designated as hedging instruments in the cash flow hedges of interest rate risk. As for the fair value hedges of interest rate risk on interest expense and income, the effective portion of fair value changes for specific derivatives are also included, and fair value changes to the specific risks of the hedged item are also included in interest income and expense. Interest expenses also include the value of the interest against the lease obligations.

(2-21) Net commission income

Commissions’ net income and expense include fees other than those that are an integral part of EIR. The commissions included in this part of the Bank's consolidated statement of income also include commissions charged for the loan service, non-use commissions related to loan obligations when this is unlikely to result in a specific arrangement for lending and commissions of co-financing loans.

Commission expenses with regard to services are accounted for upon receipt of services.

(2-22) Net trading income

Net trading income includes all profit or loss from changes in the fair value of financial assets and financial liabilities held for trading. The Bank elected to present the movement of the full fair value of trading assets and liabilities within the trading income, including any relevant revenues, expenses and share dividends.

(2-23) Net income of other financial instruments at fair value through consolidated statement of income

Net income from financial instruments at fair value through the consolidated statement of income includes all gains and losses resulting from changes in the fair value of financial assets and financial liabilities at fair value through the consolidated statement of income, except for the assets held for trading. The Bank has elected to present the movement at the full fair value of the assets and liabilities at fair value through the consolidated statement of income in this line, including interest income, expenses and related stock dividends.

The movement in the fair value of derivatives held for economic hedging is presented where hedge accounting is not applied in "net income from other financial instruments at fair value through the Consolidated statement of income". However, with respect to the designated and effective fair value hedge relationship, the gains and losses on the hedging instrument are presented on the same line item in the statement of income as a hedged item. With respect to certain and effective cash flows and hedge accounting relationships for net investment, the hedging instrument gains and losses, including any hedging ineffectiveness included in the Consolidated statement of income, are included in the same item as a hedged item that affects the consolidated statement of income.

(2-24) Dividends income

Dividends income is recognised when the right to receive payment is established, being the date preceding the dividends of listed shares, and usually the date on which the shareholders agree to dividends of unlisted shares.

Dividends distribution in the consolidated statement of income on the classification and measurement of the shares, i.e.:

- With regard to equity instruments held for trading, dividend income is included in the consolidated statement of income under the item of profit (loss) of financial assets at fair value through the Consolidated statement of income.
- In the case of equity instruments classified as fair value through other comprehensive income, dividends are included in the Consolidated statement of income as dividend from financial assets at fair value through other comprehensive income.
- For equity instruments not designated at fair value though other comprehensive income and not held for trading, dividend income is included as net income from financial instruments at fair value through the consolidated statement of income.

(2-25) Impairment of non-financial assets

- The carrying value of the Bank's non-financial assets is reviewed at the end of each fiscal year except for the deferred tax assets, to determine whether there is an indication of impairment. In the event of 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 those assets.
- The recoverable amount is the higher of an asset’s fair value -less costs to sale - and the value in use.
- All impairment losses are taken to the consolidated statement of income and other comprehensive income.
- The impairment loss for goodwill is not reversed. For other assets, the impairment loss is reversed only if the carrying amount of the asset does not exceed the carrying amount that was determined after deduction of depreciation or amortisation if the impairment loss is not recognised.

(2-26) Foreign currencies

Exchange differences are recognised in the consolidated statement of income in the period in which they arise, except for:

Foreign currency exchange differences on transactions made in order to hedge foreign currency risk.

Foreign currency exchange differences on monetary items required to/ from a foreign operation that are not planned or unlikely to be settled in the near future (and therefore these differences are part of the net investment in the foreign operation), which is recognised initially in the calculation of other comprehensive income, and are reclassified from equity to the consolidated statement of income upon sale or partial disposal of net investment.

For the purpose of the presentation of the consolidated financial statements, assets and liabilities of foreign operations of the Bank are transferred according to the exchange rates prevailing at the date of the statement of financial position. Revenue is also transferred according to the average exchange rates for the period, unless exchange rates change significantly during that period, in which case exchange rates are used on the date of transactions. Emerging differences, if any, are recognised in the consolidated statement of comprehensive income and grouped into a separate component of equity.

When excluding foreign operations (i.e. eliminating the Bank’s entire share in foreign operations, or that resulting from the loss of control of a subsidiary within foreign operations or partial disposal of its share in a joint arrangement or an associate of a foreign nature in which the held share becomes a financial asset), all foreign currency exchange differences accumulated in the separate item that represent the equity of that operation attributable to the owners of the bank, are reclassified to the consolidated statement of income.

In addition, with regard to partial disposal of a subsidiary that includes foreign operations and does not result in the Bank losing control of the subsidiary, its share of the accumulated exchange differences is reversed to net comprehensive income at a rate that is excluded and is not recognised in the consolidated statement of income. As for all other partial liquidations (such as partial liquidation of associates or joint ventures that do not result in the Bank losing significant influence or joint control), the share of accumulated exchange differences is reclassified to the consolidated statement of income.

(2-27) Leases

The Bank has implemented IFRS (16) “Leases” that have replaced existing guidance on lease contracts, including IAS (17) “Leases” and IFRIC (4) “Determining whether an arrangement contains a lease”, SIC (15) “Operating lease -incentives” and SIC (27) “Evaluating the substance of transactions involving the legal form of a lease”.

The Bank as a lessee

On the date of signing the contract, or on the date of the revaluation of the contract that contains the lease elements, the Bank distributes the entire contract value to the contract components in a proportional manner consistent with the value. It is to be noted that the Bank has decided for leases that include land and building to treat the components of the contract as one item.

Short-term leases and leases for low-value assets:

The Bank chose not to recognise the right of use assets and lease obligations for short-term leases for items with a 12-month lease term or less and the low-value leases. The Bank recognises the lease payments associated with these contracts as operating expenses on a straight-line basis over the lease term.

The Bank as a lessor

- When the Bank is lessor, at the start of the lease, it determines whether each lease is a finance lease or an operating lease.

- To classify each lease, the Bank performs a comprehensive evaluation to demonstrate whether the lease largely transfers all risks and benefits associated with ownership of this asset. If this is the case, the lease is a finance lease; if not, it is an operating lease. As part of this assessment, the Bank takes into account certain indicators such as whether the lease is the greater part of the economic life of the asset.

The Bank applies the requirements of de-recognition and impairment in IFRS (9) for net investment in the lease. The Bank performs a periodic review of the expected non-guaranteed residual value that was used to calculate the total investment amount in the lease.

(3) Use of Estimates

The preparation of the consolidated financial statements and the application of accounting policies require the Bank's management to make estimates and judgements that affect the amounts of assets and liabilities and disclosure of contingent liabilities. These estimates and judgments affect the revenues, expenses, provisions and reserve of valuation of financial assets at fair value. In particular, it requires the Bank's management to issue critical judgements to estimate the amounts of future cash flows and their timing. The mentioned estimates are necessarily based on multiple assumptions and factors involving varying degrees of judgment and uncertainty and that actual results may differ from the estimates as a result of changes resulting from the conditions and circumstances of those estimates in the future. Judgements, estimates and assumptions are reviewed on an ongoing basis. The impact of change in estimates is recognised in the reporting period in which this change occurs if the revision affects only that period and the effect of the change in estimates is recognised in the reporting period in which this change occurs and in future reporting periods if the revision affects both current and future periods.

The Bank's management believes that the estimates included in the consolidated financial statements are reasonable and are detailed as follows:

- **Impairment of seized assets**

Impairment of seized assets is recognised based on most recent property valuation approved by accredited valuators for the purposes of calculating the impairment. The impairment provisions for seized assets is reviewed periodically.

- **Expected credit loss provisions**

The Bank's management is required to use significant judgments and estimates to estimate future cash flows amounts and timings and estimate the risks of a significant increase in credit risk for financial assets after initial recognition and future measurement information for expected credit losses. The most significant policies and estimates used by the Bank's management are detailed in note (2-6).

- **Leases**

Determination of lease term: In determining the lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The extension options (or periods after the termination options) are included only in the term of the lease if the lease is reasonably certain to be extended (or not terminated). The evaluation is reviewed in the event of a significant event or significant change in the circumstances that affect this evaluation and that are under the control of the lessee. Extension and termination of leases options: these are included in a number of leases. These conditions are used to increase operational flexibility in terms of contract management. Most of the extension and termination options held are renewable by both the Bank and the lessor.

Discounting of lease payments: Lease payments are discounted using the bank's incremental borrowing rate ("IBR"). Management applied judgements and estimates to determine the incremental borrowing rate at the start of the lease.

- **Useful lives of tangible assets and intangible assets**

Management reassessed the useful lives of tangible assets and intangible assets periodically for the purpose of calculating annual depreciation and amortisation based on the overall condition of those assets and estimates of expected useful lives in the future useful lives. Impairment loss is taken to the consolidated statement of income for the year.

- **Assets and liabilities that are stated at cost**

Management reviews, on a regular basis, the assets and liabilities that are stated at cost to estimate impairments, if any. Impairment losses are recognised in the consolidated statement of income for the year.

- **Income tax**

The financial year is charged with its own income tax expense in accordance with the laws and regulations, and accounting standards. Deferred tax assets and liabilities and required tax provision are accounted for.

- **Provision for legal cases**

A provision is made for any potential legal obligations based on the legal study prepared by the Bank's legal advisor that identifies the potential risks that may occur in the future. Such study is reviewed periodically.

(4) Cash and Balances at Central Banks

The details of this item is as follows:

	2024	2023
	JD	JD
Cash in vault	**265,270,359**	**285,082,880**
Balances at Central Banks:		
Current and on-demand accounts	696,387,329	390,776,557
Term, notice deposits and certificate of deposits	-	108,000,000
Statutory cash reserve	403,480,464	316,388,152
Total balances at Central Banks	**1,099,867,793**	**815,164,709**
Less: provision for expected credit losses for balances at foreign central banks*	31,274,102	27,940,942
Net balances at Central Banks	**1,068,593,691**	**787,223,767**
Total	**1,333,864,050**	**1,072,306,647**

- The restricted reserves held at the Central Bank of Iraq amounted to JD 279,453,168 as of 31 December 2024 (2023: JD 188,997,501). These reserves were excluded from cash and cash equivalents for the purposes of the consolidated statement of cash flows.

- The balances of Bank of Baghdad at the Central Bank of Iraq branches in Sulaymaniyah and Erbil amounted to JD 9,762,446 and JD 14,739,877, respectively, as at 31 December 2024 (2023: JD 9,762,637 and 14,740,069, respectively) These balances have been excluded from cash and cash equivalents for the purposes of the consolidated statement of cash flows.

* These relate to the balances of a subsidiary with a foreign central bank, as there are no credit losses with respect to local balances.

The following is the distribution of total balances at central banks according to the Bank's internal credit rating as at 31 December 2024 and 2023:

Credit rating categories based on the Bank's internal policy	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
From (1) to (5)	190,271,635	-	-	190,271,635
From (6) to (7)	3,018,299	-	-	3,018,299
From (8) to (10)	-	-	-	-
Unrated	875,449,547	-	31,128,312	906,577,859
Total	**1,068,739,481**	**-**	**31,128,312**	**1,099,867,793**
31 December 2023				
From (1) to (5)	-	-	-	-
From (6) to (7)	2,451,539	-	-	2,451,539
From (8) to (10)	-	-	-	-
Unrated	781,102,212	24,502,304	7,108,654	812,713,170
Total	**783,553,751**	**24,502,304**	**7,108,654**	**815,164,709**

The following is the movement on balances at central banks during the years ended 31 December 2024 and 2023:

Description	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	783,553,751	24,502,304	7,108,654	815,164,709
New balances during the year	121,313	-	6,625,992	6,747,305
Balances paid during the year	(132,116,740)	-	(450,235)	(132,566,975)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	(24,502,304)	24,502,304	-
Total impact resulting from changing classification between stages	-	-	(14,739,878)	(14,739,878)
Changes resulting from adjustments	417,181,157	-	8,081,475	425,262,632
Written-off balances	-	-	-	-
Balance at the end of the year	**1,068,739,481**	**-**	**31,128,312**	**1,099,867,793**
31 December 2023				
Balance at the beginning of the year	419,143,482	-	-	419,143,482
New balances during the year	250,152,121	-	-	250,152,121
Balances paid during the year	(111,526,049)	(1,109)	(913,396)	(112,440,554)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Additions from acquisition	225,784,197	24,503,413	8,022,050	258,309,660
Changes resulting from adjustments	-	-	-	-
Written-off balances	-	-	-	-
Balance at the end of the year	**783,553,751**	**24,502,304**	**7,108,654**	**815,164,709**

The following is the movement on balances at central banks during the years ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	-	**20,832,288**	**7,108,654**	**27,940,942**
Expected credit losses on new balances during the year	24	-	6,625,992	6,626,016
Recovered from expected credit losses on balances paid during the year	-	-	(450,005)	(450,005)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	(20,832,288)	20,832,288	-
Total impact on impairment loss resulting from reclassification between stages	-	-	(11,069,843)	(11,069,843)
The impact on the provision resulting from adjustments	145,766	-	8,081,226	8,226,992
Written-off balances	-	-	-	-
Balance at the end of the year	**145,790**	**-**	**31,128,312**	**31,274,102**
31 December 2023				
Balance at the beginning of the year	-	-	-	-
Expected credit losses on new balances during the year	-	14,940,836	3,985,407	18,926,243
Recovered from expected credit losses on balances paid during the year	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Additions from acquisition	-	5,891,452	3,123,247	9,014,699
Written off balances	-	-	-	-
Balance at the end of the year	**-**	**20,832,288**	**7,108,654**	**27,940,942**

(5) Balances at Banks and Financial Institutions

	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 demand accounts	172,395	4,271	306,676,736	507,791,152	306,849,131	507,795,423
Deposits maturing within 3 months or less	-	-	54,318,727	37,549,367	54,318,727	37,549,367
Total	**172,395**	**4,271**	**360,995,463**	**545,340,519**	**361,167,858**	**545,344,790**
Less: provision for expected credit losses for balances at banks and financial institutions	-	-	(5,771,692)	(5,068,512)	(5,771,692)	(5,068,512)
Total balances of cash at banks and financial institutions, net	**172,395**	**4,271**	**355,223,771**	**540,272,007**	**355,396,166**	**540,276,278**

- Balances at banks and financial institutions, for which it receives no interest amounted to JD 251,350,444 as at 31 December 2024 compared to an amount of JD 428,470,213 as at 31 December 2023.

- Balances restricted for withdrawal amounted to JD 9,543,454 as at 31 December 2024 compared to an amount of JD 9,383,933 as at 31 December 2023.

- The following is the distribution of balances at banks and financial institutions according to the Bank's internal credit rating as at 31 December 2024 and 2023:

Credit rating categories based on the Bank's internal policy	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
From (1) to (5)	135,700,199	-	-	135,700,199
From (6) to (7)	11,673,465	-	-	11,673,465
From (8) to (10)	-	-	-	-
Unrated	208,127,374	733,570	4,933,250	213,794,194
Total	**355,501,038**	**733,570**	**4,933,250**	**361,167,858**
31 December 2023				
From (1) to (5)	165,160,952	-	-	165,160,952
From (6) to (7)	16,887,645	-	-	16,887,645
From (8) to (10)	-	-	-	-
Unrated	358,360,788	4,910,328	25,077	363,296,193
Total	**540,409,385**	**4,910,328**	**25,077**	**545,344,790**

The following is the movement on balances at banks and financial institutions during the year ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	**540,409,385**	**4,910,328**	**25,077**	**545,344,790**
New balances during the year	224,933,177	733,570	22,920	225,689,667
Balances paid during the year	(355,949,455)	-	(25,075)	(355,974,530)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	(4,910,328)	4,910,328	-
Changes resulting from adjustments	(53,892,069)	-	-	(53,892,069)
Written-off balances	-	-	-	-
Balance at the end of the year	**355,501,038**	**733,570**	**4,933,250**	**361,167,858**
31 December 2023				
Balance at the beginning of the year	**123,437,378**	**-**	**-**	**123,437,378**
New balances during the year	369,858,876	-	-	369,858,876
Balances paid during the year	(14,281,286)	(857,575)	(79,761)	(15,218,622)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Additions from acquisition	61,394,417	5,767,903	104,838	67,267,158
Written-off balances	-	-	-	-
Balance at the end of the year	**540,409,385**	**4,910,328**	**25,077**	**545,344,790**

The following is the movement on provision for expected credit losses on deposits at banks and financial institutions during the year ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	**133,107**	**4,910,328**	**25,077**	**5,068,512**
New balances during the year	45,369	733,570	22,920	801,859
Balances paid during the year	(111,573)	-	(25,077)	(136,650)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	(4,910,328)	4,910,328	-
Changes resulting from adjustments	37,971	-	-	37,971
Written-off balances	-	-	-	-
Balance at the end of the year	**104,874**	**733,570**	**4,933,248**	**5,771,692**
31 December 2023				
Balance at the beginning of the year	**1,425**	**-**	**-**	**1,425**
New balances during the year	45,572	3,582,433	6,547	3,634,552
Balances paid during the year	(1,046)	-	-	(1,046)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Additions resulting from the acquisition	87,156	1,327,895	18,530	1,433,581
Written-off balances	-	-	-	-
Balance at the end of the year	**133,107**	**4,910,328**	**25,077**	**5,068,512**

(6) Financial Assets at Fair Value Through Profit or Loss

The details of this item are as follows:

	2024	2023
	JD	JD
Shares listed in an active market	3,452,085	21,299,672
Financial assets with available market prices:		
Financial bonds listed in an active market*	3,486,897	3,460,806
Total financial assets through profit and loss	**6,938,982**	**24,760,478**

- Unrealized gains resulting from the valuation of shares at fair value through profit or loss amounted to JD 760,517 for the year ended 31 December 2024, against JD 84,361 during the year 2023, which was recorded within the consolidated statement of income.

- Cash dividends distributed on the above investments amounted to JD 1,301,837 for the year ended 31 December 2024, compared to JD 2,648,108 for the year ended 31 December 2023.

- The realized gain from the sale of financial assets at fair value through profit or loss amounted to JD 401,172 during the year 2024 and was recorded in the consolidated statement of income, compared to a realized gain of JD 450,213 as of 31 December 2023.

* All financial bonds measured at fair value through the profit or loss are classified within credit ratings from (1) to (5) based on the Bank's internal credit rating, and they fall within Stage 1.

(7) Financial Assets at Fair Value Through Other Comprehensive Income

The details of this item are as follows:

	2024	2023
	JD	JD
Shares listed in an active market	26,714,208	27,928,802
Shares unlisted in an active market	57,279,384	55,884,750
Total shares	**83,993,592**	**83,813,552**
Bonds listed in an active markets	40,907,600	32,410,070
Total bonds	**40,907,600**	**32,410,070**
Total financial assets through other comprehensive income	**124,901,192**	**116,223,622**

Analysis of bills and bonds:

	2024	2023
Fixed rate	40,907,600	32,410,070
Total	**40,907,600**	**32,410,070**

- There were realized losses from shares at fair value through other comprehensive income amounting to JD 52,267 during the year 2024, which were recorded directly within the retained earnings in consolidated statement of changes in equity, whereas no realized losses or profits were recorded during the year 2023.

- Realized gains from the sale of bonds at fair value through other comprehensive income amounted to JD 43,633 during the year 2024, whereas no profits or losses resulting from the sale of financial bonds at fair value through other comprehensive income were recorded during the year 2023, which were recorded directly in the consolidated statement of income.

- Cash dividends on the above investments amounted to JD 1,519,458 for the year ended 31 December 2024 (2023: JD 2,486,319).

- The following is a of the distribution of total debt instruments at fair value through other comprehensive income according to the Bank's internal credit rating categories as at 31 December 2024 and 2023:

Credit rating categories based on the bank's internal policy	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
From (1) to (5)	38,732,275	-	-	38,732,275
From (6) to (7)	2,175,325	-	-	2,175,325
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**40,907,600**	**-**	**-**	**40,907,600**
31 December 2023				
From (1) to (5)	8,640,668	-	-	8,640,668
From (6) to (7)	23,769,402	-	-	23,769,402
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**32,410,070**	**-**	**-**	**32,410,070**

The following is the movement on the balance of debt instruments at fair value through other comprehensive income for the years ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Fair value at beginning of the year	32,410,070	-	-	32,410,070
New debt instruments during the year	10,952,682	-	-	10,952,682
Paid debt instruments during the year	(2,075,723)	-	-	(2,075,723)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	(379,429)	-	-	(379,429)
Written-off debt instruments	-	-	-	-
Fair value at end of the year	**40,907,600**	-	-	**40,907,600**
31 December 2023				
Fair value at beginning of the year	22,578,510	-	-	22,578,510
New debt instruments during the year	10,390,575	-	-	10,390,575
Paid debt instruments during the year	(559,015)	-	-	(559,015)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written-off debt instruments	-	-	-	-
Fair value at end of the year	**32,410,070**	**-**	**-**	**32,410,070**

- The following is the movement on the provision for expected credit losses for debt instruments at fair value through other comprehensive income during the year ended 31 December 2024 and 2023. These provisions are recorded as an addition to the revaluation reserve to be transferred to the consolidated statement of income in accordance with the requirements of IFRS (9).

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	44,965	-	-	44,965
Expected credit losses on new debt instruments during the year	118,887	-	-	118,887
Recovered from expected credit losses on debt instruments paid during the year	(12,257)	-	-	(12,257)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	(1,064)	-	-	(1,064)
Provision for written off debt instruments	-	-	-	-
Balance at the end of the year	**150,531**	**-**	**-**	**150,531**
31 December 2023				
Balance at the beginning of the year	11,264	-	-	11,264
Expected credit losses on new debt instruments during the year	34,793	-	-	34,793
Recovered from expected credit losses on debt instruments paid during the year	(1,092)	-	-	(1,092)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written off debt instruments	-	-	-	-
Balance at the end of the year	**44,965**	**-**	**-**	**44,965**

- The provision for expected credit losses is included in the movement of the fair value valuation reserve for financial assets within equity.

(8) Direct Credit Facilities at Amortized Cost, net

The details of this item are as follows:

	2024	2023
	JD	JD
Individuals (Retail):		
Overdrafts	113,416	165,525
Loans and promissory notes*	390,678,114	360,646,044
Credit cards	14,908,703	14,682,316
Real estate mortgage	259,488,022	225,459,851
Corporates:		
Large Corporates		
Overdrafts	119,672,878	134,310,075
Loans and promissory notes*	1,162,122,787	1,173,501,319
SMEs		
Overdrafts	20,887,399	24,201,351
Loans and promissory notes*	131,420,355	127,902,320
Government and public sector	160,136,731	175,786,439
Total	**2,259,428,405**	**2,236,655,240**
Less: Provision for expected credit losses	214,864,878	195,406,591
Less: Interest in suspense	42,659,855	34,502,349
Net direct credit facilities	**2,001,903,672**	**2,006,746,300**

* Net after deducting interest and commissions received in advance amounting to JD 695,943 as 31 December 2024 compared to JD 730,704 as at 31 December 2023.

- Credit facilities within the stage 3 amounted to JD 187,101,876 which is equivalent to 8.28% of total direct credit facilities as at 31 December 2024, compared to JD 169,196,812, which is equivalent to 7.56% of the total direct credit facilities as at 31 December 2023.

- Credit facilities within the stage 3 after deducting suspended interest amounted to JD 151,563,439 which is equivalent to 6.84% of total direct credit facilities as at 31 December 2024 compared to JD 135,958,344 which is equivalent to 6.17% of total direct credit facilities as at 31 December 2023 after deducting the suspended interest.

- The credit facilities granted and guaranteed by the Jordanian government amounted to JD 85,694,501 which is equivalent to 3.79% of total direct credit facilities as at 31 December 2024, compared to JD 101,239,716 which is equivalent to 4.53% as at 31 December 2023.

- Some of the comparative figures were reclassified as loans and promissory notes in the retail sector increased by JD 66,651,695, while decreasing the same amount in the small and medium enterprises sector. The expected credit losses and interest in suspense were also reclassified to align with this reclassification.

- The following is the movement on the balance of direct credit facilities on collective level during the year ended 31 December 2024 and 2023:

	Stage1		Stage2			
	Individual	Collective	Individual	Collective	Stage3	Total
	JD	JD	JD	JD	JD	JD
31 December 2024						
Balance at the beginning of the year	1,768,094,984	-	299,363,444	-	169,196,812	2,236,655,240
New facilities granted during the year	217,630,733	-	4,584,092	-	16,781,849	238,996,674
Facilities settled during the year	(68,306,431)	-	(22,497,673)	-	(21,979,149)	(112,783,253)
Transferred to stage 1	8,501,179	-	(7,685,516)	-	(815,663)	-
Transferred to stage 2	(106,234,367)	-	108,624,501	-	(2,390,134)	-
Transferred to stage 3	(16,689,078)	-	(39,261,738)	-	55,950,816	-
The total impact on the size of exposures resulting from the change in reclassification between stages.	(1,130,307)		1,834,260		(1,073,308)	(369,355)
Changes due to Adjustments	(48,460,000)	-	(40,847,382)	-	549,476	(88,757,906)
Effect from reclassification of assets held for sale	13,223,723	-	1,582,105	-	5,460,579	20,266,407
Written-off facilities (transferred off the statement of financial position)	-	-	-	-	(34,579,402)	(34,579,402)
Balance at the end of the year	**1,766,630,436**	**-**	**305,696,093**	**-**	**187,101,876**	**2,259,428,405**
31 December 2023						
Balance at the beginning of the year	1,775,575,135	-	191,854,673	-	137,657,368	2,105,087,176
New facilities granted during the year	268,137,036	-	21,168,043	-	4,247,151	293,552,230
Facilities settled during the year	(120,716,762)		(6,499,641)		(46,836,426)	(174,052,829)
Transferred to stage 1	28,905,386	-	(27,413,501)	-	(1,491,885)	-
Transferred to stage 2	(127,177,930)	-	128,988,114	-	(1,810,184)	-
Transferred to stage 3	(9,120,813)	-	(26,955,419)	-	36,076,232	-
The total impact on the size of exposures resulting from the change in reclassification between stages.	(2,819,031)	-	19,874,229	-	1,545,692	18,600,890
Changes due to Adjustments	(44,224,247)	-	2,162,075	-	(2,656,922)	(44,719,094)
Effect from reclassification of assets held for sale	(8,607,838)	-	(4,025,828)	-	(3,155,432)	(15,789,098)
Additions from acquisition	8,144,048	-	210,699	-	67,070,838	75,425,585
Written-off facilities (transferred and off the statement of financial position)	-	-	-	-	(21,449,620)	(21,449,620)
Balance at the end of the year	**1,768,094,984**	**-**	**299,363,444**	**-**	**169,196,812**	**2,236,655,240**

Provision expected credit loss– direct credit facilities

The following is the movement on the provisions of expected credit loss - direct credit facilities during the year:

	Individuals	Real estate mortgage	Corporates Large	Corporates SMEs	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
31 December 2024						
Balance at the beginning of the year	**31,618,249**	**16,679,807**	**136,826,371**	**9,970,779**	**311,385**	**195,406,591**
Provision during the year	12,563,387	2,132,750	1,503,940	1,454,074	-	17,654,151
Provision recovered (surplus) during the year	(1,533,950)	(659,541)	(13,836,864)	(511,514)	-	(16,541,869)
The impact on the provision at year-end due to changes in classification between the three stages throughout the year.	7,416,999	2,850,051	21,274,350	1,143,398	-	32,684,798
Changes resulting from adjustments	3,376,624	968,629	4,247,032	1,186,447	(22,849)	9,755,883
Effect from reclassification assets held for sale	2,462,778	-	50,436	1,590,501	-	4,103,715
Provision of written off and transferred off debts of the statement of financial position	(5,296,742)	(54,321)	(19,961,991)	(2,885,337)	-	(28,198,391)
Balance at the end of the year	**50,607,345**	**21,917,375**	**130,103,274**	**11,948,348**	**288,536**	**214,864,878**
Stage 1	10,675,007	1,884,464	8,320,920	960,302	288,536	22,129,229
Stage 2	1,826,724	12,181,959	56,227,016	2,017,317	-	72,253,016
Stage 3	38,105,614	7,850,952	65,555,338	8,970,729	-	120,482,633
Total	**50,607,345**	**21,917,375**	**130,103,274**	**11,948,348**	**288,536**	**214,864,878**

	Individuals	Real estate mortgage	Corporates		Government and public sector	Total
			Large	SMEs		
	JD	JD	JD	JD	JD	JD
31 December 2023						
Balance at the beginning of the year	26,214,814	29,214,285	88,931,601	7,372,766	635,920	152,369,386
Provision during the year	4,373,969	230,731	2,122,956	409,687	-	7,137,343
Provision recovered (surplus) during the year	(664,370)	(6,129,300)	(5,251,352)	(548,977)	-	(12,593,999)
The impact on the provision at year-end due to changes in classification between the stages	4,692,305	424,852	16,487,900	3,533,548	-	25,138,605
The changes due to Adjustments	2,489,336	2,796,555	12,530,507	571,531	(324,535)	18,063,394
Effect from disposing assets held for sale	(2,752,600)	-	-	(381,850)	-	(3,134,450)
Additions from acquisition	-	-	22,961,143	-	-	22,961,143
Provision of debts transferred off-the statement of financial position	(2,735,205)	(9,857,316)	(956,384)	(985,926)	-	(14,534,831)
Balance at the end of the year	**31,618,249**	**16,679,807**	**136,826,371**	**9,970,779**	**311,385**	**195,406,591**
Stage 1	11,386,405	3,426,030	9,416,373	622,107	311,385	25,162,300
Stage 2	2,758,657	5,951,516	55,746,488	430,258	-	64,886,919
Stage 3	17,473,187	7,302,261	71,663,510	8,918,414	-	105,357,372
Total	**31,618,249**	**16,679,807**	**136,826,371**	**9,970,779**	**311,385**	**195,406,591**

- Provisions that were no longer needed as a result of settlements or repayment of debts and transferred against other debts amounted JD 16,541,869 as at 31 December 2024 (2023: JD 12,593,999).

