البنك الأردني الكويتي
JORDAN KUWAIT BANK

Annual Report 2024

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Jordan Kuwait Bank … More than just a bank

Jordan Kuwait Bank is a Jordanian public shareholding company listed on the Amman Stock Exchange (Ticker: JOKB); founded in 1976 as the country's fifth national commercial bank.

The bank currently operates through a local branch network of 63 branches distributed throughout Jordan in addition to a branch in Cyprus. The bank has three subsidiaries: Ejara Leasing Company, which is fully owned by the bank, United Financial Investments Company - Jordan with a 78.3% share in the company's capital, and Bank of Baghdad - Iraq with a 53.4% share.

The context of the slogan "More than just a bank" reflects the bank's commitment in achieving a pivotal leap in all areas of business, expanding the services and products offered to include the latest innovations and technologies in the banking arena that relate to banking or that complement it.

Within this concept, the bank's services were expanded to include the provision of investment advisory, legal services, financial engineering, insurance, brokerage and other services that global financial institutions already practice, thus turning the bank into a one stop customer service provider of integrated and comprehensive set of offerings that meet all the needs of individual and institutional customers.

Public Ltd. Company
Established 25/10/1976

Commercial Register
Number 108

Member of (KIPCO) Group
Kuwait

Paid-up Capital
150 **JOD million**

Our Vision

"To bring the bright future of banking to our customers today."

Our Mission

"Providing integrated, tailored, and frictionless banking experience through digitally innovative and agile services."

Our Values

We welcome change	We thrive on empowerment	We work together	We treat all stakeholders as family	We are responsible corporate citizens

Key Highlights 2024

Total Assets
5.6 JOD Billion
▲ 7.4%

Net Income
194.3 JOD Million
▲ 115.8%

Customer Deposits & Cash Margins
4.1 JOD Billion
▲ 7.3%

Direct Credit Facilities – Net
2.0 JOD Billion
0%

Total Equity
886.1 JOD Million
▲ 21.8%

Capital Adequacy Ratio (CAR)
21.29 %

His Majesty
King Abdullah II Bin Al-Hussein

His Highness
Sheikh Mishal Al-Ahmad Al-Jaber Al-Sabah
Emir of the State of Kuwait

His Royal Highness
Crown Prince Al-Hussein Bin Abdullah II

Contents

Board of Directors

Chairperson

H.E Sheikha Dana Naser Sabah Al Ahmad Al Sabah *Rep.: Al Rawabi United Holding Co. – Kuwait – As of 4/3/2024*

H.E Mr. Nasser A. Lozi *– until 20/2/2024*

Vice Chairman

H.E. Dr. Marwan J. Muasher

Members

Mr. Masaud M. Jawhar Hayat	Rep.: Kuwait Projects Co. (Holding) – Kuwait
Mr. Moustapha S. Chami	Rep.: Al Rawabi United Holding Co. – Kuwait
H.E. Mr. Marwan M. Awad	Rep.: Social Security Corporation
Mr. Nidal F. Qubbaj	Rep.: Social Security Corporation
Mr. Bijan Khosrowshahi	Rep.: Odyssey Reinsurance Co. – USA
Mr. Hani K. Hunaidi	Independent Member
Mr. Majed F. Burjaq	Rep.: Safari Development & Real Estate Investment Co.
Dr. Safwan S. Toqan	Independent Member
Dr. Omar M. Al Jazy	Independent Member
H.E. Mrs. Nesreen Zuhdi Barakat	Independent Member
Dr. Abeer Ghazi Jarrar	Independent Member

Secretary of the Board

Mr. Ibrahim E. Kashet

Auditors

Ernst and Young 'Jordan'

Executive Management

Mr. Haethum S. Buttikhi	Chief Executive Officer
Mr. Daoud A. Issa	Chief Operating & Support Officer
Mr. Zuhdi B. Al-Jayousi	Chief Banking Officer
Dr. Makram A. Al- Qutob	Chief Credit Officer
Mr. Ibrahim F. Bisha	Head of Treasury & Financial Institutions
Mr. Suhail A. Salman	Head of Retail Business
Mr. Zeid W. Sharaiha	Head of Investment Business
Mr. Fadi N. Khalil	Head of Corporate Business
Mr. Ibrahim E. Kashet	Head of Legal Affairs
Mr. Maher M. Abu Sa'adeh	Head of Information Technology
Mr. Tareq J. Alkhitan	Head of Operations
Mrs. Manal A. Tubaishat	Head of Administrative Affairs
Mr. Ala' Y. Hijazin	Head of Finance
Mr. Fadi M. Ayyad	Head of Compliance
Dr. Mahmoud I. Al Ahmar	Head of Risk
Mr. Yousef W. Hassan	Head of Internal Audit

Message from the Chairperson

Dear Shareholders,

I am honoured to present to you Jordan Kuwait Bank's 2024 Annual Report which highlights the bank's journey of achievements, built on a clear vision, solid foundations, and an ambitious strategy, JKB continues to drive sustainability and excellence across all sectors. Despite global economic shifts, the bank remained adaptable, leveraging its deep-rooted expertise and prudent management to maintain a strong, responsible, and forward-thinking approach.

The Jordanian economy demonstrated resilience in 2024, navigating both internal and external challenges with steady growth. Despite global economic fluctuations, the national economy continued to achieve stable growth. The GDP is projected to grow by 2.4% for the year 2024, up from 2.2% in the first half of the year. Sound economic policies also played a key role in maintaining a stable inflation rate of 1.56% at the end of last year—one of the lowest rates in the region. A significant milestone was Standard & Poor's upgrade of Jordan's sovereign credit rating from B+ to BB-, with a stable outlook, the first such upgrade in 21 years. This follows similar upgrades by Moody's of the government's long-term debt rating from B1 to Ba3 and Capital Intelligence's elevation of the sovereign's long-term credit rating from B+ to BB-.

The ongoing improvements in credit ratings underscore the success of the Jordanian government's comprehensive economic strategies, implemented in line with royal directives. International reports highlight the Ministry of Finance's efforts to manage public finances effectively, ensure the sustainability of public debt management, and enhance the business environment—bolstering investor confidence and strengthening the global financial community's trust in the Jordanian economy.

Improvements in the Jordanian labor market were also evident, as it remains a top priority for both the government and the private sector. The unemployment rate declined to 21.5% in the third quarter of 2024, marking a decrease of 0.8 percentage points compared to the same period in 2023.

In foreign trade, Jordan recorded significant growth in exports, with total exports rising by 5.2%, domestic exports increasing by 3.3%, and re-exports surging by 28% compared to 2023. This growth coincided with a 1.8% increase in imports, leading to a 1.4% reduction in the balance of trade deficit over the first eleven months of last year, bringing it down to JOD 8.7 billion from JOD 8.8 billion in the same period of the previous year.

Jordan also achieved a notable improvement in its foreign currency reserves, which reached a record high of over $21 billion — sufficient to cover 8.2 months of the Kingdom's imports of goods and services and further reinforcing global investor confidence in Jordan's financial stability.

As for the banking sector, it continued its strong performance, with bank deposits increasing by approximately JOD 3 billion in 2024, recording a significant growth rate of 6.2% compared to 2023, bringing total deposits to JOD 46.7 billion. Credit facilities granted by banks also rose by JOD 1.6 billion, a growth rate of 4.9%, bringing total facilities to approximately JOD 35 billion. These figures highlight the banking sector's crucial role in financing economic and investment activities across the Kingdom.

Despite the challenges in global trade due to geopolitical tensions – such as disruptions in the Red Sea, political changes in the United States, and shifting economic policies in major economies- the Jordanian economy has maintained relative stability, supported by ongoing reform efforts, international support, and the expansion of economic partnerships with various global stakeholders that positioned it for long-term growth.

Dear Shareholders,

The global economy experienced uneven growth in 2024 amid ongoing economic and geopolitical challenges. Global growth reached 3.3%, falling short of the historical average of 3.7% recorded between 2000 and 2019. According to the International Monetary Fund's January 2025 World Economic Outlook Update, global inflation continued its downward trajectory, reaching 4.2% in 2025, with projections indicating further decline expected to 3.5% in 2026. However, recovery remains imbalanced, with advanced economies stabilizing at a faster pace that developing nations, which continue to grapple with inflationary pressures, high interest rates, and mounting debt.

One of the most pressing challenges facing the global economy has been the prolonged impact of tight monetary policies implemented by central banks since 2022 to combat inflation. These measures weakened investment across many vital sectors. In the United States, monetary tightening resulted in a decline in consumer demand, while in the Eurozone, reduced Chinese imports affected industrial export performance, delaying Europe's economic recovery. Meanwhile, China's economy faced significant setbacks due to the real estate crisis and declining domestic demand, further disrupting global supply chains.

Geopolitical tensions also weighed heavily on global economic performance in 2024. The conflict in Gaza and broader instability in the Middle East, contributed to global trade disruptions, particularly following the escalation of Houthi attacks on vessels transiting the red Sea. Since November 2024, shipping routes have been rerouted from the Red Sea and the Suez Canal to the Cape of Good Hope, increasing transportation costs and prolonging delivery times.

On the political front, the United States presidential transition in 2024 introduced further uncertainty to the global economic landscape. The policies of newly elected President Donald Trump have raised concerns regarding the future of international trade relations, particularly as Washington moves toward greater economic protectionism and reassesses its policies toward China and Europe. These developments, alongside ongoing geopolitical tensions, made 2024 a turbulent year, with their effects likely to shape the global economic trends in the years ahead.

Bank Performance in 2024

In this evolving landscape, JKB continued to strengthen its position as a leading financial institution through innovative strategies, balancing expansion and growth with sustainability and social responsibility. The bank focused on financing projects that drive economic growth while enhancing banking services and products to meet the diverse needs of individuals, small and medium-sized enterprises (SMEs), and corporations.

In 2024 the bank collaborated with the International Finance Corporation (IFC) to support and finance childcare sector SMEs, underscoring our commitment to inclusive economic growth.

Innovation remains at the heart of our strategy, as we continue to develop digital banking products and services that align with modern financial needs. In 2024, the bank introduced "Eli Wallet," an advanced digital wallet, and expanded our electronic payment services by enabling "IATA Pay" as a payment method for multiple airlines, facilitating smoother and more efficient financial transactions through digital channels. Furthermore, we upgraded the technological infrastructure of our Cyprus branch and enhanced operation efficiency with Robotic Process Automation (RPA) technologies.

Sustainability also continues to be a core pillar. We became the first bank in Jordan to obtain ISO 50001 certification for energy management, underscoring our dedication to environmental responsibility. Additionally, we renewed our ISO 14001 and ISO 45001 certifications, reaffirming our adherence to environmental and occupational health standards. The bank also officially joined the Partnership for Carbon Accounting for Finance (PCAF), reinforcing our commitment to integrating sustainability into financing and investment decisions while reducing the banking sector's carbon footprint.

Further strengthening our sustainable development efforts, JKB reached "Achiever" status under the UN Women's Empowerment Principles (WEPs) in 2024. This recognition highlights our ongoing dedication to gender equality and women empowerment in the workplace and beyond.

Financial Performance and Market Confidence

This year was a testament to the bank's resilience, adaptability, and ability to thrive in a challenging economic landscape. JKB was assigned a "B+" credit rating with a stable outlook by Fitch Ratings, reaffirming the strength of our financial position and the stability of our performance. Investor interest in the bank's shares remained strong, with BHM Capital recommending an increased investment, citing a growth potential of up to 19.8%, reflecting confidence in our long-term strategy.

In terms of financial performance, the bank delivered remarkable results, achieving net profits of JOD 194.3 million, a 115.8% increase from the previous year. According to the group's consolidated financial statements, net assets grew to JOD 5.6 billion, reflecting a 7.4% growth, while shareholders' equity rose by 21.8% to JOD 886.1 million. Cash deposits and margins increased by 7.3% to JOD 4.1 billion, while the total credit facilities granted reached JOD 2 billion.

These remarkable figures were primarily driven by non-interest income. Throughout 2024, the bank maintained a healthy regulatory capital adequacy ratio of 21.29%, ensuring its financial stability. Additionally, provisions against credit exposures were further strengthened to safeguard against potential future credit losses.

In light of these strong financial results, the Board of Directors has recommended a 12% cash dividend for 2024, pending approval from the Central Bank of Jordan and the General Assembly of Shareholders.

A year of Achievement and a Vision for Tomorrow

JKB continues to set new benchmarks for excellence and innovation in the banking sector, achieving exceptional milestones that reflect its ambitious vision and commitment to delivering advanced services that exceed customer expectations. These efforts were recognized with several prestigious international awards in 2024, including "Jordan's Best Domestic Private Bank" and "Best Local Bank in Jordan for Environmental, Social, and Governance (ESG) Practices" from Euromoney, "Best Corporate Social Responsibility Bank" and "Best SME Bank" in Jordan from Global Banking & Finance Review, the "Award for Excellence in Artificial Intelligence and Machine Learning" from Asian Banking and Finance, and the "Best Straight-Through Processing (STP) Rate Award" from Citibank, further affirming the bank's leadership and innovation in providing cutting-edge banking solutions.

Our success is the result of the strategic vision of our Board of Directors, the dedication of our Executive Management, and the exceptional efforts of every employee at the bank. In this context, I would like to extend my sincere gratitude and appreciation to the members of the Board of Directors for their guidance, and to the Executive Management and all bank employees for their dedication and commitment. I would also like to express my deep gratitude to our shareholders, partners, and customers for their valuable trust and continued support, as well as to our regulatory institutions, most notably the Central Bank of Jordan and the Jordan Securities Commission, for their constant guidance and cooperation.

As we look to the future, we recognize that the banking sector is undergoing a major transformation, driven by the growing importance of digital solutions and financial technology, along with the accelerating shift toward sustainable and Environmental, Social, and Governance (ESG) focused banking practices, JKB is well-positioned to seize new opportunities. By embracing innovation, expanding our customer base, and strengthening partnerships, we will continue to navigate and lead in this evolving landscape.

As we enter a new phase of growth, we reaffirm our commitment to advancing our vision of building a more sustainable, innovative, and customer driven banking future. JKB's role as a key pillar of Jordan's financial sector in Jordan, dedicated to supporting economic progress and creating long-term value for our shareholders, businesses and our wider community.

Chairperson

Sheikha Dana Naser Sabah
Al Ahmad Al Sabah

Financial Performance 2024

Financial Performance 2024

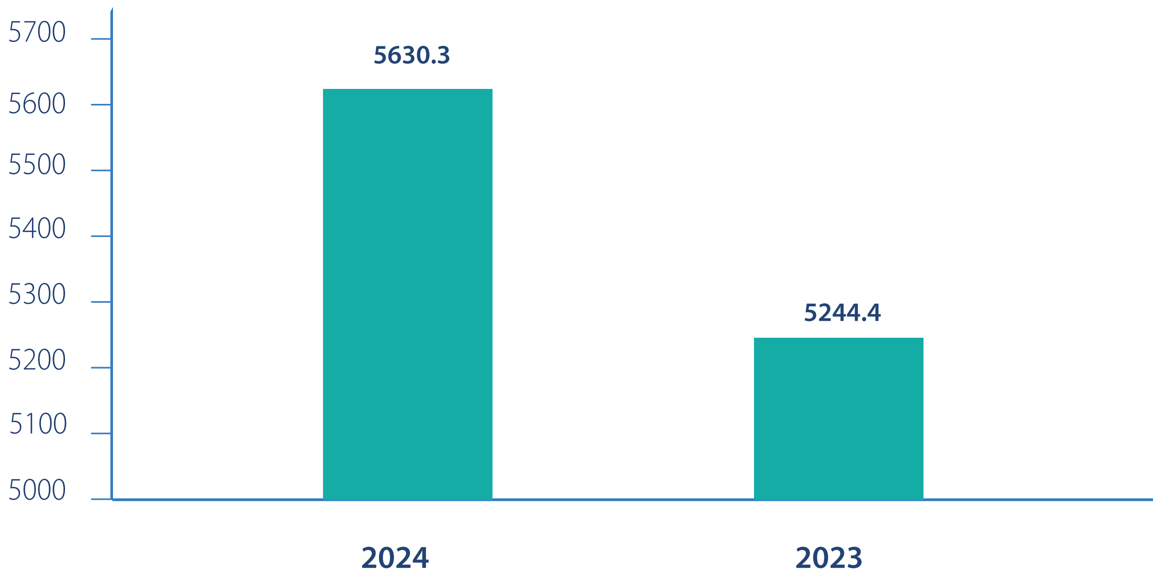
The following are the most important items of consolidated financial statements::

A. Consolidated Statement of Financial Position:

Assets: Total assets amounted to JOD 5,630.3 million as at 31/12/2024, compared to JOD 5,244.4 million in the previous year, achieving a growth of 7.4%.

Total Assets

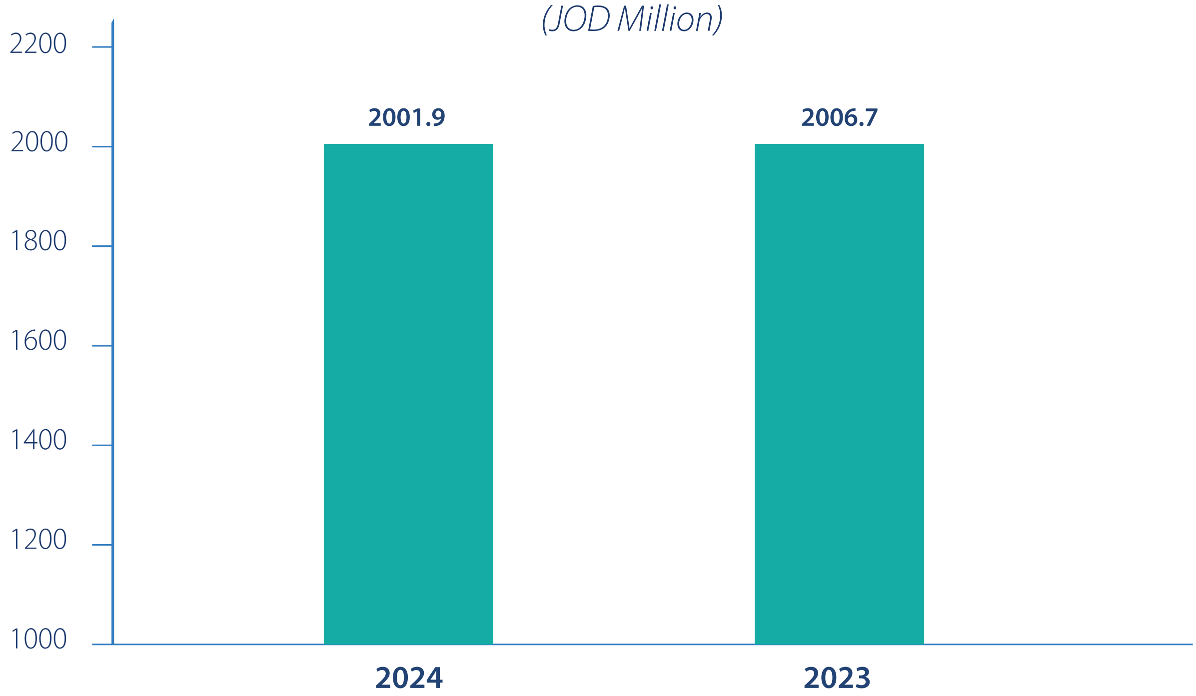
(JOD Million)



Direct Credit Facilities: Direct Credit Facilities (Net) amounted to JOD 2,001.9 million at the end of 2024, Total facilities granted to individuals Increased by 8.04% and real estate loans by 15.1%. Corporate, government and the public sectors decreased by 2%, 8.9% respectively, while SMEs loans grew by 0.13% compared to the previous year. These results reflect the Bank's success in developing the credit portfolio and distribution across various economic sectors to increase profitability and diversify risk.

Direct Credit Facilities (Net)

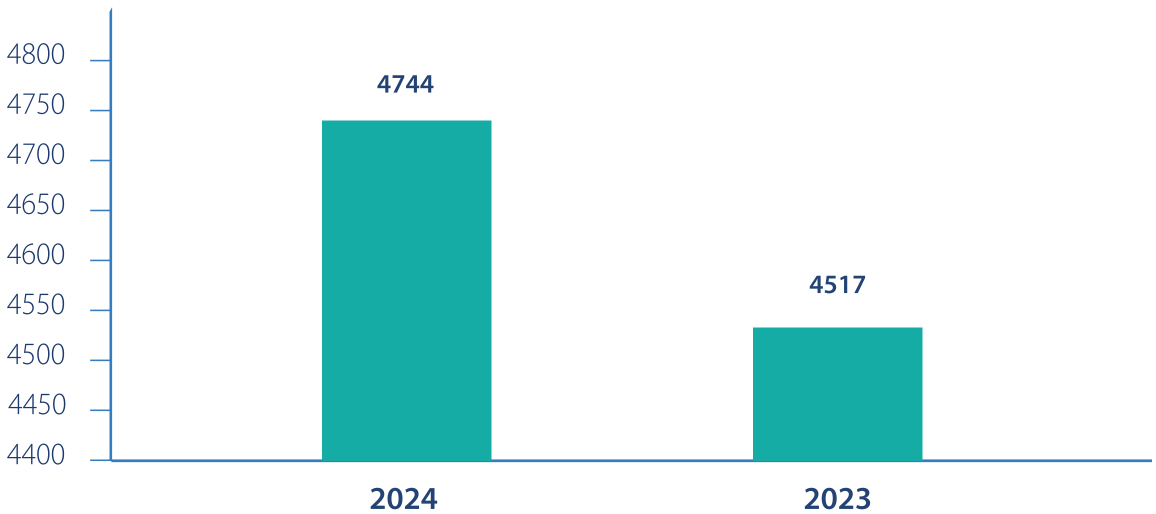
(JOD Million)



Liabilities: Total liabilities at the end of 2024, increased by 5.03% from the previous year to record JOD 4,744 million.

Total Liabilities

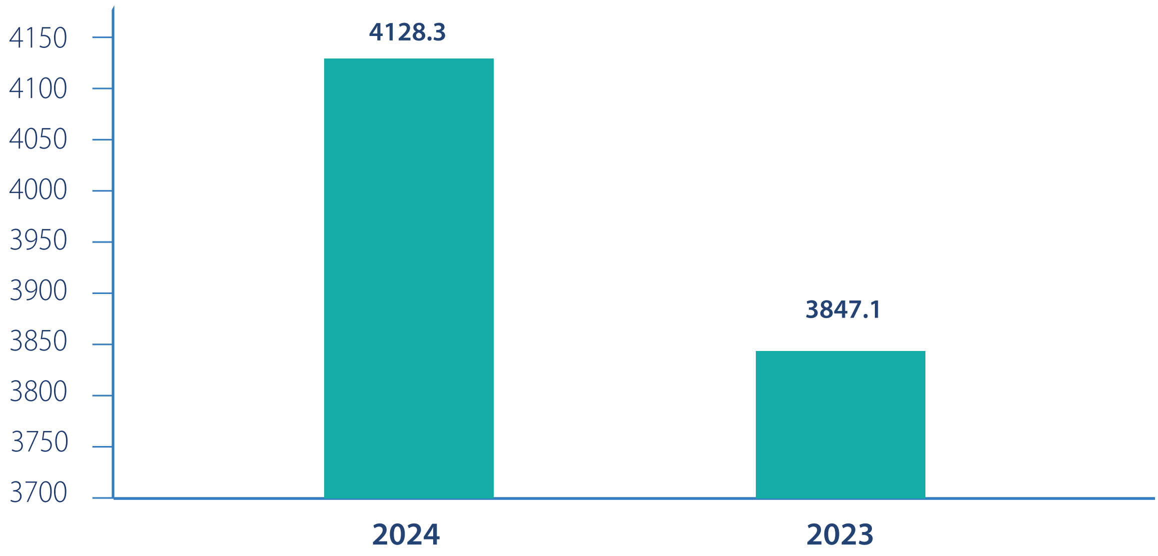
(JOD Million)



Customer Deposits and Cash Margins: Customer Deposits and Cash Margins accounted for 87% of total liabilities. Customer Deposits include savings accounts, current accounts, term deposits and cash margins for individual and corporate clients. Total customer deposits and cash margins at year end amounted to JOD 4,128.3 million against JOD 3,847.1 million in 2023.

Customer Deposits & Cash Margins

(JOD Million)



Owners' Equity: Total Owners' Equity increased to JOD 886.1 million at year end compared to JOD 727.5 million in 2023; a growth rate of 21.8%. Bank shareholders' total equity amounted to JOD 708.1 million.

B. Consolidated Statement of Income

Gross Income: Gross Income for 2023 amounted to JOD 393.5 million, compared to JOD 227.3 million in 2023, with a growth rate of 41.9%.

Profit for the year: : Profit for the year 2024 reached JOD 194.3 million, compared to JOD 90.04 million in the previous year.

Net Interest and Commissions: the net interest and commissions for the year 2024 reached JOD 229.8 million, compared to JOD 223.1million in the previous year; a 34.3% growth.

Operating Expenses: Operating expenses, include personnel and office costs, depreciation, administrative expenses, and miscellaneous provisions, excluding expected credit losses for direct facilities, increased to JOD 114.4 million compared to JOD 106.6 million in 2023. This increase is due to higher service fees, higher labor costs, and allocation of provisions for seized real estate.