- During the year 2024, direct credit facilities including interest in suspense were transferred / written off the statement of financial position at an amount of JD 34,579,402 (2023: JD 21,449,620), in accordance with the decision of the Board of Directors. Total amount of debts that were transferred off the statement of financial position as at 31 December 2024 amounted to JD 211,764,511 (2023: JD 177,185,109).

- Disclosed above the total provisions recorded against debts calculated on a per customer basis.

Interest in suspense

The following is the movement on the interest in suspense during the year:

			Corporates			
	Individuals	Real estate mortgage	Large	SMEs	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
31 December 2024						
Balance at the beginning of the year	3,121,388	3,078,553	27,228,259	1,074,149	-	34,502,349
Add: Interest suspended during the year	4,413,916	314	51,779	52,036	-	4,518,045
Less: Interest transferred to income	(213,096)	(619,698)	(3,374,457)	(57,013)	-	(4,264,264)
The total impact on interest in suspense resulting from the change in classification between stages.	796,843	3,723,370	2,180,342	163,511	-	6,864,066
The impact on interest in suspense resulting from adjustments	209,999	59,027	6,804,753	267,335	-	7,341,114
The effect of reclassifying assets held for sale	(509,902)	(33,103)	(5,690,222)	(147,784)	-	(6,381,011)
Interest in suspense transferred off-the statement of financial position	33,915	-	-	45,641	-	79,556
Balance at the end of the year	**7,853,063**	**6,208,463**	**27,200,454**	**1,397,875**	**-**	**42,659,855**

			Corporates			
	Individuals	Real estate mortgage	Large	SMEs	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
31 December 2023						
Balance at the beginning of the year	2,515,054	8,857,658	17,872,133	832,510	-	30,077,355
Add: Interest suspended during the year	1,376	112,254	36,809	24,948	-	175,387
Less: Interest transferred to income	(136,193)	(153,867)	(10,187)	(66,534)	-	(366,781)
The total impact on interest in suspense resulting from the change in classification between stages.	205,636	48,471	1,862,293	333,895	-	2,450,295
The impact on interest in suspense resulting from adjustments	574,764	558,150	3,765,906	(3,556)	-	4,895,264
Additions from acquisition	455,957	-	3,729,661	-	-	4,185,618
Interest in suspense transferred off-the statement of financial position	(495,206)	(6,344,113)	(28,356)	(47,114)	-	(6,914,789)
Balance at the end of the year	**3,121,388**	**3,078,553**	**27,228,259**	**1,074,149**	**-**	**34,502,349**

The following is the movement on the expected credit loss provisions of direct credit facilities on collective basis during the year ended 31 December 2024 and 2023:

A) Per economic sector:

	Individuals	Real estate mortgage	Corporates - Large	Corporates - SMEs	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
31 December 2024						
Balance at the beginning of the year	31,618,249	16,679,807	136,826,371	9,970,779	311,385	195,406,591
Expected credit losses on new facilities during the year	12,563,387	2,132,750	1,503,940	1,454,074	-	17,654,151
Reversed from expected credit losses on settled facilities during the year	(1,533,950)	(659,541)	(13,836,864)	(511,514)	-	(16,541,869)
Transferred to stage 1	501,641	(1,811,813)	(988,815)	(86,162)	-	(2,385,149)
Transferred to stage 2	(1,630,514)	1,749,102	(4,097,491)	1,374,391	-	(2,604,512)
Transferred to stage 3	1,128,873	62,711	5,086,306	(1,288,229)	-	4,989,661
The effect of reclassifying assets held for sale	2,462,778	-	50,436	1,590,501	-	4,103,715
The total impact on impairment loss resulting from the change in classification between stages.	7,416,999	2,850,051	21,274,350	1,143,398	-	32,684,798
The impact on the provision resulting from adjustments	3,376,624	968,629	4,247,032	1,186,447	(22,849)	9,755,883
Provision of written off debts transferred off the statement of financial position	(5,296,742)	(54,321)	(19,961,991)	(2,885,337)	-	(28,198,391)
Balance at the end of the year	**50,607,345**	**21,917,375**	**130,103,274**	**11,948,348**	**288,536**	**214,864,878**
Re-allocation:						
Provisions on an individual basis	**50,607,345**	**21,917,375**	**130,103,274**	**11,948,348**	**288,536**	**214,864,878**
Provisions on a collective basis	**-**	**-**	**-**	**-**	**-**	**-**

	Individuals	Real estate mortgage	Corporates: Large	Corporates: SMEs	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
31 December 2023						
Balance at the beginning of the year	26,214,814	29,214,285	88,931,601	7,372,766	635,920	152,369,386
Expected credit losses on new facilities during the year	4,373,969	230,731	2,122,956	409,687	-	7,137,343
Reversed from expected credit losses on settled facilities	(664,370)	(6,129,300)	(5,251,352)	(548,977)	-	(12,593,999)
Transferred to stage 1	530,462	83,502	(11,449,343)	(121,414)	-	(10,956,793)
Transferred to stage 2	57,566	174,463	7,448,347	(1,193,341)	-	6,487,035
Transferred to stage 3	(588,028)	(257,965)	4,000,996	1,314,755	-	4,469,758
The total impact on impairment loss resulting from the change in classification between stages.	4,692,305	424,852	16,487,900	3,533,548	-	25,138,605
The impact on the provision resulting from adjustments.	2,489,336	2,796,555	12,530,507	571,531	(324,535)	18,063,394
Effect from disposing assets held for sale	(2,752,600)	-	-	(381,850)	-	(3,134,450)
Additions from acquisition	-	-	22,961,143	-	-	22,961,143
Provision of written off debts transferred off the statement of financial position	(2,735,205)	(9,857,316)	(956,384)	(985,926)	-	(14,534,831)
Balance at the end of the year	31,618,249	16,679,807	136,826,371	9,970,779	311,385	195,406,591
Re-allocation:						
Provisions on an individual basis	**31,618,249**	**16,679,807**	**136,826,371**	**9,970,779**	**311,385**	**195,406,591**
Provisions on a collective basis	**-**	**-**	**-**	**-**	**-**	**-**

(B) Per Stage:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	25,162,300	64,886,919	105,357,372	195,406,591
New facilities granted during the year	2,346,386	1,514,841	13,792,924	17,654,151
Facilities settled during the year	(927,590)	(2,624,107)	(12,990,172)	(16,541,869)
Transferred to stage 1	1,481,913	(1,060,171)	(421,742)	-
Transferred to stage 2	(3,384,022)	5,168,995	(1,784,973)	-
Transferred to stage 3	(483,040)	(6,713,337)	7,196,377	-
The effect of reclassifying assets held for sale	298,482	17,436	3,787,797	4,103,715
The total impact on impairment loss resulting from the change in classification between stages.	(1,246,847)	3,566,714	30,364,931	32,684,798
The impact on the provision resulting from adjustments.	(1,118,353)	7,495,726	3,378,510	9,755,883
Written off (written off and transferred off the statement of financial position)	-	-	(28,198,391)	(28,198,391)
Balance at the end of the year	**22,129,229**	**72,253,016**	**120,482,633**	**214,864,878**

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2023				
Balance at the beginning of the year	33,732,007	34,109,552	84,527,827	152,369,386
New facilities granted during the year	5,012,947	-	2,124,396	7,137,343
Facilities settled during the year	(2,980,969)	(841,998)	(8,771,032)	(12,593,999)
Transferred to stage 1	3,287,533	(2,569,770)	(717,763)	-
Transferred to stage 2	(13,876,733)	14,669,749	(793,016)	-
Transferred to stage 3	(367,593)	(5,612,945)	5,980,538	-
The total impact on impairment loss resulting from the change in classification between stages.	(2,670,231)	14,810,799	12,998,037	25,138,605
The impact on the provision resulting from adjustments.	3,148,369	9,540,254	5,374,771	18,063,394
Effect from disposing assets held for sale	(570,651)	(22,096)	(2,541,703)	(3,134,450)
Additions from acquisition	447,621	803,374	21,710,148	22,961,143
Written off (written off and transferred off the statement of financial position)	-	-	(14,534,831)	(14,534,831)
Balance at the end of the year	**25,162,300**	**64,886,919**	**105,357,372**	**195,406,591**

Retail

The following is the disclosure of the distribution of total retail facilities according to the Bank's internal rating categories as at 31 December 2024 and 2023:

Credit rating categories based on the bank's internal policy

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
From (1) to (5)	101,108,098	17,737,422	12,144	118,857,664
From (6) to (7)	11,796	7,035,867	4,052,195	11,099,858
From (8) to (10)	-	-	29,004,817	29,004,817
Unrated	220,113,502	5,980,582	20,643,810	246,737,894
Total	**321,233,396**	**30,753,871**	**53,712,966**	**405,700,233**
31 December 2023				
From (1) to (5)	85,644,694	8,916,664	-	94,561,358
From (6) to (7)	7,330,889	-	-	7,330,889
From (8) to (10)	-	-	4,709,689	4,709,689
Unrated	239,428,887	7,945,802	21,517,260	268,891,949
Total	**332,404,470**	**16,862,466**	**26,226,949**	**375,493,885**

The following is the movement on retail facilities balances for the year ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	332,404,470	16,862,466	26,226,949	375,493,885
New facilities granted during the year	44,499,959	537,543	15,243,471	60,280,973
Facilities settled during the year	(19,445,647)	(683,234)	(1,678,291)	(21,807,172)
Transferred to stage 1	4,744,176	(4,119,388)	(624,788)	-
Transferred to stage 2	(25,262,649)	25,678,373	(415,724)	-
Transferred to stage 3	(8,624,689)	(7,531,264)	16,155,953	-
The effect of reclassifying assets held for sale	6,213,688	-	3,600,688	9,814,376
The total impact on the size of exposures resulting from the change in classification between stages	(383,595)	(911,868)	288,380	(1,007,083)
Changes resulting from adjustments	(12,912,317)	921,243	722,972	(11,268,102)
Written off (written off and transferred off the statement of financial position)	-	-	(5,806,644)	(5,806,644)
Balance at the end of the year	**321,233,396**	**30,753,871**	**53,712,966**	**405,700,233**

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2023				
Balance at the beginning of the year	305,881,021	19,548,972	20,041,643	345,471,636
New facilities granted during the year	50,063,609	805,580	3,888,752	54,757,941
Facilities settled during the year	(21,476,105)	(1,078,428)	(1,300,136)	(23,854,669)
Transferred to stage 1	11,650,123	(10,415,836)	(1,234,287)	-
Transferred to stage 2	(9,845,099)	10,561,154	(716,055)	-
Transferred to stage 3	(5,800,229)	(2,297,316)	8,097,545	-
The total impact on the size of exposures resulting from the change in classification between stages	(1,621,498)	582,863	122,294	(916,341)
The changes resulting from adjustments	(711,528)	728,452	338,058	354,982
Effect from disposing assets held for sale	(3,771,498)	(1,783,675)	(2,495,100)	(8,050,273)
Additions from acquisition	8,035,674	210,700	2,714,646	10,961,020
Written off facilities (transferred off the statement of financial position)	-	-	(3,230,411)	(3,230,411)
Balance at the end of the year	**332,404,470**	**16,862,466**	**26,226,949**	**375,493,885**

The following is the movement on expected credit losses provision on retail facilities during the year ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	**11,386,405**	**2,758,657**	**17,473,187**	**31,618,249**
Expected credit losses on new facilities granted during the year	411,175	9,520	12,142,692	12,563,387
Recovered from expected credit loss on settled facilities during the year	(508,084)	(77,242)	(948,624)	(1,533,950)
Transferred to stage 1	1,285,444	(931,508)	(353,936)	-
Transferred to stage 2	(440,450)	662,942	(222,492)	-
Transferred to stage 3	(343,352)	(1,361,949)	1,705,301	-
The effect of reclassifying assets held for sale	20,070	-	2,442,708	2,462,778
The total impact on impairment loss resulting from the change in classification between stages.	(1,087,446)	894,473	7,609,972	7,416,999
The impact on the provision resulting from adjustments.	(48,755)	(128,169)	3,553,548	3,376,624
Written off facilities (transferred off the statement of financial position)	-	-	(5,296,742)	(5,296,742)
Balance at the end of the year	**10,675,007**	**1,826,724**	**38,105,614**	**50,607,345**

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2023				
Balance at the beginning of the year	10,795,388	941,664	14,477,762	26,214,814
Expected credit losses on new facilities granted during the year	533,174	26,486	3,814,309	4,373,969
Recovered from expected credit loss on settled facilities	(118,255)	(26,441)	(519,674)	(664,370)
Transferred to stage 1	1,089,785	(431,647)	(658,138)	-
Transferred to stage 2	(321,482)	845,892	(524,410)	-
Transferred to stage 3	(237,841)	(356,679)	594,520	-
The total impact on impairment loss resulting from the change in classification between stages.	(966,203)	1,331,134	4,327,374	4,692,305
The impact on the provision resulting from adjustments.	1,164,640	442,144	882,552	2,489,336
Effect from disposing assets held for sale	(552,801)	(13,896)	(2,185,903)	(2,752,600)
Additions from acquisition	-	-	-	-
Written off facilities (transferred off the statement of financial position)	-	-	(2,735,205)	(2,735,205)
Balance at the end of the year	**11,386,405**	**2,758,657**	**17,473,187**	**31,618,249**

Real Estate Facilities

The following is the distribution of total real estate facilities according to the Bank's internal credit rating categories as at 31 December 2024 and 2023

Credit rating categories based on the bank's internal policy	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
From (1) to (5)	27,541,319	43,490,861	-	71,032,180
From (6) to (7)	597,870	17,808,006	-	18,405,876
From (8) to (10)	-	-	6,001,746	6,001,746
Unrated	147,831,022	4,911,914	11,305,284	164,048,220
Total	**175,970,211**	**66,210,781**	**17,307,030**	**259,488,022**

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2023				
From (1) to (5)	54,158,062	4,551,430	-	58,709,492
From (6) to (7)	47,149	14,646,621	-	14,693,770
From (8) to (10)	-	-	4,537,166	4,537,166
Unrated	130,856,396	5,705,332	10,957,695	147,519,423
Total	**185,061,607**	**24,903,383**	**15,494,861**	**225,459,851**

The following is the movement on real estate facilities balances during the year ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	**185,061,607**	**24,903,383**	**15,494,861**	**225,459,851**
New facilities during the year	51,889,289	3,952,388	47,796	55,889,473
Facilities settled during the year	(9,987,703)	(1,641,064)	(1,914,765)	(13,543,532)
Transferred to stage 1	1,884,742	(1,693,867)	(190,875)	-
Transferred to stage 2	(41,040,760)	41,445,118	(404,358)	-
Transferred to stage 3	(2,661,163)	(2,873,655)	5,534,818	-
The total impact on the size of exposures resulting from the change in classification between stages	(108,273)	2,520,712	18,587	2,431,026
The changes resulting from adjustments	(9,067,528)	(402,234)	(1,191,610)	(10,661,372)
Written off facilities (transferred off-the statement of financial position)	-	-	(87,424)	(87,424)
Balance at the end of the year	**175,970,211**	**66,210,781**	**17,307,030**	**259,488,022**
31 December 2023				
Balance at the beginning of the year	**196,894,606**	**27,439,401**	**38,672,268**	**263,006,275**
New facilities during the year	15,352,957	131,242	61,665	15,545,864
Facilities settled during the year	(14,989,627)	(3,314,510)	(7,576,717)	(25,880,854)
Transferred to stage 1	3,547,451	(3,356,874)	(190,577)	-
Transferred to stage 2	(4,404,461)	5,415,106	(1,010,645)	-
Transferred to stage 3	(1,193,338)	(993,488)	2,186,826	-
The total impact on the size of exposures resulting from the change in classification between stages	(496,619)	(147,822)	(139,310)	(783,751)
The changes resulting from adjustments	(9,649,362)	(269,672)	(307,220)	(10,226,254)
Written off facilities (transferred off-the statement of financial position)	-	-	(16,201,429)	(16,201,429)
Balance at the end of the year	**185,061,607**	**24,903,383**	**15,494,861**	**225,459,851**

The movement on the provision of expected credit loss of real estate facilities during the year ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	3,426,030	5,951,516	7,302,261	16,679,807
Expected credit losses on new facilities granted during the year	629,844	1,497,812	5,094	2,132,750
Recovered from expected credit loss on settled facilities	(138,242)	(27,781)	(493,518)	(659,541)
Transferred to stage 1	179,038	(111,232)	(67,806)	-
Transferred to stage 2	(1,964,402)	2,109,892	(145,490)	-
Transferred to stage 3	(26,449)	(249,558)	276,007	-
The total impact on impairment loss resulting from the change in classification between stages.	(147,912)	2,403,851	594,112	2,850,051
The impact on the provision resulting from adjustments.	(73,443)	607,459	434,613	968,629
Written off facilities (transferred off-the statement of financial position)	-	-	(54,321)	(54,321)
Balance at the end of the year	**1,884,464**	**12,181,959**	**7,850,952**	**21,917,375**
31 December 2023				
Balance at the beginning of the year	1,321,101	5,895,139	21,998,045	29,214,285
Expected credit losses on new facilities granted during the year	204,740	23,931	2,060	230,731
Recovered from expected credit loss on settled facilities	(82,507)	(453,324)	(5,593,469)	(6,129,300)
Transferred to stage 1	169,131	(122,024)	(47,107)	-
Transferred to stage 2	(73,379)	304,838	(231,459)	-
Transferred to stage 3	(12,249)	(8,352)	20,601	-
The total impact on impairment loss resulting from the change in classification between stages.	(98,357)	169,935	353,274	424,852
The impact on the provision resulting from adjustments.	1,997,550	141,373	657,632	2,796,555
Written off facilities (transferred off-the statement of financial position)	-	-	(9,857,316)	(9,857,316)
Balance at the end of the year	**3,426,030**	**5,951,516**	**7,302,261**	**16,679,807**

Large Corporates

The following is the distribution of the total large corporates facilities according to the bank's internal credit rating categories as at 31 December 2024 and 2023:

Credit rating categories based on the bank's internal policy	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
From (1) to (5)	764,110,978	67,134,541	-	831,245,519
From (6) to (7)	224,007,657	122,005,044	26,191,583	372,204,284
From (8) to (10)	-	-	76,051,265	76,051,265
Unrated	2,271,605	6,505	16,487	2,294,597
Total	**990,390,240**	**189,146,090**	**102,259,335**	**1,281,795,665**
31 December 2023				
From (1) to (5)	663,710,136	103,293,640	-	767,003,776
From (6) to (7)	284,757,495	120,284,568	-	405,042,063
From (8) to (10)	-	-	87,901,772	87,901,772
Unrated	1,512,092	19,361,989	26,989,702	47,863,783
Total	**949,979,723**	**242,940,197**	**114,891,474**	**1,307,811,394**

The following is the movement on the large corporates' facilities balances during the year ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	**949,979,723**	**242,940,197**	**114,891,474**	**1,307,811,394**
New facilities during the year	86,665,038	-	489,346	87,154,384
Facilities settled during the year	(28,408,907)	(18,634,566)	(17,899,560)	(64,943,033)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	(33,599,646)	33,599,646	-	-
Transferred to stage 3	(3,336,156)	(25,560,814)	28,896,970	-
The effect of reclassifying assets held for sale	238,498	-	67,650	306,148
The total impact on the size of exposures resulting from the change in classification between stages	-	(132,585)	(878,300)	(1,010,885)
The changes resulting from adjustments	18,851,690	(43,065,788)	2,343,968	(21,870,130)
Written off facilities (transferred off-the statement of financial position)	-	-	(25,652,213)	(25,652,213)
Balance at the end of the year	**990,390,240**	**189,146,090**	**102,259,335**	**1,281,795,665**

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2023				
Balance at the beginning of the year	952,464,227	125,182,937	70,664,849	1,148,312,013
New facilities during the year	183,328,144	19,931,705	25,961	203,285,810
Facilities settled during the year	(58,093,430)	(1,343,242)	(37,488,238)	(96,924,910)
Transferred to stage 1	8,797,264	(8,797,264)	-	-
Transferred to stage 2	(104,756,629)	104,756,629	-	-
Transferred to stage 3	(5,448)	(19,472,495)	19,477,943	-
The total impact on the size of exposures resulting from the change in classification between stages	(468,785)	18,678,838	799,669	19,009,722
The changes resulting from adjustments	(31,393,994)	4,003,089	(1,960,161)	(29,351,066)
Additions from acquisition	108,374	-	64,356,191	64,464,565
Written off facilities (transferred off-the statement of financial position)	-	-	(984,740)	(984,740)
Balance at the end of the year	**949,979,723**	**242,940,197**	**114,891,474**	**1,307,811,394**

The following is the movement on the provision for expected credit losses of large corporates facilities during the year ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	9,416,373	55,746,488	71,663,510	136,826,371
Expected credit losses on new facilities granted during the year	1,082,797	-	421,143	1,503,940
Recovered from expected credit loss on settled facilities	(253,973)	(2,355,062)	(11,227,829)	(13,836,864)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	(965,414)	965,414	-	-
Transferred to stage 3	(23,400)	(5,062,906)	5,086,306	-
The effect of assets held for sale.	731	-	49,705	50,436
The total impact on impairment loss resulting from the change in classification between stages.	-	1,408,000	19,866,350	21,274,350
Impact on provision resulting from adjustments	(936,194)	5,525,082	(341,856)	4,247,032
Written off facilities (transferred off-the statement of financial position)	-	-	(19,961,991)	(19,961,991)
Balance at the end of the year	**8,320,920**	**56,227,016**	**65,555,338**	**130,103,274**

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2023				
Balance at the beginning of the year	20,276,754	25,695,020	42,959,827	88,931,601
Expected credit losses on new facilities granted during the year	2,086,840	16,717	19,399	2,122,956
Recovered from expected credit loss on settled facilities	(710,746)	(405,129)	(4,135,477)	(5,251,352)
Transferred to stage 1	2,000,021	(2,000,021)	-	-
Transferred to stage 2	(13,444,268)	13,444,268	-	-
Transferred to stage 3	(5,097)	(3,995,900)	4,000,997	-
The total impact on impairment loss resulting from the change in classification between stages.	(1,583,895)	13,305,033	4,766,762	16,487,900
Impact on provision resulting from adjustments	349,143	8,883,126	3,298,238	12,530,507
Effect from disposing assets held for sale	-	-	-	-
Additions from acquisition	447,621	803,374	21,710,148	22,961,143
Written off facilities (transferred off-the statement of financial position)	-	-	(956,384)	(956,384)
Balance at the end of the year	**9,416,373**	**55,746,488**	**71,663,510**	**136,826,371**

Small and Medium Enterprises (SMEs)

The following is a disclosure of the distribution of total SMEs facilities according to the Bank's internal classification categories as at 31 December 2024 and 2023:

Credit rating categories based on the bank's internal policy	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
From (1) to (5)	102,267,131	11,225,839	-	113,492,970
From (6) to (7)	16,346,602	8,355,165	-	24,701,767
From (8) to (10)	-	-	12,981,271	12,981,271
Unrated	286,124	4,347	841,275	1,131,746
Total	**118,899,857**	**19,585,351**	**13,822,546**	**152,307,754**

Credit rating categories based on bank's internal policy	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2023				
From (1) to (5)	112,175,254	6,234,111	-	118,409,365
From (6) to (7)	12,639,763	8,420,015	-	21,059,778
From (8) to (10)	-	-	11,906,543	11,906,543
Unrated	47,726	3,273	676,986	727,985
Total	**124,862,743**	**14,657,399**	**12,583,529**	**152,103,671**

The following is the movement on SME facilities balances during the year ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	**124,862,743**	**14,657,399**	**12,583,529**	**152,103,671**
New facilities during the year	11,270,958	94,161	1,001,235	12,366,354
Facilities settled during the year	(10,464,173)	(1,538,809)	(486,533)	(12,489,515)
Transferred to stage 1	1,872,262	(1,872,262)	-	-
Transferred to stage 2	(6,331,312)	7,901,364	(1,570,052)	-
Transferred to stage 3	(2,067,070)	(3,296,005)	5,363,075	-
The effect of assets held for sale	6,771,539	1,582,105	1,792,241	10,145,885
The total impact on the size of exposures resulting from the change in classification between stages	(638,438)	358,001	(501,975)	(782,412)
The changes resulting from adjustments	(6,376,652)	1,699,397	(1,325,853)	(6,003,108)
Written off facilities (transferred off-the statement of financial position)	-	-	(3,033,121)	(3,033,121)
Balance at the end of the year	**118,899,857**	**19,585,351**	**13,822,546**	**152,307,754**