Expected Credit Losses for Direct Facilities (ECLs): The Bank’s management has continued its policy that aims at enhancing ECLs to hedge against the prevailing and potential repercussions on the national economy and to address some weak accounts and non-performing loans (Stage 3 loans). The ECLs allocated for the year 2024 amounted to JOD 43.6 million, compared to JOD 37.7 million for 2023. With regards to bad debt accounts / outside the financial position, JKB's management has persistently pursued these accounts with rigorous follow-up procedures. As a result, the bank managed to recover 593 thousands which were recognized as revenue.

Major Performance Indicators and Ratios for 2024 and 2023

	'000 JOD	
	2024	2023
Major Operating Results		
Net Interest and Commission	299,798	223,171
Gross Income	393,516	277,264
Income before taxes	231,172	121,651
Income after taxes	194,320	90,036
Earnings per Share/ JOD	0.782	0.394
Major Financial Position Items		
Total Assets	5,630,325	5,244,402
Direct Credit Facilities - Net	2,001,903	2,006,746
Customer Deposits and Cash Margins	4,128,334	3,847,071
Total Equity	886,130	727,511
Off the Financial Position Items	866,842	813,841
Major Financial Ratios		
Capital Adequacy Ratio	21.29%	18.75%
Financial Leverage Ratio	10.8%	9.8%
Liquidity Ratio / Jordan	130.2%	140.91%
Return on Equity	24.08%	16.49%
Profitability Multiplier	3.7	6.5
Book Value / Share	4.1	4.8
NSFR	172.51%	-
Efficiency Ratios		
G&A Expenses/ Net Interest and Commission	38.1%	50.2%
G&A Expenses/ Gross Income	29.1%	39.3%
Asset Quality Indicators		
Stage 3 loans/ Gross Credit Facilities	8.30%	7.56%
Stage 3 loans Coverage Ratio	79.5%	76.7%

Relation with Shareholders

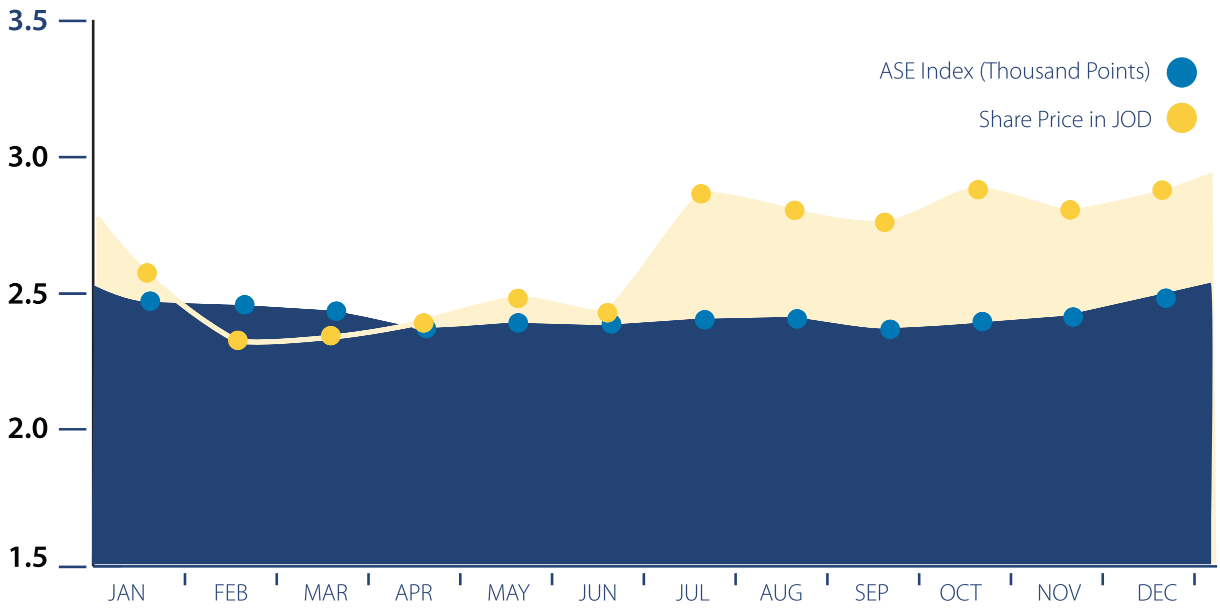
The Bank develops positive relations, based on transparency, with all its shareholders. In this regard, the Bank spares no effort to encourage all shareholders, particularly minority shareholders, to attend the General Assembly meetings and cast their votes. The Bank has a wide shareholder base of 11,706 as of 31/12/2024. The main source of information for shareholders is the Annual Report which includes the Chairman's report, the audited consolidated financial statements, the corporate governance manual, and the Bank's achievements for the previous year and the business plan for the following year. Additionally, the reviewed (un-audited) quarterly and semi-annual financial statements are disclosed.

The complete financial statements and the Board of Directors' report are filed at the Jordan Securities Commission (JSC) and the Amman Stock Exchange, with a copy submitted to the Companies Controller. These reports are published on JKB's website (www.jkb.com) which also provides extensive information about JKB services, products, news and press releases. The Bank is committed to disclosing any material information, should it occur, in accordance with the JSC instructions.

Shares / Ownership Classification as of 31/12/2024

Number of Shares Held	Shareholders		Shares	
	No.	%	No.	%
Up to 500	7,354	62.822	1,293,659	0.862
501 – 1,000	2,421	20.682	1,672,117	1.115
1,001 – 5,000	1,402	11.977	3,033,053	2.022
5,001 – 10,000	202	1.726	1,470,306	0.980
10,001- 100,000	275	2.349	7,229,583	4.820
100,001 - 500,000	41	0.350	8,446,906	5.631
500,001 and over	11	0.094	126,854,376	84.570
Total	**11,706**	**100**	**150,000,000**	**100**

Changes in JKB Share Price JOD vs ASE Index During 2024



Activities and Achievements 2024

Activities and Achievements 2024

Jordan Kuwait Bank (JKB) has remained steadfast in its mission to drive business growth, digital transformation, financial inclusion, and sustainable banking practices. Despite external economic pressures and geopolitical challenges, the bank successfully navigated the evolving market landscape by focusing on customer-centric solutions, operational excellence, and responsible banking.

The following report details the bank's most notable achievements during the year:

Business Growth and Financial Performance

Throughout 2024, JKB remained resilient in the face of economic challenges, maintaining its direct corporate facilities portfolio despite external pressures. The bank reinforced its commitment to supporting small and medium-sized enterprises (SMEs), recognizing their vital role in strengthening the Jordanian economy and reducing unemployment. Among its key initiatives was the launch of an SME credit rating system in partnership with CRIF Jordan, designed to streamline loan approvals by providing data-driven creditworthiness assessments. In addition, JKB launched the SME Digital Platform, a solution enabling businesses to apply for loans and schedule and conduct virtual meetings with relationship managers, fostering financial inclusion and operational efficiency.

Further emphasizing its role in sustainability, the bank signed cooperation agreements with strategic partners to provide renewable energy project financing, enabling businesses to invest in cleaner energy sources. A partnership with the International Finance Corporation (IFC) – a member of the World Bank Group - also paved the way for targeted support to childcare sector SMEs. The goal of which is to improve financial literacy and business management skills, contributing to increased job opportunities for women through enhance childcare services, thereby promoting greater workforce participation for women.

In the area of retail banking, the bank recorded good growth in 2024 compared to 2023, achieving a 5.89% increase in retail customers, a 5.09% growth in deposits, and a 6.64% growth in retail facilities portfolios. These achievements are due to the bank's focus on excellence in customer experience and providing diverse and digital banking products and services that meet customers' aspirations and keep pace with their needs.

During the year, the bank also launched the "Eli Wallet", a multi-currency prepaid digital payment solution. The bank also became the first in Jordan to activate CliQ for e-commerce transactions in collaboration with IATA Pay, enabling seamless and secure digital payments, for major airlines such as Royal Jordanian, Emirates, Qatar Airways, Air Arabia, and Fly Dubai.

Recognizing the growing demand for digital financial services, JKB continued to expand its mobile banking application's (JKB Mobile) offerings, leading to a 42.3% increase in registered users, a 75% increase in digital transaction volume, and a 133% growth in digital transaction value. Several enhancements were made to the app, including Sanad digital identity activation, Tap & Go contactless payments, sub-account opening, and an automated bill-splitting service.

In parallel, the bank launched several lending campaigns. These included housing loans with a fixed competitive interest rate for two years, auto loans at a competitive interest rate with up to 100% financing, and personal loans secured by real estate. The bank also expanded its bancassurance services, with 300 employees obtaining licenses in life and general insurance, reinforcing the bank's position as a key player in Jordan's financial ecosystem.

At the institutional level, JKB's Treasury and Financial Institutions team ensured robust liquidity management, balancing high returns with financial stability. The bank expanded its investment in government bonds, increasing holdings in both JOD and USD-denominated securities. This resulted in record-high investment returns, with structured allocations across medium- and long-term bonds to ensure stable, high yields over multiple years. The Bank also continued strengthening correspondent banking relationships and trade finance operations; improving the quality and cost of services offered to clients

These efforts did not go unnoticed, as JKB was honored with the "Best SME Bank in Jordan 2024" award from Euromoney and "Best SME Bank 2024" from Global Banking & Finance Review. The bank was also recognized "Jordan's Best Domestic Private Bank 2024" from Euromoney Global Private Banking Awards.

In 2024, Fitch Ratings issued the first credit rating report for the bank, assigning it a B+ rating with a stable outlook, reflecting the bank's ability to meet long-term obligations.

Additionally, the Bank's first research coverage report was issued by BHM Capital - UAE, recommending investors increase their holdings. The target stock price was set at 3.45 JOD, representing a projected growth of 19.8% from the closing price of 2.88 JOD at the end of 2024.

Digital Transformation and Innovation

In support of the bank's strategic direction towards digital transformation and the adoption of cutting-edge technologies, during 2024, the bank continued its efforts in enhancing its banking infrastructure. A new data center was established for the branch in Cyprus, improving operational resilience and security. This initiative played a crucial role in enhancing business continuity, ensuring uninterrupted services to customers, improving application performance, increasing system availability, and optimizing the efficiency of technological resources.

One of the most significant developments in operational efficiency was the re-engineering and automation of nearly 350 work procedures. The implementation of Robotic Process Automation (RPA), allowed an additional 60 internal banking processes to be automated during the year, reducing manual work and increasing accuracy.

Additionally, Oracle Vault was deployed to enhance database security, reinforcing the bank's cybersecurity framework. The system effectively manages user access privileges and provides a detailed monitoring mechanism for database interactions, reinforcing compliance with advanced banking security standards.

Recognizing the importance of data in enhancing efficiency, The Business Intelligence an Analytics Department introduced 60+ interactive dashboards during the year. These dashboards deliver real-time insights related to business performance indicators, customer databases, and banking operations, enabling more efficient and data-driven decision-making. One notable outcome during the year was a 75% reduction in ATM cash management costs through automated daily reporting and optimized cash distribution strategies.

The bank continued strengthening its partnerships with fintech companies through the JOIN Fincubator. As part of its strategy, JKB aims to be the preferred banking partner for startups and Fintechs through Banking-as-a-Service (BaaS), enabling market expansion and the delivery of innovative solutions.

Further highlighting its commitment to technological advancement, Asian Banking and Finance awarded Jordan Kuwait Bank the "Artificial Intelligence and Machine Learning Award" for its launch of MASA, an AI-powered personal financial assistant integrated into the Jordan Kuwait Bank Mobile banking app, enhancing customers' banking experiences through smart technology.

Sustainability, ESG, and Corporate Responsibility

The bank is committed to achieving Environmental, Social, and Governance (ESG) goals to enhance its various initiatives and deliver long-term value to stakeholders.

The bank has taken a significant step towards enhancing sustainability efforts by implementing the Environmental and Social Management System (ESMS) in alignment with the International Finance Corporation's (IFC) Performance Standards, ensuring a rigorous assessment of environmental and social impacts for all Green Bond projects.

In 2024, the bank developed a clear vision and solid mission for sustainability. Our mission is to integrate sustainability into our operations, financing, and investment decisions by adopting responsible practices, investing in social an environmental prosperity, leading innovative solutions to meet market expectations, enhancing adaptability and resilience, an pioneering in empowering communities an protecting natural resources.

As part of reinforcing its sustainability commitment, the bank conducted a new double materiality assessment that involved engaging stakeholders to identify the key issues affecting our sustainability and climate governance strategy, ensuring alignment with their expectations. The bank also developed its sustainability framework, built on four main pillars: Environment, Society, Governance, and Innovation, in line with the national and international standards. This supports progress toward achieving the Jordan Vision 2025, United Nations Sustainable Development Goals (SDGs), and the green finance strategy issued by the Central Bank of Jordan.

JKB launched an ESG capacity-building program in collaboration with the IFC to empower employees with expertise in sustainable banking best practices. Additionally, as part of embedding sustainability governance within the bank, the sustainability committee was activated to implement ESG initiatives across the bank. These exceptional efforts earned JKB the Best ESG Bank in Jordan 2024 award from Euromoney, a testament to its leadership in sustainable banking.

JKB also deepened its involvement in global sustainability efforts by joining the Forward Faster Initiative launched by the UN Global Compact (UNGC) to accelerate efforts towards achieving the 2030 Sustainable Development Goals, with a focus on gender equality. The bank also strengthened its commitment to addressing climate change by using the Carbon Pricing Accounting Framework (PCAF) to identify greenhouse gas emissions from loans and investments, aligning with its environmental transparency commitments.

Furthermore, the bank signed a partnership agreement with UNDP to explore innovative financing avenues to support the Green Economic Corridor of the Jordan Valley. The agreement aims to foster cooperation and enhance partnerships to implement a project portfolio valued at approximately $1 billion, in line with the strategic objectives of Jordan's economic modernization vision.

At the local level, JKB continued its commitment to corporate social responsibility by partnering with the Ministry of Environment and the Ministry of Agriculture to establish the second environmental park, in line with the national initiative to plant 10 million trees over 10 years.

Women empowerment remained a core focus, with JKB achieving "achiever" status from UN Women. The bank raised the percentage of female staff to constitute 38% of its employees, 40% of new hires during the year were women. The women in leadership roles also grew to reach 26% at the end of the year. Financial literacy programs for women-led SMEs and childcare businesses were also introduced, ensuring economic inclusion and career development opportunities.

To ensure sustainability in talent development, the bank signed agreements with several distinguished local universities in technology related fields. These agreements include scholarships for students who commit to working at the bank after graduation. The also continues to provide training programs for university students.

Governance, Risk Management, and Compliance

JKB continued to reinforce its risk management framework, particularly in cybersecurity, credit risk assessment, and compliance. The bank successfully maintained its ISO 27001 for information security management. The certification covers all processes and procedures related to information security for banking systems, digital services, and data centers. The bank also obtained the PCI DSS certification for the tenth consecutive year for compliance with the payment card industry data security standards, ensuring top-tier security for digital transactions and payment processing.

During the year, JKB completed Phase 2 of implementing its business continuity system, enhancing resilience with the automation of disaster recovery plans.

With regards to credit risk, qualitative and quantitative performance indicators were developed; an early warning system for identifying non-performing loans, leveraging advanced analytics to mitigate financial risks.

In the area of Compliance, the bank deployed the AI-powered ISP anti-fraud System, designed to detect and prevent fraudulent activities in real time, leveraging machine learning and predictive analytics. Additionally, the newly implemented Pelican System allowed for automated SWIFT compliance checks, streamlining international transactions and ensuring adherence to global financial regulations.

On the governance side, with the aim to achieve the highest levels of excellence in applying the principles of good governance to safeguard the bank's shareholders, depositors, and stakeholders, JKB reinforced its commitment to corporate governance by aligning with the latest regulatory requirements, including Banking Governance Instruction No. (2/2023). The bank also reviewed and updated governance policies to comply with all evolving financial regulations to which the bank and its subsidiaries are subject.

To further strengthen IT governance, JKB adopted the best practices from COBIT 2019 and DMBok frameworks, ensuring robust oversight of digital transformation, IT strategy, enterprise architecture, and innovation management.

People and Organizational Excellence

Recognizing that human capital is its most valuable asset, JKB provided 21,130 training opportunities to employees in the fields of banking, technology, leadership, and risk management. As part of the bank's commitment to the importance of equality, diversity, inclusion, and women's empowerment in the workplace, women's career development had a particular focus, with targeted mentorship programs and leadership training was provided, resulting in enhancing their leadership and management skills.

Additionally, the bank provided personalized career mentorship and guidance sessions to female employees, supporting their progression into senior leadership roles.

Operational efficiencies were also achieved through strategic cost-saving initiatives. JKB reduced procurement costs by 2 million JOD and saved 1.2 million JOD in electricity costs by implementing large-scale solar energy projects. These efforts culminated in JKB obtaining ISO 50001 certification for Energy Management, reinforcing its reputation as a sustainable organization. The ISO 14001 for Environmental Management and ISO 45001 for Occupational Health and Safety Management certificates were also renewed.

Corporate Social Responsibility

In 2024, Jordan Kuwait Bank adopted a comprehensive strategic approach to corporate social responsibility (CSR), reaffirming its commitment to being "more than just a bank"— an active partner in community development. JKB continued to focus on identifying and implementing impactful projects that serve and support the local community. These initiatives form a key part of Jordan Kuwait Bank's CSR program, reflecting the bank's dedication to social causes.

CSR is a core pillar of JKB's overall strategy, ensuring a well-balanced approach across economic, environmental, and social spheres that align with the United Nations Sustainable Development Goals (SDGs), reinforcing the bank's leadership position, upholding its values among stakeholders, and proactively mitigating strategic, operational, and reputational risks.

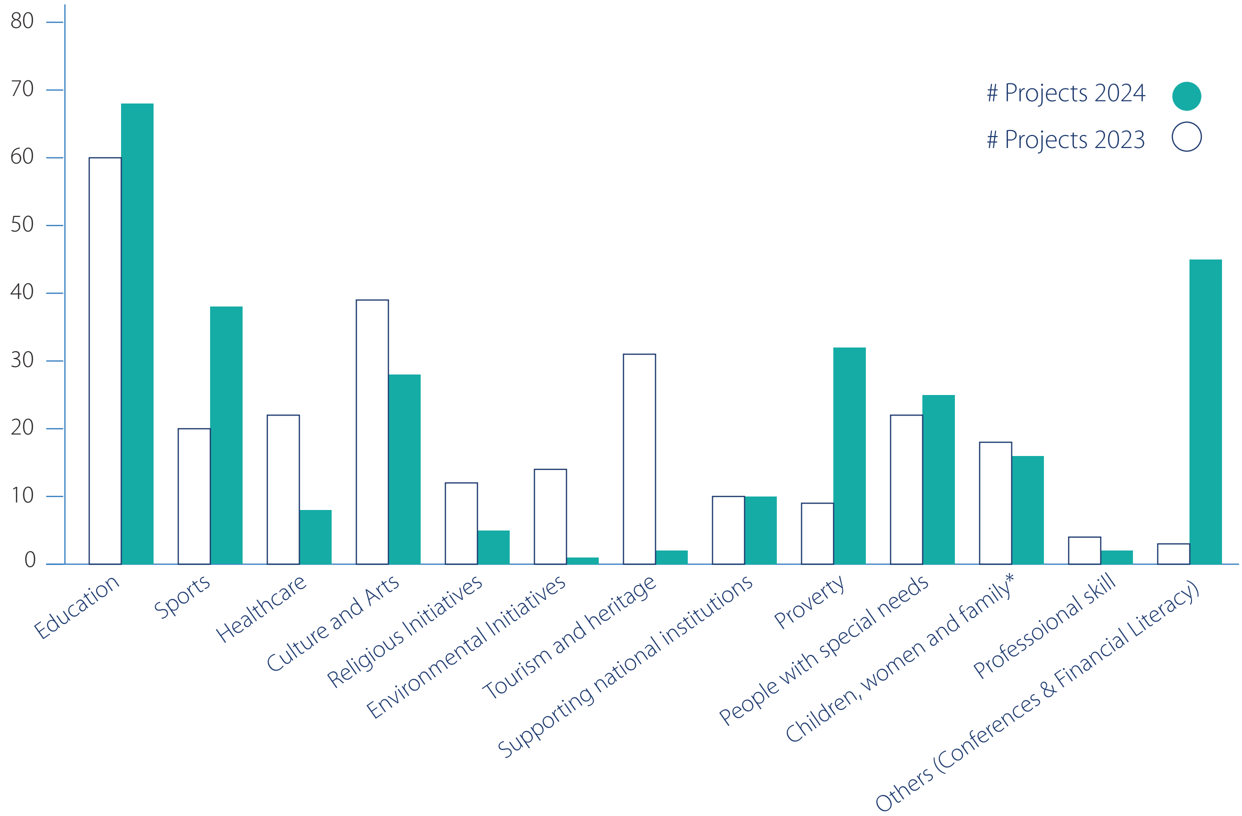
Throughout the year, the bank successfully executed 280 CSR projects, across multiple governorates in Jordan. A key priority was expanding JKB's programs nationwide—from north to south—in collaboration with government entities, the private sector, and local community organizations. These initiatives were designed to address economic and social challenges, foster community development, promote diversity and inclusion, and advance sustainability, driving meaningful change across multiple sectors.

In addition, the bank organized 43 volunteer initiatives, strengthening a culture of volunteerism and encouraging employee engagement in community service. A total of 417 employees volunteered during the year, 129 of whom were females and 288 were males. Volunteering opportunities was also extended to the employees at the bank's subsidiaries; further strengthening workplace relationships and enhancing internal communication across the group.

CSR Growth in 2024

In 2024, the number of CSR projects increased by 13% compared to 2023, demonstrating continued commitment to expanding JKB's impact and driving sustainable community development.

No. of CSR Projects



Poverty Alleviation

In 2024, Jordan Kuwait Bank intensified its efforts to combat poverty, a key priority within the United Nations Sustainable Development Goals (SDGs). The bank supported a range of national institutions, charities, and social organizations to improve living conditions and ensure access to essential services for all, reinforcing social protection and long-term sustainability.

During the holiday seasons, the bank launched several impactful initiatives, including the Christmas Giving Initiative at St. George Monastery and the campaign to provide charity parcels and shopping coupons for low-income families, organized in collaboration with the Greek Orthodox Patriarchate of Jerusalem for Easter. Additionally, the bank provided Eid clothing through Al-Noor Center under the Islamic Charitable Society. The bank continued its annual support to the Jordanian Hashemite Fund for Human Development's "Good Will Campaign", the Jordan Hashemite Charity Organization, and Mabarrat Um Al Hussein, and a number of Charitable organizations.

The bank also maintained its annual sponsorship of a home at SOS Children's Village in Irbid and organized a winter blanket distribution campaign to assist underprivileged families. Furthermore, the bank partnered with the Friends of Students Charitable Society to distribute school uniforms to disadvantaged students and collaborated with the School Bag Initiative to provide school bags to children in need.

Fighting Hunger

For the first time, the bank partnered with the Jordan Food Bank, providing financial support for Jordan’s first charitable supermarket in Abu Nseir. This innovative initiative offers affordable products to low-income families while reinvesting its profits into food parcel distributions and meal preparation for those in need. Beneficiaries include low-income households, widowed women, and unemployed youth. Additionally, the initiative creates job opportunities for people with disabilities and offers training programs for young individuals, equipping them with the skills needed to launch small businesses.

As part of the bank’s commitment to reducing food waste and supporting vulnerable communities, the bank installed a charitable refrigerator, the “Talajet el khaer,” at the bank’s headquarters. Employees were encouraged to contribute surplus food, ensuring it was available to passersby in need. This initiative aligns with the “Grace Preserving and in-kind aid assistance,” which redistributes excess food to underprivileged families.

The bank also continued supporting Ezwitti Restaurant, becoming the first and only bank to provide financial and logistical backing. Through this support, the restaurant serves approximately 3,000 meals per month to those in need. Additionally, during Ramadan, the bank partnered with Tkiyet Um Ali to organize an iftar for 4,000 fasting individuals, with employees and colleagues from the bank’s subsidiary companies actively participating in meal preparation and distribution. The bank employees also volunteered to prepare meals for low-income families in collaboration with Waqf Thareed, further reinforcing the bank's dedication to social responsibility and community welfare.

Healthcare Initiatives

In 2024, Jordan Kuwait Bank reaffirmed its commitment to the health sector, recognizing its vital role in community well-being. Throughout the year, the bank employees actively participated in three blood drives, including two for the King Hussein Cancer Center and one for the National Blood Bank, approximately 158 employees donated blood.

The bank also played an integral role in breast and prostate cancer awareness campaigns led by the King Hussein Cancer Center (KHCC), organizing internal awareness sessions, a free medical check-up day for employees, and a breast cancer awareness walk for female employees, additionality for the first time, the bank hosted an entertainment day at the children’s Cave at KHCC, featuring performances and gift distributions, with participation from the bank’s staff.

To further support the King Hussein Cancer Foundation, the bank provided financial contributions to its Naming and Recognition Program, specifically funding the waiting area in the Endoscopy Department at the new King Abdullah II Building in Aqaba. Additionally, a significant number of the bank's employees are enrolled in the Friends of King Hussein Cancer Center Program, contributing monthly to support cancer patients.

The bank also maintained its annual support for the Jordanian Society for Medical Aid for Palestinians and the White Beds Society. Furthermore, in collaboration with Abdulhadi Hospital, the bank organized a free medical check-up day for elderly residents at the White Beds Society's Elderly Care Home.

Promoting equal access to healthcare, the bank partnered with Gift of Life Amman to cover open-heart surgeries for children aged 1 to 18 years with congenital heart defects. Additionally, the bank provided funding for various health awareness conferences, reinforcing the bank's dedication to public health and well-being.

Education

Jordan Kuwait Bank reaffirmed its commitment to the education sector by launching a new educational fund in collaboration with the Arab Orphan Committee to support families in Palestine, responding to the ongoing crisis in Gaza. The bank also continued its sponsorship of the Business Leaders Campaign, launched by INJAZ, for the sixth consecutive year across all governorates in Jordan. As an active member of the INJAZ Board of Trustees, the bank further strengthened its commitment to education by sponsoring the Jordan Young Scientist "Scholars of Tomorrow" Initiative for the second year. This national project encourages and rewards young innovators in science, mathematics, engineering, and technology (STEM). The 2024 edition featured 1,456 students from 238 public and private schools across Jordan, showcasing 414 innovative projects to an audience of over 40,000 visitors from different countries.

Additionally, the bank served as the platinum sponsor of the 3rd National Sumo Robotics Championship, held in collaboration with Al Hussein Technical University. This event brought together 600 students from 50 educational institutions, including universities, schools, and training centers across Jordan.

Continuing its long-term commitment to education, the bank renewed its annual partnership with the Al Aman Fund for the Future of Orphans, providing university scholarships. It also extended direct financial assistance to 68 academically outstanding but financially disadvantaged university students by covering their tuition fees. Furthermore, the bank continued its support for the Elia Nuqul Foundation, which offers educational and vocational opportunities to help young people complete their studies.

Jordan Kuwait Bank also maintained its annual support for the Jordan Kuwait Bank Scholarship Fund, established at the King Hussein Cancer Center in 2023, covering university tuition fees for high school graduates undergoing cancer treatment. The bank held mentorship meetings with scholarship recipients to motivate and prepare them for the job market.

Expanding its educational outreach, the bank provided funding for the Athar Foundation for Youth Development, which focuses on youth empowerment, women's employment, and educational improvement through psychosocial support programs. The foundation operates various initiatives in livelihood development, peacebuilding, education, and culture. Additionally, the bank sponsored the SIA Social Impact Weekend, providing training workshops and courses for over 300 young men and women in Jordan, equipping them with the skills to transform their ideas into impactful social projects.

For the second consecutive year, the bank participated in the Back-to-School Campaign, under the initiative, where employees volunteered to distribute school bags and stationery to public school students, easing their financial burden and ensuring they continue their education.

Additionally, the bank provided financial support for Model United Nations Conferences in various schools and sponsored the Top Tawjihi Students' Recognition Ceremony, honoring Jordan's highest-achieving high school graduates.

5 GENDER EQUALITY

Gender Equality

In 2021, Jordan Kuwait Bank adopted the Women's Empowerment Seven Principles (WEPs), a global framework designed to help companies and institutions promote gender equality and empower women in the workplace, reinforcing their role in economic and social development.

The bank's dedication to gender equality has been recognized as part of its contribution to the United Nations Sustainable Development Goals (SDGs). Remaining committed to making a meaningful impact in line with Jordan's national priorities, the bank sponsored a panel discussion on combatting violence against women in collaboration with the Society for Protecting Family Violence Victims and organized a Women's Day celebration on March 8 for all female employees.

As part of the bank's CSR strategy to support and empower women—especially young women—the bank provided financial support to Jordan's national women's tennis team, helping enhance their training and preparation for international competitions.

Decent Work and Economic Growth

Jordan Kuwait Bank actively supports civil society initiatives, economic forums, and conferences focused on economic growth, market development, and entrepreneurship. The bank also sponsors various projects across economic and social sectors, including:

- Sponsorship of the Economic Forum on Financial, Industrial, and Trade Partnerships between Iraq, Jordan, and the region, in partnership with the Bank of Baghdad.
- Sponsorship of the Al Jam'a School Group, where Jordanian and Arab students discussed the SDGs.
- Sponsorship of the Model Arab League at Arab Model Schools, where students simulated official Arab League sessions, discussing internal conflicts in the Arab world at the ministerial level.
- Jordan Kuwait Bank was the Diamond Sponsor of the 62nd ACI World Congress and the 47th ICA Conference.
- Participation in the National Conference on Climate Change and Green Economy.
- Sponsorship of the Second Edition of the Green Finance Forum.
- Sponsorship of the Jordan Strategy Forum.
- Support for the 19th Regional Conference of Arab Women Journalists (Knights of Truth).

Through these initiatives, the bank demonstrates its commitment to economic development, job creation, and sustainable business growth, reinforcing its role as a key player in driving financial and social progress in Jordan and the region.

Reducing Inequality

Reducing inequalities and achieving social justice play a pivotal role in achieving sustainable development. Through its programs and initiatives, the bank seeks to support marginalized groups and enable them to participate effectively in society.

The bank remained committed to supporting local community organizations, providing financial assistance and donations to clubs and associations for the deaf, visually impaired, and individuals with disabilities. Employees actively participated in financial literacy and awareness campaigns at special education schools, promoting greater inclusion and accessibility.

The bank also continued its support for the Mental Health Association and the Badwa Center for Special Education, organizing educational and creative activities for students, including theatrical performances and art workshops. Additionally, the bank provided ongoing funding to various charitable organizations to help them achieve their missions.

As part of its commitment to inclusion and empowerment, the bank supported West Irbid Charitable Society for Special Needs challenge, sponsoring multiple marathons throughout the year. Several of the association's athletes competed, securing top rankings in local and international competitions.

The bank also honored athletes who represented Jordan in the 2024 Paralympic Games in Paris, organizing a celebratory event attended by employees. Additionally, the bank provided sponsorships for para powerlifting athletes, many of whom achieved high rankings in both local and global championships.

To raise awareness on disability rights, the bank supported a media competition organized by the Higher Council for the Rights of Persons with Disabilities, which aimed to promote diversity, inclusion, and respect for differences. In recognition of the International Day of Persons with Disabilities, the bank displayed the council's awareness campaign across all branch screens. For the first time, the bank also produced and released a social media campaign in sign language, ensuring accessibility for the hearing impaired.

Sustainable Cities and Communities

Jordan Kuwait Bank organized a cleanup campaign along its designated eco-trail in Salt - Rmeimeen, in collaboration with the Jordan Trail . Employees participated alongside local residents to help maintain and preserve the area's natural beauty.

Peace, Justice, and Strong Institutions

The bank hosted an interactive workshop in partnership with the United Nations Global Compact Network Jordan , aimed at reinforcing employees' commitment to the United Nations SDGs.

Additionally, the bank sponsored an Exhibition at the Afanin Art Studio, titled "Moments of Freedom", where proceeds from artwork sales were donated to support families in Gaza.

Environmental Initiatives

As part of its ongoing commitment to environmental sustainability, the bank continued its tree-planting campaigns in collaboration with the Royal Society for the Conservation of Nature, under the Green Caravan initiative. Employees actively participated in planting efforts in Amman and Jerash.

To further strengthen its environmental initiatives, the bank signed a Memorandum of Understanding with the Ministry of Environment and the Ministry of Agriculture, reinforcing its dedication to promoting eco-friendly practices and supporting national environmental goals.

Culture and Arts

Jordan Kuwait Bank continued its commitment to supporting arts, literature, and scientific research by sponsoring a range of festivals, forums, and cultural performances. Among these were the 5th Amman International Film Festival, the Divas Festival, and the Circassian Charity Association's Annual Ceremony.

The bank also maintained its ongoing partnership with the Royal Society of Fine Arts and the Jordan National Gallery of Fine Arts, a collaboration that began in 2020 as part of its CSR strategy to promote arts and culture. The museum plays a vital role in supporting Jordanian visual arts and contemporary artistic expressions, helping local artists gain international recognition. Through this partnership, the bank has contributed to initiatives that foster creativity and innovation in areas such as painting, photography, graphic design, sculpture, ceramics, videography, and conceptual arts, as well as the production of fine arts-related creative works.

As part of its commitment to social impact, the bank supported "The Space of Giving", an initiative launched in response to the Gaza crisis to raise funds for affected families. The bank co-sponsored the third edition of the still life art exhibition, with all proceeds donated through the INARA, a non-profit organization that provides medical and psychological treatment to children affected by war, displacement, and trauma. This initiative sought to address the physical and mental health challenges faced by children suffering from conflict-related injuries and difficult living conditions.

Recognizing the importance of preserving cultural heritage, the bank served as the official sponsor of the Heritage Award 2024, introduced in collaboration with the Petra National Trust. This initiative promotes the protection and restoration of Jordan's cultural, archaeological, and environmental heritage while raising awareness about the significance of historical sites and sustainable conservation efforts. Beginning in 2025, the award will become an annual tradition, celebrating excellence in heritage preservation, site restoration, and sustainable adaptation projects.

The bank also contributed to reviving Jordanian musical heritage by supporting Macadi Nahhas' production of a heritage-inspired album. The album features 15 re-recorded traditional songs, representing Jordan's 12 governorates and three Bedouin regions, preserving the country's rich musical legacy for future generations.

Sports

Jordan Kuwait Bank continued its support for sports initiatives and national teams, most notably as a sponsor of Jordan's national football team (Al Nashama) during the 2024 AFC Asian Cup in Qatar. To engage employees and their families, the bank organized match screenings, creating a shared experience around the tournament.

As part of its youth development efforts, the bank served as a gold sponsor for a football championship led by former Real Madrid captain Michel Salgado. The initiative brought together promising young footballers from across Jordan—including children of bank employees—to compete in an international tournament in Spain.

The bank also continued to sponsor Jordanian Taekwondo athlete Zaid Mustafa, who won a silver medal at the Paris 2024 Olympics, reaffirming its commitment to supporting elite Jordanian athletes. In addition, the bank backed various sports and youth programs, including sponsorship of football and basketball teams across schools, universities, and clubs. The bank also actively participated in sports competitions, fielding its own football and basketball teams in various tournaments.

To diversify its sports sponsorship, the bank participated in Tele-Match competitions for the first time, which featured interactive games between children and parents. It also sponsored the first-ever Padel Tennis tournament in Jordan in 2024 and the first and second Open Water Swimming Championships in partnership with the Aqaba Special Economic Zone Authority (ASEZA), where bank employees secured top placements. Additionally, the bank sponsored the Wadi Al Qamar Navigation Rally in Wadi Rum.

One of the most notable sports achievements of 2024 was the bank's sponsorship of Jordanian mountaineer Ahmad Bani Hani, who became the first Jordanian and Arab climber to summit Nepal's Mount Makalu (8,481 meters).

Lastly, the bank reinforced its long-term commitment to basketball development by signing a three-year strategic partnership with Amman United Basketball Club. This partnership aims to provide a dedicated training and competition space for basketball players of all ages, further supporting the growth of the sport in Jordan.

2024 Awards

Recognizing the bank’s cutting-edge capabilities and financial services, Jordan Kuwait Bank highlights its long record of international awards and accolades. These distinctions underscore the bank’s exceptional achievements, stellar performance, and unwavering dedication. Among the notable recognitions received in 2024 are:

- “Jordan’s Best Domestic Private Bank 2024”
- “Best Local Bank in Jordan for ESG Practices” from Euromoney.
- “Best SME Bank in Jordan” from Euromoney.
- “Best SME Bank in Jordan” from Global Banking and Finance Review.
- “Best CSR Bank in Jordan” from Global Banking and Finance Review.
- “Award for Excellence in Artificial Intelligence and Machine Learning” from Asian Banking and Finance.

Business Plan
2025

Building on the achievements of Jordan Kuwait Bank Group in 2024, the bank will continue implementing its strategy to drive business growth, enhance digital transformation and innovation, strengthen sustainable banking practices, and reinforce governance, risk management, and compliance. The 2025 business plan is summarized as follows:

Business Growth and Financial Performance

In 2025, the bank aims to diversify its revenue streams, explore strategic opportunities, and continue offering financial, banking, and investment services and products that meet customers' needs and aspirations. The bank will also maintain its support for the corporate sector, particularly small and medium-sized enterprises (SMEs), while enhancing operational efficiency.

Digital Transformation and Innovation

The bank will continue its digital transformation journey, improving customer experience and meeting their needs by offering and developing the best products and services across various digital channels. Additionally, it will keep fostering innovation in the financial technology (fintech) sector, actively contributing to the development of the fintech ecosystem in Jordan, and empowering startups and entrepreneurs to create innovative financial solutions that support the growth of Jordan's digital economy. As part of this effort, the bank will also enhance its data governance and analytics strategy by leveraging artificial intelligence and advanced data technologies to optimize operations, strengthen data infrastructure, and enable more informed, data-driven decision-making.

Sustainability, Environmental & Social Governance (ESG), and Corporate Social Responsibility (CSR)

In 2025, the bank will work on developing a comprehensive ESG strategy aligned with its vision, mission, and sustainability objectives. The strategy will focus on achieving positive environmental and social impact, promoting sustainability, and continuing to support local and national development initiatives, thereby reinforcing the bank's role in serving the community.

Additionally, the bank will enhance its green financing products, expand financing for renewable energy projects and environmentally friendly initiatives, and further integrate sustainability principles into its operations. This includes improving energy efficiency to enhance profitability and manage climate-related risks.

The bank is working to adopt a climate change governance approach by developing a framework to address environmental challenges and climate change, adopting sustainable practices, and developing trends towards green activities. The bank will also prepare periodic reports on environmental, social, and sustainability impacts to enhance transparency.

Governance, Risk Management, and Compliance

The bank will continue to strengthen and implement governance, risk management, and compliance principles by closely monitoring all regulations issued by supervisory authorities and ensuring compliance with regulatory requirements within the specified timeframes, both locally and internationally. The bank will also automate regulatory processes and implement AI-powered systems to enhance efficiency, ensure compliance with regulations, and improve readiness for credit risks, fraud prevention, and cybersecurity.

Human Resources and Organizational Excellence

The bank aims to foster a work environment and culture that enhances employee satisfaction, boosts productivity, and retains and attracts top talent. It supports professional growth by developing employees' skills and competencies across various sectors through specialized training programs, professional certifications, and educational initiatives. Additionally, the bank focuses on strengthening digital competencies to align with its digital transformation objectives. Furthermore, implement programs and initiatives that support employee well-being.

Subsidiaries

The bank will leverage synergies with its subsidiaries by providing integrated financial solutions, cross-selling opportunities, and shared technological infrastructure. Through business strategy alignment, the bank and its subsidiaries will work towards enhancing product offerings and streamlining operations to create seamless customer experience.

Independent Auditor's Report on Consolidated Financial Statements for 2024

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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.

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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>

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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.

Building a better
working world

- 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 Financial Statements and the notes for 2024

Consolidated statement of financial positionc As at 31 December 2024

Assets	Notes	2024	2023
		JD	JD
Cash and balances with 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			
shareholders' 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 valuation reserve – net	25	14,828,549	20,004,022
Actuarial (loss) 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 with 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 interest	**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**

The accompanying notes from 1 to 51 form an integral part of these consolidated financial statements

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 debt instruments 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
Other 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 expeuse	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**
Bank's shareholders	35	0.782	0.394

The accompanying notes from 1 to 51 form an integral part of these consolidated financial statements

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 are unable to be reclassified to consolidated income statement in subsequent periods 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
(Loss) actuarial from remeasurement of defined post-employment benefits	(948,375)	(396,702)
Items that may be reclassified to consolidated income statement in subsequent periods 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**

The accompanying notes from 1 to 51 form an integral part of these consolidated financial statements

Consolidated statement of changes in equity for the year ended 31 december 2024

	Notes	Authorized and paid-in capital	Perpetual bonds	Reserves			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
				Statutory	Voluntary	Fair value reserve							
		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**

Consolidated statement of changes in equity for the year ended 31 december 2024

	Notes	Authorized and paid-in capital	Perpetual bonds	Reserves			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
				Statutory	Voluntary	Fair value reserve							
		JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
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 period		-	-	-	-	-	-	-	-	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 a restricted amount against deferred tax assets of JD 62,652,590 as at 31 December 2024 (2023: JD 58,716,359) in accordance with the instructions of the Central Bank of Jordan.

* Retained earnings include an amount of JD 188,212 as at 31 December 2024 and as at 31 December 2023, Such amount is restricted and cannot be utilized according to Jordan Securities Commission regulations, it resulted from the early adoption of IFRS 9 during the year 2011. This amount is related to the net revaluation of financial assets at fair value through profit and loss after what has been realized through the sales transactions.

In accordance with the instructions of the Central Bank of Jordan No. 13/2018, the accumulated balance of the general banking risk reserve amounting to JD 14,288,875 as at 1 January 2018 was transferred to the retained earnings to offset the impact of IFRS 9. Surplus amount - if any - after the offset is restricted.

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

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:			
Depreciations and amortisations	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 in 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) loss 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) loss of sale of financial assets at fair value through other comprehensive income - debt instruments	7	(43,633)	-
(Gain) on sale of subsidiaries	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 within no 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**

	Notes	2024	2023
		JD	JD
Investing activities:			
Equity directly related financial assets held for sale	49	-	(1,481,196)
Purchasing 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 amortized cost	7	(13,158,758)	(12,362,946)
Disposal of financial assets at fair value through statement of comprehensive income	7	2,075,723	559,015
Decrease (Increase) in financial assets at fair value through peofit 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 interest		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**

(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 current Paid up 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 branch. The Bank owns a group of subsidiaries, for banking services, finance leasing, and brokerage services. During 2023, the bank completed the acquisition of 53.44% of Bank of Baghdad share capital in Iraq.

Jordan Kuwait Bank is a Public Shareholding Company limited 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

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 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, and financial derivatives, which are measured at fair value as of the date of the consolidated financial statements.

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

The consolidated financial statements include the financial statements of the bank and its subsidiaries that are under its control. Control is established when the bank has the ability to govern the financial and operating policies of the subsidiaries to obtain benefits from their activities. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Bank are eliminated in full on consolidation.

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:

Name of the Company	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:

Name of the Company	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 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 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:

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

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

The amendments had no impact on the 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 January 1, 2024, and early application is permitted as long as this is disclosed. The amendments are not expected to have a 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 therefrom, 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 profit or loss 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 profit and loss

Financial assets at fair value through profit and loss

- 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 FVTPL are recognised immediately in the 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 FVOCI, 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. On the other hand, 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 FVOCI 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 statement of income of profit or loss.
- For debt instruments measured at FVOCI 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 OCI in the investment's revaluation reserve.
- For financial assets measured at amortised cost 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 statement of profit or loss; and
- For equity instruments measured at FVOCI, 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 statement of profit or loss (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 mismatch.
- If the financial liabilities are part of a portfolio managed on a fair value basis, according to a documented risk or investment management strategy; or
- 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 statement of profit or loss 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 instructions of the Central Bank regarding the application of IFRS 9 No.13/2018 issued on 6/6/2018. The Central Bank's instructions No. (47/2009) dated 10/12/2009 (item II/ D) include 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 in accordance with the instructions and standards. 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 according to the instructions of the Central Bank of Jordan and the supervisory authorities in the countries where the Bank operates.

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 specific Master scale. Each credit rating is calculated by Moody's, offset by the probability of default (PD). Financial and non-financial analysis of clients is made. 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 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 and -5 with Ejara Company.
- 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 instructions of the Central Bank of Jordan.
- 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.
	In addition to the above, the Central Bank Instructions No. (47/2009) dated 10/12/2009 (item II / D) includes a number of indicators demonstrating an event of default which must also be complied with.

- There are clear and specific criteria for ratings in the three stages (1, 2 and 3) and the transfer among them. According to the instructions of the Central Bank of Jordan, which state that 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 (ECL).

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

The Bank recognises loss allowances for expected limit loss on the following financial instruments that are not measured at fair value through the statement of profit or loss:

- 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 in equity instruments.

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:s

- 12-month ECL, i.e. lifetime 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; or
- 12-month ECL, i.e. 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; and

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 FVOCI 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; with
- 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.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/ loss that had been recognised in OCI and accumulated in equity is recognised in the statement of profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/ loss previously recognised in OCI is not subsequently reclassified to the statement of profit or loss.

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 profit or loss upon recovery.

Loss allowances for ECL presented in the consolidated statement of financial position as follows

Loss allowances for ECL 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: as a provision.
- 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 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 in accordance with the instructions of the Central Bank of Jordan.
- Credit facilities and their suspended interest covered by provisions are transferred entirely off the consolidated statement of financial position, in accordance with the decisions of the Board of Directors in this regard.

When the Group 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 Group's 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 profit or loss 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 the statement of profit or loss or other financial liabilities.

Financial liabilities at fair value through the statement of profit or loss

Financial liabilities are classified at fair value through the statement of 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 statement of profit or loss 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 statement of profit or loss.

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 statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/ loss recognised in the statement of profit or loss 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 the statement of profit or loss.

However, in respect of non-derivative financial liabilities classified at fair value through the 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 profit or loss. The remaining amount of changes in the fair value of the liability is recognised in the consolidated statement of profit or loss, 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 statement of profit or loss. 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 profit or loss.

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 profit or loss, the Bank assesses whether it expects to offset the effects of changes in the credit risk of the liabilities in the consolidated statement of profit or loss with a change in the fair value of another financial instrument that has been measured at fair value through the consolidated statement of 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 profit or loss.

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 statement of profit or loss immediately unless the derivative is identified and are effective as a hedging instrument, in which case the timing of recognition in the statement of profit or loss 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 ue 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 the statement of profit or loss.

An embedded derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be 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 the statement of 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 profit or loss, 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 the consolidated statement of 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 profit or loss.

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; and
- 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 statement of profit or loss 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 statement of profit or loss 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 profit or loss 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 statement of profit or loss. 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 statement of profit or loss 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 statement of profit or loss 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 statement of profit or loss.

Amounts previously recognised in other comprehensive income and the accumulation of shareholders' equity in the statement of profit or loss 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 statement of profit or loss.

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 statement of profit or loss.

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any 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 statement of profit or loss. 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 profit or loss and any appreciation in value is not recognised as income. Subsequent increase is included in the consolidated statement of profit or loss 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 2023, 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, devices and furniture	159-
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 Net 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 profit or loss 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 profit or loss 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 profit or loss 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's 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 other comprehensive income

Net income from financial instruments at fair value through the statement of profit or loss includes all gains and losses resulting from changes in the fair value of financial assets and financial liabilities at fair value through the statement of profit or loss, 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 statement of profit or loss 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 statement of profit or loss". 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 profit or loss 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 statement of profit or loss, are included in the same item as a hedged item that affects the statement of profit or loss.

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 profit or loss on the classification and measurement of the shares, i.e.:

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

2-25 Impairment of non-financial assets

- The carrying value of the Group'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 profit or loss and other comprehensive income.
- The impairment loss for goodwill is not reversed. For other assets, the impairment loss is reversed only if the 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 profit or loss 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 consolidated comprehensive income, and are reclassified from equity to the statement of profit or loss 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 profit or loss.

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 profit or loss. 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 profit or loss.

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 profit or loss 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 profit or loss 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 with Central Banks

	2024	2023
	JD	JD
Cash at vault	265,270,359	285,082,880
Balances with central banks:		
Current and 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 with central banks	1,099,867,793	815,164,709
Less: expected credit losses from balances at foreign central banks*	31,274,102	27,940,942
Net balances with central banks	1,068,593,691	787,223,767
Total	**1,333,864,050**	**1,072,306,647**

- The value of the restricted reserves with the Central Bank of Iraq amounted to JD 279,453,168 as of 31 December 2024 (2023: JD 188,997,501) and they 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, and they 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 with central banks according to the Bank's internal classification categories as at 31 December 2024 and 2023:

Credit rating categories based on the Bank's internal raegulations	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 with 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	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 balance	-	-	-	-
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 balance	-	-	-	-
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 with 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 changing classification between stages	-	-	(11,069,843)	(11,069,843)
The impact on the provision resulting from adjustments	145,766	-	8,081,226	8,226,992
Write offs provision	-	-	-	-
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' provisions	-	-	-	-
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 mature 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)
Net total balances of cash at banks and financial institutions	**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 classification categories as at 31 December 2024 and 2023:

Credit rating categories based on the Bank's internal raegulations	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 disclosure movement on balances at banks and financial institutions during the year ended 31 December 2024 and 2023:

Credit rating categories based on the Bank's internal raegulations	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)
Write offs	-	-	-	-
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
Write offs	-	-	-	-
Balance at the end of the year	**540,409,385**	**4,910,328**	**25,077**	**545,344,790**

The following is the disclosure of the movement on provision for expected credit losses on deposits with banks and banking institutions during the year ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
31 December 2024	JD	JD	JD	JD
Balance at the beginning of the year	133,107s	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
Write offs	-	-	-	-
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	-	-	-	-
	87,156	1,327,895	18,530	1,433,581
Write offs	-	-	-	-
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 and 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 income statement.
- Cash dividends distributed on the above investments amounted to JD 1,301,837 for the year ending 31 December 2024, compared to JD 2,648,108 for the year ending 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 income statement, compared to a profit of JD 450,213 as of 31 December 2023.

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

(7) Financial assets at fair value through other comprehensive income

	2024	2023
	JD	JD
Shares listed in an active market	26,714,208	27,928,802
Shares unlisted in an active maker	57,279,384	55,884,750
Total shares	83,993,592	83,813,552
Bonds listed in 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:		
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 equity, whereas no realized losses or profits were recorded during the year 2023.
- Realized profits 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 income statement.
- Cash dividends on the above investments amounted to JD 1,519,458 for the year ended 31 December 2024 against (2023: JD 2,486,319).