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2023				
Balance at the beginning of the year	138,374,540	19,683,363	8,278,608	166,336,511
New facilities during the year	19,392,326	299,517	270,773	19,962,616
Facilities settled during the year	(26,163,556)	(763,459)	(465,383)	(27,392,398)
Transferred to stage 1	4,910,549	(4,843,528)	(67,021)	-
Transferred to stage 2	(8,171,739)	8,255,224	(83,485)	-
Transferred to stage 3	(2,121,798)	(4,192,120)	6,313,918	-
Effect from disposing assets held for sale	(226,179)	760,349	757,089	1,291,259
Additions from acquisition	3,704,940	(2,299,794)	(727,598)	677,548
Effect from disposing assets held for sale	(4,836,340)	(2,242,153)	(660,332)	(7,738,825)
Additions from acquisition	-	-	-	-
Write off facilities (transferred off-the statement of financial position)	-	-	(1,033,040)	(1,033,040)
Balance at the end of the year	**124,862,743**	**14,657,399**	**12,583,529**	**152,103,671**

The following is the movement on the provision for expected credit losses of SME facilities during the year ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	**622,107**	**430,258**	**8,918,414**	**9,970,779**
Expected credit losses on new facilities during the year	222,572	7,508	1,223,994	1,454,074
Recovered from expected credit losses on settled facilities	(27,292)	(164,023)	(320,199)	(511,514)
Transferred to stage 1	17,431	(17,431)	-	-
Transferred to stage 2	(13,756)	1,430,747	(1,416,991)	-
Transferred to stage 3	(89,838)	(38,924)	128,762	-
The effect of assets held for sale	277,681	17,436	1,295,384	1,590,501
The total impact on impairment loss resulting from the change in classification between stages.	(11,490)	(1,139,610)	2,294,498	1,143,398
The impact on the provision resulting from adjustments	(37,113)	1,491,356	(267,796)	1,186,447
Written off facilities (transferred off-the statement of financial position)	-	-	(2,885,337)	(2,885,337)
Balance at the end of the year	**960,302**	**2,017,317**	**8,970,729**	**11,948,348**
31 December 2023				
Balance at the beginning of the year	702,842	1,577,730	5,092,194	7,372,766
Expected credit losses on new facilities granted during the year	176,894	732	232,061	409,687
Recovered from expected credit loss on settled facilities	(58,159)	(24,971)	(465,847)	(548,977)
Transferred to stage 1	28,597	(16,078)	(12,519)	-
Transferred to stage 2	(37,604)	74,751	(37,147)	-
Transferred to stage 3	(112,406)	(1,252,015)	1,364,421	-
The total impact on impairment loss resulting from the change in classification between stages.	(21,775)	4,697	3,550,626	3,533,548
The impact on the provision resulting from adjustments.	(38,432)	73,612	536,351	571,531
Effect from disposing assets held for sale	(17,850)	(8,200)	(355,800)	(381,850)
Additions from acquisition	-	-	-	-
Written off facilities (transferred off-the statement of financial position)	-	-	(985,926)	(985,926)
Balance at the end of the year	**622,107**	**430,258**	**8,918,414**	**9,970,779**

Government and Public Sector

The following is the distribution of total government and public sector facilities according to the Bank's internal credit facility categories as at 31 December 2024 and 2023:

Credit rating categories based on the bank's internal policy	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
From (1) to (5)	141,075,666	-	-	141,075,666
From (6) to (7)	19,061,065	-	-	19,061,065
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**160,136,731**	-	-	**160,136,731**
31 December 2023				
From (1) to (5)	133,521,238	-	-	133,521,238
From (6) to (7)	42,265,201	-	-	42,265,201
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**175,786,439**	-	-	**175,786,439**

The following is the movement on government and public sector facilities' balances during the year ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	175,786,439	-	-	175,786,439
New facilities during the year	23,305,489	-	-	23,305,489
Facilities settled during the year	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
The total impact on the size of exposures resulting from the change in classification between stages	-	-	-	-
The changes resulting from adjustments	(38,955,197)	-	-	(38,955,197)
Written off facilities (transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	**160,136,731**	-	-	**160,136,731**

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2023				
Balance at the beginning of the year	181,960,741	-	-	181,960,741
New facilities during the year	-	-	-	-
Facilities settled during the year	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
The total impact on the size of exposures resulting from the change in classification between stages	-	-	-	-
The changes resulting from adjustments	(6,174,302)	-	-	(6,174,302)
Additions from acquisition	-	-	-	-
Written off facilities (transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	**175,786,439**	**-**	**-**	**175,786,439**

The following is the movement on the provision for expected credit losses of government and public sector facilities during the year ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	**311,385**	-	-	**311,385**
Expected credit losses on new facilities granted during the year	-	-	-	-
Recovered from expected credit loss on settled facilities	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
The impact on the provision resulting from adjustments	(22,849)	-	-	(22,849)
Written off facilities (transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	**288,536**	-	-	**288,536**
31 December 2023				
Balance at the beginning of the year	635,920	-	-	635,920
Expected credit losses on new facilities granted during the year	-	-	-	-
Recovered from expected credit loss on settled facilities	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
The impact on the provision resulting from adjustments	(324,535)	-	-	(324,535)
Written off facilities (transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	**311,385**	**-**	**-**	**311,385**

(9) Financial assets at amortised cost

The details of this item are as follows:

	2024	2023
	JD	JD
Financial assets with available market prices:		
Bills and treasury bonds	110,395,801	129,775,646
Corporate loans bonds	1,418,000	-
Total financial assets with available market prices	**111,813,801**	**129,775,646**
Less: provisions for expected credit loss	(15,745,080)	(15,858,918)
Net financial assets with available market prices	**96,068,721**	**113,916,728**
Unquoted financial assets:		
Bills and treasury bonds*	1,324,269,386	1,000,933,894
Corporate loans bonds	17,833,600	12,161,600
Total financial assets with unquoted financial assets	**1,342,102,986**	**1,013,095,494**
Less: provisions for expected credit loss	**(4,182,840)**	**(4,129,033)**
Net unquoted financial assets	**1,337,920,146**	**1,008,966,461**
Total	**1,433,988,867**	**1,122,883,189**
Analysis of bills and bonds:		
With fixed rate	1,446,755,187	1,130,709,540
With floating rate	7,161,600	12,161,600
Total	**1,453,916,787**	**1,142,871,140**

- There are no losses or gains realized from the sale of bonds at amortized cost during the year 2024 and 2023 which were recorded directly in the consolidated statement of income.

* Financial assets at amortized cost include government bonds in the amount of JD 80,032,977 as of 31 December 2024, compared to JD 80,017,850 as of 31 December 2023, held with the Central Bank of Jordan in safekeeping with one of the local banks in exchange for a repurchase agreement with the Social Security Investment Fund, noting that the accrued interest and any returns generated on these bonds during the term of the agreement are for the benefit of the Jordan Kuwait Bank.

The following is the distribution of financial assets at amortized cost according to the Bank's internal credit facility categories as at 31 December 2024 and 2023:

Credit rating categories based on the bank's internal policy	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
From (1) to (5)	907,463,800	-	-	907,463,800
From (6) to (7)	11,345,149	6,187,738	-	17,532,887
From (8) to (10)	-	-	7,587,004	7,587,004
Unrated	507,047,566	-	14,285,530	521,333,096
Total	**1,425,856,515**	**6,187,738**	**21,872,534**	**1,453,916,787**
31 December 2023				
From (1) to (5)	680,352	-	-	680,352
From (6) to (7)	777,176,419	6,208,304	-	783,384,723
From (8) to (10)	-	-	7,587,473	7,587,473
Unrated	336,891,630	-	14,326,962	351,218,592
Total	**1,114,748,401**	**6,208,304**	**21,914,435**	**1,142,871,140**

- The following is the movement on financial assets at amortised cost balance for the years ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	1,114,748,401	6,208,304	21,914,435	1,142,871,140
New investments during the year	284,936,332	-	-	284,936,332
Settled investments during the year	(143,505,086)	-	-	(143,505,086)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
The total impact on the size of exposures resulting from the change in classification between stages	-	-	-	-
Changes resulting from adjustments	169,676,868	(20,566)	(41,901)	169,614,401
Written off investments	-	-	-	-
Balance at the end of the year	**1,425,856,515**	**6,187,738**	**21,872,534**	**1,453,916,787**
31 December 2023				
Balance at the beginning of the year	615,256,066	-	7,488,004	622,744,070
New investments during the year	384,735,333	-	61,659	384,796,992
Settled investments during the year	(243,018,792)	(19,224)	-	(243,038,016)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	(6,227,528)	6,227,528	-	-
Transferred to stage 3	-	-	-	-
Additions resulting from the acquisition	364,003,322	-	14,364,772	378,368,094
Changes resulting from adjustments	-	-	-	-
Written off investments	-	-	-	-
Balance at the end of the year	**1,114,748,401**	**6,208,304**	**21,914,435**	**1,142,871,140**

The following is the movement on the provision for expected credit losses of financial assets at amortised cost during the years ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	159,504	1,075,611	18,752,836	19,987,951
Expected credit losses on new investments during the year	138,975	-	-	138,975
Recovered from expected credit losses on investments paid during the year	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
The total impact on impairment loss resulting from the change in classification between stages.	-	-	-	-
The impact on the provision resulting from adjustments	(83,791)	(73,312)	3,039	(154,064)
Provision for written off investments	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	(44,942)	(44,942)
Balance at the end of the year	**214,688**	**1,002,299**	**18,710,933**	**19,927,920**
31 December 2023				
Balance at the beginning of the year	330,068	-	4,425,400	4,755,468
Expected credit losses on new investments during the year	580	910,074	(116,150)	794,504
Recovered from expected credit losses on investments paid during the year	(169,115)	-	-	(169,115)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	(165,537)	165,537	-	-
Transferred to stage 3	-	-	-	-
Additions resulting from acquisition	163,508	-	14,443,586	14,607,094
Changes resulting from adjustments	-	-	-	-
Provision for written off investments	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-
Balance at the end of the year	**159,504**	**1,075,611**	**18,752,836**	**19,987,951**

The following is the movement on debt instruments at fair value through other comprehensive income and measured at amortised cost during the years ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	1,150,619,277	6,208,304	21,914,435	1,178,742,016
New investments during the year	295,915,105	-	-	295,915,105
Accrued investments during the year	(145,580,809)	-	-	(145,580,809)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
The total impact on the size of exposures resulting from the change in classification between stages	(379,429)	-	-	(379,429)
Changes resulting from adjustments	169,676,868	(20,566)	(41,901)	169,614,401
Written off investments	-	-	-	-
Balance at the end of the year	**1,470,251,012**	**6,187,738**	**21,872,534**	**1,498,311,284**
31 December 2023				
Balance at the beginning of the year	637,834,576	-	7,488,004	645,322,580
New investments during the year	398,586,714	-	61,659	398,648,373
Accrued investments during the year	(243,577,807)	(19,224)	-	(243,597,031)
Change in fair value	-	-	-	-
Transferred to stage 1	(6,227,528)	6,227,528	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	364,003,322	-	14,364,772	378,368,094
Changes resulting from adjustments	-	-	-	-
Written off investments	-	-	-	-
Balance at the end of the year	**1,150,619,277**	**6,208,304**	**21,914,435**	**1,178,742,016**

The following is the movement on provision for expected credit loss of total investments' classified under the consolidated statement of income and the consolidated other comprehensive income, and financial assets measured at amortized cost during the year ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	204,469	1,075,611	18,752,836	20,032,916
Expected credit losses on new investments during the year	257,862	-	-	257,862
Recovered from expected credit losses on investments settled during the year	(12,257)	-	-	(12,257)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
The total impact on the size of exposures resulting from the change in classification between stages	(1,064)	-	-	(1,064)
The impact on the provision resulting from adjustments	(83,791)	(73,312)	3,039	(154,064)
Amendments resulting from currency translated different	-	-	(44,942)	(44,942)
Balance at the end of the year	**365,219**	**1,002,299**	**18,710,933**	**20,078,451**
31 December 2023				
Balance at the beginning of the year	341,332	-	4,425,400	4,766,732
Expected credit losses on new investments during the year	35,373	910,074	(116,150)	829,297
Recovered from expected credit losses on investments settled during the year	(170,207)	-	-	(170,207)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	(165,537)	165,537	-	-
Transferred to stage 3	-	-	-	-
Additions from acquisition	163,508	-	14,443,586	14,607,094
Changes resulting from adjustments	-	-	-	-
Provision for written off investments	-	-	-	-
Balance at the end of the year	**204,469**	**1,075,611**	**18,752,836**	**20,032,916**

(10) Property and Equipment- net

A) The details of this item are as follows:

	Land	Buildings	Equipment, Furniture and Fixtures	Vehicles	Computers	Buildings' improvements	Total
	JD	JD	JD	JD	JD	JD	JD
31 December 2024							
Cost:							
Balance at the beginning of the year	**27,069,619**	**35,482,583**	**21,427,578**	**1,986,247**	**25,341,333**	**23,809,037**	**135,116,397**
Additions	1,167,725	263,287	1,822,236	34,350	3,766,447	3,043,981	10,098,026
Additions from assets held for sale financial assets	-	753,183	366,047	60,619	442,896	-	1,622,745
Disposals	(2,289,956)	(251,190)	(3,497,048)	(128,185)	(3,912,769)	(358,638)	(10,437,786)
Balance at the end of the year	**25,947,388**	**36,247,863**	**20,118,813**	**1,953,031**	**25,637,907**	**26,494,380**	**136,399,382**
Accumulated depreciation:							
Balance at the beginning of the year	**-**	**7,512,924**	**15,440,025**	**1,629,126**	**21,710,028**	**19,774,184**	**66,066,287**
Depreciation for the year	-	1,052,064	1,586,483	27,395	1,507,996	1,763,577	5,937,515
Disposals	-	(211,666)	(3,481,508)	(128,115)	(3,910,891)	(358,638)	(8,090,818)
Additions from assets held for sale financial assets	-	173,428	33,550	54,818	271,426	-	533,222
Foreign currencies' translation differences	-	-	-	(6,476)	(35,068)	-	(41,544)
Balance at the end of the year	**-**	**8,526,750**	**13,578,550**	**1,576,748**	**19,543,491**	**21,179,123**	**64,404,662**
Net book value of property and equipment	25,947,388	27,721,113	6,540,263	376,283	6,094,416	5,315,257	71,994,720
Add: Payments on purchase account of property and equipment	2,161,600	3,436,398	4,469,739	26,790	265,751	637,209	10,997,487
Net book value of property and equipment at the end of the year	**28,108,988**	**31,157,511**	**11,010,002**	**403,073**	**6,360,167**	**5,952,466**	**82,992,207**
Annual depreciation rate %		**3%**	**9%-15%**	**15%**	**20%**	**20%**	

	Land	Buildings	Equipment, Furniture and Fixtures	Vehicles	Computers	Buildings' improvements	Total
	JD	JD	JD	JD	JD	JD	JD
31 December 2023							
Cost:							
Balance at the beginning of the year	8,359,965	13,297,601	19,417,829	1,282,193	18,019,998	22,512,978	82,890,564
Additions	381,478	-	1,662,505	356,300	1,383,317	1,296,059	5,079,659
Disposals	(1,485,706)	(215,730)	(182,677)	(46,247)	(158,123)	-	(2,088,483)
Additions from acquisition	19,813,882	22,400,712	529,921	394,001	6,096,141	-	49,234,657
Balance at the end of the year	**27,069,619**	**35,482,583**	**21,427,578**	**1,986,247**	**25,341,333**	**23,809,037**	**135,116,397**
Accumulated depreciation:							
Balance at the beginning of the year	-	3,490,422	13,770,876	1,259,401	15,619,264	18,343,850	52,483,813
Depreciation for the year	-	873,920	1,303,050	56,297	1,172,563	1,423,466	4,829,296
Disposals	-	(80,899)	(177,640)	(46,246)	(162,008)	-	(466,793)
Additions from acquisition	-	3,229,481	543,739	359,674	5,080,209	6,868	9,219,971
Balance at the end of the year	**-**	**7,512,924**	**15,440,025**	**1,629,126**	**21,710,028**	**19,774,184**	**66,066,287**
Net book value of property and equipment	27,069,619	27,969,659	5,987,553	357,121	3,631,305	4,034,853	69,050,110
Add: Payments on purchase account of property and equipment	-	2,452,444	4,948,972	-	91,208	3,907,892	11,400,516
Net book value of property and equipment at the end of the year	**27,069,619**	**30,422,103**	**10,936,525**	**357,121**	**3,722,513**	**7,942,745**	**80,450,626**
Annual depreciation rate %		**3%**	**9%-15%**	**15%**	**20%**	**20%**	

B) Fully depreciated assets as of 31 December 2024 amounted to JD 38,695,680 compared to JD 40,403,028 as of 31 December 2023.

(11) Intangible assets – net

The details of this item are as follows:

	Computer Software and Programs	
	2024	2023
	JD	JD
Balance at the beginning of the year	11,907,278	7,239,008
Additions	3,046,450	6,300,042
Amortisation for the year	(2,564,705)	(1,994,216)
Additions resulting from acquisition	-	362,444
Transferred from assets held for sale	76,547	-
Balance at the end of the year	**12,465,570**	**11,907,278**
Annual amortization rate %	**20%-33%**	**20%-33%**

(12) Right of use assets and lease liabilities

A - The following is the movement on the right of use assets:

	2024	2023
	JD	JD
Balance at the beginning of the year	12,559,364	10,524,060
Add: Addition during the year	2,782,644	4,616,698
Add: Additions resulting from acquisition	-	1,139,128
Less: Amortization during the year	4,040,780	3,720,522
Balance at the end of the year	**11,301,228**	**12,559,364**

B - The movement on lease liabilities is as follows:

	2024	2023
	JD	JD
Balance at the beginning of the year	12,791,946	10,733,682
Add: Additions resulting from the acquisition	-	1,161,539
Add: Interest expense	1,253,308	1,228,502
Add: Additions during the year	2,782,644	4,616,698
Less: Paid/ settled liabilities	4,520,223	4,948,475
Balance at the end of the year	**12,307,675**	**12,791,946**

C - Analysis of due payments

	1-3 Years	Over 3 Years
	JD	JD
Right of use assets	904,098	10,397,130
Lease Liabilities	984,614	11,323,061

The Bank chose to use the exemption available in the standard of not capitalizing right of use assets which are short-term in nature and not significant in value.

(13) Other Assets

The details of this item are as follows:

	2024	2023
	JD	JD
Accrued interest*	51,942,322	50,176,297
Prepaid expenses	6,476,547	6,863,524
Assets seized by the Bank in settlement of debts, net	114,355,120	103,289,000
Clearing cheques	435,009	398,488
Debtors	6,259,473	3,226,690
Others	24,452,867	10,670,210
Total	**203,921,338**	**174,624,209**

* Accrued interest balance is shown at net after deducting suspended interest which amounted to JD 2,710,174 as of 31 December 2024 and 2023.

- Items of debtors, assets seized by the Bank in settlement of debts and other assets include balances pertaining to subsidiaries amounting to JD 14,571,224 as of 31 December 2024 compared to JD 8,035,531 as of 31 December 2023.
- The instructions of the Central Bank of Jordan require the disposal of the assets seized by the bank in settlement of debts within a maximum period of two years from the date of its acquisition. The Central Bank, in exceptional cases, may extend this period for a maximum of two consecutive years.

Below is the movement on the assets seized by the bank in settlement of debts:

	2024		
	Seized properties	Other seized assets*	Total
	JD	JD	JD
31 December 2024			
Balance at the beginning of the year - net	102,841,879	447,121	103,289,000
Additions	20,309,720	1,372,800	21,682,520
Disposals	(11,815,069)	-	(11,815,069)
Additions from assets held for sale	4,057,767	-	4,057,767
(Provision) on seized assets	(1,791,647)	(1,067,451)	(2,859,098)
Balance at the end of the year	**113,602,650**	**752,470**	**114,355,120**
31 December 2023			
Balance at the beginning of the year - net	124,287,727	1,040,275	125,328,002
Additions	10,292,668	2,184,251	12,476,919
Disposals	(32,966,848)	(593,154)	(33,560,002)
Recovered (provision) on seized assets	1,228,332	(2,184,251)	(955,919)
Balance at the end of the year	102,841,879	447,121	103,289,000

* This amount represents seized shares and machinery against accrued debts.

- The Central Bank of Jordan, pursuant to Circular No. 16234/3/10 dated 10 October 2022, cancelled all previous circulars, which stipulate the deduction of provisions against seized assets that violates the banking law, while maintaining the provisions balances against real estate and to be released upon the disposal of such assets

- Loss on disposal of seized assets amounted to JD 1,827,592 for the year 2024 (2023: JD 478,945) which is recorded as part of other expenses.

(14) Banks and financial institutions deposits

The details of this item are as follows:

	2024		
	Inside the Kingdom	Outside the Kingdom	Total
	JD	JD	JD
Current and on demand accounts	30	7,536,079	**7,536,109**
Term deposits maturing within 3 months	-	10,788,154	**10,788,154**
Term deposits maturing within more than 3 months	12,000,000	14,180,000	**26,180,000**
Total	**12,000,030**	**32,504,233**	**44,504,263**

	2023		
	Inside the Kingdom	Outside the Kingdom	Total
	JD	JD	JD
Current and on demand accounts	2,866,570	3,815,480	**6,682,050**
Term deposits maturing within 3 months	3,545,000	47,393,301	**50,938,301**
Term deposits maturing within more than 3 months	12,000,000	-	**12,000,000**
Total	**18,411,570**	**51,208,781**	**69,620,351**

(15) Customers' Deposits

The details of this item are as follows:

		Corporates			
	Retail	Large	SMEs	Government and public sector	Total
	JD	JD	JD	JD	JD
31 December 2024					
Current and on demand accounts	329,067,415	1,242,784,558	246,478,355	6,402,041	1,824,732,369
Saving deposits	341,638,856	14,506,310	4,384,086	2,875,914	363,405,166
Term and notice deposits	922,881,065	610,151,048	141,559,618	111,412,378	1,786,004,109
Total	**1,593,587,336**	**1,867,441,916**	**392,422,059**	**120,690,333**	**3,974,141,644**
31 December 2023					
Current and on demand accounts	352,573,247	1,086,688,924	225,160,471	1,710,101	1,666,132,743
Saving deposits	295,491,085	14,639,819	222,322	3,077,664	313,430,890
Term and notice deposits	883,852,980	583,666,511	160,547,988	99,429,920	1,727,497,399
Certificates of deposit	35,450	-	-	-	35,450
Total	**1,531,952,762**	**1,684,995,254**	**385,930,781**	**104,217,685**	**3,707,096,482**

- The Jordanian government and public sector deposits within the Kingdom amounted to JD 120,690,333, comprising 3.04% of total deposits as of 31 December 2024 (JD 104,217,685, comprising 2.81% as of 31 December 2023).

- The non-interest-bearing deposits amounted to JD 1,811,872,436, comprising 45.59% of total deposits as of 31 December 2024 (JD 1,598,498,342, comprising 43.12% as of 31 December 2023).

- The restricted deposits amounted to JD 64,563,160, comprising 1.62% of the total deposits as of 31 December 2024 (JD 43,154,048, comprising 1.16% as of 31 December 2023).

- Dormant deposits amounted to JD 73,020,257 as of 31 December 2024 (JD 48,696,430 as of 31 December 2023).

(16) Cash Margins

The details of this item are as follows:

	2024	2023
	JD	JD
Cash margins against direct facilities	115,360,729	107,032,817
Cash margins against indirect facilities	38,832,070	32,942,016
Total	**154,192,799**	**139,974,833**

(17) Borrowed Funds

Borrowings were obtained under agreements signed with variances financial institutions, for the purpose of financing micro companies and SMEs, as follows:

		Number of instalments					
31 December 2024	Amount	Total	Remaining	Periodic payment of instalments	Collaterals	Interest rate	Fixed/Variable
	JD						
Loans from Central Banks	58,768,300	12,753	5,444	Monthly, Semi-annual and upon maturity	Promissory notes on demand	0.00% to 6.98%	Fixed/Variable
Loans from local banks/financial institutions	183,585,603	1,588	1,105	Monthly, Semi-annual and upon maturity	-	4.50% to 6.60%	Fixed
Loans from foreign banks/financial institutions	104,141,158	41	39	Monthly, Semi-annual and upon maturity	-	1.79% to 6.1%	Fixed
	346,495,061						

		Number of instalments					
31 December 2023	Amount	Total	Remaining	Periodic payment of instalments	Collaterals	Interest rate	Fixed/Variable
	JD						
Loans from Central Banks	63,301,563	8,400	3,428	Monthly, Semi-annual and upon maturity	Promissory notes on demand	0.0% to 6.27%	Fixed/Variable
Loans from local banks/financial institutions	178,799,529	7	7	Monthly, Semi-annual and upon maturity	-	4.50% to 6.60%	Fixed
Loans from foreign banks/financial institutions	121,056,078	749	537	Monthly, Semi-annual and upon maturity	-	1.79% to 6.1%	Fixed
	363,157,170						

Lending has a margin ranging from 3% to 5%.

(18) Other Provisions

The details of this item are as follows:

	End of Service Provision		Provision for lawsuits filed against the bank and potential claims		Total	
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
Beginning balance	16,719,423	12,151,336	3,578,169	2,303,637	20,297,592	14,454,973
Additions through comprehensive income for the year	1,529,636	639,842	-	-	1,529,636	639,842
Additions through statement of income for the year	4,227,044	4,442,207	1,687,099	1,293,111	5,914,143	5,735,318
(Paid/ utilized) during the year	(987,094)	(1,374,366)	(44,083)	(33,713)	(1,031,177)	(1,408,079)
Additions resulted from acquisition	-	860,404	-	15,134	-	875,538
Effects of reclassification of assets held for sale	338,136	-	-	-	338,136	-
Foreign transactions differences	(353,049)	-	-	-	(353,049)	-
Total	**21,474,096**	**16,719,423**	**5,221,185**	**3,578,169**	**26,695,281**	**20,297,592**

* The change resulting from the actuarial assumptions in equity directly after the deduction of deferred tax, and the negative reserve is JD 294,908 as of 31 December 2024, compared to profit of JD 653,467 as of 31 December 2023.

** The additions through the statement of income an amount of JD 1,041,118 as of 31 December 2024, compared to JD 1,132,102 as of 31 December 2023, which appears within the interest receivable for specific employee benefits obligations.

(19) Green Bonds

During the first quarter of 2023 the bank signed an agreement to issue bonds with a total face value of USD 50 million and for 5 years with the International Financial Corporation – IFC. The goal of these bonds is green financing.

	Amount	Borrowing Interest rate
	JD	JD
Green Bonds (1)	2,836,000	6.42%
Green Bonds (2)	7,090,000	6.42%
Green Bonds (3)	25,524,000	7.97%
	35,450,000	

(20) Income Tax

A - Income tax Provision

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

	2024	2023
	JD	JD
Balance at the beginning of the year	32,640,476	18,784,419
Accrued income tax expense	40,722,143	34,070,422
Additions from acquisition	-	5,756,062
Transferred from liabilities against available-for-sale financial assets.	178,170	-
Income tax paid	(34,749,010)	(25,970,427)
Balance at the end of the year	**38,791,779**	**32,640,476**

B - Income Tax Expense

Income tax expense charged to the statement of income are as follows:

	2024	2023
	JD	JD
Accrued income tax expense	40,722,143	34,070,422
Impact of deferred tax assets for the year	(3,864,578)	(2,455,779)
Transferred from available for sale financial assets	(5,423)	-
Total	**36,852,142**	**31,614,643**

C - Tax Position

The tax position of the bank's branches and subsidiaries is as follows:

Branches / subsidiaries	Tax-self assessment report submitted up to the end of the year	Final clearance until the end of the year	Payment to the Tax Authorities	Disputed years
Jordan branches	2023	2019	Accrued taxes have been paid	Not Applicable
Cyprus branch	2023	2019	Accrued taxes have been paid	Not Applicable
Ejara Finance Leasing Company	2023	2019	Accrued taxes have been paid	Not Applicable
Bank of Baghdad	2023	2023	Accrued taxes have been paid	Not Applicable
United Financial Investments Company	2023	2021	Accrued taxes have been paid	Not Applicable

-In the opinion of the Bank's tax advisor, the Bank does not have any obligations that exceed the recorded provisions.
-The necessary documents have been submitted in accordance with the transfer pricing system for income tax purposes for the year 2023.

D - Deferred Tax assets/ liabilities

The details of this item are as follows:

A) Deferred tax assets

	Opening balance of the year	Released	Added	Balance at end of year	Deferred tax
	JD	JD	JD	JD	JD
31 December 2024					
Provision for end of service benefits	14,569,598	812,299	3,648,729	17,406,028	6,614,290
Provision for seized assets	30,796,334	-	2,969,307	33,765,641	12,830,944
Provision for lawsuits filed against the Bank	3,469,924	44,084	1,200,000	4,625,840	1,757,819
Provision for direct facilities	86,797,567	3,397,988	6,173,453	89,573,032	34,037,752
Provision for indirect facilities	12,868,127	1,611,829	1,840,114	13,096,412	4,976,637
Additional provision – equity instruments	4,200,000	4,200,000	-	-	-
Provision for deferred instalments	935,000	-	750,000	1,685,000	640,300
Provision for investments	164,209	-	95,179	259,388	98,567
Provision for deposits with banks	21,532	-	36,447	57,979	22,032
Losses from valuation of financial assets at fair value through the profit or loss	620,763	-	78,400	699,163	344,083
Provision for finance lease contracts – subsidiaries	100,000	-	-	100,000	28,000
Provision for trade receivables and revenue receivables – subsidiaries	-	-	4,650,593	4,650,593	1,302,166
Total	**154,543,054**	**10,066,200**	**21,442,222**	**165,919,076**	**62,652,590**
31 December 2023					
Provision for end of service benefits	13,845,669	2,280,404	3,004,333	14,569,598	5,536,447
Provision for seized assets	30,290,991	1,678,907	2,184,250	30,796,334	11,702,607
Provision for lawsuits filed against the Bank	2,303,637	33,713	1,200,000	3,469,924	1,318,571
Provision for direct facilities	84,418,863	48,254,464	50,633,168	86,797,567	32,983,075
Provision for indirect facilities	9,481,210	7,120,147	10,507,064	12,868,127	4,889,888
Additional provision – equity instruments	3,500,000	-	700,000	4,200,000	1,596,000
Provision for deferred instalments	935,000	-	-	935,000	355,300
Provision for investments	164,532	60,218	59,895	164,209	62,399
Provision for deposits with banks	1,425	1,425	21,532	21,532	8,182
Losses from valuation of financial assets at fair value through the profit or loss	620,763	-	-	620,763	235,890
Provision for finance lease contracts – subsidiaries	100,000	-	-	100,000	28,000
Provision for trade receivables and revenue receivables – subsidiaries	3,419,525	3,419,525	-	-	-
Total	**149,081,615**	**62,848,803**	**68,310,242**	**154,543,054**	**58,716,359**

B) Deferred Tax Liabilities

	Opening balance of the year	Released	Added	Balance at the end of the year	Deferred tax
	JD	JD	JD	JD	JD
31 December 2024					
Gain from revaluation of financial assets at fair value through profit or loss	4,171,874	4,073,129	834,935	933,680	354,798
End of service indemnity - actuarial losses	1,053,979	1,529,636	-	(475,657)	(180,750)
Financial assets valuation reserve*	18,334,368	2,325,959	-	16,008,409	1,448,076
Total	**23,560,221**	**7,928,724**	**834,935**	**16,466,432**	**1,622,124**
31 December 2023					
Gain from revaluation of financial assets at fair value through profit and loss	4,273,138	101,264	-	4,171,874	1,585,312
End of service indemnity - actuarial losses	1,693,821	639,842	-	1,053,979	400,512
Financial assets valuation reserve*	13,665,944	57,770	4,726,194	18,334,368	1,512,049
Total	**19,632,903**	**798,876**	**4,726,194**	**23,560,221**	**3,497,873**

* Deferred tax liabilities resulting from the profits of financial assets valuation are shown at fair value through the statement of other comprehensive income within financial assets valuation reserve and deferred tax liabilities which relates to actuarial losses and gains that results from defined contribution plan reassessment in the consolidated statement of changes in equity.

- The deferred tax assets and liabilities were calculated based on tax law with rates between 28% to 38%, based on amended income tax law and effective as of 1 January 2019.

The movement on the account of deferred tax assets/ liabilities during the year is as follows:

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance at the beginning of the year	58,716,359	3,497,873	56,299,060	7,460,503
Added during the year	4,230,065	-	25,957,892	(38,480)
Effect of reclassification of assets held for sale	1,302,166	-	-	-
Released during the year	(1,596,000)	(1,875,749)	(23,540,593)	(3,924,150)
Balance at the end of the year	**62,652,590**	**1,622,124**	**58,716,359**	**3,497,873**

C) The Accounting Profit Reconciliation against Tax Profit is summarised as follows:

The accounting profit reconciliation with the taxable profit for the year is detailed below:

	2024	2023
	JD	JD
Accounting profit	231,172,891	121,651,325
Non-taxable profits	(116,293,667)	(23,279,653)
Non-deductible tax expenses	52,069,747	31,311,200
Taxable profit	**166,948,971**	**129,682,872**
Effective income tax rate	**15.94%**	**25.99%**

The statutory income tax rate with the national contribution for corporations in Jordan:

Bank's branches in Jordan	38%	38%
Bank's branches in Cyprus	12.5%	12.5%
Subsidiaries	15-28٪	15-28%

(21) Other liabilities

The details of this item are as follows:

	2024	2023
	JD	JD
Accrued interest payable	26,534,680	27,102,957
Incoming transfers	3,462,854	3,209,447
Accounts payable	1,605,904	4,807,505
Amounts for registering companies - subsidiaries	5,552,072	3,121,125
Obligations for ATM services - subsidiaries	472,088	1,976,513
Accrued unpaid expenses	5,213,296	1,314,306
Temporary deposits (a)	9,304,745	9,296,104
Temporary deposits – customers	8,702,921	8,292,453
Shareholders' deposits (b)	6,689,151	10,011,315
Certified and acceptable checks	12,365,810	11,142,349
Safety boxes insurance	576,894	541,825
Subscription deposits (b)	53,775	59,622
Expected credit losses against indirect facilities - note (46)	14,341,077	14,028,144
Additional Provisions - equity instruments	-	4,200,000
Additional provisions - deferred instalments	1,685,000	1,685,000
Additional provisions - subsidiaries	1,188,272	1,188,272
Other liabilities	12,246,613	12,281,978
Total	**109,995,152**	**114,258,915**

(A) This item represents temporary deposits paid to public shareholding companies and others.

(B) This amount represents proceeds from subscription refunds in public shareholding companies under establishment.

(22) Authorized, Issued Paid-in Capital

The authorized and paid-in capital of the Bank amounted to 150 million shares/JD as of 31 December 2024 and 2023.

(23) Perpetual Bonds

During the first quarter of 2023, perpetual bonds classified as Additional Tier I Capital were issued, with a total value of JD 89.1 million. The bond consists of two issuances, the first is a non-public issuance of USD 90 million that is not listed on the Amman Stock Exchange, and the other is a public issuance of JD 25.2 million that was offered for public subscription.

The interest rate is 8.50% for the first 24 months, and the interest rate will float later on based on the re-discount rate issued by the Central Bank of Jordan plus a margin of 1.40%, which is calculated every three months. The interest rate for the US dollar tranche after the first 24 months is the Secured Overnight Financing Rate (SOFR) plus a margin of 4.7%, calculated every three months.

The aim of the issuance is to support the Bank's expansion plans in the region to diversify its sources of revenue in the coming years.

During the period, interest expense amounting to JD 7,691,946 was recorded for the year 2024, and an amount of JD 4,366,577 was recorded for the year 2023, which was recorded directly to retained earnings. in the consolidated statement of changes in equity.

(24) Reserves

The details of these reserves as of 31 December 2024 and 2023 are as follows:

A - Statutory reserve

This item represents the accumulated balances transferred from annual profit before tax at 10% during the year and the previous years as per Jordanian Laws governing Banks and Companies and is not available for distribution to shareholders.

Restricted reserves are as follows:

Reserve name	2024	2023	Nature of restriction
	JD	JD	
Statutory reserve	118,411,845	106,382,863	Restricted under the Jordanian Laws governing Banks and Companies

(B) Voluntary reserve

This amount represents the accumulated balances transferred from the annual profit before tax that do not exceed 20% during the previous years. The voluntary reserve may be used for such purposes as deemed appropriate by the Board of Directors and is available for distribution wholly or partially by the general assembly as profit to shareholders.

The movement on the voluntary reserve is as follows:

	2024	2023
	JD	JD
Balance at the beginning of the year	110,944,584	122,944,584
Cash dividends	(12,000,000)	(12,000,000)
Balance at the end of the year	**98,944,584**	**110,944,584**

(25) Fair Value Reserve

The movement in this item during the year is as follows:

	2024	2023
	JD	JD
Balance at the beginning of the year	20,004,022	6,887,913
Unrealised (losses) gains	(2,834,671)	5,932,011
Impact of acquisition of a subsidiary	-	2,306,628
Impact from the reclassification of a subsidiary	(2,510,341)	1,162,759
Expected credit losses against debt instruments	105,566	33,701
Impact of deferred tax liabilities	63,973	3,681,010
Balance at the end of the year*	**14,828,549**	**20,004,022**

* The financial assets valuation reserve is shown at fair value net of deferred tax liabilities in an amount of JD 1,448,076 as of 31 December 2024 against JD 1,512,049 as of 31 December 2023. It is not available for transfer to the consolidated statement of income.

(26) Retained Earnings

The movement of this item during the year is as follows:

	2024	2023
	JD	JD
Balance at the beginning of the year	143,309,616	94,967,563
Interest from perpetual bonds	(7,691,946)	(4,366,577)
(Losses) realized on financial assets at fair value through other comprehensive income	(52,267)	-
Profit for the year - Statement (B)	117,329,104	59,108,014
Transferred to reserves	(12,028,982)	(6,399,384)
Balance at the end of the year	**240,865,525**	**143,309,616**

- Retained earnings include a restricted amount of JD 62,652,590 as of 31 December 2024 in accordance with the regulating of the Central Bank of Jordan in exchange for deferred tax assets against JD 58,716,359 as of 31 December 2023.

- The retained earnings balance includes an amount of JD 188,212 as of 31 December 2024 and 31 December 2023, which cannot be disposed of in accordance with the instructions of the Securities Commission. This amount reflects the impact of the early application of International Financial Reporting Standard (IFRS) No. 9 during 2011, resulting from the revaluation of financial assets at fair value through profit or loss, based on the amounts actually realized from sale transactions.

- In accordance with the instructions of the Central Bank of Jordan No. 2018/13, the accumulated balance of the General Banking Risk Reserve amounting JD 14,288,875 as of 1 January 2018, was transferred to the retained earnings account to offset the impact of IFRS (9), as the reserve was fully utilized.

- Disposal of the outstanding balance of financial asset valuation reserve is only permitted under the prior approval of the Central Bank of Jordan.

(27) Distributed and Declared Dividends

The Board of Directors recommended the distribution of cash dividends to shareholders at 12% of the total paid in capital and that from the voluntary reserve which is equivalent to JD 18 million. This percentage is subject to the approval of the Central Bank of Jordan and the General Assembly of Shareholders

The Bank’s General Assembly, approved in its meeting held on 25 April 2024, the recommendation of the Board of Directors to distribute cash dividends of 8% equivalent to JD 12 million from the voluntary reserve account, maintaining the same rate as the previous year.

(28) Interest income

The details of this item are as follows:

	2024	2023
	JD	JD
Direct credit facilities:		
Individuals (retail)		
Overdrafts	1,339,217	578,950
Loans and bills	31,809,923	32,606,899
Credit cards	1,963,202	1,895,899
Real estate loans	21,396,168	23,389,722
Corporates		
Large Corporates		
Overdrafts	9,554,585	12,754,954
Loans and bills	76,558,877	84,352,857
SMEs		
Overdrafts	2,110,784	1,865,408
Loans and bills	7,904,047	8,260,575
Government and public sector	12,851,068	11,374,054
Balances at central banks	8,372,424	9,591,906
Balances and deposits with banks and financial institutions	7,842,104	6,815,898
Financial assets at amortised cost	92,704,342	56,226,730
Financial assets at fair value through other comprehensive income	2,360,208	3,247,479
Financial assets through profit or loss- debt instruments	312,460	61,297
Total	**277,079,409**	**253,022,628**

(29) Interest Expense

The details of this item are as follows:

	2024	2023
	JD	JD
Banks and financial institutions deposits	1,231,702	4,844,055
Customers' deposits		
Current and held on demand accounts	2,537,778	1,325,905
Saving deposits	4,372,124	5,364,244
Term and notice deposits	101,132,329	83,967,333
Certificate of deposits	152	848
Cash margins	4,906,330	3,904,110
Borrowed funds	16,764,698	13,983,596
Deposits guarantees' fees	2,482,205	2,183,428
Interests against leased liabilities	1,253,308	1,228,502
Green bonds	2,730,235	1,848,637
Interests against defined employee benefit obligations	1,041,118	1,132,102
Total	**138,451,979**	**119,782,760**

(30) Net Commissions Income

The details of this item are as follows:

	2024	2023
	JD	JD
Net direct credit facilities commissions	9,725,571	6,507,299
Net indirect credit facilities commissions	7,406,006	6,694,613
Net bank transfer commissions	126,143,818	58,406,076
Net account management commission	4,777,188	3,616,436
Net other commission	13,118,467	14,706,856
Total	**161,171,050**	**89,931,280**

(31) Gain from Foreign Currencies

The details of this item are as follows:

	2024	2023
	JD	JD
Results from trading / transaction	80,281,997	28,802,506
(Loss) gain resulting from valuation	1,377,828	2,801,947
Total	**81,659,825**	**31,604,453**

(32) Other Income

The details of this item are as follows:

	2024	2023
	JD	JD
Safety boxes' rent	234,661	217,602
Stamps' income	67,375	68,611
Bad debts recovered	593,047	3,682,627
Telecommunication income	111,992	128,929
Transfers income	1,271,899	1,384,571
Dividends distributed from seized shares	-	42,483
Gain from sale of seized shares	-	96,020
Gain from sale of property and equipment	-	1,621,690
Others	5,752,630	4,763,122
Total	**8,031,604**	**12,005,655**

(33) Employees' Expenses

The details of this item are as follows:

	2024	2023
	JD	JD
Employees' salaries, benefits and bonuses	41,251,143	41,942,241
Bank's Social Security contribution	4,295,006	3,634,981
Medical expenses	2,220,550	2,226,241
Employees' training	286,162	331,663
Travel allowances	574,454	371,834
Employees' life insurance expenses	210,342	207,164
Total	**48,837,657**	**48,714,124**

(34) Other expenses

The details of this item are as follows:

	2024	2023
	JD	JD
Rent	161,398	142,833
Stationary	969,927	816,868
Advertisement	1,502,992	1,446,180
Subscriptions, consultations, and support	6,854,421	1,647,591
Telecommunication expenses	3,149,929	2,973,334
Maintenance and repairs	12,133,382	9,052,389
Insurance expenses	1,984,524	2,220,547
Legal fees and expenses	571,918	322,153
Electricity, water and fuel	1,626,445	1,335,790
Fees, taxes, and stamps	1,167,058	2,011,127
Audit fees	537,538	289,235
Transportation expenses	1,243,600	385,814
Corresponding bank service expenses	595,323	702,244
Safety and security services	816,501	796,581
Donations and social responsibility	1,826,877	2,190,700
Hospitality	246,255	183,327
Board of Directors remunerations	816,190	707,399
Seized assets provisions	2,859,098	955,919
Additional provision – equity instruments	-	700,000
Additional provision	-	750,000
Additional provisions – subsidiaries	-	1,188,272
Loss on sale of seized assets	1,827,592	478,945
Amortization of right of use assets	4,040,780	3,720,522
Others	7,206,272	11,402,347
Total	**52,138,020**	**46,420,117**

(35) Earnings per share for the year attributable to the bank's shareholders (basic and diluted)

The details of this item are as follows:

	2024	2023
	JD	JD
Profit for the year attributable to the bank's shareholders	117,329,104	59,108,014
	Share	**Share**
Weighted average of the number of shares	150,000,000	150,000,000
	JD/ share	**JD/ share**
Earnings per share for the year (Basic and diluted)		
Profit for the year attributable to the Bank's shareholders	0.782	0.394

The basic dividend per share is equal to the diluted dividend, as the Bank has not issued any financial instruments that might lead to a reduction in the basic earnings per share.

(36) Cash and Cash Equivalents

	2024	2023
	JD	JD
Cash and balances at Central Banks with maturity within three months	1,054,410,882	883,309,146
Add: Balances at banks and financial institutions with maturity within three months	355,396,166	540,276,278
Less: Banks' and financial institutions' deposits with maturity within three months	18,324,263	57,620,351
Less: Restricted balances (Note 5)	9,543,454	9,383,933
	1,381,939,331	**1,356,581,140**

(37) Significant subsidiaries partially owned by the Bank

First: The percentage owned by non-controlling interests

	Country	Nature of Activity	Percentage of Ownership by Non-controlling Interests	Non-controlling Interests' Share of Dividends
31 December 2024				JD
Bank of Baghdad	Iraq	Banking Operations	46.56%	12,851,626
31 December 2023				
Bank of Baghdad	Iraq	Banking Operations	46.56%	4,724,863

Second: Below are some financial information for significant subsidiaries that include non-controlling interests.

A. Condensed statement of financial position for Baghdad Bank before the cancellation of reciprocal transactions as of:

	2024	2023
	Bank of Baghdad	**Bank of Baghdad**
	JD	**JD**
Cash, balances and deposits	1,318,694,555	1,058,368,384
Financial assets through other comprehensive income	2,556,486	4,343,630
Net credit facilities	27,201,543	33,355,780
Financial assets at amortized cost	507,031,190	336,891,629
Other assets	63,666,254	54,586,411
Total assets	**1,919,150,028**	**1,487,545,834**
Deposits from banks, customers, and guarantees	1,468,308,478	1,192,229,625
Borrowed funds	1,820	10,555
Provisions and other liabilities	57,092,494	38,919,098
Total liabilities	**1,525,402,792**	**1,231,159,278**
Equity	393,747,236	256,386,556
Total liabilities and equity	**1,919,150,028**	**1,487,545,834**
Share of non-controlling interests	**177,295,247**	**112,767,872**

B. Statement of income for Bank of Baghdad Before Offsetting Transactions for the Year Ended:

	2024	2023
	Bank of Baghdad	Bank of Baghdad
	JD	JD
Net Interest and Commission Income:	175,213,130	95,888,550
Other Income	76,464,933	30,812,958
Total Income	**251,678,063**	**126,701,508**
Provisions	**(25,631,011)**	**(10,402,876)**
Total Expenses	**(29,189,095)**	**(17,887,910)**
Net Profit Before Tax	**196,857,957**	**98,410,722**
Income Tax	(30,793,721)	(14,098,178)
Net Profit After Tax	**166,064,236**	**84,312,544**
Other Comprehensive Income	(2,263,170)	(4,726,467)
Total Comprehensive Income	**163,801,066**	**79,586,077**
Non-controlling Interests Share	76,273,845	27,717,101

C. Summarized Statement of Cash Flows for Bank of Baghdad for the year ended:

	2024	2023
	Bank of Baghdad	Bank of Baghdad
	JD	JD
Cash flows:		
Operating activities	392,628,442	493,157,852
Investing activities	(171,887,963)	22,305,267
Financing activities	(31,557,466)	(7,087,322)
Effect of exchange rate changes on cash and cash equivalents	1,663,811	91,647
Cash and cash equivalents at beginning of year	848,249,230	339,781,786
Cash and cash equivalents at end of year	**1,039,096,054**	**848,249,230**

(38) Transactions with Related Parties

The Bank has entered into transactions with subsidiaries, sister companies, major shareholders, members of the board of directors and senior management within the normal activities of the bank, using interest rates and commercial commissions. All credit facilities granted to related parties are considered operational and no provisions were taken for them as of the date of the consolidated financial statements.

Transactions with related parties during the year are summarized as follows:

	Related party						
	Sister companies	**Subsidiaries**	**Members of the Board of Directors ***	**Executive Directors**	**Foreign Branches**	**Other ****	**Total**
31 December 2024	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	
Items in the consolidated statement of financial position:							
Direct credit facilities *	39,130,751	1,216,609	739,375	4,666,468	-	-	**45,753,203**
Banks and financial institutions' deposits	1,401,031	287,863	-	-	134,405,296	-	**136,094,190**
Customers' deposits	136,201	2,484,015	106,013,452	1,179,563	-	206,974	**110,020,205**
Deposits with the banks and banking corporates	11,625,570	-	-	-	179,717,088	7,301,203	**198,643,861**
Cash margins	-	-	-	11,204	-	14,725	**25,929**
Financial assets at fair value through comprehensive income	24,815,000	-	-	-	-	40,046,240	**64,861,240**
Right of use of assets	-	-	107,340	-	-	-	**107,340**
Lease liabilities	-	-	197,438	-	-	-	**197,438**
Financial assets at amortised cost / borrowed funds	-	-	80,032,977	-	-	-	**80,032,977**
Items off the consolidated statement of financial position:							
Guarantees	4,422,070	800,358	-	-	-	147,500	**5,369,928**
Letters of credit	166,629	4,038,071	-	-	-	3,828,600	**8,033,300**
Items on the consolidated statement of income:							
Interests and commissions income ***	4,419,494	80,183	20,596	204,268	9,424,681	-	**14,149,222**
Interests and commissions expense ****	-	6,695	5,580,384	44,017	8,751,088	-	**14,382,184**
Financial asset dividends	650,000	-	-	-	-	457,205	**1,107,205**
Dividends from subsidiaries	-	14,564,327	-	-	-	-	**14,564,327**
Amortisation of right of use assets	-	-	51,972	-	-	-	**51,972**
Interests against lease liabilities	-	-	20,777	-	-	-	**20,777**
Management agreement	-	7,023,501	-	-	-	-	**7,023,501**
Other income	-	1,976,098	-	-	-	-	**1,976,098**
Operating expense	-	30,405	-	-	-	-	**30,405**

	Related party						
31 December 2023	**Sister companies**	**Subsidiaries**	**Members of the Board of Directors ***	**Executive Directors**	**Foreign branches**	**Other ****	**Total**
	JD	**JD**	**JD**	**JD**	**JD**	**JD**	
Items in the consolidated statement of financial position:							
Direct credit facilities *	39,117,740	1,272,136	1,020,005	4,338,113	-	-	**45,747,994**
Banks and financial institutions' Deposits	13,030,742	-	-	-	218,561,668	347	**231,592,757**
Customers' deposits	-	512,707	101,391,642	1,123,247	-	7,907,985	**110,935,581**
Deposits with the banks and banking corporates	269,723	177,059	-	-	113,388,825	4,339,719	**118,175,326**
Cash margins	-	-	-	10,551	-	17,975	**28,526**
Financial assets at fair value through comprehensive income	24,815,000	-	-	-	-	35,056,352	**59,871,352**
Right of use assets	-	-	237,270	-	-	-	**237,270**
Liabilities against the right of use assets	-	-	235,445	-	-	-	**235,445**
Financial assets at amortised cost / borrowed funds	-	-	80,017,850	-	-	-	**80,017,850**
Items off the consolidated statement of financial position:							
Guarantees	4,719,850	517,908	-	-	-	180,000	**5,417,758**
Letters of credit	737,596	-	-	-	-	18,731,257	**19,468,853**
Items on the consolidated statement of income:							
Interests and commissions income ***	-	456,748	16,028	205,635	7,332,827	-	**8,011,238**
Interests and commissions expense ****	252,397	3,174	4,663,065	47,209	7,095,564	1,067,993	**13,129,402**
Financial assets dividends	-	-	-	-	-	-	**-**
Amortisation of right of use assets	-	-	51,972	-	-	-	**51,972**
Interests against lease liabilities of leased assets	-	-	24,246	-	-	-	**24,246**
Other revenues	-	2,435	-	-	-	-	**2,435**
Operating expenses	-	377,599	-	-	-	527,451	**905,050**

- Transactions with subsidiaries and foreign branches are eliminated and are presented only for disclosure purposes.

* Direct credit facilities granted to the board of directors and executive directors include an amount of JD 938,335 relating to credit granted to board members of Ejara Financial Leasing Company (a subsidiary company) and the United Financial Investments Company (subsidiary) and related parties as of 31 December 2024.

** Represents companies in which the bank has the right to vote at their board meetings.

*** Interest income rates range from (0.001) % to (6.35) %.

**** Interest expense rates range from (1.75) % to (10.75) %.

The Bank is represented by three board members in United Financial Investments Company's Board of Directors.

Executive management salaries and remuneration

Salaries of executive management of the Bank amounted to JD 4,955,873 for the year 2024 compared to JD 5,411,597 for the year 2023.

(39) Fair value of financial assets and financial liabilities that are not measured at fair value in the financial statements

There are no material differences between the carrying value and the fair value of the financial assets and liabilities as at the end of 2024 and 2023.

These financial assets and liabilities are disclosed in note (45): Fair value hierarchy.

(40) Risk Management

A- The responsibilities of the risk management department of the bank include all the bank's departments and branches operating inside and outside the kingdom as well as its subsidiaries through identifying, determining, measuring and managing risks under international best practices and within the limits of the functions and responsibilities of risk management.

The responsibilities of the risk management department in the bank include the following areas:

- **Credit risk:**

This represents the potential loss resulting from the customer's inability or unwillingness to meet its obligations on time. These risks are one of the most significant risks to banks.

- **Market risk:**

This represents the losses that the Bank may be exposed to as a result of any financial positions on or off the balance sheet due to any changes occurring in the market prices.