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

Credit rating categories based on the Bank's internal raegulations	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 disclosure of movement in 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 Indivsiduals	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 disclosure of the movement in the provision for expected credit losses for debt instruments at fair value through other comprehensive income during the years ended 31 December 2024 and 2023. These provisions are recorded as an addition to the revaluation reserve to be transferred to the income statement in accordance with the requirements of International Financial Reporting Standard (IFRS) 9.

	Stage 1 Individuals	Stage 2 Indivsiduals	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: Expected credit loss provisions	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 third stage less 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 less 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 by 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 gross basis during the year ended 31 Decembers 2024 and 2023:

	Stage1		Stage2		Stage3	Total
	Individual	Collective	Individual	Collective		
	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 reclassification within stages on the size of exposures resulting from the change in 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 and 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**

Expected credit loss provisions – direct credit facilities

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

31 December 2024	Individuals	Real estate mortgage	Corporates		Government and public sector	Total
			Large	SMEs		
	JD	JD	JD	JD	JD	JD
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 added during the period	12,563,387	2,132,750	1,503,940	1,454,074	-	17,654,151
Provision recovered (surplus) during the period	(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
The 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**

31 December 2023	Individuals	Real estate mortgage	Companies corporate		Government and public sector	Total
			Large	SMEs		
	JD	JD	JD	JD	JD	JD
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 added during the period	4,373,969	230,731	2,122,956	409,687	-	7,137,343
Provision recovered (surplus) during the period	(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**
Total provisions - stage 1	11,386,405	3,426,030	9,416,373	622,107	311,385	25,162,300
Total provisions -stage 2	2,758,657	5,951,516	55,746,488	430,258	-	64,886,919
Total provisions -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**

- The value of 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 (12,593,999 JD as at 31 December 2023)

- 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 at an amount of JD 211,764,511 (2023: JD 177,185,109).

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

Interest in suspense

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

31 December 2024	Individuals	Real estate mortgage	Companies corporate		Government and public sector	Total
			Large	SMEs		
	JD	JD	JD	JD	JD	JD
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 period	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 impact on interest in suspense resulting from adjustments	796,843	3,723,370	2,180,342	163,511	-	6,864,066
Interest in suspense on impaired exposures	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**

31 December 2023	Individuals	Real estate mortgage	Companies corporate		Government and public sector	Total
			Large	SMEs		
	JD	JD	JD	JD	JD	JD
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**

A) Per economic sector:

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:

31 December 2024	Individuals	Real estate mortgage	Companies corporate		Government and public sector	Total
			Large	SMEs		
	JD	JD	JD	JD	JD	JD
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 bad debts transferred and 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	-	-	-	-	-	-

31 December 2023	Individuals	Real estate mortgage	Companies corporate		Government and public sector	Total
			Large	SMEs		
	JD	JD	JD	JD	JD	JD
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 bad debts transferred and 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 Indivsiduals	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
Bad debts (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 Indivsiduals	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
Bad debts (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 system	Stage 1 Individuals	Stage 2 Indivsiduals	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 Indivsiduals	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)
Bad debts (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 Indivsiduals	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
Write 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 Indivsiduals	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
Provision of bad debts	-	-	(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 Indivsiduals	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	-	-	-	-
Provision of bad debts	-	-	(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**

The following is a disclosure of the distribution of total real estate 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 system	Stage 1 Individuals	Stage 2 Indivsiduals	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**
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**

Real Estate facilities

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

	Stage 1 Individuals	Stage 2 Indivsiduals	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 paid 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 paid 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 following is the disclosure of the movement on the expected credit loss provisions of real estate facilities during the year ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Indivsiduals	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
Reversed 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
Provision of bad debts	-	-	(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
Provision of bad debts	-	-	(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 a disclosure of the distribution of the total large corporates 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 system	Stage 1 Individuals	Stage 2 Indivsiduals	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 disclosure of the movement on the large corporates' facilities balances during the year ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Indivsiduals	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**
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 disclosure of 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 Indivsiduals	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**
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

The following is a disclosure of the distribution of total SME 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 system	Stage 1 Individuals	Stage 2 Indivsiduals	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**
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 disclosure of the movement on SME facilities balances during the year ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Indivsiduals	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 paid 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**
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 paid 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 disclosure of 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 Indivsiduals	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
Provision of bad debts	-	-	(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	-	-	-	-
Provision of bad debts	-	-	(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 a disclosure of the distribution of total government and public sector 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 system	Stage 1 Individuals	Stage 2 Indivsiduals	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 disclosure of the movement on government and public sector facilities' balances during the year ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Indivsiduals	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 paid 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**
31 December 2023				
Balance at the beginning of the year	181,960,741	-	-	181,960,741
New facilities during the year	-	-	-	-
Facilities paid 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 disclosure of 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 Indivsiduals	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)
Provision of bad debts	-	-	-	-
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)
Provision of bad debts	-	-	-	-
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: impairment provisions for financial assets at amortised cost	(15,745,080)	(15,858,918)
Net financial assets with available market prices	96,068,721	113,916,728
Financial assets with no available market prices:		
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 no available market prices	1,342,102,986	1,013,095,494
Less: impairment provisions for financial assets at amortised cost	(4,182,840)	(4,129,033)
Net financial assets with no available market prices	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 income statement.

* 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.

Credit rating categories based on the bank's internal system	Stage 1 Individuals	Stage 2 Indivsiduals	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 disclosure of the movement on financial assets at amortised cost balance for the years ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Indivsiduals	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 paid 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
Paid 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 from 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 disclosure of 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 Indivsiduals	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 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 disclosure of 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 Indivsiduals	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 disclosure of the movement on (the provision) of investments' expected credit losses during the year ended 31 December 2024 and 2023:

	Stage 1 Individuals	Stage 2 Indivsiduals	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 paid 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 exchange	-	-	(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 paid 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:

31 December 2024	Lands	Buildings	Equipment, Furniture and Fixtures	Vehicles	Computers	Buildings' improvements	Total
	JD	JD	JD	JD	JD	JD	JD
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 available 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 available 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%	

31 December 2023	Lands	Buildings	Equipment, Furniture and Fixtures	Vehicles	Computers	Buildings' improvements	Total
	JD	JD	JD	JD	JD	JD	JD
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:

	Software and programmes	
	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 from acquisition	-	362,444
Transferred from available for sale financial assets	76,547	-
Balance at the end of the year	12,465,570	11,907,278
Annual amortization rate %	20%-33%	20%-33%

(12) Leased assets and 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: New contracts during the year	2,782,644	4,616,698
Add: Additions from acquisition	-	1,139,128
Less: depreciation 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 of lease liabilities is as follows:

	2024	2023
	JD	JD
Balance at the beginning of the year	12,791,946	10,733,682
Add: Additions from acquisition	-	1,161,539
Add: Interest expense	1,253,308	1,228,502
Add: New contracts 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 available for sale assets	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 as of 31 December 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, i.e. 3.04% of total deposits as of 31 December 2024 (JD 104,217,685, i.e. 2.81% as of 31 December 2023).
- The non-interest-bearing deposits amounted to JD 1,811,872,436, i.e. 45.59% of total deposits as of 31 December 2024 (JD 1,598,498,342, i.e. 43.12% as of 31 December 2023).
- The restricted deposits amounted to JD 64,563,160, i.e. 1.62% of the total deposits as of 31 December 2024 (JD 43,154,048, i.e. 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 different 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 the other comprehensive income	1,529,636	639,842	-	-	1,529,636	639,842
Additions through income statement	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 exchange 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 negative appears as a result of actuarial assumptions with equity rights immediately after deducting the deferred tax assets, 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.

** Added through income includes 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 the 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 of 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 income statement 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	N/A
Cyprus branch	2023	2019	Accrued taxes have been paid	N/A
Ejara Finance Leasing Company	2023	2019	Accrued taxes have been paid	N/A
Bank of Baghdad	2023	2023	Accrued taxes have been paid	N/A
United Financial Investments Co	2023	2021	Accrued taxes have been paid	N/A

- 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	Tax Deferred
	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 statement of income	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 statement of income	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	Amount released	Added	Balance at the end of the year	Tax Deferred
	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 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 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	-	-	-
Eliminations 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
Actual 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 provisional deposits paid to public shareholding companies and others.

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

(22) 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, debit interest 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 from retained earnings.

(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 the Jordanian Laws of 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 Companies Law and the Law of Banks.

(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) Net reserve for valuation of financial assets at fair value

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
Realised losses	52,267	-
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 income statement.

(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 according to the request 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 income statement, 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) No. 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 JOD 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 with 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 income statement- 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 liabilities of leased assets	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) Foreign currencies' gain

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
Per diems	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
Amortisation of right of use leased 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. Income Statement for Bank of Baghdad Before Offsetting Transactions for the Year Ended as of:

	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 Cash Flow Statement for Bank of Baghdad as of:

	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						Total
	Affiliates	Subsidiaries	Members of the Board of Directors *	Executive Directors	Foreign Branches	Other **	
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 leased assets	-	-	107,340	-	-	-	107,340
Liabilities against the right of use assets	-	-	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 income statement:							
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 leased assets	-	-	51,972	-	-	-	51,972
Interests against liabilities of leased assets	-	-	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						
	Affiliates	Subsidiaries	Members of the Board of Directors *	Executive Directors	Foreign Branches	Other **	Total
31 December 2023	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 of leased 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 income statement:							
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 leased assets	-	-	51,972	-	-	-	51,972
Interests against 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 Ejarah 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 shown 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. Where they are disclosed in note (45): Fair value hierarchy.

(40) Risk Management

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.

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:		
For retail	347,239,825	340,754,248
Real estate loans	231,362,184	205,701,491
For corporates		
Large corporates	1,124,491,937	1,143,756,764
SMEs	138,961,531	141,058,743
For government and public sector	159,848,195	175,475,054
Bills, bonds and notes:		
Within financial assets at fair value through income statement	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 statement of income	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 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	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:

Grade Classification	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**

Grade Classification	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 income statement	-	-	-	-	-	-	-	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**

31 December 2023	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	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 income statement	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%**

	Stage 2		Stage 3			
31 December 2023	**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

31 December 2024	Exposures reclassified			ECL of exposures reclassified				
	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	0.005 TO 92.992%		416,363,711	0.000 TO 4500.000%
	Normal	546,898			1		
	Normal	6,770,443	7,461	0.178 TO 0.524%	2	6,635,450	42.718 TO 46.345%
	Normal	10,244,896	14	0	2-	98,396	0
	Normal	21,574,968			2+		
	Normal	10,254,860	75	0.358 TO 0.399%	3	5,270,148	45.496 TO 46.301%
	Normal	10,706,801	11,868	0.474 TO 0.887%	3-	9,525,614	40.563 TO 56.355%
	Normal	47,714,269	3,561	0.272 TO 0.367%	3+	22,840,767	31.886 TO 58.305%
	Normal	2,461,785	8,657	1.134 TO 1.865%	4	2,461,785	30.075 TO 49.350%
	Normal	2,542,072	17,433	0.265 TO 2.319%	4-	2,438,555	0.000 TO 52.689%
	Normal	29,844,714	12,522	0.597 TO 1.731%	4+	26,064,355	52.689 TO 56.903%
	Normal	717,206	6,207	2.514 TO 2.713%	5	716,090	48.268 TO 48.978%
	Normal	1,123,394,104	37,650	2.768 TO 4.097%	5-	86,852,875	43.219 TO 48.945%
	Normal	6,409,126	61,317	2.188 TO 2.651%	5+	6,495,401	42.560 TO 52.689%
	Normal	15,319,815	158,287	4.668 TO 7.130%	6	15,319,815	41.278 TO 52.689%
	Normal	9,914,581	309,165	7.094 TO 9.555%	6-	9,532,337	46.158 TO 50.052%
	Normal	17,132,211	221,476	1.409 TO 5.137%	6+	16,476,662	42.022 TO 53.493%
	Normal	3,544,554	14,697	9.803 TO 11.997%	7+	525,583	46.490 TO 49.671%
1	Normal	21,750,473	716,735	0.024 TO 100.000%			45
2	Normal	1,200,000	37	0		1,200,000	0
2-	Normal	59,020,650	33,550	0.088 TO 0.309%		59,020,650	14.677 TO 49.818%
3+	Normal	85,552,055	56,821	0.123 TO 0.610%		85,552,055	0.000 TO 52.504%
3	Normal	76,728,338	82,267	0.176 TO 0.763%		76,728,338	0.000 TO 52.565%
3-	Normal	207,276,415	282,860	0.241 TO 0.920%		207,276,415	0.000 TO 52.689%
4+	Normal	142,522,437	418,703	0.346 TO 1.230%		143,358,312	0.000 TO 54.212%
4	Normal	114,239,995	644,306	0.518 TO 1.489%		114,239,995	0.000 TO 52.972%
4-	Normal	256,982,661	904,847	0.743 TO 1.961%		257,256,103	0.000 TO 53.554%
5+	Normal	81,620,340	384,537	1.053 TO 2.507%		81,620,340	0.000 TO 54.153%
5	Normal	364,555,809	2,226,612	1.480 TO 3.476%		365,080,364	0.000 TO 53.485%
5-	Normal	348,517,016	3,546,130	2.198 TO 4.576%		354,190,670	0.000 TO 53.426%
6+	Normal	132,359,424	1,711,043	3.163 TO 5.210%		132,359,424	0.000 TO 53.640%
6	Normal	182,263,784	2,337,825	3.939 TO 7.929%		184,956,972	0.000 TO 54.993%
6-	Normal	322,619	9,335	6.624 TO 9.940%		322,619	7.221 TO 51.564%
7+	Normal	2,127,583	80,645	10.249 TO 13.395%		2,127,583	10.736 TO 33.054%
7	Normal	4,129,536	275,828	12.329 TO 13.969%		4,129,536	9.390 TO 38.315%
	Acceptable Risk	1,075,154,055	185,044	0.037 TO 100.000%			4500.000 TO10000.000%
1	Acceptable Risk	89,990,242	532,755	0.000 TO 100.000%			45
3	Acceptable Risk	28,767		8.151 TO 100.000%			4500.000 TO10000.000%
4	Acceptable Risk	123,495		0			45

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	0.265 TO 92.276%		5,476,795	0.000 TO 53.493%
	Normal	0			7-		
	Normal	6,187,738	1,002,299	0	7+	6,187,738	1
5+	Normal	1,173,868	9,210	1.212 TO 1.760%		1,173,868	11.448 TO 53.293%
5	Normal	1,997,209	20,472	1.885 TO 2.684%		1,997,188	3.440 TO 52.689%
5-	Normal	11,060,333	146,475	2.236 TO 3.676%		11,123,733	7.621 TO 53.397%
6+	Normal	6,577,854	231,570	3.578 TO 5.087%		6,577,854	37.422 TO 50.929%
6	Normal	1,632,978	32,396	4.658 TO 7.367%		1,632,978	10.143 TO 51.395%
7-	Normal	18,600	265	25.543 TO 28.071%		18,600	0.001 TO 8.141%
	Acceptable Risk	733,570	733,570	0			45
4	Acceptable Risk	880,105	349,813	0			45
	Watch	5,820,652	628,338	0.484 TO 89.738%		5,818,013	0.000 TO 53.493%
3+	Watch	35,145,663	7,029,133	0.137 TO 0.290%		35,145,663	15.114 TO 20.240%
4-	Watch	5,790,520	32,234	1.224 TO 1.395%		5,790,520	10.000 TO 43.455%
5+	Watch	50,924,273	4,486,343	1.088 TO 1.730%		47,155,872	10.996 TO 46.827%
5	Watch	8,381,095	2,164,700	1.707 TO 3.439%		8,380,021	0.344 TO 53.192%
5-	Watch	28,634,314	1,682,781	2.198 TO 3.516%		28,713,462	7.776 TO 52.689%
6+	Watch	21,709,634	2,994,614	3.188 TO 4.138%		21,709,634	15.108 TO 49.350%
6	Watch	25,518,999	8,439,682	3.963 TO 7.255%		25,513,851	7.047 TO 47.997%
7+	Watch	14,987,811	4,925,927	7.734 TO 9.011%		14,987,811	7.976 TO 15.267%
7	Watch	80,613,958	37,301,943	7.572 TO 20.271%		77,327,957	0.001 TO 4500.000%
7-	Watch	25,167,552	9,245,337	10.146 TO 29.068%		25,167,552	9.743 TO 56.091%
STAGE 3							
	Normal	15,481,786	14,633,410	0.005 TO 100.000%		1,187,197	0.000 TO 10000.000%
	Normal	7,587,004	4,425,404	1	10	7,587,004	10.000 TO 99.990%
1	Normal	5,638	5,638	1			100
10	Normal	779,693	661,068	1		769,138	0.000 TO 99.990%
	Acceptable Risk	36,061,560	36,061,560	1			100
	Watch	924,156	246,402	1		899,883	10.916 TO 55.979%
5	Watch	6,506	6,506	1			100
10	Watch	82,759	37,867	1		81,190	10.000 TO 99.990%
	Sub_Standard	3,359,295	1,055,121	1		3,348,826	0.000 TO 59.670%
10	Sub_Standard	1,933,694	1,192,073	1		1,899,566	5.679 TO 99.990%
	Doubtful	4,976,521	3,734,604	1		4,787,254	0.000 TO 100.000%
8	Doubtful	4,052,195	2,551,468	1			100
10	Doubtful	2,716,073	1,154,477	1		2,599,637	0.000 TO 99.990%
	Loss	22,558,862	16,430,986	1		18,624,887	0.000 TO 100.000%
8	Loss	26,191,583	23,752,481	1			100
10	Loss	119,520,282	70,237,153	1		77,016,149	0.000 TO 10000.000%
8	Doubtful	4,052,195	2,551,468	1			100
10	Doubtful	2,716,073	1,154,477	1		2,599,637	0.000 TO 99.990%
	Loss	23,059,654	16,718,233	1		19,009,295	0.000 TO 100.000%
8	Loss	26,191,583	23,752,481	1			100
10	Loss	119,520,282	70,237,153	1		77,016,149	0.000 TO 10000.000%

(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							
31 December 2024	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
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 income statement	-	-	-	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 leased 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**
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
Other 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
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**

31 December 2023	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
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 income statement	-	-	-	-	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 leased 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**
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
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
Liabilities against right of use leased assets	-	-	-	-	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

31 December 2024	USD	Euro	GBP	JPY	Others	Total
	JD	JD	JD	JD	JD	JD
Assets:						
Cash and balances with 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 income statement	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
Other 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
Liabilities against right of use assets	-	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

31 December 2023	USD	Euro	GBP	JPY	Others	Total
	JD	JD	JD	JD	JD	JD
Assets:						
Cash and balances with 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 income statement	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
Other 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.

31 December 2024	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
	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
Other 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 inapplicable 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 expenses						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**

	Retail	Corporates	Treasury	Financial brokerage	Finance leasing	Others	Total
	JD	JD	JD	JD	JD	JD	JD
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 expenses						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 expenses 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 expenses	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 legal 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.

	2024	2023
Liquidity coverage ratio (LCR):	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 table shows the analysis of assets and liabilities according to the expected period of recovery or settlement:

31 December 2024	Up to one year	Over one year	Total
	JD	JD	JD
Assets:			
Cash and balances with 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 income statement	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 of leased 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
Other 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 table 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 with 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 income statement	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 of leased assets	1,004,749	11,554,615	12,559,364
Assets held for sale	22,947,701	-	22,947,701
Total assets	**3,348,028,371**	**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
Various 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	**785,091,238**	**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						
Sahres quoted in active markets	3,452,085	21,299,672	Level 1	Quoted prices in financial markets	N/A	N/A
Bonds quoted in 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 with central banks	1,068,593,691	1,069,018,159	787,223,767	787,633,803	Level 2
Balances with 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**

	2024	2023
	JD	JD
B. Unutilised limits		
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**

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

	2024	2023
	JD	JD
D. Contractual liabilities (capital expenditure):		
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 disclosure of 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**

	Stage 1		Stage 2		Stage 3	Total
	Individually	Collectively	Individually	Collectively		
	JD	JD	JD	JD	JD	JD
31 December 2023						
Balance at the beginning of the year	682,759,067	-	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	**781,967,722**	**-**	**29,977,612**	**-**	**1,896,118**	**813,841,452**

- Below is the disclosure of 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		Stage 3	Total
	Individually	Collectively	Individually	Collectively		
	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 paid 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**

	Stage 1		Stage 2		Stage 3	Total
	Individually	Collectively	Individually	Collectively		
	JD	JD	JD	JD	JD	JD
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 paid 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 disclosure of the distribution of the total letters of credit according to the Bank's internal rating categories as of 31 December 2024 and 2023:

Credit rating categories based on the Bank's bylaw	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 disclosure of 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 paid 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 paid 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 disclosure of 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 paid 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 paid 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 system	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 paid 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 paid 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 disclosure of 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 paid 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 paid 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
Impact on provision 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 disclosure of the distribution of the total acceptances according to the Bank's internal rating categories as of 31 December 2024 and 2023:

Credit rating categories based on the Bank's internal system	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 paid 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 paid 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 disclosure of the movement on the provision for expected credit losses for 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	330,798	-	-	330,798
Expected credit losses on new facilities during the year	37,335	-	-	37,335
Recovered from expected credit losses on facilities paid 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 volume 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 paid 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 disclosure of the distribution of the total non-utilized direct facilities limits according to the Bank's internal rating categories as of 31 December 2024 and 2023:

Credit rating categories based on the Bank's internal system	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 disclosure of the distribution of the total non-utilized direct facilities limits according to the Bank's internal 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 paid 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 paid 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 disclosure of the movement on the provision for expected credit losses for un-utilized 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 paid 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 paid 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 un-utilized 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 system	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 disclosure of the movement on the balance of non-utilized 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 paid 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 paid 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 disclosure of 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 paid 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 paid 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 2024, 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
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

	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 income statement	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 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 September 28, 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.

	31 December 2023
Assets held for sale :	**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:	
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) Significant Events with No Financial Impact

According to the decision of the bank's Board of Directors, which was previously disclosed on February 22, 2024, approving the commencement of the necessary technical, financial, and legal studies to implement the merger idea with Union Bank, the Board of Directors decided on September 25, 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.

Additional Disclosures

Statement of Disclosure for the Financial Year ending 31/12/2024, in accordance with article (4) of the disclosure regulations, the accounting and auditing standards issued by the Jordan Securities Commission.

Item

4a: Chairman's Statement: Included in the report.

4b/1: Description of main activities:

The Bank operates through its head office in Abdali - Amman and 63 branches in Jordan and one branch in Cyprus.

The number of bank employees reached 1,534. The table below is the geographical distribution of the bank's branches and the number of employees at each:

Location	No. Of Staff	Location	No. Of Staff	Location	No. Of Staff	Location	No. Of Staff
Head Office	878	Ibn Khaldoun Branch	6	Al- Mafraq Branch	6	Al-Madina Al-Riyadiyah Branch	10
Abdali Mall Branch	11	Free Zone – Zarqa Branch	9	Marj El Hamam Branch	10	Sweifiyyah Branch	12
Abdoun Branch	12	Fuhais Branch	9	Marka Branch	11	Tabarbour Branch	9
Abu-Hassan Mall Branch	9	Galleria Mall Branch	7	Mecca Mall Branch	11	Taj Mall Branch	10
Abu-Nsair Branch	9	Nazzal Branch	9	Mecca Street Branch	12	Main Branch	22
Amman Ahliyyah University Branch	8	Al Huson Branch	8	Al-Mougabalain Branch	14	Tla'a El'Ali Branch	13
Hashmi Al Shamali Branch	8	Irbid Branch	19	New Zarqa Branch	9	Petra University Branch	6
Madinah Munawarah Branch	13	Jabal Al-Hussein Branch	12	Wadi El-Seir Branch	12	Commercial Center Branch	11
Cyprus Branch	18	Jabal Amman Branch	11	Al-Rawnaq Branch	8	Wadi Saqra Branch	9
Al-Salt Branch	8	Jawal Branch	3	Russaifeh Branch	10	Wehdat Branch	11
Amra Branch	9	Jerash Branch	10	Sahab Industrial City Branch	7	Yarmouk Branch	10
Aqaba Branch	11	Jubaiha Branch	12	Dome of the Rock Branch	9	Yarmouk University Branch	10
Baq'ah Branch	13	Al-Karak Branch	8	Samarah Mall Branch	8	Zain Branch	7
City Mall Branch	12	Khalda Branch	9	Shmeissani Branch	15	Zarqa Branch	11
King Abdullah II St. Branch	11	Vegetable Market Branch	12	Dabouq Branch	9	King Hussein Bin Talal St. Branch	9
Bab Al Madinah Branch	9	Dair Ghbar Branch	9	Madaba Branch	13	Southern Sweileh Branch	8
Private Banking	10						
Bank of Baghdad-Iraq (Subsidiary)	1,027						
United Financial Investment Company (Subsidiary)	33						
Ejara Leasing Company (Subsidiary)	31						

Total capital expenditure: The volume of capital investment (represented by the total spending during the year on purchases of assets necessary to sustain the business in addition to developing the services provided to customers and automating the bank's operations) amounted to 6.1 million dinars as of the end of 2024.