- **Liquidity risk:**

This represents the losses that the Bank may be exposed to due to lack of funds needed to finance the increase of its investments or to repay its obligations when they become due on time with appropriate cost. (This is part of asset and liability management (ALM). reports, in this regard, are prepared by Risk Management).

- **Interest rate risk:**

This represents the exposure to adverse movements in interest rates that affects the profitability of the bank due to the change in net interest income and in the economic value of the cash flows of assets and liabilities.

- **Operational risk:**

This represents the loss resulting from the failure or inadequacy of internal procedures, human element, systems, or external events. This definition includes legal risk but not the strategic and reputation risk.

- **Cyber Security Risk**

These are the risks resulting from threats and attacks targeting systems, networks, and infrastructure, leading to damage to data and technological assets or disruption of systems and operations.

- **Business Continuity Management**

These are the risks resulting from threats or events that hinder the bank's ability to continue performing its core functions normally, whether those threats arise from natural disasters, technical incidents, cyberattacks, or any other factors that lead to operational disruptions.

Detailed responsibilities and functions of risk management sections

1. Credit risk:

- Prepare an analysis of the credit portfolio and present it to all relevant parties clearly regarding its quality, various classifications, and any concentrations, as well as historical benchmarking comparisons with the banking sector where possible. Subsequently, provide appropriate recommendations to mitigate existing risks.

- Establishing and updating credit limits in collaboration with the credit department and business development Department, monitoring them periodically, and submitting the necessary reports to the relevant authorities to avoid concentrations within a single classification.

- Coordinating with all relevant departments to implement updates on the expected credit loss (ECL) calculation systems in accordance with IFRS (9) and the internal credit rating system, in addition to defining the variables and settings that precede the calculation process for each financial reporting period, as well as addressing inquiries related to the calculation methodology.

- Preparing a series of studies that present potential credit risks associated with global, regional, and local events, while also highlighting the expected impacts in the event of their occurrence.

- Participating in the review of the credit policy that outlines the guidelines and rules for how the bank performs its credit granting function, as well as providing necessary recommendations regarding risk management, and working on updating all other policies related to credit risk management.

2. Market risk:

- The Bank has specific policies and procedures approved by the Board of Directors for identifying, measuring, monitoring and controlling the market risk. These are periodically reviewed, and the implementation thereof is monitored. Such policies include:

- Investment policy: the representatives of treasury and risk departments develop and review this policy and amend it annually, if required. They also present it to the investment committee and the assets and liabilities committee.

- The bank has a written market risk policy approved by the board of directors that describes how to identify, measure, control and mitigate market risks. The bank also has written policies approved by the board of directors, which define the fundamentals of portfolio management and investment funds, including operational bases, desired investment instruments and effective controls, in addition to a policy clarifying the basis for dealing between the bank and its customers in convertible foreign currencies and major precious metals on a margin basis. The risk management department develops such policies in cooperation with the concerned departments. Periodic (daily and monthly) reports are submitted by Middle Office under market risk/ risk management for adherence with the above policies.

- The Risk Management Department prepares Value at Risk (‘VAR’) and measures sensitivity analysis, interest rate risk, limits and other reports included in the relevant policies approved.

3. Liquidity risk:

- The risk management department, in cooperation with the Treasury Department, develops / updates a written policy for liquidity risk management which is approved by the Board of Directors of the Bank.

- The risk management department monitors the Bank's commitment to liquidity ratios set by the Central Bank of Jordan and the supervisory authorities under which the Bank's branches operate. The Bank's liquidity is monitored on a daily basis by the Treasury Department.

- Liquidity is also monitored by the Asset and Liability Management Committee chaired by the Director General and comprises the Head of Risk Management. It is governed by the ALCO Policy through periodic reports prepared by the Risk Management Departments and the Treasury Department. They are presented and considered by the Committee members who make appropriate recommendations in this regard.

- The Risk Management Department, in coordination with the Treasury Department, prepares a written policy for a Liquidity Contingency Plan to address any liquidity problems at the Bank, at various levels and scenarios, which is approved by the Board of Directors of the Bank.

4. Operational risk:

- The Risk Management Department prepares, and reviews documented policies and procedures for identifying, evaluating, mitigating and controlling operational risks. This is done to ensure compliance with the Basel requirements and to enhance the efficiency and effectiveness of the Bank's control environment. The Bank uses an automated operational risk system covering the Self-Assessment areas and Events Collection system and identifies and analyses Key Risk Indicators (KRI) to the Bank's operation centres.

- The Risk Management Department combines the tasks of different risk management when setting controls and procedures to make sure that all risks are covered and to achieve the Enterprise Risk Management concept. The Bank also has Standard Operating Procedures (SOP's) working procedures documented, reviewed and adjusted periodically by the concerned departments and under the supervision of the Operations Development Department. Any procedures that are modified or developed, including any new products, are presented to departments of internal audit, compliance and risks to study possible risks and adequacy of existing controls.

5. Cybersecurity & business continuity management:

- Cybersecurity Team:
  - Daily monitoring of events detected in the bank's environment, such as system access operations, monitoring of malware protection software, and modifications made to systems and databases.
  - Risk assessment for projects and systems that the bank intends to implement, ensuring that all security requirements are met.
  - Supervising the bank's compliance with cybersecurity standards and requirements, such as the instructions from the Central Bank of Jordan, PCI DSS, Swift CSP, and ISO 27001.
  - Providing relevant departments with contractual terms related to cybersecurity and business continuity management and verifying their inclusion in contracts signed with external parties.
  - Conducting periodic reviews of the permissions granted to employees in the bank's environment and providing the results to the relevant departments, ensuring that any observations are corrected by those departments.

- Business Continuity Management Team:
  - Periodically updating the business continuity plans for the bank's departments.
  - Coordinating with relevant departments to conduct regular business continuity assessments and documenting the results.
  - Updating the evacuation plans for the bank's buildings and coordinating with relevant authorities to test the evacuation plans.
  - Developing and updating crisis management plans.

6. Interest rate risk:

The Risk Management Department prepares a documented Interest Rate Risk Policy that governs the identification, measurement, and control of interest rate risks within the framework of the bank's Asset and Liability Management (ALCO). This policy is approved by the Board of Directors. The Risk Management Department also prepares the necessary reports, which are presented to the bank's ALCO Committee.

7. Compliance with Basel requirements:

The Department oversees the implementation of the requirements of the various Basel decisions, including the accounting of Basel III capital adequacy ratios including liquidity ratios, and effectively contributes to capital budgeting.

The Department prepares stress tests, evaluates internal capital and issues analytical reports on capital.

The Department also issues various financial analyses of banks with the preparation of new analyses specialised in specific aspects by taking advantage of the disclosures issued by banks.

Credit risk exposures (after netting related provisions, interest in suspense and before collaterals and other risk mitigators):

	2024	2023
	JD	JD
Items in the consolidated statement of financial position		
Balances at central banks	1,068,593,691	787,223,767
Balances at banks and financial institutions	355,396,166	540,276,278
Direct credit facilities:		
Retail	347,239,825	340,754,248
Real estate loans	231,362,184	205,701,491
Corporates		
Large corporates	1,124,491,937	1,143,756,764
SMEs	138,961,531	141,058,743
Government and public sector	159,848,195	175,475,054
Bills, bonds and notes:		
Within financial assets at fair value through statement of income	3,486,897	3,460,806
Within financial assets at fair value through other comprehensive income	40,907,600	32,410,070
Within financial assets at amortised cost	1,433,988,867	1,122,883,189
Other assets	58,636,804	53,801,475
Items off the consolidated statement of financial position		
Guarantees	299,213,500	300,012,624
Letters of credit	40,706,212	59,774,797
Acceptances	41,787,021	32,550,736
Unutilized facilities (direct and indirect)	470,795,041	407,475,151
Total	**5,815,415,471**	**5,346,615,193**

The following is the distribution of the fair value of collaterals provided against direct credit facilities which are valued as per the requirements of the Central Bank of Jordan by independent experts at least once every two years, while the cash deposits balance is presented at fair value based on the exchange rates issued by the Central Bank of Jordan and are accounted for individually provided that the cash deposits balance does not exceed credit facilities balance in all cases:

Distribution of fair value of collaterals against credit exposures as at 31 December 2024

		Fair value of collaterals								
	Gross amount of exposure	**Cash margins**	**Quoted shares**	**Accepted bank guarantees**	**Real estate**	**Vehicles and machineries**	**Other**	**Gross amount of collaterals**	**Net exposures after collaterals**	**Expected credit loss**
	JD	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Balances at central banks	1,099,867,793	-	-	-	-	-	-	-	1,099,867,793	31,274,102
Balances at banks and financial institutions	361,167,858	-	-	-	-	-	-	-	361,167,858	5,771,692
Direct credit facilities:										
Retail	405,700,233	53,415,991	29,417,079	-	117,286,848	19,639,991	99,115	219,859,024	185,841,209	50,607,345
Real estate mortgage	259,488,022	7,872,604	123,941	-	306,441,949	2,113,139	229,420	316,781,053	-	21,917,375
Large companies	1,281,795,665	27,477,400	259,017,477	7,161,766	302,485,068	7,485,543	2,153,873	605,781,127	676,014,538	130,103,274
SMEs	152,307,754	6,206,484	15,912,941	-	94,511,865	12,275,872	12,769,260	141,676,422	10,631,332	11,948,348
Government and public sector	160,136,731	-	-	-	-	-	-	-	160,136,731	288,536
Bills, bonds and notes:										
Within financial assets at fair value through the profit or loss	3,486,897	-	-	-	-	-	-	-	3,486,897	-
Within financial assets at fair value through the statement of comprehensive income	40,907,600	-	-	-	-	-	-	-	40,907,600	150,531
Within financial assets at amortised cost	1,453,916,787	-	6,756,212	-	6,886,154	-	-	13,642,366	1,440,274,421	19,927,920
Other assets	58,636,804	-	-	-	-	-	-	-	58,636,804	-
Total	**5,277,412,144**	**94,972,479**	**311,227,650**	**7,161,766**	**827,611,884**	**41,514,545**	**15,251,668**	**1,297,739,992**	**4,036,965,183**	**271,989,123**
Financial guarantees	308,679,069	39,522,321	8,101,529	499,062	77,717,911	1,630,747	804,428	128,275,998	180,403,071	9,465,569
Letters of credit	41,289,686	1,356,916	-	-	2,129,583	76,986	77,701	3,641,186	37,648,500	583,474
Other liabilities	516,874,096	26,787,113	6,399,091	2,603,707	59,223,521	2,873,833	3,170,654	101,057,919	415,816,177	4,292,034
Total	**866,842,851**	**67,666,350**	**14,500,620**	**3,102,769**	**139,071,015**	**4,581,566**	**4,052,783**	**232,975,103**	**633,867,748**	**14,341,077**
Grand Total	**6,144,254,995**	**162,638,829**	**325,728,270**	**10,264,535**	**966,682,899**	**46,096,111**	**19,304,451**	**1,530,715,095**	**4,670,832,931**	**286,330,200**

The following is the distribution of the fair value of collaterals provided against direct credit facilities which are valued as per the requirements of the Central Bank of Jordan by independent experts at least once every two years, while the cash deposits balance is presented at fair value based on the exchange rates issued by the Central Bank of Jordan and are accounted for individually provided that the cash deposits balance does not exceed credit facilities balance in all cases:

Distribution of fair value of collaterals against credit exposures as at 31 December 2023:

		Fair value of collaterals								
	Gross amount of exposure	**Cash margins**	**Quoted shares**	**Accepted bank guarantees**	**Real estate**	**Vehicles and machineries**	**Other**	**Gross amount of collaterals**	**Net exposures after collaterals**	**Expected credit loss**
	JD	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Balances at central banks	815,164,709	-	-	-	-	-	-	-	815,164,709	27,940,942
Balances at banks and financial institutions	545,344,790	-	-	-	-	-	-	-	545,344,790	5,068,512
Direct credit facilities:										
Retail	375,493,885	3,198,292	1,039,410	-	83,309,156	19,594,006	1,027,362	108,168,226	267,325,659	31,618,249
Real estate mortgage loans	225,459,851	9,528,680	1,472,741	7,655,349	283,867,507	1,961,453	407,971	304,893,701	-	16,679,807
Large companies corporates	1,307,811,394	34,273,623	213,484,429	11,769,273	327,430,468	4,761,984	3,644,045	595,363,822	712,447,572	136,826,371
SMEs	152,103,671	43,024,332	12,423,838	-	113,248,095	13,815,798	39,953,315	222,465,378	-	9,970,779
Government and public sector	175,786,439	-	-	-	-	-	-	-	175,786,439	311,385
Bills, bonds and notes:										
Within financial assets at fair value through the income statement	3,460,806	-	-	-	-	-	-	-	3,460,806	-
Within financial assets at fair value through the statement of comprehensive income	32,410,070	-	-	-	-	-	-	-	32,410,070	44,965
Within financial assets at amortised cost	1,142,871,140	-	7,680,541	-	6,886,154	-	-	14,566,695	1,128,304,445	19,987,951
Other assets	53,801,475	-	-	-	-	-	-	-	53,801,475	-
Total	**4,829,708,230**	**90,024,927**	**236,100,959**	**19,424,622**	**814,741,380**	**40,133,241**	**45,032,693**	**1,245,457,822**	**3,734,045,965**	**248,448,961**
Financial guarantees	309,623,858	38,197,417	7,854,738	439,929	70,156,557	1,374,635	6,957,195	124,980,471	184,643,387	9,611,234
Letters of credit	60,247,710	2,507,155	-	-	3,221,553	59,796	87,987	5,876,491	54,371,219	472,913
Other liabilities	443,969,884	28,967,390	15,639,916	-	60,726,182	2,981,684	8,518,953	116,834,125	327,135,759	3,943,997
Total	**813,841,452**	**69,671,962**	**23,494,654**	**439,929**	**134,104,292**	**4,416,115**	**15,564,135**	**247,691,087**	**566,150,365**	**14,028,144**
Grand Total	**5,643,549,682**	**159,696,889**	**259,595,613**	**19,864,551**	**948,845,672**	**44,549,356**	**60,596,828**	**1,493,148,909**	**4,300,196,330**	**262,477,105**

Distribution of fair value of collaterals against credit exposures for stage 3 for 2024:

		Fair value of collaterals								
	Gross amount of exposure	Cash margins	Quoted shares	Accepted bank guarantees	Real estate	Vehicles and machineries	Other	Gross amount of collaterals	Net exposures after collaterals	Expected credit loss
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	31,128,312	-	-	-	-	-	-	-	31,128,312	31,128,312
Balances at banks and financial institutions	4,933,250	-	-	-	-	-	-	-	4,933,250	4,933,250
Direct credit facilities:										
Retail	53,712,966	13,534	322,866	-	10,725,108	2,734,954	18,598	13,815,060	39,897,906	38,105,614
Real estate mortgage loan	17,307,030	1	-	-	19,935,922	137,463	-	20,073,386	-	7,850,952
Large companies corporates	102,259,335	3,320,041	343,537	-	19,473,153	-	-	23,136,731	79,122,604	65,555,338
SMEs	13,822,546	85,328	259,107	-	9,392,695	1,416,183	1,565,127	12,718,440	1,104,106	8,970,729
Bills, bonds and notes:										
Within financial assets at amortised cost	21,872,534	-	6,756,212	-	6,886,154	-	-	13,642,366	8,230,168	18,710,933
Total	**245,035,973**	**3,418,904**	**7,681,722**	**-**	**66,413,032**	**4,288,600**	**1,583,725**	**83,385,983**	**164,416,346**	**175,255,128**
Financial guarantees	993,402	109,879	-	-	192,952	71,291	1,179	375,301	618,101	808,505
Other liabilities	208,235	8,000	203	-	402,718	29,937	4,395	445,253	-	122,584
Total	**1,201,637**	**117,879**	**203**	**-**	**595,670**	**101,228**	**5,574**	**820,554**	**618,101**	**931,089**
Grand Total	**246,237,610**	**3,536,783**	**7,681,925**	**-**	**67,008,702**	**4,389,828**	**1,589,299**	**84,206,537**	**165,034,447**	**176,186,217**

Distribution of fair value of collaterals against credit exposures for stage 3 for 2023:

		Fair value of collaterals								
	Gross amount of exposure	Cash deposits	Quoted shares	Accepted bank guarantees	Real estate	Vehicles and machineries	Other	Gross amount of collaterals	Net exposures after collaterals	Expected credit loss
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	7,108,654	-	-	-	-	-	-	-	7,108,654	7,108,654
Balances at banks and financial institutions	25,077	-	-	-	-	-	-	-	25,077	25,077
Direct credit facilities:										
Retail	26,226,949	3,419	-	-	2,920,250	3,393,934	163,952	6,481,555	19,745,394	17,473,187
Real estate loans	15,494,861	-	-	-	17,978,624	144,881	-	18,123,505	-	7,302,261
Large corporates	114,891,474	5,481,663	422,773	-	16,224,930	-	-	22,129,366	92,762,108	71,663,510
SMEs	12,583,529	50,074	-	-	6,385,827	1,474,656	4,641,465	12,552,022	31,507	8,918,414
Bills, bonds and notes:										
Within financial assets at amortised cost	21,914,435	-	7,680,541	-	6,886,154	-	-	14,566,695	7,347,740	18,752,836
Total	**198,244,979**	**5,535,156**	**8,103,314**	**-**	**50,395,785**	**5,013,471**	**4,805,417**	**73,853,143**	**127,020,480**	**131,243,939**
Financial guarantees	1,810,908	148,333	-	-	310,731	61,593	261,036	781,693	1,029,215	1,461,763
Other liabilities	85,210	64	343	-	89,661	837	17,237	108,142	-	66,481
Total	**1,896,118**	**148,397**	**343**	**-**	**400,392**	**62,430**	**278,273**	**889,835**	**1,029,215**	**1,528,244**
Grand Total	**200,141,097**	**5,683,553**	**8,103,657**	**-**	**50,796,177**	**5,075,901**	**5,083,690**	**74,742,978**	**128,049,695**	**132,772,183**

Scheduled debts

These are the debts that were previously classified as non-performing credit facilities and were taken out of the classification of non-performing credit facilities under a rescheduling agreement and classified as watch list, total debts rescheduled amounted to JD 8,062,638 during 2024 and were classified as watch list, rescheduled debts balance during 2023 amounted to JD 17,004,513.

Restructured debt

Restructuring refers to the rearrangement of credit facilities position in terms of instalments, extending the life of credit facilities, deferring certain instalments or extending the grace period, restructured but not classified debts’ balance amounted to JD 139,985,293 during 2024 (compared to JD 177,636,068 during 2023).

Bills, bonds and notes

The following table describes classification of bills, bonds and notes as per the external rating institutions as at 31 December 2024 and 2023:

Credit rating	Classification Institution	Within financial assets at fair value through comprehensive income	Within financial assets at amortised cost	Within financial assets through profit and loss	Total
		JD	JD	JD	2024
A1	Moody's	866,927	1,418,000	-	2,284,927
A3	Moody's	1,332,410	-	-	1,332,410
Ba1	Moody's	857,170	-	-	857,170
Baa1	Moody's	2,666,841	-	-	2,666,841
Baa2	Moody's	2,461,785	-	-	2,461,785
Baa3	Moody's	2,394,187	-	-	2,394,187
Government	Moody's	30,328,280	1,434,665,187	3,486,897	1,468,480,364
Non listed	Moody's	-	17,833,600	-	17,833,600
		40,907,600	**1,453,916,787**	**3,486,897**	**1,498,311,284**

Credit rating	Classification Institution	Within financial assets at fair value through comprehensive income	Within financial assets at amortised cost	Within financial assets through profit and loss	Total
		JD	JD	JD	2023
A3	Moody's	1,379,877	-	-	1,379,877
Ba1	Moody's	450,491	-	-	450,491
Baa1	Moody's	1,800,133	-	-	1,800,133
Baa2	Moody's	1,854,895	-	-	1,854,895
Baa3	Moody's	1,687,642	-	-	1,687,642
Government	Moody's	-	1,130,709,540	3,460,806	1,134,170,346
Non listed	Moody's	25,237,032	12,161,600	-	37,398,632
		32,410,070	1,142,871,140	3,460,806	1,178,742,016

A- Total distribution of exposures by financial instruments

31 December 2024	Financial	Manufacturing	Commercial	Real estate	Agricultural	Shares	Retail	Government and public sector	Services	Other	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	875,303,510	-	-	-	-	-	-	193,290,181	-	-	1,068,593,691
Balances at banks and financial institutions	337,571,463	-	-	-	-	8,421,388	-	9,237,823	-	165,492	355,396,166
Net credit facilities	230,620,418	259,065,111	418,236,675	257,870,553	26,014,867	8,177,934	301,447,682	159,848,184	340,598,781	23,467	2,001,903,672
Bills, bonds and notes:											
Within financial assets at fair value through the profit or loss	-	-	-	-	-	-	-	3,486,897	-	-	3,486,897
Within financial assets at fair value through the statement of other comprehensive income.	-	-	8,379,983	-	-	-	-	30,328,280	2,199,337	-	40,907,600
Within financial assets at amortised cost	74,068,776	-	10,112,625	-	-	-	-	1,344,837,442	4,970,024	-	1,433,988,867
Other assets	54,321,306	-	-	3,880,489	-	-	435,009	-	-	-	58,636,804
Financial guarantees	104,817,004	38,253,686	47,851,028	2,065,758	639,697	1,476,565	1,500,200	-	100,961,279	1,648,283	299,213,500
Letters of credit	-	4,523,538	22,380,338	-	2,441,893	-	-	-	5,136,038	6,224,405	40,706,212
Other liabilities	38,969,169	170,757,294	146,000,638	-	39,212,141	2,097,606	21,690,596	4,889,542	88,965,076	-	512,582,062
Grand Total	**1,715,671,646**	**472,599,629**	**652,961,287**	**263,816,800**	**68,308,598**	**20,173,493**	**325,073,487**	**1,745,918,349**	**542,830,535**	**8,061,647**	**5,815,415,471**

B- Distribution of exposures by classification stages under IFRS (9)

	Stage 1 Individuals	Stage 1 Collective	Stage 2 Individuals	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Financial	1,710,716,217	-	4,708,905	-	246,524	1,715,671,646
Industrial	397,747,390	-	73,111,266	-	1,740,973	472,599,629
Commercial	608,395,793	-	36,816,026	-	7,749,468	652,961,287
Real estate	206,044,267	-	48,994,103	-	8,778,430	263,816,800
Agricultural	54,061,340	-	8,723,731	-	5,523,527	68,308,598
Shares	20,173,493	-	-	-	-	20,173,493
Retail	289,016,596	-	27,477,049	-	8,579,842	325,073,487
Government and public sector	1,740,732,910	-	5,185,439	-	-	1,745,918,349
Services	497,405,977	-	43,552,017	-	1,872,541	542,830,535
Others	7,509,705	-	530,293	-	21,649	8,061,647
Total	**5,531,803,688**	**-**	**249,098,829**	**-**	**34,512,954**	**5,815,415,471**

Total distribution of exposures by financial instruments

	Financial	Manufacturing	Commercial	Real estate	Agricultural	Shares	Retail	Government and public sector	Services	Other	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
31 December 2023											
Balances at central banks	464,806,353	-	-	-	-	-	-	322,417,414	-	-	787,223,767
Balances at banks and financial institutions	538,640,101	-	-	-	-	1,636,177	-	-	-	-	540,276,278
Credit facilities- net	225,776,476	349,221,458	340,571,247	238,250,802	31,766,163	9,782,829	287,831,248	175,475,054	348,071,023	-	2,006,746,300
Bills, bonds and notes:											
Within financial assets at fair value through the income statement.	-	-	-	-	-	-	-	3,460,806	-	-	3,460,806
Within financial assets at fair value through the statement of other comprehensive income.	-	-	5,793,161	-	-	-	-	25,237,032	1,379,877	-	32,410,070
Within financial assets at amortised cost	336,891,630	-	3,161,600	-	-	-	-	777,958,992	4,870,967	-	1,122,883,189
Other assets	50,176,297	-	-	3,226,690	-	-	398,488	-	-	-	53,801,475
Financial guarantees	43,545,645	92,178,533	44,356,879	1,796,553	527,002	1,947,932	1,565,235	-	114,094,845	-	300,012,624
Letters of credit	-	16,873,665	33,729,291	-	3,239,333	-	-	-	5,932,508	-	59,774,797
Other liabilities	22,589,621	130,186,203	141,860,936	-	32,034,070	2,459,156	21,660,788	4,778,534	84,456,579	-	440,025,887
Grand Total	1,682,426,123	588,459,859	569,473,114	243,274,045	67,566,568	15,826,094	311,455,759	1,309,327,832	558,805,799	-	5,346,615,193

Distribution of exposures by classification stages under IFRS (9)

	Stage 1 Individuals	Stage 1 Collective	Stage 2 Individuals	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Financial	1,678,651,054	-	3,683,662	-	91,407	1,682,426,123
Industrial	478,508,193	-	108,398,357	-	1,553,309	588,459,859
Commercial	533,294,787	-	26,462,630	-	9,715,697	569,473,114
Real estates	206,826,138	-	30,923,923	-	5,523,984	243,274,045
Agricultural	47,872,876	-	10,594,778	-	9,098,914	67,566,568
Shares	15,826,094	-	-	-	-	15,826,094
Retail	290,863,728	-	16,304,396	-	4,287,635	311,455,759
Government and public sector	1,304,195,139	-	5,132,693	-	-	1,309,327,832
Services	490,455,913	-	64,490,314	-	3,859,572	558,805,799
Others	-	-	-	-	-	-
Total	**5,046,493,922**	**-**	**265,990,753**	**-**	**34,130,518**	**5,346,615,193**

A- Total distribution of exposures by geographical areas:

	Inside the Kingdom	Other Middle East Countries	Europe	Asia	Africa	America	Other countries	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	190,271,635	875,303,758	3,018,298	-	-	-	-	1,068,593,691
Balances at banks and financial institutions	718,979	31,948,123	41,154,277	32,023,939	382,172	240,234,337	8,934,339	355,396,166
Credit facilities	1,737,633,539	14,176,677	250,093,456	-	-	-	-	2,001,903,672
Bills, bonds and notes:								
Within financial assets at fair value through profit or loss	3,486,897	-	-	-	-	-	-	3,486,897
Within financial assets at fair value through the statement of other comprehensive income	23,329,202	3,607,505	4,048,011	-	1,445,367	449,333	8,028,182	40,907,600
Within financial assets at amortised cost	919,026,391	508,359,844	-	-	5,185,439	1,417,193	-	1,433,988,867
Other assets	42,614,544	11,815,103	4,207,157	-	-	-	-	58,636,804
Total/ current year	**2,917,081,187**	**1,445,211,010**	**302,521,199**	**32,023,939**	**7,012,978**	**242,100,863**	**16,962,521**	**4,962,913,697**
Financial guarantees	222,063,104	31,967,008	36,204,493	8,635,732	-	343,163	-	299,213,500
Letters of credit	25,475,013	8,777,856	6,453,343	-	-	-	-	40,706,212
Other liabilities	466,778,669	15,560,921	30,242,472	-	-	-	-	512,582,062
Grand Total	**3,631,397,973**	**1,501,516,795**	**375,421,507**	**40,659,671**	**7,012,978**	**242,444,026**	**16,962,521**	**5,815,415,471**

B- Distribution of exposures by classification stages under IFRS (9)

	Stage 1 Individuals	Stage 1 Collective	Stage 2 Individuals	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Inside the Kingdom	3,379,288,708	-	220,681,943	-	31,427,322	3,631,397,973
Other Middle East Countries	1,498,605,868	-	534,935	-	2,375,992	1,501,516,795
Europe	352,015,355	-	22,696,512	-	709,640	375,421,507
Asia	40,659,671	-	-	-	-	40,659,671
Africa	1,827,539	-	5,185,439	-	-	7,012,978
America	242,444,026	-	-	-	-	242,444,026
Other countries	16,962,521	-	-	-	-	16,962,521
Total	**5,531,803,688**	**-**	**249,098,829**	**-**	**34,512,954**	**5,815,415,471**

Credit exposure concentration as per the geographical distribution as at 31 December 2023:

Geographic region / Description	Inside the Kingdom	Other Middle East Countries	Europe	Asia *	Africa *	America	Other countries	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Total / comparative figures	3,605,105,114	1,250,270,227	386,107,898	1,137,904	5,237,099	83,418,175	15,338,776	**5,346,615,193**

Credit exposures reclassified

A. Gross exposures reclassified

31 December 2024	Stage 2		Stage 3			
	Gross amount of exposure	Exposures reclassified	Gross amount of exposure	Exposures reclassified	Gross exposures reclassified	Percentage of exposures reclassified
	JD	JD	JD	JD	JD	%
Balances at central banks	-	-	31,128,312	-	-	-
Balances at banks and financial institutions	733,570	-	4,933,250	-	-	-
Credit facilities:						
Retail	30,753,871	10,963,571	53,712,966	908,093	11,871,664	14.05%
Real estate loans	66,210,781	4,273,709	17,307,030	492,604	4,766,313	5.71%
Large corporates	189,146,090	1,249,471	102,259,335	-	1,249,471	0.43%
SMEs	19,585,351	3,019,931	13,822,546	1,055,899	4,075,830	12.20%
Bills, bonds and notes:						
Within financial assets at fair value through the statement of comprehensive income	-	-	-	-	-	-
Within financial assets at amortised cost	6,187,738	-	21,872,534	-	-	0.00%
Total	**312,617,401**	**19,506,682**	**245,035,973**	**2,456,596**	**21,963,278**	**3.94%**
Financial guarantees	16,073,906	966,452	993,402	328,150	1,294,602	7.58%
Letters of credit	1,261,431	-	-	-	-	0.00%
Other liabilities	8,486,318	567,625	208,235	2,910	570,535	6.56%
Total	**25,821,655**	**1,534,077**	**1,201,637**	**331,060**	**1,865,137**	**6.90%**
Grand Total	**338,439,056**	**21,040,759**	**246,237,610**	**2,787,656**	**23,828,415**	**4.08%**

31 December 2023	Stage 2		Stage 3			
	Gross amount of exposure	Exposures reclassified	Gross amount of exposure	Exposures reclassified	Gross exposures reclassified	Percentage of exposures reclassified
	JD	JD	JD	JD	JD	%
Balances at central banks	24,502,322	-	7,108,636	-	-	-
Balances at banks and financial institutions	4,910,328	-	25,077	-	-	-
Credit facilities:						
Retail	16,862,466	4,794,156	26,226,949	1,308,640	6,102,796	17.57%
Real estate loans	24,903,383	3,527,882	15,494,861	1,146,203	4,674,085	11.57%
Large corporate	242,940,197	28,600,515	114,891,474	-	28,600,515	7.96%
SMEs	14,657,399	12,288,105	12,583,529	163,469	12,451,574	36.37%
Bills, bonds and notes:						
Within financial assets at fair value through the statement of comprehensive income	-	-	-	-	-	-
Within financial assets at amortised cost	6,208,304	-	21,914,435	-	-	-
Total	**334,984,399**	**49,210,658**	**198,244,961**	**2,618,312**	**51,828,970**	**10.04%**
Financial guarantees	23,640,582	223,420	1,810,908	4,000	227,420	0.89%
Letters of credit	240,040	-	-	-	-	-
Other liabilities	6,096,989	357,477	85,210	43,167	400,644	6.48%
Total	**29,977,611**	**580,897**	**1,896,118**	**47,167**	**628,064**	**1.97%**
Grand Total	**364,962,010**	**49,791,555**	**200,141,079**	**2,665,479**	**52,457,034**	**9.57%**

B. ECL of exposures reclassified

	Exposures reclassified			ECL of exposures reclassified				
31 December 2024	**Gross exposures reclassified from Stage 2**	**Gross exposures reclassified from Stage 3**	**Gross reclassified exposures**	**Stage 2 Individuals**	**Stage 2 Collective**	**Stage 3 Individuals**	**Stage 3 Collective**	**Total**
	JD	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Credit facilities:								
Retail	10,963,571	908,093	11,871,664	3,680,507	-	116,766	-	**3,797,273**
Real estate loans	4,273,709	492,604	4,766,312	559,974	-	10,806	-	**570,780**
Large corporates	1,249,471	-	1,249,471	465,061	-	-	-	**465,061**
SMEs	3,019,931	1,055,899	4,075,830	863,232	-	221,895	-	**1,085,127**
Total	**19,506,682**	**2,456,596**	**21,963,277**	**5,568,774**	**-**	**349,467**	**-**	**5,918,241**
Financial guarantees	966,452	328,150	1,294,602	4,807	-	1,073	-	**5,880**
Letters of credit	-	-	-	-	-	-	-	-
Other liabilities	567,625	2,910	570,534	24,166	-	47	-	**24,213**
Total	**1,534,077**	**331,060**	**1,865,136**	**28,973**	**-**	**1,120**	**-**	**30,093**
Grand Total	**21,040,759**	**2,787,656**	**23,828,413**	**5,597,747**	**-**	**350,587**	**-**	**5,948,334**

	Exposures reclassified			ECL of exposures reclassified				
31 December 2023	**Gross exposures reclassified from Stage 2**	**Gross exposures reclassified from Stage 3**	**Gross reclassified exposures**	**Stage 2 Individuals**	**Stage 2 Collective**	**Stage 3 Individuals**	**Stage 3 Collective**	**Total**
	JD	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Credit facilities:								
Retail	4,794,156	1,308,640	6,102,796	842,604	-	194,189	-	1,036,793
Real estate loans	3,527,882	1,146,203	4,674,085	123,869	-	65,091	-	188,960
Large corporates	28,600,515	-	28,600,515	9,158,159	-	-	-	9,158,159
SMEs	12,288,105	163,469	12,451,574	1,046,256	-	4,021	-	1,050,277
Total	**49,210,658**	**2,618,312**	**51,828,970**	**11,170,888**	**-**	**263,301**	**-**	**11,434,189**
Financial guarantees	223,420	4,000	227,420	83,434	-	20	-	83,454
Letters of credit	-	-	-	-	-	-	-	-
Other liabilities	357,477	43,167	400,644	17,452	-	309	-	17,761
Total	**580,897**	**47,167**	**628,064**	**100,886**	**-**	**329**	**-**	**101,215**
Grand Total	**49,791,555**	**2,665,479**	**52,457,034**	**11,271,774**	**-**	**263,630**	**-**	**11,535,404**

Credit exposure distribution

Bank's internal rating grade	Rating category as per the instructions (2009/ 47)	Gross amount of exposure	Expected credit losses (ECL)	Probability of Default (PD)	Rating according to external rating institutions	Exposure at default (EAD) in JD millions	Loss given default (LGD)%
STAGE 1							
	Normal	931,839,742	12,564,959	TO 92.992٪ 0.005		416,363,711	TO 4500.000٪ 0.000
	Normal	546,898			1		
	Normal	6,770,443	7,461	TO 0.524٪ 0.178	2	6,635,450	TO 46.345٪ 42.718
	Normal	10,244,896	14		-2	98,396	
	Normal	21,574,968			+2		
	Normal	10,254,860	75	TO 0.399٪ 0.358	3	5,270,148	TO 46.301٪ 45.496
	Normal	10,706,801	11,868	TO 0.887٪ 0.474	-3	9,525,614	TO 56.355٪ 40.563
	Normal	47,714,269	3,561	TO 0.367٪ 0.272	+3	22,840,767	TO 58.305٪ 31.886
	Normal	2,461,785	8,657	TO 1.865٪ 1.134	4	2,461,785	TO 49.350٪ 30.075
	Normal	2,542,072	17,433	TO 2.319٪ 0.265	-4	2,438,555	TO 52.689٪ 0.000
	Normal	29,844,714	12,522	TO 1.731٪ 0.597	+4	26,064,355	TO 56.903٪ 52.689
	Normal	717,206	6,207	TO 2.713٪ 2.514	5	716,090	TO 48.978٪ 48.268
	Normal	1,123,394,104	37,650	TO 4.097٪ 2.768	-5	86,852,875	TO 48.945٪ 43.219
	Normal	6,409,126	61,317	TO 2.651٪ 2.188	+5	6,495,401	TO 52.689٪ 42.560
	Normal	15,319,815	158,287	TO 7.130٪ 4.668	6	15,319,815	TO 52.689٪ 41.278
	Normal	9,914,581	309,165	TO 9.555٪ 7.094	-6	9,532,337	TO 50.052٪ 46.158
	Normal	17,132,211	221,476	TO 5.137٪ 1.409	+6	16,476,662	TO 53.493٪ 42.022
	Normal	3,544,554	14,697	TO 11.997٪ 9.803	+7	525,583	TO 49.671٪ 46.490
1	Normal	21,750,473	716,735	TO 100.000٪ 0.024			45
2	Normal	1,200,000	37			1,200,000	
-2	Normal	59,020,650	33,550	TO 0.309٪ 0.088		59,020,650	TO 49.818٪ 14.677
+3	Normal	85,552,055	56,821	TO 0.610٪ 0.123		85,552,055	TO 52.504٪ 0.000
3	Normal	76,728,338	82,267	TO 0.763٪ 0.176		76,728,338	TO 52.565٪ 0.000
-3	Normal	207,276,415	282,860	TO 0.920٪ 0.241		207,276,415	TO 52.689٪ 0.000
+4	Normal	142,522,437	418,703	TO 1.230٪ 0.346		143,358,312	TO 54.212٪ 0.000
4	Normal	114,239,995	644,306	TO 1.489٪ 0.518		114,239,995	TO 52.972٪ 0.000
-4	Normal	256,982,661	904,847	TO 1.961٪ 0.743		257,256,103	TO 53.554٪ 0.000
+5	Normal	81,620,340	384,537	TO 2.507٪ 1.053		81,620,340	TO 54.153٪ 0.000
5	Normal	364,555,809	2,226,612	TO 3.476٪ 1.480		365,080,364	TO 53.485٪ 0.000
-5	Normal	348,517,016	3,546,130	TO 4.576٪ 2.198		354,190,670	TO 53.426٪ 0.000
+6	Normal	132,359,424	1,711,043	TO 5.210٪ 3.163		132,359,424	TO 53.640٪ 0.000
6	Normal	182,263,784	2,337,825	TO 7.929٪ 3.939		184,956,972	TO 54.993٪ 0.000
-6	Normal	322,619	9,335	TO 9.940٪ 6.624		322,619	TO 51.564٪ 7.221
+7	Normal	2,127,583	80,645	TO 13.395٪ 10.249		2,127,583	TO 33.054٪ 10.736
7	Normal	4,129,536	275,828	TO 13.969٪ 12.329		4,129,536	TO 38.315٪ 9.390
	Acceptable Risk	1,075,154,055	185,044	TO 100.000٪ 0.037			TO 10000.000٪ 4500.000
1	Acceptable Risk	89,990,242	532,755	TO 100.000٪ 0.000			45
3	Acceptable Risk	28,767		TO 100.000٪ 8.151			TO 10000.000٪ 4500.000
4	Acceptable Risk	123,495					

Credit exposure distribution

Bank's internal rating grade	Rating category as per the instructions (2009/ 47)	Gross amount of exposure	Expected credit losses (ECL)	Probability of Default (PD)	Rating according to external rating institutions	Exposure at default (EAD) in JD millions	Loss given default (LGD)%
STAGE 2							
	Normal	5,482,330	816,519	TO 92.276٪ 0.265		5,476,795	TO 53.493٪ 0.000
	Normal	-			7-		
	Normal	6,187,738	1,002,299	0.000%	7+	6,187,738	1
5+	Normal	1,173,868	9,210	TO 1.760٪ 1.212		1,173,868	TO 53.293٪ 11.448
5	Normal	1,997,209	20,472	TO 2.684٪ 1.885		1,997,188	TO 52.689٪ 3.440
5-	Normal	11,060,333	146,475	TO 3.676٪ 2.236		11,123,733	TO 53.397٪ 7.621
6+	Normal	6,577,854	231,570	TO 5.087٪ 3.578		6,577,854	TO 50.929٪ 37.422
6	Normal	1,632,978	32,396	TO 7.367٪ 4.658		1,632,978	TO 51.395٪ 10.143
7-	Normal	18,600	265	TO 28.071٪ 25.543		18,600	TO 8.141٪ 0.001
	Acceptable Risk	733,570	733,570	0.000%			45
4	Acceptable Risk	880,105	349,813	0.000%			45
	Watch	5,820,652	628,338	TO 89.738٪ 0.484		5,818,013	TO 53.493٪ 0.000
3+	Watch	35,145,663	7,029,133	TO 0.290٪ 0.137		35,145,663	TO 20.240٪ 15.114
4-	Watch	5,790,520	32,234	TO 1.395٪ 1.224		5,790,520	TO 43.455٪ 10.000
5+	Watch	50,924,273	4,486,343	TO 1.730٪ 1.088		47,155,872	TO 46.827٪ 10.996
5	Watch	8,381,095	2,164,700	TO 3.439٪ 1.707		8,380,021	TO 53.192٪ 0.344
5-	Watch	28,634,314	1,682,781	TO 3.516٪ 2.198		28,713,462	TO 52.689٪ 7.776
6+	Watch	21,709,634	2,994,614	TO 4.138٪ 3.188v		21,709,634	TO 49.350٪ 15.108
6	Watch	25,518,999	8,439,682	TO 7.255٪ 3.963		25,513,851	TO 47.997٪ 7.047
7+	Watch	14,987,811	4,925,927	TO 9.011٪ 7.734		14,987,811	TO 15.267٪ 7.976
7	Watch	80,613,958	37,301,943	TO 20.271٪ 7.572		77,327,957	TO 4500.000٪ 0.001
7-	Watch	25,167,552	9,245,337	TO 29.068٪ 10.146		25,167,552	TO 56.091٪ 9.743
STAGE 3							
	Normal	15,481,786	14,633,410	TO 100.000٪ 0.005		1,187,197	TO 10000.000٪ 0.000
	Normal	7,587,004	4,425,404	1	10	7,587,004	TO 99.990٪ 10.000
1	Normal	5,638	5,638	1			100
10	Normal	779,693	661,068	1		769,138	TO 99.990٪ 0.000
	Acceptable Risk	36,061,560	36,061,560	1			100
	Watch	924,156	246,402	1		899,883	TO 55.979٪ 10.916
5	Watch	6,506	6,506	1			100
10	Watch	82,759	37,867	1		81,190	TO 99.990٪ 10.000
	Sub_Standard	3,359,295	1,055,121	1		3,348,826	TO 59.670٪ 0.000
10	Sub_Standard	1,933,694	1,192,073	1		1,899,566	TO 99.990٪ 5.679
	Doubtful	4,976,521	3,734,604	1		4,787,254	TO 100.000٪ 0.000
8	Doubtful	4,052,195	2,551,468	1			100
10	Doubtful	2,716,073	1,154,477	1		2,599,637	TO 99.990٪ 0.000
	Loss	22,558,862	16,430,986	1		18,624,887	TO 100.000٪ 0.000
8	Loss	26,191,583	23,752,481	1			100
10	Loss	119,520,282	70,237,153	1		77,016,149	TO 10000.000٪ 0.000
8	Doubtful	4,052,195	2,551,468	1			100
10	Doubtful	2,716,073	1,154,477	1		2,599,637	TO 99.990٪ 0.000
	Loss	23,059,654	16,718,233	1		19,009,295	TO 100.000٪ 0.000
8	Loss	26,191,583	23,752,481	1			100
10	Loss	119,520,282	70,237,153	1		77,016,149	TO 10000.000٪ 0.000

(41) A- Market risk

Market risks are losses of the value arising from changes in market prices as the change in interest rates, foreign exchange rates, prices of financial instruments and therefore changes in fair value of the cash flows of financial instruments within and outside the consolidated statement of financial position.

The bank has defined policies and procedures for identifying, measuring, monitoring and controlling market risks, they are reviewed periodically, and their implementation is monitored, where the investment policy committee studies and recommends them after confirming their compliance with the instructions of the Central Bank of Jordan, they are then implemented and approved by the board of directors.

The acceptable risk policy is determined under treasury operations and includes limits for market risk control, where they are complied with, and their implementation is verified periodically and continuously by monitoring their implementation by the risk management department and submitting various periodic reports which in turn are presented to the Assets and Liabilities Committee and the board of directors.

The bank holds a share and bond portfolio for trading purposes (financial assets at fair value though profit or loss), for which the sensitivity analysis method is used, where risks are currently measured through the standard approach to calculate the minimum share capital as recommended by Basel Committee.

(41) B- Interest rate risk:

Interest rate risk arises from the probability of change in interest rates, consequently affecting cash flows or air value of the financial instrument.

The bank is exposed to interest rate risk as a result of time gaps for repricing between assets and liabilities, such gaps are monitored on a periodic basis by the Assets and Liabilities Committee, and sometimes various hedging methods are used to remain within acceptable limits of interest rate risk gaps.

- **Sensitivity analysis:**

For 2024

Currency	Change of increase in interest rate (percentage point)	Sensitivity of interest income (profit and loss)	Sensitivity of equity
	%	JD	JD
USD	1	(1,288,091)	(1,053,021)
Euro	1	81,981	-
GBP	1	(25,135)	(98,020)
JPY	1	1,822	-
Other currencies	1	(372,310)	-

Currency	Change of increase in interest rate (percentage point)	Sensitivity of interest income (profit and loss)	Sensitivity of equity
	%	JD	JD
USD	1	1,288,091	1,053,021
Euro	1	(81,981)	-
GBP	1	25,135	98,020
JPY	1	(1,822)	-
Other currencies	1	372,310	-

For 2023

Currency	Change of increase in interest rate (percentage point)	Sensitivity of interest income (profit and loss)	Sensitivity of equity
	%	JD	JD
USD	1	(1,306,743)	(854,000)
Euro	1	503,938	-
GBP	1	(32,774)	(66,017)
JPY	1	-	-
Other currencies	1	195,626	-

Currency	Change of increase in interest rate (percentage point)	Sensitivity of interest income (profit and loss)	Sensitivity of equity
	%	JD	JD
USD	1	1,306,743	854,000
Euro	1	(503,938)	-
GBP	1	32,774	66,017
JPY	1	-	-
Other currencies	1	(195,626)	-

- Currency risk:

The table below shows the currencies that the Bank is exposed to and the effect of a possible and reasonable change on their prices against the Jordanian Dinar on the consolidated statement of income, and the currency position are monitored on a daily basis to verify they remain within the specified limits and submits reports thereon to the Assets and Liabilities Committee as well as to the Board of Directors.

For 2024

Currency	Change in foreign currency rates	Impact on profit and loss	Impact on Equity
	%	JD	JD
Euro	5	2,547	-
GBP	5	19,217	-
JPY	5	(4)	-
Other currencies	5	126,335	-

For 2023

Currency	Change in foreign currency rates	Impact on profit and loss	Impact on Equity
	%	JD	JD
Euro	5	(9,314)	-
GBP	5	12,995	-
JPY	5	648	-
Other currencies	5	8,731,678	-

- **Risk of change in shares prices:**

It is the risk of a decrease in the fair value of the shares portfolio because of the change in the value of shares indices and the change in the value of individual shares.

For 2024

Index	Change in index	Impact on profit and loss	Impact on Equity
	%	JD	JD
Amman market index	5	-	632,589
Palestine market index	5	-	11,855
Dubai market index	5	-	212,106
Kuwait market index	5	-	-
NASDAQ – USA	5	-	-

For 2023

Index	Change in index	Impact on profit and loss	Impact on Equity
	%	JD	JD
Amman market index	5	-	559,919
Palestine market index	5	-	2,598
Dubai market index	5	-	176,134
Kuwait market index	5	-	-
NASDAQ – USA	5	-	-

Re-pricing interest gap:

The Bank follows a consistent policy in the amounts of assets and liabilities and aligns the maturities to reduce the gaps by dividing assets and liabilities into multiple timing categories or maturities on review interest rates, whichever is less, to reduce risk in interest rates, study gaps in interest rates associated with them, and use hedging policies through advanced tools such as derivatives.

Classification is made on the basis of interest repricing or maturity periods, whichever is earlier.

Interest rate sensitivities are as follows:

	Re-pricing interest gap							
	Less than 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	From 1 year to 3 years	3 years or more	Elements non-bearing interest	Total
	JD	JD	JD	JD	JD	JD	JD	JD
31 December 2024								
Assets:								
Cash and balances at Central Banks	-	-	-	-	-	-	1,333,864,050	1,333,864,050
Balances at banks and financial institutions	93,410,722	10,635,000	-	-	-	-	251,350,444	355,396,166
Direct credit facilities, net	394,437,241	165,977,877	139,242,167	165,056,985	465,619,543	640,489,053	31,080,806	2,001,903,672
Financial assets at fair value through profit or loss	-	-	-	3,486,897	-	-	3,452,085	6,938,982
Financial assets at fair value through the statement of comprehensive income	-	-	-	-	23,651,795	17,255,806	83,993,591	124,901,192
Financial assets at amortised cost	-	9,999,615	79,858,810	62,901,151	196,984,426	1,084,244,865	-	1,433,988,867
Property and equipment, net	-	-	-	-	-	-	82,992,207	82,992,207
Intangible assets, net	-	-	-	-	-	-	12,465,570	12,465,570
Deferred tax assets	-	-	-	-	-	-	62,652,590	62,652,590
Other assets	33,130,908	46,878,888	27,250,917	46,229,098	-	-	50,431,527	203,921,338
Right of use assets	-	-	-	-	904,098	10,397,130	-	11,301,228
Total assets	**520,978,871**	**233,491,380**	**246,351,894**	**277,674,131**	**687,159,862**	**1,752,386,854**	**1,912,282,870**	**5,630,325,862**

	Re-pricing interest gap							
	Less than 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	From 1 year to 3 years	3 years or more	Elements non-bearing interest	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities:								
Deposits with banks and banking institutions	3,616,529	7,171,625	-	26,180,000	-	-	7,536,109	44,504,263
Customers' deposits	1,170,517,712	302,342,294	363,011,189	223,019,495	627,063	102,751,455	1,811,872,436	3,974,141,644
Cash margins	55,699,333	21,694,000	14,270,540	54,183,596	-	8,345,330	-	154,192,799
Borrowed funds	1,503,115	81,381,387	10,988,156	32,109,813	118,572,059	101,940,531	-	346,495,061
Sundry provisions	-	-	-	-	-	-	26,695,281	26,695,281
Green bonds	-	-	-	-	-	35,450,000	-	35,450,000
Provision for income tax	-	-	-	-	-	-	38,791,779	38,791,779
Deferred tax liabilities	-	-	-	-	-	-	1,622,124	1,622,124
Lease liabilities against right of use leased assets	-	-	-	-	984,614	11,323,061	-	12,307,675
Other liabilities	14,902,806	18,628,506	11,177,103	12,416,949	-	-	52,869,788	109,995,152
Total liabilities	**1,246,239,495**	**431,217,812**	**399,446,988**	**347,909,853**	**120,183,736**	**259,810,377**	**1,939,387,517**	**4,744,195,778**
Non-controlling interests	-	-	-	-	-	-	178,012,917	178,012,917
Perpetual bonds	-	-	-	-	-	89,010,000	-	89,010,000
Re-pricing interest gap	**(725,260,624)**	**(197,726,432)**	**(153,095,094)**	**(70,235,722)**	**566,976,126**	**1,403,566,477**	**(205,117,564)**	**619,107,167**

	Re-pricing interest gap							
	Less than 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	From 1 year to 3 years	3 years or more	Elements non-bearing interest	Total
	JD	JD	JD	JD	JD	JD	JD	JD
31 December 2023								
Assets:								
Cash and balances at Central Banks	108,000,000	-	-	-	-	-	964,306,647	1,072,306,647
Balances at banks and financial institutions	111,806,065	-	-	-	-	-	428,470,213	540,276,278
Direct credit facilities, net	535,334,294	69,918,692	139,679,252	140,570,219	493,558,566	607,915,180	19,770,097	2,006,746,300
Financial assets at fair value through profit or loss	-	-	-	-	3,460,806	-	21,299,672	24,760,478
Financial assets at fair value through the statement of other comprehensive income	5,086,256	-	-	-	20,918,028	10,749,418	79,469,920	116,223,622
Financial assets at amortised cost	26,979,725	98,499,645	35,000,751	226,493,236	337,312,188	398,597,644	-	1,122,883,189
Property and equipment, net	-	-	-	-	-	-	80,450,626	80,450,626
Intangible assets, net	-	-	-	-	-	-	11,907,278	11,907,278
Deferred tax assets	-	-	-	-	-	-	58,716,359	58,716,359
Other assets	37,287,018	46,594,134	27,956,481	33,547,776	-	11,302,486	17,936,314	174,624,209
Right of use assets	-	-	-	-	1,004,749	11,554,615	-	12,559,364
Financial assets held for sale	-	-	-	-	-	-	22,947,701	22,947,701
Total assets	824,493,358	215,012,471	202,636,484	400,611,231	856,254,337	1,040,119,343	1,705,274,827	5,244,402,051

	Re-pricing interest gap							
	Less than 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	From 1 year to 3 years	3 years or more	Elements non-bearing interest	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities:								
Deposits with banks and banking institutions	-	50,938,301	-	12,000,000	-	-	6,682,050	69,620,351
Customers' deposits	826,247,637	303,307,858	291,369,840	343,933,388	186,503,468	4,074	1,755,730,217	3,707,096,482
Cash margins	63,522,559	19,044,955	11,515,037	31,783,113	2,456,928	39,200	11,613,041	139,974,833
Borrowed funds	10,555	9,304	909,216	82,842,732	174,575,466	104,809,897	-	363,157,170
Sundry provisions	-	-	-	-	-	-	20,297,592	20,297,592
Green bonds	-	-	-	-	-	35,450,000	-	35,450,000
Provision for income tax	-	-	-	-	-	-	32,640,476	32,640,476
Deferred tax liabilities	-	-	-	-	-	-	3,497,873	3,497,873
Lease liabilities	-	-	-	-	1,023,355	11,768,591	-	12,791,946
Other liabilities	15,132,553	18,901,050	11,340,630	13,608,756	-	20,219,484	35,056,442	114,258,915
Liabilities related directly to financial assets held for sale	-	-	-	-	-	-	18,105,050	18,105,050
Total liabilities	904,913,304	392,201,468	315,134,723	484,167,989	364,559,217	172,291,246	1,883,622,741	4,516,890,688
Non-controlling interests	-	-	-	-	-	-	112,767,872	112,767,872
Perpetual bonds	-	-	-	-	-	89,010,000	-	89,010,000
Re-pricing interest gap	(80,419,946)	(177,188,997)	(112,498,239)	(83,556,758)	491,695,120	778,818,097	(291,115,786)	525,733,491