4b/2 Subsidiaries:

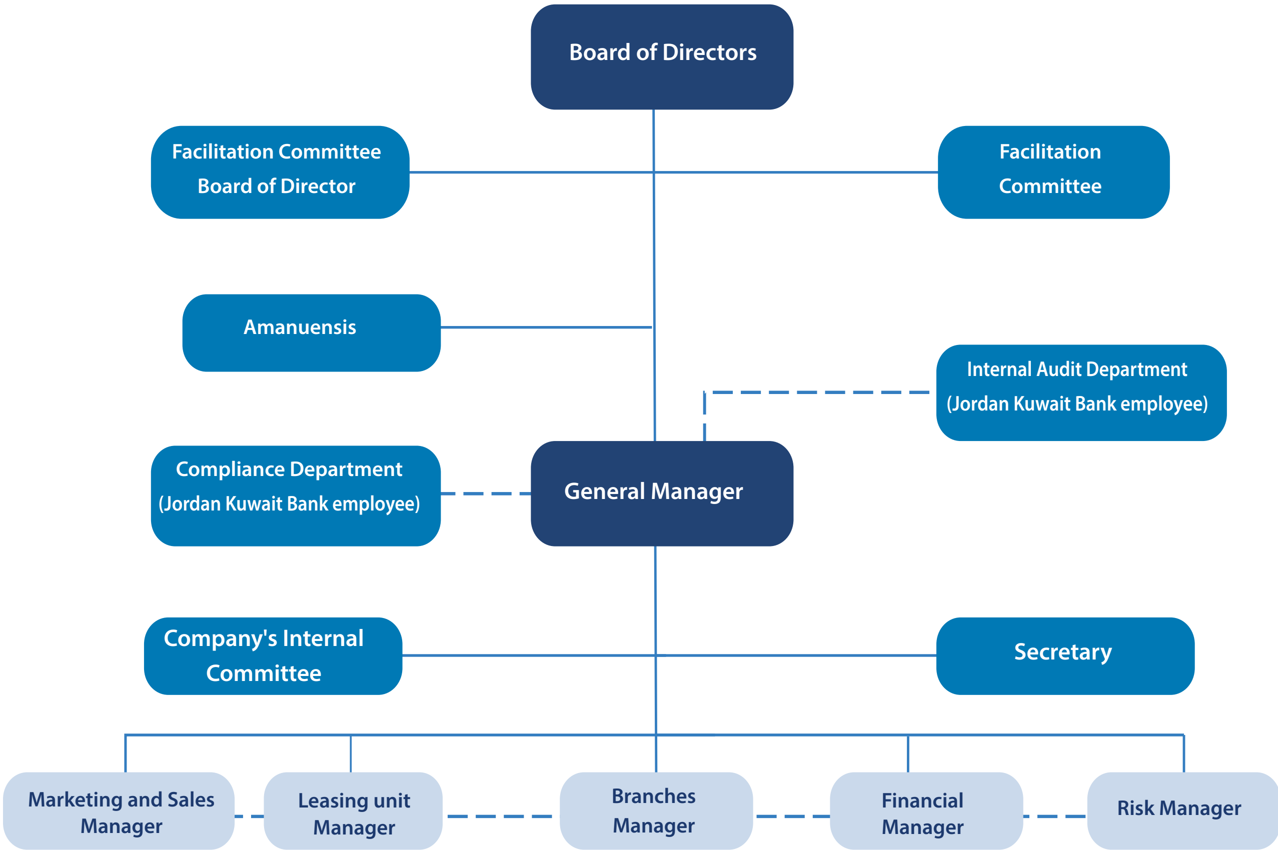
1. Ejara Leasing Company

Name of Company	Ejara Leasing Company
Type of Company	Private Shareholding Company
Date of Association	6/1/2011
Core Business	Leasing
Paid-up Capital	JD20 million (USD28.2m)
Bank's Ownership Percentage	100%
Address	Thawabet Complex No. 61, Mecca Street, Amman
Number of Employees	31
Company Overview	Ejara Leasing Company was established on January 6, 2011, as private shareholding company with paid-up capital JOD10 million (USD14.1m) fully paid by Jordan Kuwait Bank. In September 2012 Ejara's capital was raised to JD20 million (USD28.2m). Ejara Leasing Company aims to provide innovative and high-quality leasing services to supplement the banking and financing services offered at Jordan Kuwait Bank to be in line with the developments in the financial market, meet the needs of the Bank's clients and support the various economic activities, through leasing fixed assets and providing different financing alternatives in light of the changes in the financial and baking markets. The Company's H.Q. is located in Thawabet Complex No. 61, Mecca Street, Amman, in addition to a branch in Aqaba and a branch in Irbid with 31 working employees.

Branch Locations and Number of Employees

Branch	Address	Number of Employees
Headquarter	Amman – Makka Street – Al-Thawabit complex no.61	**21**
Aqaba branch	Aqaba – Al Nahdah street	**5**
Irbid Branch	Irbid – Abdel al Qader al Tal Street	**5**

Organizational Structure / Ejara Leasing Company

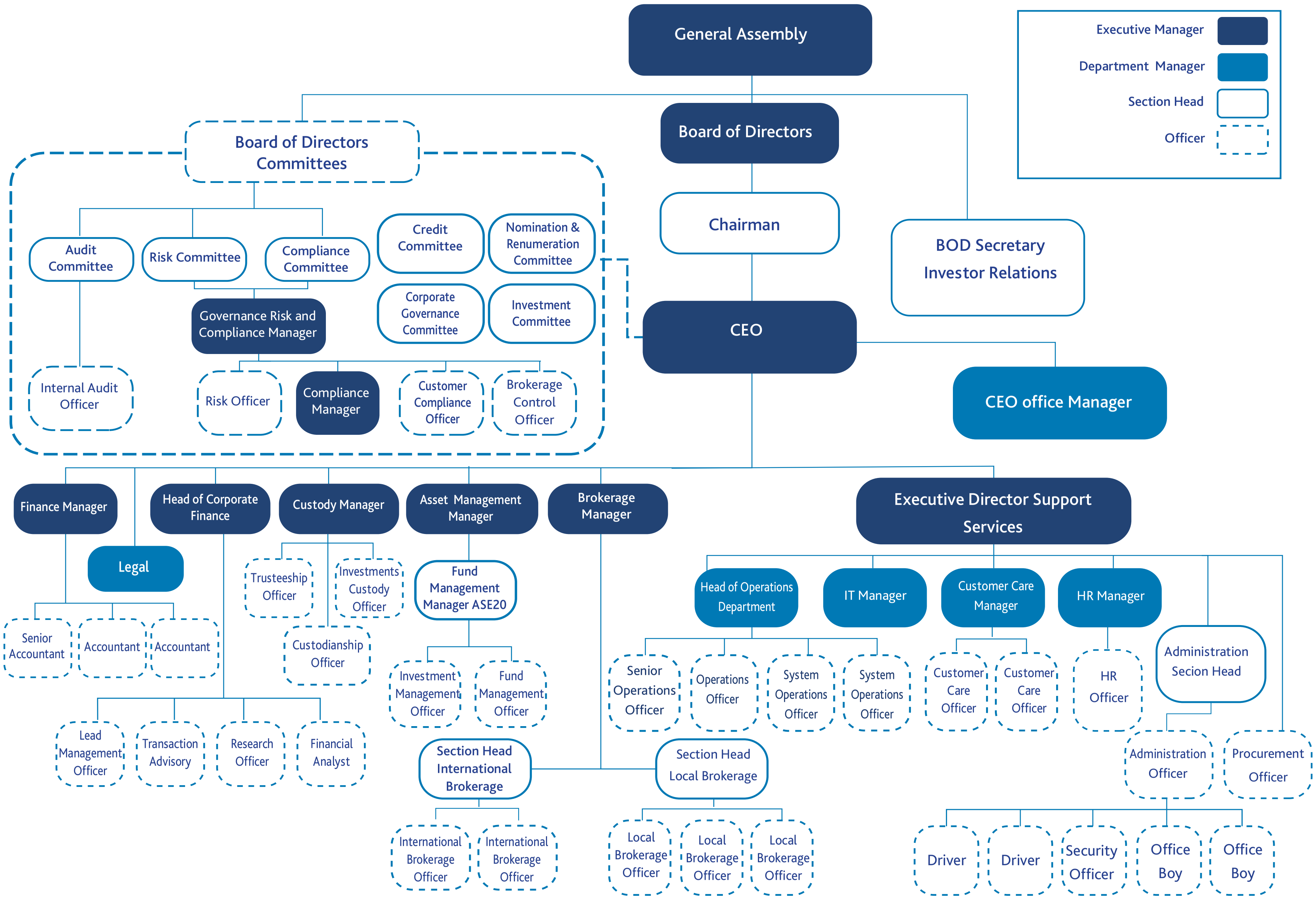


2. United Financial Investment Company

Name of Company	United Financial Investment Company
Type of Company	Public Shareholding Company
Date of Association	1980
Core Business	Brokerage & Financial Services
Paid-up Capital	JD10 million
Bank's Ownership Percentage	78.3%
Address	13 Abelaziz Al Thalibi Street, Shmeisani, Amman, Jordan
Number of Employees	33
Company Overview	Established in 1980, United Financial Investments Company ("UFICO") offers a wide spectrum of brokerage, investment banking, asset management and financial advisory services. During 1996, UFICO was listed on the Amman Stock Exchange (Ticker: UCFI), and is considered one of the leading brokerage firms and financial services companies operating in Jordan as it depends on the latest technology and direct electronic link with global financial markets. In October 2021, UFICO acquired Sanad Capital, a fully-owned subsidiary of JKB established in 2016 to offer a wide range of services including lead management of stocks, bonds and Islamic sukuk issuances, financial advisory services to companies and family groups, in addition to offering financial investment opportunities. It is worth noting that UFICO received the Jordan Securities Commission's Investment Manager and Margin Trading licenses. Moreover, as part of UFICO's strategic approach, the company aims to expand its client base and enhance brokerage services in local, regional, and global financial markets through the acquisition and ownership of local and/or regional brokerage firms. In line with this strategy, UFICO successfully acquired Al Mawared Brokerage Company (a fully owned subsidiary of Invest Bank) and The Arab Financial Investment Company in 2022, with JKB now owning a 78.3% stake in UFICO's capital. During 2023, UFICO acquired EFG-Hermes Jordan, another leading brokerage firm in the local Jordanian market, resulting in a market share of 7.0%, with UFICO ranking 2nd amongst brokerage companies in Jordan at the end of 2023. The company's headquarters is located in Amman, in Al-Shmeisani, and it hasn't other branches inside or outside the Hashemite Kingdom of Jordan. As of the end of 2024, the company employed 31 staff members.

Branch Location and Number of Employees: There are no branches

Organizational Structure / United Financial Investment Company



3. Bank of Baghdad

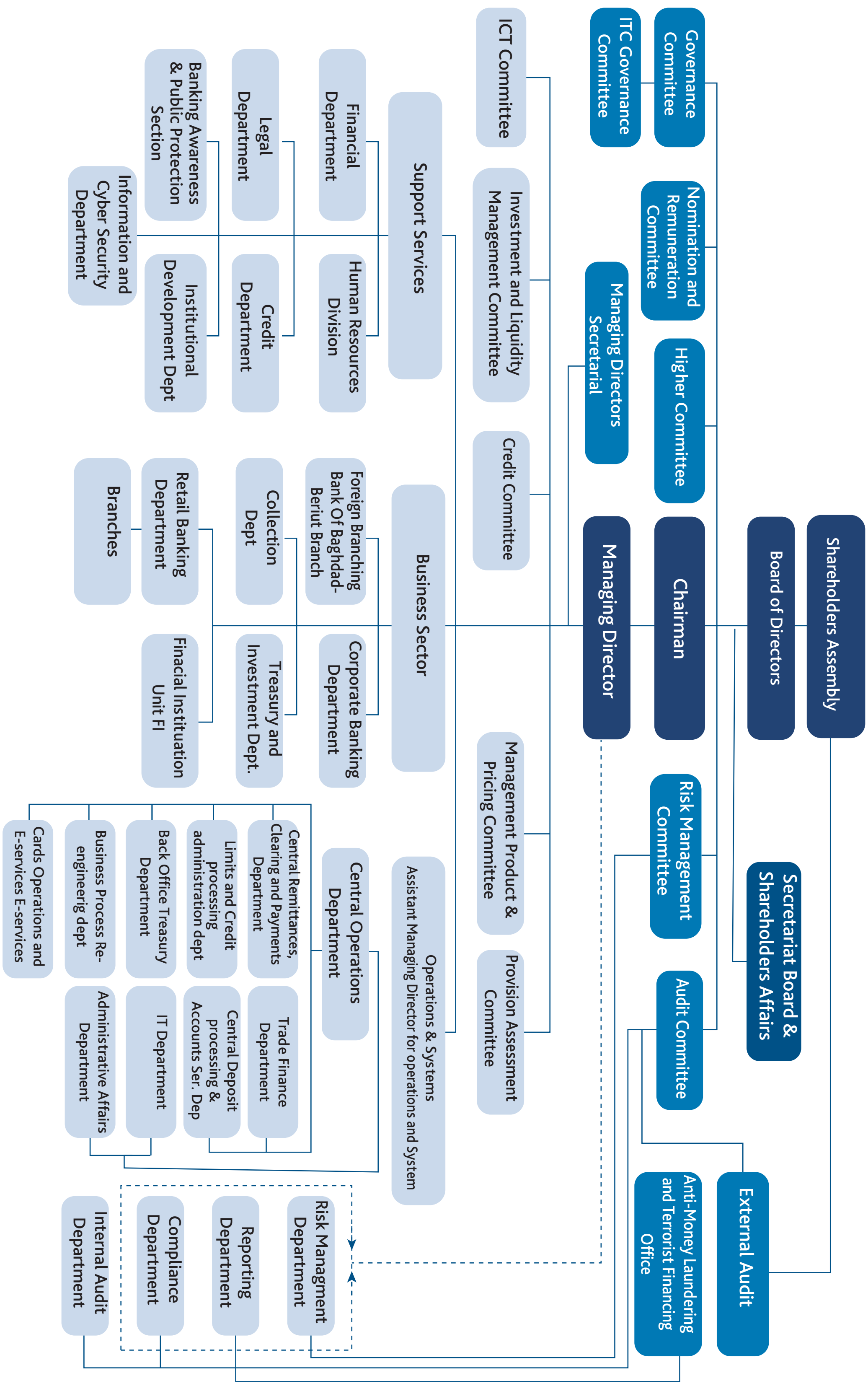
Name of Company	Bank of Baghdad
Type of Company	Public Shareholding Company
Date of Association	1992
Core Business	Bank
Paid-up Capital	IQD 300 Billion
Bank's Ownership Percentage	53.44%
Address	Baghdad - Iraq
Number of Employees	1027
Company Overview	Bank of Baghdad (the "Bank") is a Private Shareholding Company incorporated in the State of Iraq under a license that is issued on 18 September 1992 by number (4512), listed on the Market of Iraq and is registered as a bank with the Central Bank of Iraq ("the CBI"). The Bank's registered address is Baghdad - Iraq. The paid-up capital is 300 billion Iraqi Dinars. As part of its activities, the Bank provides all financial and banking services. There are 35 branches in Iraq and one in Lebanon that provide those services.

Branch Location and Number of Employees

Branch name in English	Address in English	Number of Employees
Head Office	Baghdad Governorate – Karrada Kharej – ALNaidal st- Bul.25&27	411
Main	Baghdad Governorate – Karrada Kharej – ALNaidal st- Bul.25&27	57
Hilla	Babil Governorate / Hella – 40 Str. – Near Electricity Co	31
Al-Mansour	Baghdad Governorate – Al-Mansour 14 Ramadan Str.	29
Al-Zahraa	Baghdad Governorate – Kathimyya – Al-Zahraa Str. – Bab Al-Morad Entrance / Al-Qattana Sub-district	13
AL-Rabia	Mosul / Algeria District / Erbil Street / near Al-Hamam Square	12
Karbala	Karbala Governorate – Al-Baladiyyah District – Al-Trabiya Str. – Opposite Abtal Al-Taff Square	21
Kirkuk	Kirkuk Governorate – Al-Mohafatha Str. – Opposite the Children Hospital	15
Al-Hamra	Baghdad Governorate – Al-Shorta Tunnel – Al-Kaneesa Str. – Opposite Mar Yousef Church	20
Basra	Basra Governorate – Kuwait Str. – Opposite the Central Market	52
Baqouba	Diyala Governorate – Baqouba - Takiyya – Near Al-Farouq Mosque	15
Fallouja	Al-Anbar Governorate – Fallouja – Main str. – Near Fallouja Municipality	10
Palestine	Baghdad Governorate – Beirut Square – Opposite the street leading to Rusafa Education Office	22

Branch name in English	Address in English	Number of Employees
Mahmoudiyya	Baghdad Governorate – Mahmoudiyya – Qaem Maqamiyya (provincial district) Str. - Opposite the Municipal Council	12
Najaf	Najaf Governorate – Kufa – Jumhouriyya District - Opposite Imam Muslim Bin Aqil Gas Station	14
Al-Bayyaa	Baghdad Governorate – Al-Bayyaa – 20 Str. - Near Al-Bayyaa Intersection – Al- Amel District	17
Sulaimaniyya	Sulaimaniyya Governorate – Al-Aqariyya District – Khan Zad Str. – Opposite the Central Bank	27
Dahuk	Dahuk Governorate – Al-Khoyoul Square – Next to AsiaCell	14
Erbil Shorash	Erbil Governorate – 60 Str. – Near Jalil Al-Khayyat Mosque	34
Diwaniyya	Al-Qadisiyya Governorate – Diwaniyya – Um Al-Khail – Near Al-Diwaniyya Municipality	17
Kut	Wasit Governorate – Kut – Dor Al-Mualimeen – Opposite Kut Hotel	17
Tikrit	Salahuddin Governorate – Tikrit– 40 Str. – Near Al-Azaem Restaurant	9
Al- Harithiyya	Baghdad Governorate – Al-Harithiyya – Baghdad Mall	11
Um Qasir	Basra Governorate – Um Qasir Area – 24 Str. Near the Water Project	11
Amara	Maysan Governorate – Al-Amara – District 28 – Opposite Amara Notary Public	22
Nasiriyya	Dhi Qar Governorate – Al-Nasiriyya - Al-Shibani Str. – Near Al-Shibani Statue	15
Beirut	Lebanese Republic – Beirut – El Hesen Seaport Area – Daouk Str. Beirut Tower Building	12
Down Town	Erbil Governorate – Down Town Complex – Opposite Shara Wani Ministry	10
Samawa	Muthanna Governorate – Samawa – Officers District – Opposite Al-Hussein Teaching Hospital	17
Al –Nasr Office	Baghdad Governorate - Green Zone – Al-Kindi Str.	2
Al-Qurna	Basra Governorate – South Rumaila Field – BP Co.	43
Al-Shaab / Mansour Mall	Baghdad Governorate – Al-Mansour – Mansour Mall	8
Dahuk Office	Dahuk Governorate – Near Dahuk Private Hospital	3
Al-Rashid	Baghdad Governorate – Green Zone - Royal Tulip Hotel	2
Itelaf Office	Erbil	2
National Theater	Baghdad- Karadih	38

Organizational Structure / Bank of Baghdad (BoB)



4b/3-a: Members of the Board of Directors' Biographies:

Al Rawabi United Holding Company is a Kuwaiti shareholding closed company operating in the real estate, and services sectors.

H.E Sheikha Dana Naser Sabah Al Ahmad Al Sabah
Chairperson, Representative of Al Rawabi United Holding Co.

Date of membership: 24/7/2023
Date of Birth: 19/1/1971

Education:	Bachelor's degree in English Literature, College of Arts, Kuwait University, 1996 Doctorate of Humane letters, Dartmouth College USA, 2017
Current Positions:	• Board Member/Groupe CEO, Kuwait Projects Company (Holding) • Board Member, KAMCO Invest Co. • Founder and Chair of the Board of Trustees, the American University – Kuwait • Chairperson, Panther Media Group (OSN) • Board Member, Gulf Insurance Group
Previous Positions:	• Chief Executive Office, Al Futtooh Holding Co., Kuwait (2015-2020)

H.E. Dr. Marwan J. Muasher
Vice Chairman, Independent Board Member

Date of membership: 25/4/2016
Date of Birth: 14/6/1956

Education:	PhD in Computer Engineering, Purdue University-USA, 1981, Masters of Science in Computer Engineering, Purdue University-USA, 1978, Bachelor of Science in Computer Engineering, Purdue University-USA, 1977.
Current Positions:	• Board Member, Masafat For Specialized Transport Co. (4/2015 – present) • Board Member, Ready Mix Concrete & Construction Supplies Co. (2/2016 – present) • Board Member, Premier Business & Projects Co. (26/4/2018- Present) • Vice President for Studies, The Middle East Program, The Carnegie Endowment for International Peace (2010- present) • Member of the Board of Trustees, American University of Beirut (2007-present) • Member of the Aspen Ministers Forum (2009- present) • Advisory Board Member, IMF Middle East Department (2010 – present) • Advisory Board Member, Purdue University Global Policy Research Institute (2010 –present) • Advisory Board Member, The Hague Institute for Global Justice (2011- present) • Board Member, Partners for Demographic Change (2013- present) • Board Member, The Asfari Foundation (2013 –present) • Board Member, The Global Centre on Pluralism (2014- present)

Previous Positions:	• Senior Fellow, Yale University (2010-2011) • Senior Vice President – External Affairs, The World Bank (2007-2010) • Member of the Jordanian Senate (2005-2007) • Deputy Prime Minister and Government Spokesperson (7/2005-11/2005) • Minister of the Royal Court (Chief of Staff) for King Abdullah II of Jordan (4/2005-7/2005) • Deputy Prime Minister in charge of reform and government performance (2004-2005) • Minister of Foreign Affairs (2002-2004) • Jordan's Ambassador to the United States (1997-2002) • Minister of Media Affairs and Government Spokesperson (1996-1997)

Mr. Moustapha S. Chami
Board Member, Representative of Al Rawabi United Holding Co.

Date of Membership: 22/6/2022
Date of Birth: 30/6/1981

Education:	Bachelor's degree in finance, University of Saint Joseph – Lebanon, 2002. MBA, University of Saint Joseph – Lebanon, 2003. Certified Financial Analyst (CFA), Certified Public Accountant (CPA) and a Certified Management Accountant (CMA)
Current Positions:	• Deputy Group Chief Financial Officer, Kuwait Projects Co. (Holding) - Kuwait • Board Member, Burgan Bank, Turkey. • Board Member, Bank of Baghdad, Iraq. • Board Audit Committee member, Saudia Dairy and Foodstuff Co.)SADAFCO). • Board Audit Committee member, OSN.
Previous Positions:	• Certified Trainer (CFA, CPA, CMA, IFRS) • Chief Accountant, Investment Dar Company, Kuwait (2008-2009). • Financial Advisor, Al-Kharafi Company, Kuwait (2006-2008). • Tax auditor, Income Tax Revenue Department, Lebanon (2003-2006).

Kuwait Projects Company (Holding) – KIPCO – is a holding company that focuses on investments in the Middle East and North Africa. Its strategy of acquiring, building, scaling and selling companies in the MENA region has worked successfully for over 30 years.

KIPCO's main business sectors are financial services, media, real estate, industry and education. KIPCO's financial service interests include holdings in commercial banks, insurance companies, asset management and investment banking.

Mr. Masaud M. Jawhar Hayat
Board Member, Representative of Kuwait Projects Co. (Holding) - Kuwait

Date of Membership: 20/2/2001 **Date of Birth: 11/9/1953**	
Education:	Bachelor degree in Economics, Kuwait University, 1973 and a High Diploma in Banking Studies, 1975.
Current Positions:	• Chairman, United Gulf Bank – Bahrain • Chairman, Tunis International Bank - Tunis • Vice Chairman, FIMBank - Malta • Vice Chairman, Algeria Gulf Bank - Algeria • Board Member, Bank of Baghdad - Iraq • Board Member, KIPCO Asset Management Co. (KAMCO) - Kuwait • Board Member, North African Co. - Kuwait • Board Member, Mashare'a Al-Khair Est. – Kuwait • Chairman, United Gulf Co. (Holding) – Bahrain • Board of Directors Advisor, Burgan Bank - Kuwait
Previous Positions:	• Vice Chairman & Group Chief Executive Officer, Burgan Bank - Kuwait

The Social Security Corporation was established under Law No. 30 of 1978 and its subsequent amendments, with the purpose of implementing a symbiotic system that achieves social security by partnering up with relevant authorities.