Concentration in foreign exchange risk

	USD	Euro	GBP	JPY	Others	Total
31 December 2024	JD	JD	JD	JD	JD	JD
Assets:						
Cash and balances at Central Banks	152,273,574	5,324,167	1,915,899	-	996,159,438	1,155,673,078
Balances with banks and banking institutions	294,341,308	16,210,220	8,255,057	358,730	35,939,332	355,104,647
Direct credit facilities - net	447,946,090	29,826,872	-	12,481,522	548,859	490,803,343
Financial assets at fair value through profit or loss	3,486,897	-	-	-	-	3,486,897
Financial assets at fair value through other comprehensive income	70,634,206	74,452	3,505,840	-	10,433,435	84,647,933
Financial assets at amortised cost	345,900,285	-	-	-	427,964,395	773,864,680
Property and equipment- net	1,439,103	-	-	-	40,653,483	42,092,586
Intangible assets- net	35,835	-	-	-	652,491	688,326
Right of use assets	-	379,573	-	-	704,848	1,084,421
Other assets	22,942,244	997,803	126,175	457	20,643,487	44,710,166
Total assets	**1,338,999,542**	**52,813,087**	**13,802,971**	**12,840,709**	**1,533,699,768**	**2,952,156,077**
Liabilities:						
Deposits with banks and banking institutions	29,918,676	277,202	376,555	-	17,633	30,590,066
Customers' deposits	822,154,225	50,787,646	12,660,677	1,044,825	1,266,724,054	2,153,371,427
Cash margins	37,658,387	293,016	175,654	2,734	17,337,805	55,467,596
Borrowed funds	104,139,338	-	-	-	1,820	104,141,158
Sundry provisions	-	-	-	-	3,681,104	3,681,104
Green bonds	35,450,000	-	-	-	-	35,450,000
Provision for Income tax	-	415,580	-	-	30,793,722	31,209,302
Lease liabilities	-	406,938	-	-	666,281	1,073,219
Other liabilities	71,146,243	581,768	205,741	11,793,232	27,619,287	111,346,271
Total liabilities	**1,100,466,869**	**52,762,150**	**13,418,627**	**12,840,791**	**1,346,841,706**	**2,526,330,143**
Net concentration in the consolidated statement of financial position for the current year	**238,532,673**	**50,937**	**384,344**	**(82)**	**186,858,062**	**425,825,934**
Contingent liabilities off-the consolidated statement of financial position for the current year	**367,631,053**	**58,060,651**	**2,754,389**	**2,913,947**	**18,184,846**	**449,544,886**

	USD	Euro	GBP	JPY	Others	Total
31 December 2023	JD	JD	JD	JD	JD	JD
Assets:						
Cash and balances at Central Banks	192,895,478	4,394,501	421,559	-	556,646,128	754,357,666
Balances with banks and banking institutions	452,618,354	67,411,708	10,193,061	1,185,570	8,681,171	540,089,864
Direct credit facilities - net	490,495,561	26,343,349	-	-	17,554,233	534,393,143
Financial assets at fair value through profit or loss	3,460,806	-	-	-	-	3,460,806
Financial assets at fair value through comprehensive income	60,908,311	61,780	1,830,368	-	10,304,158	73,104,617
Financial assets at amortised cost	301,744,089	-	-	-	229,141,312	530,885,401
Property and equipment- net	1,187,645	-	-	-	41,056,537	42,244,182
Intangible assets- net	35,835	-	-	-	585,870	621,705
Right of use assets	-	463,187	-	-	993,067	1,456,254
Other assets	14,089,907	585,309	50,630	-	9,673,925	24,399,771
Total assets	**1,517,435,986**	**99,259,834**	**12,495,618**	**1,185,570**	**874,636,401**	**2,505,013,409**
Liabilities:						
Deposits with banks and banking institutions	64,821,937	50,635	-	-	106,622	64,979,194
Customers' deposits	1,145,524,540	95,010,917	11,999,195	1,119,677	658,953,206	1,912,607,535
Cash margins	48,917,760	3,103,943	187,465	52,924	6,799,793	59,061,885
Borrowed funds	121,066,633	-	-	-	-	121,066,633
Sundry provisions	-	-	-	-	2,258,070	2,258,070
Green bonds	35,450,000	-	-	-	-	35,450,000
Provision for Income tax	-	397,708	-	-	14,098,178	14,495,886
Liabilities against right of use assets	-	478,646	-	-	1,026,972	1,505,618
Other liabilities	9,040,818	404,269	49,056	-	16,760,010	26,254,153
Total liabilities	**1,424,821,688**	**99,446,118**	**12,235,716**	**1,172,601**	**700,002,851**	**2,237,678,974**
Net concentration in the consolidated statement of financial position for the current year	**92,614,298**	**(186,284)**	**259,902**	**12,969**	**174,633,550**	**267,334,435**
Contingent liabilities off-the consolidated statement of financial position for the current year	**298,618,870**	**55,475,655**	**116,703**	**2,097,864**	**16,558,519**	**372,867,611**

Liquidity risk

First: The table below summarizes the distribution of liabilities (not discounted) based on the remaining period for contractual maturity at the date of the financial statements:

Liquidity risk is defined as the losses that the Bank may be exposed to due to lack of funds needed to finance the increase of its investments or to repay its obligations when they become due at appropriate time and cost. (This is part of asset and liability management (ALM).

The Bank is commitment to liquidity ratios set by the Central Bank and the supervisory authorities under which the Bank's external branches operate, and the Bank's liquidity is monitored on a daily basis.
Liquidity is also monitored by the ALCO chaired by the Director General through periodic reports.

	Less than 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	From 1 year to 3 years	Over 3 years	Elements non-bearing interest	Total
31 December 2024	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities:								
Banks' and banking institutions' deposits	-	10,788,154	-	26,180,000	-	-	7,536,109	44,504,263
Customers' deposits	794,252,613	302,342,294	363,011,189	223,019,495	627,063	102,751,455	2,188,137,535	3,974,141,644
Cash margins	55,699,333	21,694,000	14,270,540	54,183,596	-	8,345,330	-	154,192,799
Borrowed funds	1,503,115	81,381,387	10,988,156	32,109,813	118,572,059	101,940,531	-	346,495,061
Sundry provisions	-	-	-	-	-	-	26,695,281	26,695,281
Green bonds	-	-	-	-	-	35,450,000	-	35,450,000
Provision for income tax	-	-	-	-	-	-	38,791,779	38,791,779
Deferred tax liabilities	-	-	-	-	-	-	1,622,124	1,622,124
Lease liabilities	-	-	-	-	984,614	11,323,061	-	12,307,675
Other liabilities	14,902,806	18,628,506	11,177,103	12,416,949	-	-	52,869,788	109,995,152
Total	**866,357,867**	**434,834,341**	**399,446,988**	**347,909,853**	**120,183,736**	**259,810,377**	**2,315,652,616**	**4,744,195,778**
Total assets	**520,978,871**	**233,491,380**	**246,351,894**	**277,674,131**	**687,159,862**	**1,752,386,854**	**1,912,282,870**	**5,630,325,862**
31 December 2023								
Liabilities:								
Banks' and banking institutions' deposits	-	50,938,301	-	12,000,000	-	-	6,682,050	69,620,351
Customers' deposits	602,414,221	303,307,858	291,369,840	343,933,388	186,503,468	4,074	1,979,563,633	3,707,096,482
Cash margins	75,135,600	19,044,955	11,515,037	31,783,113	2,456,928	39,200	-	139,974,833
Borrowed funds	10,555	9,304	909,216	82,842,732	174,575,466	104,809,897	-	363,157,170
Other provisions	-	-	-	-	-	-	20,297,592	20,297,592
Green bonds	-	-	-	-	-	35,450,000	-	35,450,000
Provision for income tax	-	-	-	-	-	-	32,640,476	32,640,476
Deferred tax liabilities	-	-	-	-	-	-	3,497,873	3,497,873
Lease liabilities	-	-	-	-	1,023,355	11,768,591	-	12,791,946
Liabilities directly related to assets held for sale	-	-	-	-	-	-	18.105.050	18.105.050
Other liabilities	15,132,553	18,901,050	11,340,630	13,608,756	-	20,219,484	35,056,442	114,258,915
Total	**692,692,929**	**392,201,468**	**315,134,723**	**484,167,989**	**364,559,217**	**172,291,246**	**2,095,843,116**	**4,516,890,688**
Total assets	**824,493,358**	**215,012,471**	**202,636,484**	**400,611,231**	**856,254,337**	**1,040,119,343**	**1,705,274,827**	**5,244,402,051**

Second: Items off-the financial position (Total):

31 December 2024	Up to one year	1 to 5 years	Over 5 years	Total
	JD	JD	JD	JD
Letters of credits and acceptances	83,393,474	-	-	83,393,474
Un-utilised limits (direct and indirect)	432,655,164	39,591,460	2,523,684	474,770,308
Guarantees	255,303,950	53,308,617	66,502	308,679,069
Total	**771,352,588**	**92,900,077**	**2,590,186**	**866,842,851**

31 December 2023	Up to one year	1 to 5 years	Over 5 years	Total
	JD	JD	JD	JD
Letters of credits and acceptances	91,232,632	-	1,896,612	93,129,244
Un-utilised limits (direct and indirect)	372,694,482	37,458,932	934,936	411,088,350
Guarantees	244,932,681	36,147,168	28,544,009	309,623,858
Total	**708,859,795**	**73,606,100**	**31,375,557**	**813,841,452**

(42) Information about the Bank's business segments

A - The Bank is organized for administrative purposes through four main business segments that are measured according to the reports that are used by the CEO and the main decision-makers at the Bank. The Bank also has a subsidiary specialized in financial brokerage services and a subsidiary specialized in financial leasing services as at the date of the consolidated financial statements:

- Retail accounts: Includes handling individual customers' deposits, and providing credit facilities, credit cards and other services.

- Corporates’ accounts: Includes handling deposits, credit facilities, and other banking services related to corporates’ customers.

- Treasury: Includes providing trading and treasury services and the management of the Bank's funds.

- Others: Includes activities not applicable to the definition of the Bank's above mentioned segments.

- Financial brokerage services: Practicing most of the brokerage and financial consultation services.

- Financial leasing services: Practicing financial leasing services and real estate development projects.

The following is information on the Bank's business segments distributed by activity:

	Retail	Corporates	Treasury	Financial brokerage	Finance leasing	Others	Total
	JD	JD	JD	JD	JD	JD	JD
31 December 2024							
Total income - statement (b)	64,315,188	167,124,502	67,453,867	3,736,697	7,528,238	83,358,034	393,516,526
Less: expected credit losses	25,287,942	14,956,774	90,477	1,481,240	1,827,006	4,349,274	47,992,713
Segment business results	39,027,246	152,167,728	67,363,390	2,255,457	5,701,232	79,008,760	345,523,813
Less: unallocated expenses on segments	-	-	-	2,537,721	1,168,461	110,644,740	114,350,922
Profit for the year before income tax	39,027,246	152,167,728	67,363,390	(282,264)	4,532,771	(31,635,980)	231,172,891
Less: income tax for the year	-	-	-	-	-	36,852,142	36,852,142
Net profit for the year - statement (b)	**39,027,246**	**152,167,728**	**67,363,390**	**(282,264)**	**4,532,771**	**(68,488,122)**	**194,320,749**
Capital expenditures						13,144,476	**13,144,476**
Depreciations and amortisations						8,502,220	**8,502,220**
Sector assets	**486,636,177**	**1,500,695,396**	**3,255,089,257**	**18,376,372**	**51,799,476**	**317,729,184**	**5,630,325,862**
Sector liabilities	**1,573,119,468**	**2,401,022,176**	**381,945,061**	**20,467,868**	**48,779,840**	**318,861,365**	**4,744,195,778**
31 December 2023							
Total income - statement (b)	41,412,734	118,384,563	47,072,188	4,668,422	6,653,154	59,073,929	277,264,990
Less: expected credit losses	6,312,081	30,123,245	23,218,839	536,459	773,558	3,580,797	64,544,979
Segment business results	35,100,653	88,261,318	23,853,349	4,131,963	5,879,596	55,493,132	212,720,011
Less: unallocated expenses on segments	-	-	-	1,554,787	1,217,475	103,788,707	106,560,969
Profit for the year before income tax	35,100,653	88,261,318	23,853,349	2,577,176	4,662,121	(48,295,575)	106,159,042
Add: Bargain on acquisition	-	-	15,492,283	-	-	-	15,492,283
Less: income tax for the year	-	-	-	-	-	31,614,643	31,614,643
Net profit for the year - statement (b)	**35,100,653**	**88,261,318**	**39,345,632**	**2,577,176**	**4,662,121**	**(79,910,218)**	**90,036,682**
Capital expenditures						57,550,538	**57,550,538**
Depreciations and amortisations						6,823,512	**6,823,512**
Sector assets	**382,844,807**	**1,524,012,612**	**2,876,450,214**	**22,947,701**	**99,888,881**	**338,257,836**	**5,244,402,051**
Sector liabilities	**1,477,966,320**	**2,175,143,720**	**468,227,521**	**18,105,050**	**53,986,442**	**323,461,635**	**4,516,890,688**

B - Geographical distribution information

The following is the distribution of the Bank's revenues, assets, and capital expenditures by geographical sector:

	Inside the Kingdom		Outside the Kingdom		Total	
	For the year ended 31 December		For the year ended 31 December		For the year ended 31 December	
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
Total income - statement (b)	136,081,392	198,925,397	257,435,134	78,339,593	393,516,526	277,264,990
Capital expenditures	9,495,514	14,720,485	3,648,962	42,830,053	13,144,476	57,550,538

	31 December		31 December		31 December	
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
Total assets	**3,596,556,316**	**3,714,157,924**	**2,033,769,546**	**1,530,244,127**	**5,630,325,862**	**5,244,402,051**

(43) Capital management:

A. Description of what is considered to be capital.

Capital is classified into several categories as paid capital, economic capital and regulatory capital. The regulatory capital is defined as per the Banks Law by the total value of the items determined by the Central Bank for control purposes in order to meet the requirements of the capital adequacy ratio established in accordance with instructions issued by the Central Bank. The regulatory capital consists of two parts, the first part is called core capital (Tier 1) and consists of paid in capital, disclosed reserves (include statutory reserve, voluntary, share premium and treasury shares premium), retained earnings after deducting any amounts subject for any restrictions, non-controlling interest and deducting period losses, cost of treasury share purchases, deferred provision with the Central Bank of Jordan approval and goodwill. The second part additional paid in capital (Tier 2) consists of foreign currencies translation difference, general banking risk reserve, debt and equity securities that have the same characteristics, support debts and 45% from valuation of financial assets at fair value through other comprehensive income reserve if positive and deducted in full if negative.

There is third part (Tier 3) might be established in case the capital adequacy ratio dropped below 12% from the result of including market risk to the capital adequacy ratio. Investments in banks and subsidiaries financial institutions (if not consolidated) as well the investments in bank's, insurance companies and other financial institutions share capital.

B. Regulatory requirements for capital, and how to meet these requirements.

The instructions of the Central Bank require that the paid-up capital is not less than JD 100 million, and that the ratio of shareholders' equity to assets is not less than 6%. As for the regulatory capital, the instructions of the Central Bank require that its ratio to the weighted assets (capital adequacy ratio) is not less than 14% and the Bank ensures that it is compliant there with.

The Bank is committed to Article (62) of the Banks Law, which requires the Bank to deduct annually 10% of its net profit in the Kingdom to the statutory reserve account and to continue to deduct it until such reserve reaches the equivalent of the Bank’s subscribed capital, and this deduction corresponds to the statutory reserve stipulated in the Companies Law.

The Bank is committed to Article (41) of the Banks Law, which requires compliance with the limits set by the Central Bank relating to the following:

1- Risk ratios of its assets and risk-weighted assets, as well as the elements of capital, reserves, and regulatory accounts.
2- Ratio of the total borrowings to the regulatory capital that the Bank is allowed to grant for the benefit of a person and his associates or the related parties.
3- Ratio of the total borrowings granted to the Bank's top ten customers to the total amount of borrowings granted by the Bank.

In 2024, the Jordan Kuwait Bank was classified among the domestically systemically important banks. As a result, an additional requirement for the bank (in addition to the required capital adequacy ratio for banks) is 0.5%, to be implemented over four years. This will raise the minimum required capital adequacy ratio for the bank across all levels to 14.5%, as long as the bank remains classified as a domestically systemically important bank. It is important to mention that the additional requirement will begin to be met one year after the date on which the calculations were based, starting from the first quarter of 2025, in accordance with the Central Bank of Jordan's regulations concerning domestically systemically important banks (Instruction No. 2/2017).

C. How to achieve the objectives of capital management.

The Bank ensures the compatibility of the capital amount with the amount, nature and complexity of the risks to which the Bank is exposed to, in a manner that does not contradict with the legislation and instructions in force. The Bank reflects this in its strategic plans as well as its annual estimated budgets. For more precaution, and given the surrounding circumstances and economic cycles, the Board of Directors decided, within the Bank’s strategy, that the capital adequacy ratio will not be less than 14%.

When entering into investments, effects on the capital adequacy ratio are recorded and capital and adequacy are monitored periodically as the capital adequacy ratio is calculated at the Group level as well as at the Bank's level on a quarterly basis. In addition to the continuous monitoring of capital ratios which are monitored on a monthly basis, including financial leverage ratios: assets to equity ratio, customer deposits to equity ratio, internal growth rate of equity ratio, provisions and free share capital, which achieves the appropriate financial leverage and achieves accordingly the targeted return on equity by which it does not drop below 10% in accordance with the bank’s strategy.

No dividends will be distributed to shareholders from the regulatory capital components if such distribution would lead to failure to comply with the required minimum capital. The Bank focuses on the internal generation of capital and can resort to public offering to meet the requirements of expansions and future plans or the requirements of the regulatory authorities according to specific studies.

Capital Adequacy

On 31 November 2016, the Central Bank of Jordan issued capital adequacy instructions in accordance with Basel III and cancelled the implementation of regulatory capital adequacy instructions in accordance with Basel II.

The Bank manages the capital in a way that ensures the continuity of its operations and achieves the highest possible return on equity, and the capital is as defined by Basel III, as shown in the following table:

	31 December	
	2024	2023
	JD	JD
Total basic capital for ordinary equity holders (CET 1)	628,119	531,419
Regulatory amendments (subtraction from basic capital for ordinary equity holders)	(75,118)	(72,744)
Additional capital (ATI)	93,777	92,131
Tier-II Capital	35,815	36,262
Regulatory Capital	**682,593**	**587,069**
Risk-weighted assets	**3,205,455**	**3,131,389**
Capital adequacy ratio for ordinary equity holders (CET 1)	**17.25%**	**14.65%**
Capital adequacy ratio on Tier-I Capital	**20.18%**	**17.59%**
Regulatory capital adequacy ratio	**21.29%**	**18.75%**

* The basic capital was calculated after investing in banks and a financial subsidiary.

Liquidity coverage ratio (LCR):	2024	2023
	JD	JD
Total high quality liquid assets	3,741,458	1,577,750
Total high quality liquid assets after subtracting the maximum adjustments	3,741,458	1,577,750
Net cash outflow	1,635,501	1,050,496
Liquidity coverage ratio	**323.70%**	**340.40%**
Liquidity coverage according to the average end of each month	**289.18%**	**290.32%**

Net Stable Funding Ratio	**2024**
Total Stable Funding Available (after applying the available stable funding factor)	4,066,609
Total Stable Funding Required (after applying the required stable funding factor)	2,337,716
Total Stable Funding Required for Off-Balance Sheet Items (after applying the required stable funding factor)	19,632
Total Stable Funding Required	2,357,348
Net Stable Funding Ratio	**172.51%**

(44) Analysis of maturities of assets and liabilities

The following shows the analysis of assets and liabilities according to the expected period of recovery or settlement:

	Up to one year	**Over one year**	**Total**
31 December 2024	**JD**	**JD**	**JD**
Assets:			
Cash and balances at Central Banks	1,333,864,050	-	1,333,864,050
Balances with banks and banking institutions	355,396,166	-	355,396,166
Direct credit facilities - net	895,795,076	1,106,108,596	2,001,903,672
Financial assets through profit or loss	6,938,982	-	6,938,982
Financial assets through other comprehensive income	83,993,591	40,907,601	124,901,192
Financial assets at amortised cost	152,759,576	1,281,229,291	1,433,988,867
Property and equipment, net	-	82,992,207	82,992,207
Intangible assets, net	-	12,465,570	12,465,570
Deferred tax assets	-	62,652,590	62,652,590
Other assets	89,566,218	114,355,120	203,921,338
Right of use assets	904,098	10,397,130	11,301,228
Total assets	**2,919,217,757**	**2,711,108,105**	**5,630,325,862**
Liabilities:			
Deposits with banks and banking institutions	44,504,263	-	44,504,263
Customers' deposits	3,870,763,126	103,378,518	3,974,141,644
Cash margins	145,847,469	8,345,330	154,192,799
Borrowed funds	125,982,471	220,512,590	346,495,061
Sundry provisions	26,695,281	-	26,695,281
Green Bonds	-	35,450,000	35,450,000
Income tax provision	38,791,779	-	38,791,779
Deferred tax liabilities	1,622,124	-	1,622,124
Liabilities against right of use leased assets	984,614	11,323,061	12,307,675
Other liabilities	109,995,152	-	109,995,152
Total liabilities	**4,365,186,279**	**379,009,499**	**4,744,195,778**
Net assets	**(1,445,968,522)**	**2,332,098,606**	**886,130,084**

The following shows the analysis of assets and liabilities according to the expected period of recovery or settlement.

31 December 2023	Up to one year	Over one year	Total
	JD	JD	JD
Assets:			
Cash and balances at Central Banks	1,072,306,647	-	1,072,306,647
Balances with banks and banking institutions	540,276,278	-	540,276,278
Direct credit facilities - net	905,272,554	1,101,473,746	2,006,746,300
Financial assets through profit or loss	21,299,672	3,460,806	24,760,478
Financial assets through other comprehensive income	84,556,176	31,667,446	116,223,622
Financial assets at amortised cost	386,973,357	735,909,832	1,122,883,189
Property and equipment, net	-	80,450,626	80,450,626
Intangible assets, net	-	11,907,278	11,907,278
Deferred tax assets	-	58,716,359	58,716,359
Other assets	71,335,209	103,289,000	174,624,209
Right of use assets	1,004,749	11,554,615	12,559,364
Assets held for sale	22,947,701	-	22,947,701
Total assets	3,105,972,343	2,138,429,708	5,244,402,051
Liabilities:			
Banks' and banking institutions' deposits	69,620,351	-	69,620,351
Customers' deposits	3,520,588,940	186,507,542	3,707,096,482
Cash margins	137,478,705	2,496,128	139,974,833
Borrowings	83,771,807	279,385,363	363,157,170
Sundry provisions	20,297,592	-	20,297,592
Green Bonds	-	35,450,000	35,450,000
Income tax provision	32,640,476	-	32,640,476
Deferred tax liabilities	3,497,873	-	3,497,873
Liabilities against right of use leased assets	1,023,356	11,768,590	12,791,946
Other liabilities	94,039,431	20,219,484	114,258,915
Liabilities directly related to assets held for sale	18,105,050	-	18,105,050
Total liabilities	3,981,063,581	535,827,107	4,516,890,688
Net assets	(875,091,238)	1,602,602,601	727,511,363

(45) Fair value hierarchy

A. Fair value of financial assets and financial liabilities of the Bank designated at fair value on an ongoing basis:

Some of the Bank's financial assets and financial liabilities are valued at fair value at the end of each reporting period, and the following table shows information about how to determine the fair value of these financial assets and financial liabilities (valuation methods and inputs used).

Financial assets / financial liabilities	Fair value 31 December 2024	Fair value 31 December 2023	Level of Fair value	Valuation method and inputs used	Significant inputs unobservable	Relationship between significant inputs unobservable and fair value
	JD	JD				
Financial assets at fair value						
Shares quoted on active markets	3,452,085	21,299,672	Level 1	Quoted prices in financial markets	N/A	N/A
Bonds quoted on active markets*	3,486,897	3,460,806	Level 1	Quoted prices in financial markets	N/A	N/A
Financial assets at fair value through other comprehensive income						
Shares with available market prices	26,714,208	27,928,802	Level 1	Quoted prices in financial markets	N/A	N/A
Shares with non-available market prices	57,279,384	55,884,750	Level 2	Quoted prices in financial markets compared with the market value of a similar financial instrument	N/A	N/A
Bonds quoted in active markets	40,907,600	32,410,070	Level 1	Quoted prices in financial markets	N/A	N/A
Total financial assets at fair value	**131,840,174**	**140,984,100**				

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

B. Fair value of financial assets and financial liabilities of the Bank undesignated at fair value on an ongoing basis:

Except for what is described in the table below, we believe that the carrying amounts of the financial assets and financial liabilities shown in the Bank's financial statements approximate their fair values because the Bank’s management believes that the carrying amount of the items below is approximately equivalent to their fair value due to their short-term maturities, or their interest rates are re-priced during the year.

	2024		2023		
	Carrying amount	Fair Value	Carrying amount	Fair Value	Fair value level
	JD	JD	JD	JD	JD
Financial assets undesignated at fair value					
Balances at a central banks	1,068,593,691	1,069,018,159	787,223,767	787,633,803	Level 2
Balances at a banks and banking institutions- net	355,396,166	357,137,904	540,276,278	541,958,797	Level 2
Direct credit facilities- net	2,001,903,672	2,039,575,166	2,006,746,300	2,043,136,973	Level 2
Financial assets at amortised cost- net	1,433,988,867	1,446,093,490	1,122,883,189	1,134,576,258	Levels 1 & 2
Total financial assets undesignated at fair value	**4,859,882,396**	**4,911,824,719**	**4,457,129,534**	**4,507,305,831**	
Financial liabilities undesignated at fair value					
Banks’ and banking institutions’ deposits	44,504,263	46,442,867	69,620,351	71,633,973	Level 2
Customers’ deposits	3,974,141,644	3,994,386,328	3,707,096,482	3,728,124,568	Level 2
Cash margins	154,192,799	155,801,064	139,974,833	141,645,333	Level 2
Borrowed funds	346,495,061	348,796,743	363,157,170	365,547,920	Level 2
Green bonds	35,450,000	35,891,444	35,450,000	35,908,526	Level 2
Total financial liabilities undesignated at fair value	**4,554,783,767**	**4,581,318,446**	**4,315,298,836**	**4,342,860,320**	

For the above items, the fair value of financial assets and financial liabilities for levels 2 and 3 is designated according to agreed pricing models which reflect the credit risk of the parties with which they are dealt.