Mr. Marwan M. Awad
Board Member, Representative of Social Security Corporation

Date of Membership: 23/5/2018
Date of Birth: 11/3/1951

Education:	Master degree in Economics from Vanderbilt University-USA, 1980, A Diploma of Higher Education in Economic Development from Vanderbilt University –USA, 1980 and Bachelor degree in Accounting, Jordan University, 1973.
Current Positions:	• General Manager, First International for Consultation and Arbitration • Chairman, Jordanian Elaf Co. for Integrated Solutions • Chairman, Business Risk Experts Forum • Vice Chairman, World Union of Arab Bankers – Beirut • Member of Board of Trustees, Arab Academy for Banking and Financial Sciences
Previous Positions:	• Minister of Finance (1996-1997) • Secretary General, Ministry of Industry and Trade (1991-1993) • Chairman, Social Security Investment Board • Vice Chairman, Royal Jordanian • General Manager and CEO, Jordan Ahli Bank • Manager, Investment and International Relations, Central Bank of Jordan • General Manager and CEO, Middle East Investment Bank • Executive Director, Qatar Islamic Bank • General Manager, Industrial Development Bank • Director and founder, Arab Institute of Banking Studies

Mr. Nidal F. Qubbaj
Board Member, Representative of Social Security Corporation

Date of Membership: 17/6/2020
Date of Birth: 2/7/1980

Education:	Bachelor degree in Accounting, Jordan University, 2001, Master Business Administration / Accounting, Jordan University, 2006.
Current Positions:	• Risk Management & Strategic Planning Manager, Social Security Investment Fund
Previous Positions:	• Head of Investment Risk Division, Social Security Investment Fund (2009 -2012) • Acting Head of Operation Risk Function, Social Security Investment Fund (2011-2012) • Senior Risk Analyst, Social Security Investment Fund (2006 -2009) • Financial Accountant, Social Security Investment Fund (2004 -2005) • Accountant, Arab Bank (2001 -2003)

Odyssey Reinsurance Company is a US-based company that is specialized in insurance and reinsurance.

Mr. Bijan Khosrowshahi
Board Member, Representative of Odyssey Reinsurance Co. - U.S.A

Date of membership: 23/3/2011
Date of Birth: 23/7/1961

Education:	MBA, 1986 and Bachelor degree in Mechanical Engineering, Drexel University, USA, 1983.
Current Positions:	• President and CEO of Fairfax International, London • Board member, Representative of Fairfax Financial Holdings Limited for the following companies: - Gulf Insurance Group – Kuwait - Gulf Insurance & Reinsurance Company (GIRI) – Kuwait - Bahrain Kuwait Insurance – Bahrain - Arab Misr Insurance Group – Egypt - Gulf Insurance Group Company – Jordan - Gulf Insurance Group Company – Bahrain - Gulf Insurance Group Company – Turkey - Gulf Insurance Group Company - Saudi Arabia - Colonnade insurance – Luxembourg - Southbridge compaina de seguros – Chile - La Meridional compania – Argentina - SBS seguros - Colombia
Previous Positions:	• President & CEO, Fuji Fire and Marine Insurance Company, Japan • President, AIG's General Insurance operations, Seoul, Korea (2001-2004) • Vice Chairman and Managing Director, AIG Sigorta, Istanbul, Turkey (1997-2001) • Regional Vice President, AIG's domestic property and casualty operations for the Mid-Atlantic region, USA • Held various underwriting and management positions with increasing responsibilities, AIG, USA since 1986

Mr. Hani K. Hunaidi
Independent Board Member

Date of membership: 25/4/2016
Date of Birth: 15/8/1949

Education:	Master degree in Business Administration (MBA), Portland State University –USA, 1980, Bachelor degree in Business Administration, American University of Beirut. 1973, Certified Public Accountant (CPA).
Previous Positions:	• Chairman, Mediterranean Industries Company (1998 -2022) • Chairman, National Ammonia & Chemical Ind. Co. (1991-2009) • Managing Director, Jordan Kuwait Company for Agriculture and Food Products (1986-1992) • Project General Manager, Jordan Management and Consultancy Corp. (1984-1986) • Financial and Administrative Manager, Jordan Securities Corp. (1982-1984) • Auditor, Touch Ross & Co. (1980-1982) • Project Senior Accountant, Consolidated Contractor Company (1976-1978) • Accountant, Safwan Trading & Contracting Co. Kuwait (1973-1974)

Safari Development and Real Estate Investment Company is a limited liability company that focuses on investing in high-quality commercial properties and aims to generate value for all its stakeholders through selective property investments that drive sustainable growth and earnings.

Mr. Majed F. Burjak
Board Member, Representative of Safari Development & Real Estate Investment Co.

Date of membership: 25/4/2016
Date of Birth: 4/2/1947

Education:	Bachelor degree in Public Administration and Political Science, Jordan University, 1969.
Previous Positions:	• Deputy General Manager/Support Services Group, Jordan Kuwait Bank (2007-2011) • Assistance General Manager/Operations, Jordan Kuwait Bank (1998-2007) • Assistant General Manager for Technology and Operations, Export and Finance Bank (1996-1998) • Senior Business Manager, ANZ Banking Corporation - Australia (1993-1996) • Country Operations Manager, Grindlays Bank (1969-1993)

Dr. Safwan S. Toqan
Independent Member

Date of membership: 7/12/2016 **Date of Birth: 23/10/1942**	
Education:	Bachelor degree in Business Administration, American University of Beirut, 1966, Master degree in Economic, University of South California – USA, 1976, PhD in Economics, University of South California – USA, 1980
Previous Positions:	• Member of the 26th Jordanian Senate • Chairman, Amman Stock Exchange (2012 – 2013) • Chairman, Jordan Phosphate Mines Company (2000 – 2004) • General Manager, Social Security Corporation (1994 – 1999) • Secretary General, Ministry of Planning (1989 – 1994) • Assistant Professor, Yarmouk University (1981 – 1989) • Lecturer, University of South California – USA (1975 – 1980) • Central Bank of Jordan (1966 – 1975)

Dr. Omar M. Al Jazy
Independent Board Member

Date of membership: 4/5/2021 **Date of Birth: 1/10/1969**	
Education:	PhD in International Commercial Arbitration, University of Kent Canterbury - United Kingdom) (2000), Master degree in International and Comparative Business Law, London Guildhall University (1994), Bachelor degree in Law, University of Jordan (1992), Diploma, International Nuclear Law, Universite De Montpellier, 2017
Current Positions:	• Board Member, Government Investments Management Company • Board Member, Education and Scientific Research Management and Development Company • Board Member, Arab Foundation for Education, Scientific, Research Management Company • Board Member, Abdul Hameed Shoman Foundation • Chairman of the Board of Trustees, Amman Arab University • Managing Partner, Al Jazy & Co. – Advocates & Legal Consultants • International Arbitration
Previous Positions:	• Former President of the Jordanian Arbitrators Association • Board Member, Safwa Bank until 1/2017 • Board Member, Military Credit Fund • Member of the Board of Trustees Committees, King Abdullah II Fund For Development • Former Vice Chairman, Jordanian Corporate Governance Association • Board Member, Aqaba Development Company • Board Member, Aqaba Airports Company • Board Member, Specialized Management Co. For Investment & Financial Advisory (12/2016 – 3/2021)

H.E. Mrs. Nesreen Zuhdi Barakat
Independent Board Member

Date of Membership: 8/4/2024
Date of Birth: 8/8/1968

Education:	Master degree in business administration, Durham University, United Kingdom, 1995, Bachelor degree in Computer Science, University of Jordan, 1990.
Current Positions:	• Board member, The Development and Employment Fund (2022 – present) • Chief Executive Officer, Jordan Strategy Forum (2021 – present) • Member of Board of Trustees, University of Jordan • Board member, Towards Excellence Company for Economic and Administrative Consulting
Previous Positions:	• Board member, Central Bank of Jordan (2017 – 2023) • Member of Board of Trustees, The National Center for Human Rights (2019 – 2023) • General Manager, Towards Excellence Company for Economic and Administrative Consulting (2006 – 2021) • Minister of Social Development (2011 – 2012) • Minister of Public Sector Development (2010 – 2011) • General Manager, National Aid Fund (2010) • Member of The Greater Amman Municipality Council (2007 – 2010) • Director of the Institutional Strengthening and Policy Support Unit in the EJADA program (2002 – 2006) • Head of the National Competitiveness Team, Ministry of Planning and International Cooperation (1997 – 2002) • Development Policy Analyst, Ministry of Planning and International Cooperation (1997 – 1999) • Information systems programmer and analyst, Ministry of Planning and International Cooperation (1990 – 1995)

Dr. Abeer Ghazi Jarrar
Independent Board Member

Date of Membership: 17/3/2024
Date of Birth: 4/6/1977

Education:	PhD in International Law, Georgetown University – USA, 2010, Master degree in International Trade Law, University of Kent, United Kingdom, 1999, Bachelor degree in Law, University of Jordan, 1998.
Current Positions:	• Partner and legal advisor, Baker & McKenzie LLP/Dubai, UAE (2021 – Present)
Previous Positions:	• Legal Consultant, Linklaters LLP/Dubai, UAE (2017 – 2021) • Legal Consultant, Clifford Chance LLP/Dubai, UAE (2011 – 2017) • Middle East Regional Manager, International Bar Association/Dubai, UAE (2010-2011) • Diplomacy in the Jordanian Ministry of Foreign Affairs, including the Jordanian Embassy in Washington (2002-2006) • Participated in providing lectures and specialized legal courses at the Academy affiliated with the Dubai International Financial Center and a number of local universities in the UAE

Board members resigned during the year:

H.E. Eng. Nasser A. Lozi

Chairman / unindependent Member

Date of Membership: 4/5/2021
Date of resignation: 20/2/2024
Date of Birth: 26/2/1957

Education:	Bachelor's degree in civil engineering, from University of Texas at Arlington-USA, 1979
Current Positions:	• Member of the Jordanian Senate (2016 – Present) • Chairman, Gulf Insurance Group/Jordan Co. (2013 – Present) • Chairman of the Board of Trustees of the King Abdullah Fund for Development (2013 – Present) • Member of the Board of Trustees of the King Hussein Foundation (1999 - Present).
Previous Positions:	• Chief of the Royal Court (2008 -2011) • Minister of Transport (1999-2000) • Minister of Information and Culture (1999) • Minister of Public Works, Housing and Transport (1998 -1999) • Minister of Public Works and Housing (1997 -1998) • Minister of Transport (1996 –1997) • The Private Sector / Contracting and Consulting Engineering (1984 -1996) • Director of the Maintenance and Traffic Department at the Ministry of Public Works and Housing (1983-1984) • Resident Engineer in the Queen Alia International Airport Road Project / Ministry of Public Works and Housing (1980-1983)
Memberships in Other Companies' Board of Directors:	• Vice Chairman and Chairman of the Board of Trustees of the King Abdullah Fund for Development (2009-2013). • Chairman of the Board of Directors of Royal Jordanian Airlines (2006-2014). • Chairman of the Jordanian Royal Executive Committee for Privatization (2006-2009). • Chairman of the Board of Directors of the Royal Jordanian Investment Company (2006-2009). • Chairman, Arab Orient Insurance Co. (GIG –Jordan) (2000 -2008) • Member of the Board of Directors - Jordan Steel Company (2002-2008). • New Jordan Cable Company (2002-2008). • Member of the Board of Directors - Jordan Kuwait Bank (2001-2008).

4b/3-b: Members of the Executive Managements' Biographies:

Mr. Haethum Buttikhi
Chief Executive Officer

Date of Birth: 1977 **Date of joining: 1/6/2003**	
Education:	Royal Military Academy, Sandhurst - U.K., 1996 Bachelor's degree in political science & international relations, Kent University U.K., 2000
Previous Positions:	• Extensive banking experience spanning over 20 years, during which he has held several managerial positions at Jordan Kuwait Bank (JKB), including Head of Retail and Private Banking.
Board Memberships:	• Chairman, Ejara Leasing Co. • Chairman, Al-Ihtirafiya Real Estate Company (Thabat) • Vice Chairman, Bank of Baghdad – Iraq • Board Member, JoPACC • Board member, Jordan Capital & Investment Fund Management Company • Board Member, Jordan Institute of Banking Studies • Board Member, Jordanian Businessmen Association
Board Memberships of non-profit organizations and professional institutions:	• Chairman, INJAZ • Vice chairman, Royal Jordan Shooting Federation • Board Member, Queen Rania Foundation • Board Member, Jordan Institute of Directors • Board Member, Al-Dhia' Association for Education and Training of Visually Impaired Children • Board of Trustees, The Jordan Museum

Mr. Daoud A. Issa
Chief Operating & Support Officer

Date of Birth: 1973 **Date of joining: 18/11/2012**	
Education:	Bachelor's degree in economics, Yarmouk University, 1998
Previous Positions:	• Head of Human Resources Department, Jordan Kuwait Bank (2012 – 2021) • Head of Human Resources Planning and Budget and Head of Personnel, Qatar Petroleum and its affiliated companies - Qatar (2004 – 2012) • Several positions in construction sector in Jordan and Qatar (1995 – 2004)
Board Memberships:	• Board Member, Gulf Insurance Group (2024 – Present) • Board Member, Ejara Leasing Co. (fully owned subsidiary) – until 6/2021

Mr. Zuhdi B. Al-Jayousi
Chief Banking Officer

Date of Birth: 1970
Date of Joining: 6/9/1997

Education:	Bachelor's degree in accounting, Al-Ahliyyah Amman University, 1994
Previous Positions:	• Head of Corporate Business, Jordan Kuwait Bank – (2020 – 2023) • Head of Corporate Credit, Jordan Kuwait Bank – (1997 – 2020) • General Banking Experience, Jordan & Gulf Bank – (1994 – 1997)
Board Memberships:	• Board Member, Al-Quds Bank (2024 – Present) • Board Member, Comprehensive Leasing Company (Until 2018) • Board Member, Electricity Company – Irbid (Until 2014)

Dr. Makram A. Al-Qutob
Chief Credit Officer

Date of Birth: 1965
Date of Joining: 16/5/2004

Education:	PhD in Accounting, Arab Academy for Banking and Financial Sciences, 2009 Master's degree in accounting, Amman Arab University, 2005 Bachelor's degree in accounting, Cario University, 1987 Jordan Certified Public Accountant, 1996 Certified International Professional Trainer
Previous Positions:	• Head of Credit, Jordan Kuwait Bank – until 2023 • Co-Head, Corporate Credit, Jordan Kuwait Bank – until 2020 • Retail Department, Arab Bank – Jordan and Palestine (1998 – 2004) • Deputy Secretary General of Finance and Administration, Arab Thought Forum (1990 – 1998)
Board Memberships:	• Member of the Board of Trustees, Al Isra University • Board Member, Al Isra for Education and Invest Co. PSC / Representative of Jordan Kuwait Bank (2018 – present) • Vice Chairman, Al Arabi Investment Group – SME Investment Fund / Representative of Jordan Kuwait Bank (2021 – present) • Board Member, Consortium Banks Investments Group / Representative of Jordan Kuwait Bank (2017 – present)

Mr. Ibrahim F. Bisha

Head of Treasury & Financial Institutions

Date of Birth: 1971
Date of joining: 19/6/2001

Education:	Master's degree in business administration, Maastricht School of Management - Netherlands, 2005 Bachelor's degree in accounting, University of Jordan, 1992
Previous Positions:	• Co-Head, Treasury, Investment & Intl. Relations, Jordan Kuwait Bank – until 31/8/2020 • Banking, Jordan Kuwait Bank (Cyprus Branch), (2001 – 2006) • Banking, Al-Jazeerah Bank – Saudi Arabia, (1999 – 2001) • Banking, Dar Ithemar Financial Services, (1997 – 1999) • Banking, Amman Investment Bank, (1992- 1997)

Mr. Suhail A. Salman

Head of Retail Business

Date of Birth: 1977
Date of joining: 19/6/2001

Education:	Bachelor's degree in computer science, Jordan University, 1999
Previous Positions:	• Acting Head of Branches, Jordan Kuwait Bank (2021) • Head of Alternative Delivery Channels, Jordan Kuwait Bank (2013 – 2021) • Card Products and Services Manager, Housing Bank for Trade and Finance (2012 – 2013) • Director of Information and Technology, Middle East Payment Services "MEPs" (2011 – 2012) • Business Development Manager, Middle East Payment Services "MEPs" (2009 – 2011) • Development Manager and Head of Software Development Division, Access to Arabia – A2A (1999 – 2009)
Board Memberships:	• Vice Chairman, Middle East Payments Services "MEPs" (2019 – 2024)

Mr. Zeid W. Sharaiha
Head of Investment Business

Date of Birth: 1972
Date of Joining: 2/7/2006

Education:	Master's degree in accounting and finance, University of Leeds, 1998 Bachelor's degree in public administration and political science, American University of Beirut, 1996
Previous Positions:	• Asset Management Manager, Jordan Kuwait Bank (2006 – 2021) • Senior Program Coordinator, Ministry of Planning and International Cooperation (2005 – 2006) • Division Manager, Cairo Amman Bank (1999 – 2005) • Economic Researcher, United Group for Consulting and Management (1998 – 1999) • Assistant Division Manager, Jordan International Insurance Company (1996 -1997)

Mr. Fadi N. Khalil
Head of Corporate Business

Date of Birth: 1985
Date of Joining:19/10/2010

Education:	Master's degree in finance, University of Jordan, 2018 Bachelor's degree in accounting and commercial law, The Hashemite University, 2007
Previous Positions:	• Corporate Business and Project Finance Director, Jordan Kuwait Bank – until 2023 • Project Finance and Syndication Manger, Jordan Kuwait Bank (2010 – 2021) • Project Finance Officer, Arab Bank (2007 – 2010) • ASG Officer/Finance Department, the Housing Bank (2007)
Board Memberships:	• Board Member, Ejara Leasing Co. (fully owned subsidiary) – from 2021

Mr. Ibrahim E. Kashet
Head of Legal Affairs

Date of Birth: 1962
Date of Joining: 1/4/1989

Education:	Bachelor's degree in law, University of Jordan, 1986
Previous Positions:	• Legal Department (2000 – Present) • Credit Department (1994 – 2000) • Credit Follow Up Department (1989 – 1994)
Board Memberships:	• Vice Chairman, Amad Investment and Real Estate Development • Member of the Jordanian Writers Association

Mr. Maher M. Abu Sa'adeh
Head of Information Technology

Date of Birth: 1971
Date of Joining: 28/4/2019

Education:	Computer and Automatic Control Engineering, 1994, Yarmouk University
Previous Positions:	• Chief Information Officer, Jordan Microfinance Company (Tamweelcom) (2017 – 2019) • Partner, Technology Consulting – Dimension Management Consulting (2011 – 2017) • Senior Program Director & Head of IT Operations, Bank Al Jazira (2006 – 2011) • Chief Information Technology Officer, Al Jazira Takful – Member of Bank AlJazira Group (2009 – 2011) • Consulting Manager, DevoTeam (2005 – 2006) • Consultant & Project Manager, IBM International (1999 – 2002)
Board Memberships:	• Co-founder in PMI Jordan Chapter

Mr. Tareq J. Alkhitan
Head of Operations

Date of Birth: 1975
Date of Joining: 1/2/1998

Education:	High diploma degree in Banking and Finance, Arab Academy for Banking and Financial Sciences, 2003 Bachelor's degree in economics, University of Jordan, 1997
Previous Positions:	• Retail Credit Manager, Jordan Kuwait Bank (2014 – 2021) • Private Banking Manager, Jordan Kuwait Bank (2006 – 2014) • Retail Credit Officer, Jordan Kuwait Bank (2003 – 2006) • Main Branch Supervisor, Jordan Kuwait Bank (1998 – 2003)
Board Memberships::	• Board Member, Middle East Payments Services "MEPs" (2024 – Present) • Board Member, Amwal Payments Services – Iraq (2024 – Present) • Board Member, Ejara Leasing Co. (fully owned subsidiary) (Until 2023) • Vice Chairman, First International Logistics Services Company – FILS (Until 2022)

Mrs. Manal A. Tubaishat
Head of Administrative Affairs

Date of Birth: 1972
Date of Joining: 17/7/1995

Education:	Bachelor's degree in public management, Yarmouk University, 1995
Previous Positions:	• District Manager, Jordan Kuwait Bank (2021 – 2023) • Branch Manager, Jordan Kuwait Bank (2006 – 2021) • Banking, Jordan Kuwait Bank, (1995 – 2006)

Mr. Ala' Y. Hijazin
Head of Finance

Date of Birth: 1985
Date of Joining: 18/4/2011

Education:	Certified Financial Consultant (CFC), Institute of Financial Consultant – USA, 2020 Certified Management Accountant (CMA), Institute of Management Accountants– USA, 2014 Bachelor's degree in accounting, University of Jordan, 2007
Previous Positions:	• CEO Financial Advisor, Jordan Kuwait Bank – Up until 2023 • Co-head of Finance, Jordan Kuwait Bank • Financial Analysis and Reporting Manager, Jordan Kuwait Bank • Senior Auditor, Deloitte and Touche – Jordan (2007 – 2011)
Current Board Memberships:	• Board member, Arab Life and Accidents Insurance Co. – up until 2021 • Technical Committee of Expertise Affairs, Ministry of Justice, Representative of the Banking Sector

Mr. Fadi M. Ayyad
Head of Compliance

Date of Birth: 1971
Date of joining: 29/4/2018

Education:	Bachelor's degree in accounting from Beirut Arab University, 1995
Previous Positions:	• Vice President group Compliance, First Abu Dhabi Bank – UAE (2010 – 2018) • Senior Compliance Manager, Head of Financial Crime Unit, Barclays – UAE (2008 – 2010) • Regional Compliance Officer, MoneyGram – UAE (2007 – 2008) • Regulatory Compliance Acting Manager, Doha Bank – Qatar (2006 – 2007) • Regulate Compliance Area Officer, Arab Bank – Jordan (2005 – 2006) • Team Leader Operation & Sales Services Officer, Arbift – Arab Bank for Investment and Foreign Trade (Al Masraf) (2004 – 2005) • Operation & Administration Officer, NBAD – National Bank of Abu Dhabi (2000 – 2004) • Assistant Head of Foreign Trade Department, AFC – Arab Finance Corporation (1991 – 2000)

Dr. Mahmoud I. Al Ahmar
Head of Risk

Date of Birth: 1979
Date of Joining: 23/6/2002

Education:	Doctor of Business administration (DBA) Major in Business Analytic - International American University – USA, 2024 Master's degree in banking and financial sciences – major in accounting, The Arab Academy for Banking and Financial Studies, 2005 Bachelor's degree in accounting, Philadelphia University, 2001
Previous Positions:	• Assigned to oversee Risk Management functions, Jordan Kuwait Bank • Market Risk and Basel implementation Manager, Jordan Kuwait Bank • Financial Controller Manager, Jordan Kuwait Bank
Memberships	• Board Member, Afaq for Energy Co. P.L.C (MANE) / Representative of Jordan Kuwait Bank (2021 – Present)

Mr. Yousef W. Hassan
Head of Internal Audit

Date of Birth: 1971
Date of Joining: 5/6/2006

Education:	Bachelor's degree in accounting, Jordan University, 1994
Previous Positions:	• Combating Financial Crime Manager, Jordan Kuwait Bank • AML/CFT Manager, Jordan Kuwait Bank • Regulatory Compliance Manager, Jordan Kuwait Bank • Main Internal Auditor, Jordan Kuwait Bank • Audit Team Leader, Cairo Amman Bank

Members of executive management whose service ended during 2024: None

4b/4: Shareholders who own 1% or more of the Bank's shares (2024 & 2023)

Shareholder	Nationality	No. of Shares 31/12/2024	%	No. of Shares 31/12/2023	%	Ultimate Beneficiary	Mortgaged Shares	% Mortgaged Shares to total Shares held	Mortgagor
Al Rawabi United Holding Co.	Kuwaiti	76,390,240	50.927	76,390,240	50.927	- Al Futtooh Holding Co. -United American Holding Company, and group (Al Janah Holding Company) -United Industries Corporation and group (Kuwait National Industrial Projects Co.)	76,387,240	99.99	Burgan Bank - Kuwait
Social Security Corporation	Jordanian	31,562,466	21.042	31,562,466	21.042	Itself (A national institution to implement a symbiotic system based on partnership with the relevant authorities that contributes to achieving social security, established by Law No. 30 of 1978 and subsequent legislation and amendments thereto)	-	-	-
Odyssey Reinsurance Company	American	8,775,000	5.850	8,775,000	5.850	FAIRFAX FINANCIAL HOLDING Ltd. Canada Chairman and CEO Mr. V. Prem Watsa	-	-	-
Fatina Ahmad Jameel Malas	Jordanian	1,929,536	1.286	1,891,565	1.261	Herself	-	-	-
Abdel Karim Allawi Saleh Kabariti	Jordanian	1,549,219	1.033	1,549,219	1.033	Himself	-	-	-

4b/5: Competitive Position:

Jordan Kuwait Bank (JKB), a Jordanian public shareholding company, was founded in 1976 and has successfully evolved into a major player in the Jordanian banking system. The Bank operates within the Jordanian banking sector, which includes 20 banks, 5 of which are foreign banks. The bank operates a domestic network of 63 branches distributed throughout Jordan in addition to a branch in Cyprus. JKB's subsidiaries include Ejara Leasing Company (Jordan), United Financial Investments Co. (Jordan), and Bank of Baghdad (Iraq), with JKB holding 100%, 78.3%, and 53.4% of their capital, respectively. Notably, Al Rawabi United Holding Company holds a majority ownership of 50.927% in Jordan Kuwait Bank, a subsidiary of Kuwait Projects Company, a strategic investment-focused holding company, directs its interests towards the Middle East and North Africa region.

The Bank's main activities include the acceptance of deposits, granting credit, and offering banking and investment services to various economic sectors, institutions, and individuals. The Bank's share of the total banking facilities in Jordan was 3.9 % and 5.5 % of total deposits as at 31/12/2024.

Fitch Ratings assigned Jordan Kuwait Bank a Long-Term IDR of 'B+' with a Stable Outlook, reflecting its standalone credit profile and strong capitalization, supported by robust profitability and maintaining solid liquidity and a stable deposit base.

4b/6: Major Supplier and Clients:

The Bank does not rely on major suppliers and clients (locally or internationally) that accounts for 10% or more of its total sales or earnings.

4b/7:

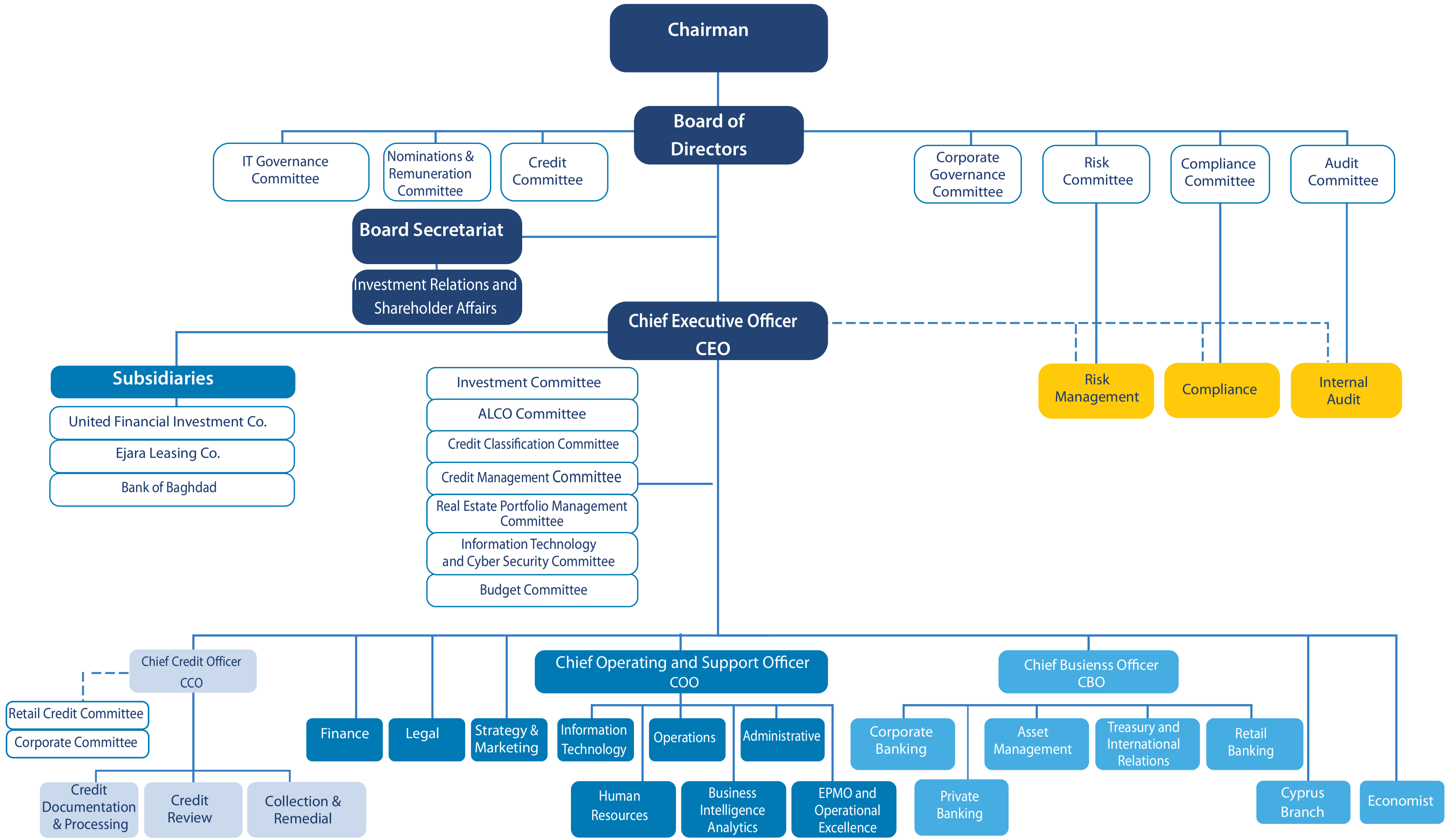
- The Bank does not enjoy any governmental concessions or protection in accordance with the prevailing rules and regulations.
- The Bank does not have any patents or franchise rights acquired by the Bank.

4b/8:

- There has been no material effect on the Bank's operations, products or competitiveness as a result of any government or international organizations' decisions.
- International quality standards do not apply to the bank, or the bank does not apply international quality standards.

4b/9-a: Organization Structures for Subsidiaries: Included in the Report

Organization Structure for Jordan Kuwait Bank



4b/9-b: Human Resources, Training and Organizational Structure:

Total number of employees as at 31/12/2024 was (1534) of whom (18) were employed at the Cyprus branch. In addition, there were (1091) employees at the Subsidiary companies.

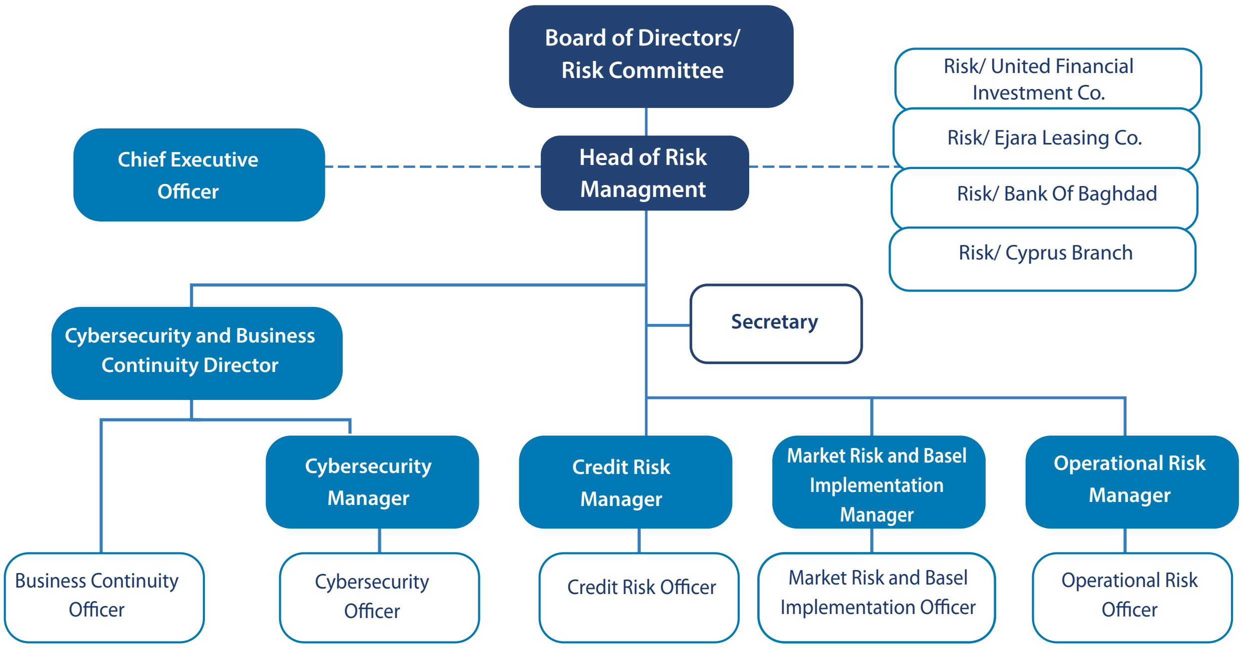
Qualification	Jordan Kuwait Bank	Ejara Leasing Company	United Financial Investment Company	Bank of Baghdad
	No. of Staff	No. of Staff	No. of Staff	No. of Staff
PhD	3	-	0	-
Masters	120	2	5	5
Higher Diploma	4	-	0	2
Bachelor	1,241	24	22	684
Diploma	83	2	0	85
Secondary School Certificate	29	3	6	54
Pre- Secondary School Certificate	54	-	0	197
Total	**1,534**	**31**	**33**	**1,027**

4b/9-c: Staff Training during 2024:

Training Subject	External Training		Internal Training		E-training		Professional Certificates		Total	
	No. of Courses	No. of Participants	No. of Courses	No. of Participants	No. of Courses	No. of Participants	No. of Courses	No. of Participants	No. of Courses	No. of Participants
Specialized Banking	74	837	99	2,737	14	509	2	2	189	4,085
Compliance, AML, Fraud & Audit	12	253	17	394	22	7,973	24	24	75	8,644
Personal and Behavioral Skills	7	126	1	25	4	4,905	1	1	13	5,057
IT, Banking Systems, Delivery Channels	28	283	6	112	22	1,484	1	1	57	1,880
Administrative programs and non-banking specialization	40	143	3	101	30	987	13	13	86	1,244
English Language	12	118	0	0	0	0	0	0	12	118
Total	**173**	**1,760**	**126**	**3,369**	**92**	**15,858**	**41**	**41**	**432**	**21,028**

4b/10: Description of Risks:

Risk Management Organization Structure



Liquidity risk:

Liquidity risk is defined as the losses that the Bank may suffer due to the lack of funding to finance the increase in its investments or to pay its obligations when due at the appropriate time and cost.

Jordan Kuwait Bank manages liquidity risk through appropriate liquidity governance, within the policies for efficient liquidity management. To achieve these targets, Jordan Kuwait Bank is working on determining the "Liquidity risk appetite" by the strategy and ability to obtain sources of financing, The Bank also applies "Liquidity Contingency Plan" to ensure appropriate liquidity in cases of low emergency liquidity".

Market risks:

Market risk is defined as losses that the Bank may experience as a result of fluctuations in the market prices of any financial positions both (on and off the balance sheet). Market risks include (interest rates, exchange rates, equities, and commodities). Jordan Kuwait Bank manages the market risk within the risk management framework (Identification, measurement, management, control), and by an approved and independent policy to ensure that the market risk is within the "Market Risk Appetite".

The Bank adopts an investment policy that aims to maximize the return while maintaining the acceptable degree of risk, in line with the level and size of the complexity of the Bank's operations, and the recommendations of the Basel Committee and the instructions of the Central Bank of Jordan and the supervisory authorities within which the branches of the Bank operate. The implementation of the investment policy is also monitored through the (Middle Office Unit) within the market risk.

The Bank faces three major market risks:

- Interest rate risk:

Volatility in interest rates is one of the most important challenges facing banks as a source of risks that affect the profitability and activities of the bank, and to ensure control of interest rate risks, Jordan Kuwait Bank manages interest rate risks by determining the degree of "risk appetite" for the bank portfolio.

The bank also measures risks in several ways, including re-pricing gap analysis. And measuring the impact of these risks on Gross Income, Net Interest Income, and Regulatory Capital.

- Exchange rate risk:

Exchange rate risk arises as a result of mismatching foreign currency positions within the (assets and liabilities) of the bank.

As a result of exchange rate fluctuations, the possibility of affecting the bank's profitability increases. Where the bank manages currency and exchange rate risks in several ways, including various hedging tools (spot and forward), and the bank also conducts stress testing scenarios within the exchange rate risks and according to the scenarios determined by the Central Bank of Jordan, or additional scenarios according to market conditions.

- Equity Price Risk:

These are risks arising as a result of fluctuations in stock prices (within the Bank's investment portfolio) as a result of responding to many influential factors such as a change in interest rates, lowering of credit rating, and factors related to operating results.

The Bank actively monitors these risks to ensure that they remain within acceptable limits.

Compatibility with Basel Instructions:

The Risk Management Department oversees the implementation of the requirements of the Basel committee. Through the following:

- Capital adequacy ratio/ leverage ratio:

The Bank calculates the capital adequacy ratio and the leverage ratio in line with the regulatory capital instructions issued by the Central Bank of Jordan and according to Basel (III) requirements.

- Stress Testing:

Stress Testing is one of the risk management tools complemented by other tools used by the Bank to reach comprehensive risk management.

The results of the implementation of stress testing are an essential and complementary part of the Capital Planning system. These tests aim to assess the bank's financial situation in severe but possible scenarios, which are conducted based on instructions of the Central Bank of Jordan.

- Internal Capital Adequacy Assessment Process (ICAAP):

ICAAP is part of the capital management process system of Jordan Kuwait Bank, which contributes to achieving the Bank's strategic objectives, where the internal assessment of capital adequacy comprehensively identifies and measures all important risks to the Bank on a consolidated level, and demonstrates the impact of these risks on capital. The Bank considers the compatibility of the size of the capital with the size, nature, and complexity of the risks to which the Bank is exposed in line with the requirements of the regulators.

Information Security:

The vulnerabilities and threats associated with the use of information technology in all financial operations in the bank, and the impact and probability that they can be exploited by hackers to carry out some illegal activities such as unauthorized access to data or denial of service, and other activities that would harm the bank on financially or affect the bank's reputation, and its customers where their private data may be accessed and exploited. Considering these risks, the bank has adopted many preventive measures, such as implementing information security standards and publications issued by government agencies such as the Central Bank of Jordan and non-governmental agencies, such as the application of card security standards (PCI DSS), and conducting a risk assessment of the systems and services used in the bank. And setting security controls to reduce these risks, in addition to applying the internal policies and procedures in the bank related to information security and working to raise awareness about information security risks through holding training courses for bank employees by conducting Information Security Awareness Sessions. As well as implementing cybersecurity incident response procedures that will reduce the impact and contain any potential threats. These risks are monitored through daily reports that are followed by the information security team and work continuity in the risk management department.

Business Continuity:

Business continuity and disaster recovery mean maintaining the availability of critical services and functions in the Bank, whether for the internal functions that are used by employees or services used by the Bank's customers. The Bank pays great attention to business continuity because of its significant impact on the Bank's reputation and the customers' satisfaction with the services provided to them. The Information Security and Business Continuity team in the Bank's Risk Management Department updates the business continuity plan quarterly, tests it annually, and documents the results of the tests to reflect them on the business continuity plan in line with the instructions issued by the Central Bank and best practices related to business continuity.

Credit Risk:

Credit risk refers to the expected loss resulting from the borrower's inability or unwillingness to meet their obligations to the bank within an agreed period, the principal of the loan and/or the interest and commissions associated with them, or both, also, the Concentration risk refers to the risks arising from the lack of diversification of the credit portfolio in terms of economic sectors, customers, geographical, therefore, credit risk will increase. These types of risks are defined as the most significant risks that the bank can face.

Jordan Kuwait Bank adapts a group of main pillars to control the financial implications of these risks:

1. Identifying the current and future risks associated with the business environment by periodically applying stress testing in light of conservative economic scenarios and expectations in a manner that avoids or mitigates them.
2. Implementation and continuous updating of the policies and work procedures that define and address all aspects of credit granting and maintenance, which are determined according to the basis of defining, measuring, and controlling this type of risk.
3. The existence of committees and departments to manage the credit granting process in a manner that ensures segregation of duties between the various business development departments and the credit review and control management.
4. Adopting a specified authority matrix to ensure the delegation of authorities, monitoring, and review.
5. Dynamic monitoring of the credit portfolio, in terms of diversity, quality, concentrations.
6. Determining the acceptable guarantees and their conditions as a method of mitigating risks.

Operational Risk:

Operational risk is defined as "the risk of losses resulting from the failure or inadequacy of internal procedures, the human element, systems, or any external events. This definition includes legal risks but does not include strategic risks and reputational risks for the bank."

The Operational Risk management works continuously and coordinates closely with all the managers of the organizational centers to ensure that the concept of the general framework for operational risk management is continuously implemented effectively through the implementation of the principle of the three lines of defense, which defines the tasks and responsibilities of all the bank's departments, especially about the implement, follow-up, and monitor of the execution of The daily tasks related to the first line of defense. As well as operational risk management collect the data of operational events and losses continuously in addition to the main risk indicators by the Operational Risk Management System, in addition, to monitoring, updating, and ensuring that any corrective plans are developed wherever necessary. The system aims to be used by business Departments, Risks, internal audits, thus enabling the executive management to be aware of all financial and non-financial risks in real-time.

Operational risk management follows The methodology of the self-assessment system for operational risks and that the controls are set against them continuously, in terms of conducting the review at the departmental level, by analyzing the gaps between what is applied and what is required to be applied, to set the implementation plans and the necessary solutions to reach the specific goal of this assessment and to ensure the availability of (control and oversight systems) that govern the execution of operations in the bank.

4b/11: Achievements during 2024: Included in the Report

4b/12: Financial impact of non-recurring transactions as well as operations outside the bank's core business: None

4b/13: Changes in Net Profit, Dividend, Shareholders' equity and Share price (2020-2024)

Thousands of dinars					
Year	Profit (loss) from Continuous Operations before tax	Dividend According to the year of distribution		Bank Shareholders' Equity	Share / JOD
		Bonus Shares	Cash		
2020	(5,579)	-	20%	456,432	1.440
2021	12,072	50%	-	467,674	1.360
2022	27,345	-	7%	475,833	1.650
2023	121,651	-	8%	614,743	2.57
2024	231,173	-	8%	708,117	2.88

4b/14: Financial Position: Included in the report

4b/15: Future Plan: Included in the report

4b/16: Auditors' Fees: Auditors' fees for the Bank and its subsidiaries in 2024 amounted to JOD 320,475 as follows:

Auditors' Fees	
Entity	Amount JOD
Jordan Kuwait Bank	116,493
Ejara Leasing Co.	8,477
United Financial Investments Co.	43,439
Bank of Baghdad	106,350
Cyprus Branch	45,716

4b/17-a: Shares owned by the Board Members during 2024 & 2023

#	Name	Nationality	Position	Shares	
				31/12/2024	31/12/2023
	Al Rawabi United Holding Co.	Kuwaiti	Board Member	76,390,240	76,390,240
1	Sheikha Dana Naser Sabah Al Ahmad Al Sabah	Kuwaiti	Chairperson, Rep.: Al Rawabi United Holding Co (As of 4/3/2024)	-	-
2	Mr. Moustapha S. Chami	Lebanese	Rep.: Al Rawabi United Holding Co.	-	-
	Kuwait Projects Co. (Holding)	Kuwaiti	Board Member	76,494	76,494
3	Mr. Masaud M. Jawhar Hayat	Kuwaiti	Rep.: Kuwait Projects Co. (Holding)	48	48
	Social Security Corporation	Jordanian	Board Member	31,562,466	31,562,466
4	Mr. Marwan M. Awad	Jordanian	Rep.: Social Security Corporation	1,500	1,500
5	Mr. Nidal F. Qubbaj	Jordanian	Rep.: Social Security Corporation	-	-
	Odyssey Reinsurance Co.	American	Board Member	8,775,000	8,775,000
6	Mr. Bijan Khosrowshahi	American	Rep.: Odyssey Reinsurance Co.	-	-
7	Dr. Marwan J. Muasher	Jordanian	Vice Chairman (As of 4/3/2024)	205,500	205,500
8	Mr. Hani K. Hunaidi	Jordanian	Board Member	1,573	1,573
	Safari Development & Real Estate Investment Co.	Jordanian	Board Member	1,000	1,000
9	Mr. Majed F. Burjaq	Jordanian	Rep.: Safari Development & Real Estate Investment Co.	1,500	1,500
10	Dr. Safwan S. Toqan	Jordanian	Board Member	1,500	1,500
11	Dr. Omar M. Al Jazy	Jordanian	Board Member	1,500	1,500
12	Dr. Abeer Ghazi Jarrar	Jordanian	Board Member (as of 17/3/2024)	1,312	1,312
13	Mrs. Nesreen Zuhdi Barakat	Jordanian	Board Member (as of 8/4/2024)	1,000	-

4b/17-b: Shares owned by the Bank Executives during 2024 & 2023

#	Name	Position	Nationality	Shares	
				31/12/2024	31/12/2023
1	Mr. Haethum S. Buttikhi	Chief Executive Officer	Jordanian	-	-
2	Mr. Daoud A. Issa	Chief Operating & Support Officer	Jordanian	-	-
3	Mr. Zuhdi B. Al-Jayousi	Chief Banking Officer	Jordanian	-	-
4	Dr. Makram A. Al- Qutob	Chief Credit Officer	Jordanian	-	-
5	Mr. Ibrahim F. Bisha	Head of Treasury & Financial Institutions	Jordanian	-	-
6	Mr. Suhail A. Salman	Head of Retail Business	Jordanian	-	-
7	Mr. Zeid W. Sharaiha	Head of Investment Business	Jordanian	-	-
8	Mr. Fadi N. Khalil	Head of Corporate Business	Jordanian	-	-
9	Mr. Ibrahim E. Kashet	Head of Legal Affairs	Jordanian	-	-
10	Mr. Maher M. Abu Sa'adeh	Head of Information Technology	Jordanian	-	-
11	Mr. Tareq J. Alkhitan	Head of Operations	Jordanian	-	-
12	Mrs. Manal A. Tubaishat	Head of Administrative Affairs	Jordanian	-	-
13	Mr. Ala'Y. Hijazin	Head of Finance	Jordanian	-	-
14	Mr. Fadi M. Ayyad	Head of Compliance	Jordanian	-	-
15	Dr. Mahmoud I. Al Ahmar	Head of Risk	Jordanian	-	-
16	Mr. Yousef W. Hassan	Head of Internal Audit	Jordanian	-	-

Shares held by companies controlled by Board Members during 2024 & 2023

Board Member	Position	Name of controlled Company	Ownership %	Shares of controlled Company in JKB	
				31/12/2024	31/12/2023
Kuwait Projects Co. (Holding)-Kuwait	Board Member	Al Rawabi United Holding Co	99.99%	76,390,240	76,390,240
Kuwait Projects Co. (Holding)- and its subsidiaries - Kuwait	Board Member	Burgan Bank-Kuwait	64.3%	1,500	1,500
Kuwait Projects Co. (Holding)- and its subsidiaries - Kuwait	Board Member	United Gulf Bank – Bahrain	97.91%	473,503	473,503

Shares owned by the relatives of Board Members and Bank Executives during 2024 & 2023

Name	Nationality	Relation	Shares	
			31/12/2024	31/12/2023
Mrs. Nour Abdel Karim Allawi Kabariti	Jordanian	Wife of Mr. Haethum S. Buttikhi/ Chief Executive Officer	382,401	344,265

Shares owned by companies controlled by relatives of Bank Board Members:

There are no contributions from companies controlled by relatives of Bank Board Members

Shares owned by companies controlled by Bank Executives and their relatives:

There are no contributions from companies controlled by Bank Executives and their relatives

4b/18-a: Members of the Board of Directors' Remuneration (JOD):

#	Name	Position	Board Membership Allowance	Transportation and Meetings Allowance	Total
1	H.E Sheikha Dana Naser Sabah Al Ahmad Al Sabah	Chairperson- As of 4/3/2024	2,083	318,380	320,463
2	Dr. Marwan J. Muasher	Vice Chairman- As of 4/3/2024	5,000	116,500	121,500
3	Masaud M. Jawhar Hayat	Board Member	5,000	40,043	45,043
4	Mr. Moustapha S. Chami	Board Member	5,000	48,320	53,320
5	Rep.: Social Security Corporation Mr. Marwan M. Awad	Board Member	5,000	44,300	49,300
6	Rep.: Social Security Corporation Mr. Nidal F. Qubbaj	Board Member	5,000	55,300	60,300
7	Mr. Bijan Khosrowshahi	Board Member	5,000	29,650	34,650
8	Mr. Hani K. Hunaidi	Board Member	5,000	50,900	55,900
9	Mr. Majed F. Burjaq	Board Member	5,000	57,800	62,800
10	Dr. Safwan S. Toqan	Board Member	5,000	55,500	60,500
11	Dr. Omar M. Al Jazy	Board Member	5,000	50,900	55,900
12	Mrs. Nesreen Zuhdi Barakat	Board Member	-	30,550	30,550
13	Dr. Abeer Ghazi Jarrar	Board Member	-	39,010	39,010
14	Mr. Ibrahim E. Kashet	Secretary of the Board	-	33,500	33,500
15	Mr. Nasser A. Lozi	Chairman – Until 20/2/2024	5,000	69,800	74,800

4b/18-b: Executive Management's Remuneration (JOD):

#	Name	Position	Annual Salary	Travel & Per Diems	Total
1	Mr. Haethum S. Buttikhi	Chief Executive Officer	696,548	15,635	712,183
2	Mr. Daoud A. Issa	Chief Operating & Support Officer	442,296	585	442,881
3	Mr. Zuhdi B. Al-Jayousi	Chief Banking Officer	333,152	1,585	334,737
4	Dr. Makram A. Al- Qutob	Chief Credit Officer	222,371	-	222,371
5	Mr. Ibrahim F. Bisha	Head of Treasury & Financial Institutions	236,604	-	236,604
6	Mr. Suhail A. Salman	Head of Retail Business	124,580	2,200	126,780
7	Mr. Zeid W. Sharaiha	Head of Investment Business	154,964	-	154,964
8	Mr. Fadi N. Khalil	Head of Corporate Business	123,574	780	124,354
9	Mr. Ibrahim E. Kashet	Head of Legal Affairs	235,380	-	235,380
10	Mr. Maher M. Abu Sa'adeh	Head of Information Technology	147,300	2,400	149,700
11	Mr. Tareq J. Alkhitan	Head of Operations	134,588	-	134,588
12	Mrs. Manal A. Tubaishat	Head of Administrative Affairs	128,424	600	129,024
13	Mr. Ala'Y. Hijazin	Head of Finance	87,087	820	87,907
14	Mr. Fadi M. Ayyad	Head of Compliance	151,766	1,698	153,464
15	Dr. Mahmoud I. Al Ahmar	Head of Risk	115,744	2,185	117,929
16	Mr. Yousef W. Hassan	Head of Internal Audit	153,740	1,400	155,140

Remuneration and Rewards Policy

JKB has a comprehensive remuneration and rewards policy that closely integrates with the approved performance evaluation policies. Staff annual raises and rewards are based on achievement that meets the Bank's interests and its sustainable progress in all areas. The policy also assures the independence of control units in such a way that staff salaries and rewards are not determined by the Bank's profit levels.