(46) Contingent commitments and liabilities (off the statement of financial position)

A - Credit commitments and liabilities:

	2024	2023
	JD	JD
A. Letters of credits, guarantees and acceptances		
Letters of credit	41,289,686	60,247,710
Guarantees		
Payment	159,162,580	182,320,346
Performance guarantee	103,510,961	91,935,815
Others	46,005,528	35,367,697
Acceptances	42,103,788	32,881,534
Total	**392,072,543**	**402,753,102**

B. Unutilised limits	2024	2023
	JD	JD
Unutilised direct credit facilities limits	340,813,754	303,002,687
Unutilised indirect credit facilities limits	133,956,554	108,085,663
Total	**474,770,308**	**411,088,350**
Total indirect facilities	**866,842,851**	**813,841,452**

C. Expected credit losses

	2024	2023
	JD	JD
Letters of credit	583,474	472,913
Guarantees	9,465,569	9,611,234
Acceptances	316,767	330,798
Unutilised direct credit facilities limits	2,531,418	2,457,899
Unutilised indirect credit facilities limits	1,443,849	1,155,300
Total expected credit losses	**14,341,077**	**14,028,144**
Indirect facilities/ Net	**852,501,774**	**799,813,308**

D. Contractual liabilities (capital expenditure):

	2024	2023
	JD	JD
Contracts to purchase property and equipment	1,870,262	3,435,063
Project construction contracts	957,156	1,699,250
Other purchases' contracts	3,300,635	3,699,705
Total	**6,128,053**	**8,834,018**

- Below is the movement on the balance of indirect credit facilities collectively during the years ended 31 December 2024 and 2023:

	Stage 1		Stage 2			
	Individually	Collectively	Individually	Collectively	Stage 3	Total
	JD	JD	JD	JD	JD	JD
31 December 2024						
Balance at the beginning of the year	781,967,722	-	29,977,612	-	1,896,118	813,841,452
New facilities during the year	121,484,732	-	889,564	-	12,270	122,386,566
Facilities settled/ paid during the year	(96,416,093)	-	(6,192,141)	-	(89,960)	(102,698,194)
Transferred to Stage 1	1,952,548	-	(1,951,012)	-	(1,536)	-
Transferred to stage 2	(11,074,668)	-	11,402,865	-	(328,197)	-
Transferred to stage 3	(133,779)	-	(63,070)	-	196,849	-
Total impact on the exposures resulting from reclassification between stages.	(471,567)	-	(1,916,286)	-	(2,266)	(2,390,119)
Changes resulting from adjustments	42,510,663	-	(6,325,876)	-	(481,641)	35,703,146
Balance at the end of the year	**839,819,558**	**-**	**25,821,656**	**-**	**1,201,637**	**866,842,851**
31 December 2023						
Balance at the beginning of the year	682,759,068	-	9,433,100	-	1,719,965	693,912,133
New facilities during the year	330,992,064	-	2,553,830	-	10,436	333,556,330
Facilities settled/ paid during the year	(227,124,953)	-	(9,131,755)	-	(628,873)	(236,885,581)
Transferred to Stage 1	532,358	-	(504,115)	-	(28,243)	-
Transferred to stage 2	(27,850,773)	-	27,856,635	-	(5,862)	-
Transferred to stage 3	(598,612)	-	(230,083)	-	828,695	-
Additions from acquisition	23,258,570	-	-	-	-	23,258,570
Changes resulting from adjustments	-	-	-	-	-	-
Balance at the end of the year	**781,967,723**	**-**	**29,977,612**	**-**	**1,896,118**	**813,841,452**

- Below is the movement on the provision for expected credit losses of indirect facilities collectively during the years ended 31 December 2024 and 2023:

	Stage 1		Stage 2			
Description	**Individually**	**Collectively**	**Individually**	**Collectively**	**Stage 3**	**Total**
	JD	**JD**	**JD**	**JD**	**JD**	**JD**
31 December 2024						
Balance at the beginning of the year	6,348,991	-	6,150,909	-	1,528,244	14,028,144
Expected credit losses on new facilities during the year	1,182,323	-	350,479	-	9,343	1,542,145
Recovered from expected credit losses on Facilities settled during the year	(1,206,120)	-	(407,296)	-	(44,523)	(1,657,939)
Transferred to Stage 1	37,837	-	(36,978)	-	(859)	-
Transferred to stage 2	(605,029)	-	916,478	-	(311,449)	-
Transferred to stage 3	(1,379)	-	(5,488)	-	6,867	-
Total impact on the exposures resulting from reclassification between stages	(31,206)	-	174,743	-	98,968	242,505
Changes resulting from adjustments	(600,164)	-	1,141,888	-	(355,502)	186,222
Written off Facilities	-	-	-	-	-	-
Balance at the end of the year	**5,125,253**	**-**	**8,284,735**	**-**	**931,089**	**14,341,077**
31 December 2023						
Balance at the beginning of the year	6,939,052	-	1,331,348	-	1,409,699	9,680,099
Expected credit losses on new facilities during the year	3,392,787	-	2,971,337	-	610,992	6,975,116
Recovered from expected credit losses on Facilities settled during the year	(1,432,995)	-	(1,473,452)	-	(487,872)	(3,394,319)
Transferred to Stage 1	65,012	-	(50,788)	-	(14,224)	-
Transferred to stage 2	(3,380,039)	-	3,381,693	-	(1,654)	-
Transferred to stage 3	(2,074)	-	(9,229)	-	11,303	-
Additions from acquisition	767,248	-	-	-	-	767,248
Changes resulting from adjustments	-	-	-	-	-	-
Written off Facilities	-	-	-	-	-	-
Balance at the end of the year	**6,348,991**	**-**	**6,150,909**	**-**	**1,528,244**	**14,028,144**

- Below is the distribution of the total letters of credit according to the Bank's internal credit rating categories as of 31 December 2024 and 2023:

Credit rating categories based on the Bank's policy	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
From (1) to (5)	31,945,077	880,105	-	32,825,182
From (6) to (7)	8,083,178	381,326	-	8,464,504
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**40,028,255**	**1,261,431**	**-**	**41,289,686**
31 December 2023				
From (1) to (5)	37,358,952	-	-	37,358,952
From (6) to (7)	19,593,696	240,040	-	19,833,736
From (8) to (10)	-	-	-	-
Unrated	3,055,022	-	-	3,055,022
Total	**60,007,670**	**240,040**	**-**	**60,247,710**

- Below is the movement on the balance of letters of credit during the years ended 31 December 2024 and 2023:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	60,007,670	240,040	-	60,247,710
New facilities during the year	13,087,252	880,105	-	13,967,357
Facilities settled during the year	(7,871,477)	(240,040)	-	(8,111,517)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	(2,284,213)	2,284,213	-	-
Transferred to stage 3	-	-	-	-
Total impact on exposures volume resulting from changing classification between stages	-	(1,902,887)	-	(1,902,887)
Changes resulting from adjustments	(22,910,977)	-	-	(22,910,977)
Balance at the end of the year	**40,028,255**	**1,261,431**	**-**	**41,289,686**
31 December 2023				
Balance at the beginning of the year	81,917,467	-	-	81,917,467
New facilities during the year	32,355,822	-	-	32,355,822
Facilities settled during the year	(56,564,276)	(516,324)	-	(57,080,600)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	(756,364)	756,364	-	-
Transferred to stage 3	-	-	-	-
Additions from acquisition	3,055,021	-		3,055,021
Changes resulting from adjustments between stages	-	-	-	-
Written off facilities (written off and transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	**60,007,670**	**240,040**	**-**	**60,247,710**

- Below is the movement on the provision for expected credit losses for letters of credit during the years ended 31 December 2024 and 2023:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	394,643	78,270	-	472,913
Expected credit losses on new facilities during the year	21,775	349,813	-	371,588
Recovered from expected credit losses on Facilities settled during the year	(11,598)	(78,268)	-	(89,866)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	(90,892)	90,892	-	-
Transferred to stage 3	-	-	-	-
Total impact on impairment loss resulting from changing classification between stages	-	(20,112)	-	(20,112)
Changes resulting from adjustments	(151,049)	-	-	(151,049)
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	**162,879**	**420,595**	**-**	**583,474**
31 December 2023				
Balance at the beginning of the year	381,313	-	-	381,313
Expected credit losses on new facilities during the year	272,952	-	-	272,952
Recovered from expected credit losses on Facilities settled during the year	(137,828)	(43,524)	-	(181,352)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	(121,794)	121,794	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	**394,643**	**78,270**	**-**	**472,913**

- Below is the disclosure of the distribution of the total guarantees according to the Bank's internal rating categories as at 31 December 2024 and 2023:

Credit rating categories based on the Bank's internal policy	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
From (1) to (5)	258,500,814	491,367	-	258,992,181
From (6) to (7)	33,110,947	15,582,539	-	48,693,486
From (8) to (10)	-	-	993,402	993,402
Unrated	-	-	-	-
Total	**291,611,761**	**16,073,906**	**993,402**	**308,679,069**
31 December 2023				
From (1) to (5)	223,700,929	3,966,176	-	227,667,105
From (6) to (7)	32,685,442	19,674,406	-	52,359,848
From (8) to (10)	-	-	1,810,908	1,810,908
Unrated	27,785,997	-	-	27,785,997
Total	284,172,368	23,640,582	1,810,908	309,623,858

- Below is the disclosure of the movement on the balance of guarantees during the years ended 31 December 2024 and 2023:

	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	284,172,368	23,640,582	1,810,908	309,623,858
New facilities during the year	39,784,868	3,860	-	39,788,728
Facilities settled during the year	(46,256,052)	(3,460,171)	(42,864)	(49,759,087)
Transferred to stage 1	1,176,660	(1,176,660)	-	-
Transferred to stage 2	(4,471,454)	4,799,604	(328,150)	-
Transferred to stage 3	(8,500)	(16,000)	24,500	-
Total impact on exposures volume resulting from changing classification between stages	(226,208)	(959,522)	-	(1,185,730)
Changes resulting from adjustments	17,440,079	(6,757,787)	(470,992)	10,211,300
Written off facilities (written off and transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	**291,611,761**	**16,073,906**	**993,402**	**308,679,069**
31 December 2023				
Balance at the beginning of the year	230,611,214	6,651,478	1,525,816	238,788,508
New facilities during the year	107,084,500	377,713	-	107,462,213
Facilities settled during the year	(54,118,705)	(5,259,360)	(507,368)	(59,885,433)
Transferred to stage 1	125,100	(121,100)	(4,000)	-
Transferred to stage 2	(22,201,611)	22,201,611	-	-
Transferred to stage 3	(586,700)	(209,760)	796,460	-
Additions from acquisition	23,258,570	-	-	23,258,570
Changes resulting from adjustments	-	-	-	-
Written off facilities (written off and transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	**284,172,368**	**23,640,582**	**1,810,908**	**309,623,858**

- Below is the movement on the provision for expected credit losses for guarantees during the years ended 31 December 2024 and 2023:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	2,826,960	5,322,511	1,461,763	9,611,234
Expected credit losses on new facilities during the year	817,624	111	-	817,735
Recovered from expected credit losses on Facilities settled during the year	(841,554)	(4,479)	(4,179)	(850,212)
Transferred to stage 1	12,106	(12,106)	-	-
Transferred to stage 2	(441,352)	752,801	(311,449)	-
Transferred to stage 3	(53)	(27)	80	-
Total impact on impairment loss resulting from changing classification between stages	(8,639)	31,473	8,086	30,920
Impact on provision resulting from adjustments	(254,553)	456,241	(345,796)	(144,108)
Balance at the end of the year	**2,110,539**	**6,546,525**	**808,505**	**9,465,569**
31 December 2023				
Balance at the beginning of the year	3,813,167	1,164,271	1,251,985	6,229,423
Expected credit losses on new facilities during the year	1,278,913	2,447,788	590,613	4,317,314
Recovered from expected credit losses on Facilities settled during the year	(186,813)	(1,129,399)	(386,537)	(1,702,749)
Transferred to stage 1	2,232	(1,320)	(912)	-
Transferred to stage 2	(2,845,910)	2,845,910	-	-
Transferred to stage 3	(1,875)	(4,739)	6,614	-
Total impact on exposures volume resulting from changing classification between stages	767,246	-	-	767,246
Changes resulting from adjustments	-	-	-	-
Balance at the end of the year	**2,826,960**	**5,322,511**	**1,461,763**	**9,611,234**

- Below is the distribution of the total acceptances according to the Bank's internal credit rating categories as of 31 December 2024 and 2023:

Credit rating categories based on the Bank's internal policy	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
From (1) to (5)	40,815,730	-	-	40,815,730
From (6) to (7)	1,288,058	-	-	1,288,058
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**42,103,788**	-	-	**42,103,788**
31 December 2023				
From (1) to (5)	29,323,172	-	-	29,323,172
From (6) to (7)	3,558,362	-	-	3,558,362
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**32,881,534**	**-**	**-**	**32,881,534**

- Below is the disclosure of the movement on the balance of acceptances during the years ended 31 December 2024 and 2023:

	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	32,881,534	-	-	32,881,534
New facilities during the year	3,726,848	-	-	3,726,848
Facilities settled during the year	(2,907,423)	-	-	(2,907,423)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	(550,791)	550,791	-	-
Transferred to stage 3	-	-	-	-
Total impact on exposures volume resulting from changing classification between stages	-	(550,791)	-	(550,791)
Changes resulting from adjustments	8,953,620	-	-	8,953,620
Written off facilities (written off and transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	**42,103,788**	-	-	**42,103,788**
31 December 2023				
Balance at the beginning of the year	46,646,534	344,076	-	46,990,610
New facilities during the year	21,252,835	-	-	21,252,835
Facilities settled during the year	(35,017,835)	(344,076)	-	(35,361,911)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off facilities (written off and transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	32,881,534	-	-	32,881,534

Below is the movement on the provision for expected credit losses for acceptances during the years ended 31 December 2024 and 2023:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	330,798	-	-	330,798
Expected credit losses on new facilities during the year	37,335	-	-	37,335
Recovered from expected credit losses on Facilities settled during the year	(9,313)	-	-	(9,313)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	(13,021)	13,021	-	-
Transferred to stage 3	-	-	-	-
Total impact on exposures sized resulting from changing classification between stages	-	(13,021)		(13,021)
Changes resulting from adjustments	(29,032)	-	-	(29,032)
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	**316,767**	**-**	**-**	**316,767**
31 December 2023				
Balance at the beginning of the year	298,184	12,444	-	310,628
Expected credit losses on new facilities during the year	261,688	-	-	261,688
Recovered from expected credit losses on Facilities settled during the year	(229,074)	(12,444)	-	(241,518)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	330,798	-	-	330,798

- Below is the distribution of the total utilized direct facilities limits according to the Bank's internal credit rating categories as of 31 December 2024 and 2023:

Credit rating categories based on the Bank's internal policy	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
From (1) to (5)	265,490,877	2,134,719	-	267,625,596
From (6) to (7)	24,467,868	2,245,371	-	26,713,239
From (8) to (10)	-	-	-	-
Unrated	45,867,052	399,632	208,235	46,474,919
Total	**335,825,797**	**4,779,722**	**208,235**	**340,813,754**
31 December 2023				
From (1) to (5)	221,533,384	1,291,897	-	222,825,281
From (6) to (7)	32,103,963	1,877,283	-	33,981,246
From (8) to (10)	-	-	-	-
Unrated	45,741,335	369,615	85,210	46,196,160
Total	**299,378,682**	**3,538,795**	**85,210**	**303,002,687**

- Below is the distribution of the total non-utilized direct facilities limits according to the Bank's internal credit rating categories as at 31 December 2024 and 2023:

Description	**Stage 1 Individually**	**Stage 2 Individually**	**Stage 3**	**Total**
	JD	**JD**	**JD**	**JD**
31 December 2024				
Balance at the beginning of the year	**299,378,682**	**3,538,795**	**85,210**	**303,002,687**
New facilities during the year	24,658,080	5,599	12,270	24,675,949
Facilities settled during the year	(27,590,042)	(1,696,647)	(47,096)	(29,333,785)
Transferred to stage 1	312,977	(311,441)	(1,536)	-
Transferred to stage 2	(3,550,557)	3,550,604	(47)	-
Transferred to stage 3	(125,279)	(47,070)	172,349	-
Impact on the exposures resulting from the reclassification between stages.	(178,584)	343,299	(2,266)	162,449
Changes resulting from adjustments	42,920,520	(603,417)	(10,649)	42,306,454
Written off facilities (written off and transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	**335,825,797**	**4,779,722**	**208,235**	**340,813,754**

	Stage 1 Individually	**Stage 2 Individually**	**Stage 3**	**Total**
	JD	JD	JD	JD
31 December 2023				
Balance at the beginning of the year	235,392,194	1,372,846	194,149	236,959,189
New facilities during the year	124,912,655	1,977,233	10,436	126,900,324
Facilities settled during the year	(58,836,502)	(1,898,819)	(121,505)	(60,856,826)
Transferred to stage 1	350,258	(326,015)	(24,243)	-
Transferred to stage 2	(2,428,011)	2,433,873	(5,862)	-
Transferred to stage 3	(11,912)	(20,323)	32,235	-
Changes resulting from adjustments	-	-	-	-
Written off facilities (written off and transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	**299,378,682**	**3,538,795**	**85,210**	**303,002,687**

- Below is the movement on the provision for expected credit losses for unutilized direct facilities limits during the years ended 31 December 2024 and 2023:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	2,050,387	341,031	66,481	2,457,899
Expected credit losses on new facilities during the year	146,659	555	9,343	156,557
Recovered from expected credit losses on Facilities settled during the year	(126,618)	(260,729)	(40,344)	(427,691)
Transferred to stage 1	14,378	(13,519)	(859)	-
Transferred to stage 2	(55,892)	55,892	-	-
Transferred to stage 3	(1,326)	(5,461)	6,787	-
Total impact on impairment loss resulting from changing classification between stages	(13,309)	109,493	90,882	187,066
Impact on provision resulting from adjustments	(39,891)	207,184	(9,706)	157,587
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	**1,974,388**	**434,446**	**122,584**	**2,531,418**
31 December 2023				
Balance at the beginning of the year	1,594,807	112,402	157,714	1,864,923
Expected credit losses on new facilities during the year	1,196,696	285,051	20,379	1,502,126
Recovered from expected credit losses on Facilities settled during the year	(561,176)	(246,639)	(101,335)	(909,150)
Transferred to stage 1	61,616	(48,304)	(13,312)	-
Transferred to stage 2	(241,357)	243,011	(1,654)	-
Transferred to stage 3	(199)	(4,490)	4,689	-
Changes resulting from adjustments	-	-	-	-
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	**2,050,387**	**341,031**	**66,481**	**2,457,899**

Below is the disclosure of the distribution of the total unutilized indirect facilities limits according to the Bank's internal rating categories as at 31 December 2024 and 2023:

Credit rating categories based on the Bank's internal policy	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
From (1) to (5)	118,323,130	892,528	-	119,215,658
From (6) to (7)	11,926,828	2,814,068	-	14,740,896
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**130,249,958**	**3,706,596**	**-**	**133,956,554**
31 December 2023				
From (1) to (5)	94,942,022	601,283	-	95,543,305
From (6) to (7)	10,585,447	1,956,911	-	12,542,358
From (8) to (10)	-	-	-	-
Unrated	-	-	-	-
Total	**105,527,469**	**2,558,194**	**-**	**108,085,663**

Below is the movement on the balance of unutilized indirect facilities limits during the years ended 31 December 2024 and 2023:

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	105,527,469	2,558,194	-	108,085,663
New facilities during the year	40,227,684	-	-	40,227,684
Facilities settled during the year	(11,791,099)	(795,283)	-	(12,586,382)
Transferred to stage 1	462,911	(462,911)	-	-
Transferred to stage 2	(217,653)	217,653	-	-
Transferred to stage 3	-	-	-	-
Total impact on impairment loss resulting from changing classification between stages	(66,775)	1,153,615	-	1,086,840
Changes resulting from adjustments	(3,892,579)	1,035,328	-	(2,857,251)
Written off facilities (written off and transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	**130,249,958**	**3,706,596**	**-**	**133,956,554**

Description	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2023				
Balance at the beginning of the year	88,191,661	1,064,700	-	89,256,361
New facilities during the year	42,331,231	198,883	-	42,530,114
Facilities settled during the year	(22,587,636)	(1,113,176)	-	(23,700,812)
Transferred to stage 1	57,000	(57,000)	-	-
Transferred to stage 2	(2,464,787)	2,464,787	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off facilities (written off and transferred off-the statement of financial position)	-	-	-	-
Balance at the end of the year	**105,527,469**	**2,558,194**	**-**	**108,085,663**

- Below is the movement on the provision for expected credit losses for unutilized indirect facilities limits during the years ended 31 December 2024 and 2023:

	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
	JD	JD	JD	JD
31 December 2024				
Balance at the beginning of the year	746,202	409,098	-	1,155,300
Expected credit losses on new facilities during the year	158,930	-	-	158,930
Recovered from expected credit losses on Facilities settled during the year	(217,037)	(63,820)	-	(280,857)
Transferred to stage 1	11,353	(11,353)	-	-
Transferred to stage 2	(3,872)	3,872	-	-
Transferred to stage 3	-	-	-	-
Total impact on impairment loss resulting from changing classification between stages	(9,258)	66,910		57,652
Changes resulting from adjustments	(125,639)	478,463	-	352,824
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	**560,679**	**883,170**	-	**1,443,849**
31 December 2023				
Balance at the beginning of the year	851,581	42,231	-	893,812
Expected credit losses on new facilities during the year	382,538	238,498	-	621,036
Recovered from expected credit losses on Facilities settled during the year	(318,103)	(41,445)	-	(359,548)
Transferred to stage 1	1,164	(1,164)	-	-
Transferred to stage 2	(170,978)	170,978	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Provision for written-off facilities	-	-	-	-
Balance at the end of the year	**746,202**	**409,098**	**-**	**1,155,300**

(47) Cases filed against the Bank

The value of the cases filed against the bank and its subsidiary (Bank of Baghdad) amounted to JD 26,012,887 as of 31 December 2024, compared to JD 11,172,851 as of 31 December 2023 as the opinion of the management and the bank's legal advisor, the bank will not have obligations that exceed the allowance taken for it, which amounted to JD 5,221,185 as on 31 December 2024 compared to JD 3,578,169 as on 31 December 2023.

The value of the cases filed against the Ejara's customers amounted to JD 44,554 as of 31 December 2024, compared to JD 217,334 as of 31 December 2023. The company will not have obligations against these legal cases, according to the bank's legal advisor.

The value of the lawsuits filed against the United Company amounted to JD 15 Million as of 31 December 2024, compared to JD 10,001 as of 31 December 2023. According to the legal advisor, the company has no legal obligations related to these lawsuits.

(48) Acquisition of subsidiaries

A- BANK OF BAGHDAD

During the first quarter of 2023, the bank acquired 51.79% of the outstanding shares of Bank of Baghdad. Bank of Baghdad is one of the largest private commercial banks in Iraq and is classified as a private shareholding company that was established in 1992 and the Bank's head office is in Baghdad and its current capital is IQD 400 billion. The Bank provides all banking and financial activities through its head office and (36) branches inside Iraq and (1) foreign branch in Lebanon.

The table below shows a summary of the net fair value of the acquired assets and liabilities as of the acquisition date.

	As of 31 January 2023, Thousands of dinars
	JD
Assets	
Cash and balances with Banks and Central Banks	427,379
Direct credit facilities, net	48,690
Financial assets at fair value through other comprehensive income	1,908
Financial assets at amortized cost	378,501
Other assets	48,417
Total assets	**904,895**
Liabilities and shareholders' equity	
Banks' and financial institutions' deposits	439
Customers' deposits	668,417
Cash margins	8,276
Other liabilities	39,522
Total liabilities	**716,654**
Net fair value of acquisition transaction	**188,241**
Amount in acquisition percentage 51.79%	**97,490**
Purchase price	**88,625**
Total of acquisition	**8,865**

	Profit for the period from the acquisition date until 31 December 2023
	JD
	80,633,665

B- BHM CAPITAL COMPANY

	As of 31 May 2023
	Thousands of dinars
	JD
Assets	
Cash and balances with Banks and Central Banks	115,785
Direct credit facilities, net	63,208
Financial assets at fair value through profit or loss	2,142
Financial assets at fair value through other comprehensive income	744
Other assets	27,359
Total assets	**209,238**
Liabilities and shareholders' equity	
Customers' deposits	113,658
Borrowed funds	17,942
Other liabilities	42,347
Total liabilities	**173,947**
Net fair value of acquisition transaction	**35,291**
Amount in acquisition percentage 76.97%	**27,164**
Purchase price	**20,537**
Bargain Purchase	**6,627**

On 4 October 2023, 116,146,786 shares of the bank's investment in BHM Capital - a subsidiary company (i.e. 66.97% of the company's capital) were sold. After the sale, the investment percentage has become 10% of the company's capital. The sale was carried out at a price of 161 million UAE dirhams, equivalent to 31 million Jordanian dinars, as follows:

Cost of shares sold	17,869,611
Net selling price	30,995,240
Profit	**13,125,629**
Distributed as follows:	
The company's profits for the period from the date of control until sold	1,719,909
Proceeds from acquisition	6,626,987
Gain from sale of subsidiary	4,778,733
Total profit	13,125,629

The total profits resulting from the acquisition in items A and B above amounting to approximately JD 15.49 Million.

(49) Assets held for sale and discontinued operations

In accordance with the decision of the Investment Committee and the Conditional Sale Agreement (with the financial study and obtaining the approval of the regulatory authorities signed on 28 September 2023, which included approval for the sale of the bank's investment in the United Financial Investment Company), the investment in the company was reclassified in accordance with the requirements of International Financial Reporting Standard No. (5) Assets held for sale. For the purpose of sale and discounted operations**.**

Assets held for sale:

	31 December 2023
	JD
Cash and balances with Banks	4,189,786
Direct credit facilities, net	16,314,940
Financial assets at fair value through other comprehensive income	1,402,903
Property & equipment, net	1,089,524
Other assets	6,246,897
Total assets	**29,244,050**
Banks share	**22,947,701**

Liabilities and equity directly attributable to assets held for sale:

	31 December 2023
Customers' deposits	2,285,888
Borrowed funds	19,218,504
Other provision	419,020
Other liabilities	1,152,104
Total liabilities	**23,075,516**
Bank share	**18,105,050**
Total Equity	**(1,887,774)**
Bank share	**(1,481,196)**

The company's financial statements have been consolidated as of 31 December 2024, in accordance with the management's decision to retract the sale of the investment due to the lack of suitable opportunities at this time.

(50) Material Events with no financial impact

According to the decision of the bank's Board of Directors, which was previously disclosed on 22 February 2024, approving the commencement of technical, financial, and legal assessments to assess the proper mergers with Al-Etihad Bank, the Board of Directors decided on 25 September 2024, to terminate the discussions amicably, with a focus on independently executing its own strategy.

(51) STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

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

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

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date

- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed

- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments

- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

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

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

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

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

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

Lack of exchangeability – Amendments to IAS 21

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

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

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

IFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

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

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

IFRS 19 Subsidiaries without Public Accountability: Disclosures

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

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

As the bank's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.