The remuneration and rewards policy sets the basis for annual salary raises, effect of promotion on salary, types and conditions of allowances paid to employees, and the structure of the salary scale and its review process, for the purposes of maintaining a competitive and fair work environment.

The salaries, transportation allowance and other expenses paid to the Bank's executives during the year 2024 were declared in the disclosure statement as required by article (4) of the disclosure regulations issued by the Jordan Securities Commission, and in the notes to the consolidated financial statements included in this report.

Customer Complaints Processing Unit

In compliance with the Central Bank of Jordan's instructions to deal with customers fairly and transparently No. (1/2017), the Customer Complaints Processing Unit within the Compliance Department receives and deals directly with customer complaints submitted through all available channels, including telephone calls, email messages, traditional mail, and complaints boxes at the branches. All complaints received are addressed and responded to in writing or verbally, noting that the Unit dealt with 320 complaints during the year 2024, 80 of which were rightful complaints and (240) of which were not. Corrective measures to reduce these complaints, including staff training and modifying work procedures if required were taken. The Customer Complaints Processing Unit submits periodical reports to the Bank's top management, including a description of complaints received and how they were handled and solved. The unit also submits periodical reports to CBJ. Qualitative analysis on the nature of the complaints and action plans taken to correct and minimize the recurrence of these complaints are carried out by the unit.

19. Donations, Grants, and Contributions to the Local Community:

The Bank's donations and support of activities related to the protection of the environment and the local community stood at JD 1,826,877 million, as detailed below:

Recipient	Amount / JOD
Donations	1,245,181
Support of university education	105,410
Support of indoor sports activity	31,538
Support of outdoor sports activity	220,675
Support of top outstanding students	3,000
Support of authors	7,800
Training support for non-employees	37,040
Support of forums, conferences and festivals	149,560
Support - other	26,672
Total	**1,826,877**

4b/20: Contracts, projects and commitments held by the Bank with subsidiaries or sister or affiliate companies or the Chairman or members of the Board of Directors or General Manager or any staff member of the Bank or their relatives:

During 2024, the Bank entered into transactions with subsidiaries, sister and affiliate companies, major shareholders, members of the Board of Directors, and executive management within the normal Bank activities and applying commercial interest rates and commissions. All facilities granted to stakeholders are considered performing loans and no provisions were allocated for them. Details of such transactions are disclosed in Note 38 to the 2024 consolidated financial statements published in this report.

4b/21: Serving the Local Community

The Bank contributes towards the welfare of the local community and the environment; included in the achievements section of this report.

4e: Declarations by the Board of Directors:

4e/1: The Board of Directors hereby declares that there are no material issues that could hinder the business continuity of the Bank during the financial year 2025.

4e/2: The Board of Directors also declares its responsibility for the Financial Statements and that the Bank has an effective control system.

4e/3: Each of the undersigned Board of Directors declares that he/she did not gain any benefits, either cash or in-kind, as a result of his/her position at the Bank and was not declared whether be it for himself/herself or any of his/her related parties during the year 2024.

	Chairperson and Board of Directors	Signature
1	Sheikha Dana Naser Sabah Al Ahmad Al Sabah	
2	Dr. Marwan J. Muasher	
3	Mr. Masaud M. Jawhar Hayat	
4	Mr. Moustapha S. Chami	
5	Mr. Nidal F. Qubbaj	
6	Mr. Marwan M. Awad	
7	Mr. Bijan Khosrowshahi	
8	Mr. Hani K. Hunaidi	
9	Mr. Majed F. Burjaq	
10	Dr. Safwan S. Toqan	
11	Dr. Omar M. Al Jazy	
12	Mrs. Nesreen Zuhdi Barakat	
13	Dr. Abeer Ghazi Jarrar	

4e/4: The Chairperson of the Board, the Chief Executive Officer, and the Financial Manager hereby declare that all information and data provided in this report are accurate and comprehensive.

Chairperson of the Board	Chief Executive Officer	Financial Manager
Sheikha Dana N. Al Sabah	Haethum S. Buttikhi	Ala'Y. Hijazin

Governance Report for 2024

Governance Report for 2024

Corporate Governance Framework

Jordan Kuwait Bank believes that the existence of good corporate governance leads to good management of the Bank and helps to achieve the Bank's strategic objectives and safely manage its operations in a manner that safeguards the depositors' interests and ensures the responsibility towards shareholders and other stakeholders. The Bank bases the management and development of its internal corporate governance according to the legislations of the Companies Law in force, the Corporate Governance instructions issued by the Jordan Securities Commission, and the Corporate Governance instructions for banks issued by the Central Bank of Jordan (CBJ), in addition to the provisions and instructions issued by international regulatory authorities pertaining to banking operations and that are in line with the Bank's nature of business and its internal systems. With an emphasis on compliance with all instructions issued in this regard by all regulatory authorities.

Jordan Kuwait Bank's Board of Directors affirms its commitment and that of the Bank's executive management and all the employees in implementing the governance instructions. The Bank's adoption of this manual aims to realize the corporate governance principles of fair treatment for all stakeholders; transparency and disclosure of JKB's actual financial and administrative standing; and the relational accountability between the Board of Directors and the executive management, between the Board and shareholders as well as between the Board and various stakeholders. To achieve a greater level of disclosure and transparency, the Corporate Governance Manual is annexed to this report and is published on the Bank's website www.jkb.com.

In accordance with the instructions of the Central Bank of Jordan, work has begun on the application of the requirements for the Governance and Management of Information and Technology according to COBIT framework.

The Bank's organization and administrative procedures are based on the following principles:

- A board of directors is in place that is effective and responsible.
- A clear strategic direction for business development within a clear framework for risk management.
- Sound accounting and information disclosure principles.
- Sound decision making mechanisms.
- Performance evaluation linked to the strategy.
- Human resources development.

Board of Directors (BoD)

The formation of the Board of Directors is governed by the Jordanian Companies Law, the CBJ's Banks Law and Corporate Governance instructions for Banks, and the Governance instructions for listed companies issued by the Jordan Securities Commission, it consists of (13) members, including (6) independent members as at 31/12/2024.

The main role of the Board of Directors lies in its responsibility of ensuring the soundness of the Bank's operations, including its financial standing, and fulfilling its obligations towards all stakeholders. The Board sets the Bank's strategic objectives that meet the interests of the Bank, shareholders, and customers, and has oversight responsibility over the executive management. It is also accountable for ensuring the effectiveness of internal monitoring and control systems and the extent to which the Bank is abiding by the strategic plans and that written policies covering all of the Bank's activities are endorsed and in place.

The Board of Directors is also responsible for the credibility and accuracy of the Bank's financial reports and the information contained in the Annual Report and ensuring the application of appropriate risks policies as well as compliance with all laws in force.

The current Board of Directors was elected by the General Assembly on May 4, 2021 for tenure of four years. The Board of Directors on March 4, 2024 elected H.E Sheikha Dana Naser Sabah Al Ahmad Al Sabah as Chairperson and H.E Dr. Marwan Jamil Muasher as Vice Chairman.

Board Members for the Current Tenure

A- Members:

Name	Executive / non-executive	Independent/ non-independent	Member status
H.E. Dr. Marwan Jamil Muasher/ vice chairman	Non – Executive	Independent	Existing member
Mr. Hani Khalil Hunaidi	Non – Executive	Independent	Existing member
Dr. Safwan S. Toqan	Non – Executive	Independent	Existing member
Dr. Omar M. Al Jazy	Non – Executive	Independent	Existing member
Dr. Abeer Gazi Jarrar	Non – Executive	Independent	Existing member
H.E Mrs. Nisreen Zuhdi Barakat	Non – Executive	Independent	Existing member
H.E Mr. Nasser A. Lozi	Non – Executive	Non-Independent	Resigned on 20/2/2024

B- Representative Members:

Name	Executive / non-executive	Independent/ non-independent	Member status
H.E Sheikha Dana Naser Al Sabah / Chairperson Rep Al Rawabi United Holding Co.	Non – Executive	Non – Independent	Existing member
Mr. Moustapha S. Chami Rep Al Rawabi United Holding Co.	Non – Executive	Non – Independent	Existing member
Mr. Masaud Mahmoud Jawhar Hayat Rep Kuwait Projects Co. (Holding)	Non – Executive	Non – Independent	Existing member
H.E Mr. Marwan M. Awad Rep Social Security Corporation	Non – Executive	Non – Independent	Existing member
Mr. Nidal F. Qubbaj Rep Social Security Corporation	Non – Executive	Non – Independent	Existing member
Mr. Majed F. Burjak Rep Safari Development & Real Estate Investment Co.	Non – Executive	Non – Independent	Existing member
Mr. Bijan Khosrowshahi Rep Odyssey Reinsurance Co.	Non – Executive	Non – Independent	Existing member

Membership of Board of Directors in Public Shareholding Companies

Name	**Board Membership in Public Shareholding Companies**
H.E Dr. Marwan J. Muasher	Masafat For Specialized Transport Co., Ready Mix Concrete & Constructions Supplies Co. , Premier Business & Projects Co.
Mr. Bijan Khosrowshahi	Gulf Insurance/ Jordan

Executive Management

Mr. Haethum S. Buttikhi	Chief Executive Officer
Mr. Daoud A. Issa	Chief Operating & Support Officer
Mr. Zuhdi B. Al-Jayousi	Chief Banking Officer
Dr. Makram A. Al- Qutob	Chief Credit Officer
Mr. Ibrahim F. Bisha	Head of Treasury & Financial Institutions
Mr. Suhail A. Salman	Head of Retail Business
Mr. Zeid W. Sharaiha	Head of Investment Business
Mr. Fadi N. Khalil	Head of Corporate Business
Mr. Ibrahim E. Kashet	Head of Legal Affairs
Mr. Maher M. Abu Sa'adeh	Head of Information Technology
Mr. Tareq J. Alkhitan	Head of Operations
Mrs. Manal A. Tubishat	Head of Administrative Affairs
Mr. Ala'Y. Hijazin	Head of Finance
Mr. Fadi M. Ayyad	Head of Compliance
Dr. Mahmoud I. Al Ahmar	Head of Risk
Mr. Yousef W. Hassan	Head of Internal Audit

JSC Governance Officer

Mr. Fadi M. Ayyad / Head of Compliance.

Board Committees

In the aim of organizing the Board of Directors' work and to increase its efficiency and effectiveness, the Board of Directors forms different committees from its members that are delegated with authorities and responsibilities to be in line with the Bank's strategies and goals. The committee's composition, duties and responsibilities have been detailed in the Corporate Governance Manual which is published on the Bank's website and annexed to the Annual Report.

1. Corporate Governance Committee (Governance Committee)

The committee oversees the development of the Corporate Governance Manual, updating it, and monitors its implementation. It ensures that the Bank's organizational structure meets the corporate governance requirements. It also adopts general policies, and raises them to the Board of Directors for approval and supervises their implementation and ensures ccommitment to the adopted JKB Code of Ethics at the level of BoD and all administrative levels in the Bank. In addition to any other duties included in the Governance instructions for listed companies, through the Corporate Governance Department.

2. Risk Committee

The committee's role is to review the Risk Management's framework and strategy of Risk Management; create suitable work environment that helps in identifying and managing risks with significant impact; and stay abreast with the developments that affect the Bank's operations. The committee reviews reports submitted by the Risk Management Department and submits relevant recommendations to the Board of Directors, illustrating the Bank's commitment to the acceptable risk appetite level. In addition to any other duties included in the Governance instructions for listed companies.

3. Compliance Committee

The committee's role is to ensure the existence of policies and procedures for the bank's compliance with the applicable laws and regulations, recommending to the Board of Directors to adopt the organizational structure of the Compliance Control management and ensuring its independence, ensure that an annual non-compliance risk management plan is in place, assess the degree of effectiveness with which the Bank manages the risk of non-compliance at least once a year and review it should amendments have been made. In addition to any other duties included in the Governance instructions for listed companies.

4. Audit Committee

The committee shall review and ratify the internal audit plan which includes audit scope and frequency. Review internal audit reports and the reports and observations of regulatory bodies and the external auditor and ensure that the executive management takes the corrective measures. The committee also reviews the Bank's financial statements prior to submission to the Board of Directors and ensures that the Bank has properly observed and complied with international accounting and audit standards. In addition to any other duties included in the Governance instructions for listed companies.

5. Nominations & Remuneration Committee

The Committee shall identify eligible persons for board membership and determine members' "independency", provide recommendations to the Board for the appointment of qualified executive management members, evaluate annually the work of the Board as a whole and it's committees and members separately, supervise the implementation of performance assessment policy for the executive management and establish a policy for performance appraisal and grant remuneration to the members of the Executive management. In addition to any other duties included in the Governance instructions for listed companies.

6. Credit Committee

The Committee's Role includes:

1. Grant, modify, renew and restructure of credit facilities that exceed the authorities of the Management Credit Committee, headed by the General Manager, within the limits set by the Board of Directors. The Board of Directors shall take the decisions in matters exceeding the Committee's authorities.
2. The Committee's authority is limited to taking the right decision regarding the facilities that have been recommended for approval by the Management Credit Committee.

7. Information Technology Governance and Cyber Security Committee

The Committee is responsible for approving the Information Technology strategic objectives and appropriate organizational structures, including Steering Committees at Executive Management Level, to ensure the achievement of the Bank's strategic objectives, and realizing the best value-added of IT projects and investments resources while utilizing the tools and standards to monitor and ascertain the extent of achievement. The Committee shall oversee and be appreciated of the progress of IT operations, resources and projects to ensure its adequacy and its effective contribution in achieving the Bank's business requirements. The committee also undertakes tasks related to cybersecurity governance in accordance with the instructions of the cybersecurity framework issued by the CBJ

Audit Committee Members

Mr. Hani K. Hunaidi, Committee Chair (Independent)

Education:	Master of Business Administration (MBA), Portland State University –USA, 1980 and Bachelor of Business Administration, American University of Beirut. 1973, Certified Public Accountant (CPA).
Current Position:	• Chairman of the Board of Trustees, Mediterranean Industries • Chairman of the Board of Trustees, Mediterranean Energy Co.
Previous Positions:	• Chairman, National Ammonia and Chemical Industries (1991- 2009) • Managing Director, Jordan Kuwait Company for Agriculture and Food Products (1986-1992) • Project General Manager, Jordan Management and Consultancy Corp. (1984-1986) • Financial and Administrative Manager, Jordan Securities Corp. (1982-1984) • Auditor, Touch Ross & Co. (1980-1982) • Project Senior Accountant, Consolidated Contractor Company (1976-1978) • Accountant, Safwan Trading & Contracting Co. (1973-1974)

H.E. Mr. Marwan M. Awad (Non- Independent)

Education:	Master's degree in economics from Vanderbilt University-USA, 1980, A Diploma of Higher Education in economic development from Vanderbilt University–USA, 1980 and Bachelor degree in Accounting, Jordan University, 1973.
Current Position:	• General Manager, First International for Consultation and Arbitration • Chairman, Jordanian Elaf Co. for Integrated Solutions • Chairman, Business Risk Experts Forum • Vice Chairman, World Union of Arab Bankers – Beirut • Member of Board of Trustees, Arab Academy for Banking and Financial Sciences
Previous Positions:	• Minister of Finance (1996-1997) • Secretary General, Ministry of Industry and Trade (1991 – 1993) • Chairman, Social Security Investment Board • Vice Chairman, Royal Jordanian • General Manager and CEO, Jordan Ahli Bank • Manager, Investment and International Relations, Central Bank of Jordan • General Manager and CEO, Middle East Investment Bank • Executive Director, Qatar Islamic Bank • General Manager, Industrial Development Bank • Director and founder, Arab Institute of Banking Studies

Dr. Safwan S. Toqan (Independent)

Education:	PhD in Economics, University of South California –USA, 1980, Master degree in Economics, University of South California – USA, 1976. Bachelor degree in Business Administration, American University - Beirut, 1966
Previous Positions:	• Member of the 26th Jordanian Senate • Chairman, Amman Stock Exchange (2012-2013) • Chairman, Jordan Phosphate Mines Company (2000 – 2004) • General Manager, Social Security Corporation (1994 – 1999) • Secretary General, Ministry of Planning (1989 – 1994) • Assistant Professor, Yarmouk University (1981 – 1989) • Lecturer, University of South California – USA (1975 – 1980) • Central Bank of Jordan (1966 – 1975)

Dr. Omar M. Al Jazy (Independent)

Education:	PhD in International Arbitration Act, University of Kent- Canterbury, 2000, Master degree in Law of International Trade, London Metropolitan University, 1994, Bachelor degree in Law, University of Jordan, 1992, Diploma in Nuclear International Law, University De Montpelier, 2017
Current Position:	• Board Member, Government Investments Management Company • Board Member, Education and Scientific Research Management and Development Company • Board Member, Arab Foundation for Education, Scientific, Research Management Company • Board Member, Abdul Hameed Shoman Foundation • Chairman of the Board of Trustees, Amman Arab University • Managing Partner, Al Jazy & Co. – Advocates & Legal Consultants • International Arbitration
Previous Positions:	• Former President of the Jordanian Arbitrators Association • Board Member, Safwa Islamic Bank – until 01/2017 • Board Member, Military Credit Fund • Member of the Board of Trustees Committees, King Abdullah II Fund for Development • Former Vice-Chairman, Jordanian Corporate Governance Association • Board Member, Aqaba Development Company • Board Member, Aqaba Airports Company • Board Member, Social Security Corporation • Board Member, Specialized Management Co. for Investment & Financial Advisory (12/2016 – 03/2021)

Board Committee Member:

Corporate Governance Committee Members

H.E Dr. Marwan J. Muasher, Committee Chair (Independent)

H.E Sheikha Dana Naser Sabah Al Ahmad Al Sabah (Non- Independent)

Dr. Safwan S. Touqan (Independent)

Mr. Moustapha S. Chami (Non- Independent)

H.E. Mrs. Nisreen Zuhdi Barakat (Independent)

Risk Committee Members

Dr. Safwan S. Toqan, Committee Chair (Independent)

H.E Dr. Marwan J. Muasher, (Independent)

Mr. Nidal F. Qubbaj (Non- Independent)

Mr. Moustapha S. Chami (Non- Independent)

H.E Mrs. Nesreen Zuhdi Barakat (Independent)

Compliance Committee Members

Dr. Omar M. Al Jazy, Committee Chair (Independent)

Mr. Hani K. Hunaidi (Independent)*

H.E Mr. Marwan M. Awad (Non- Independent)

Dr. Abeer Ghazi Jarrar (Independent)

* Mr. Hani Khalil Hunaidi is the responsible Board Member for the AML/CFT compliance with the Central Bank of Cyprus.

Nominations & Remuneration Committee Members

Dr. Abeer Ghazi Jarrar, Committee Chair (Independent)

Dr. Omar M. Al Jazy, (Independent)

Dr. Safwan S. Touqan (Independent)

Mr. Masaud M. Hayat (Non - Independent)

Credit Committee Members

Mr. Majed F. Burjak, Committee Chair (Non – Independent)

H.E Dr. Marwan J. Muasher, (Independent)

Mr. Masaud M. Hayat (Non – Independent)

Mr. Moustapha S. Chami (Non- Independent)

Mr. Nidal F. Qubbaj (Non- Independent)

Information Technology Governance Committee Members

Mr. Majed F. Burjak, Committee Chair (Non - Independent)

H.E Dr. Marwan J. Muasher (Independent)

Mr. Hani K. Hunaidi (Independent)

Mr. Nidal F. Qubbaj (Non- Independent)

Board Committee Meetings during 2024:

Audit Committee

The number of Audit Committee meetings during the year was (8), as follows:

Member	Audit Committee meetings							
	1st 8/2	2nd 17/3	3rd 23/4	4th 30/6	5th 22/7	6th 17/9	7th 24/10	8th 5/12
Mr. Hani K. Hunaidi	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Safwan S. Toqan	✓	✓	✓	✓	✓	✓	✓	✓
H.E Mr. Marwan M. Awad	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Omar M. Al Jazy	✓	✓	✓	✓	✓	✓	✓	✓

Nominations & Remuneration Committee

The number of Nominations & Remuneration Committee meetings during the year was (6), as follows:

Member	Nominations & Remuneration Committee meetings					
	1st 17/1	2nd 11/2	3rd 19/3	4th 14/7	5th 18/11	6th 19/12
Dr. Abeer Ghazi Jarrar – As of 25/3/2024				✓	✓	✓
Dr. Safwan S. Toqan	✓	✓	✓	✓	✓	✓
Mr. Masaud M. Jawhar Hayat	✓	✓	✓	✓	✓	✓
Dr. Omar M. Al Jazy	✓	✓	✓	✓	✓	✓

Corporate Governance Committee

The number of Corporate Governance Committee meetings during the year was (2), as follows:

Member	Corporate Governance Committee meetings	
	1st 30/7	2nd 17/12
H.E Sheikha Dana Naser Sabah Al Ahmad Al Sabah – As of 8/4/2024		
H.E Dr. Marwan J. Muasher	✓	✓
Mr. Moustapha S. Chami	✓	✓
Dr. Safwan S. Toqan	✓	✓
H.E Mrs. Nesreen Zuhdi A. Barakat – As of 8/4/2024	✓	✓

Risk Committee

The number of Risk Committee meetings during the year was (7), as follows:

Member	Risk Committee meetings						
	1st 14/2	2nd 21/4	3rd 3/6	4th 23/6	5th 22/8	6th 3/11	7th 15/12
Dr. Safwan S. Toqan	✓	✓	✓	✓	✓	✓	✓
Mr. Nidal F. Qubbaj	✓	✓	✓	✓	✓	✓	✓
Mr. Moustapha S. Chami	✓	✓		✓	✓	✓	✓
H.E Dr. Marwan J. Muasher – As of 8/4/2024		✓	✓	✓	✓	✓	✓
H.E Mrs. Nesreen Zuhdi Barakat – As of 8/4/2024		✓	✓	✓	✓	✓	✓

Compliance Committee

The number of Compliance Committee meetings during the year was (6), as follows:

Member	Compliance Committee meetings					
	1st 15/2	2nd 4/4	3rd 4/6	4th 12/8	5th 6/10	6th 16/12
Dr. Omar M. Al Jazy	✓	✓	✓	✓	✓	✓
Mr. Hani K. Hunaidi	✓	✓	✓	✓	✓	✓
H.E Mr. Marwan M. Awad	✓	✓	✓	✓	✓	✓
Dr. Abeer Ghazi Jarrar- As of 25/3/2024		✓	✓	✓	✓	✓

Information Technology Governance and Cyber Security Committee

The number of Information Technology Governance and Cyber Security Committee meetings during the year was (4), as follows:

Member	Information Technology Governance Committee meetings			
	1st 17/4	2nd 10/7	3rd 3/10	4th 19/12
Mr. Majed F. Burjak	✓	✓	✓	✓
H.E Dr. Marwan J. Muasher	✓	✓	✓	✓
Mr. Hani K. Hunaidi	✓	✓	✓	✓
Mr. Nidal F. Qubbaj	✓	✓	✓	✓

Credit Committee

The number of Board Credit Committee meetings during the year was (28), as follows:

Member	Credit Committee meetings												
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th
Mr. Majed F. Burjak	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
H.E Mr. Nasser A. Lozi – until 19/12/2024	✓	✓	✓										
Dr. Masaud M. Jawhar Hayat	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Mr. Moustapha S. Chami	✓	✓	✓	✓	✓	✓		✓	✓	✓		✓	✓
Mr. Nidal F. Qubbaj	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
H.E Dr. Marwan J. Muasher – As of 25/2/2024				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Member	Credit Committee meetings														
	14th	15th	16th	17th	18th	19th	20th	21st	22nd	23rd	24th	25th	26th	27th	28th
Mr. Majed F. Burjak	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
H.E Mr. Nasser A. Lozi – until 19/12/2024															
Dr. Masaud M. Jawhar Hayat	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Moustapha S. Chami	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓
Mr. Nidal F. Qubbaj	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
H.E Dr. Marwan J. Muasher – As of 25/2/2024	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓

Audit Committee meetings with the External Auditor and Head of Compliance:

The Audit Committee met with the External Auditor four times during the year, and meeting with Head of Compliance once.

Board Meetings during 2024:

The Board met (10) times during the year, as follows:

Member	Board meetings									
	1st 28/1	2nd 12/2	3rd 4/3	4th 25/3	5th 25/4	6th 25/6	7th 23/7	8th 25/9	9th 28/10	10th 22/12
H.E Mr. Nasser A. Lozi - Chairman until 19/12/2024	✓	✓								
H.E Sheikha Dana N. Sabah – Chairperson As of 4/3/2024	✓		✓	✓	✓	✓		✓	✓	✓
H.E Dr. Marwan J. Muasher – Vice Chirman As of 4/3/2024	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Masaud M. Jawhar Hayat	✓		✓	✓		✓	✓	✓	✓	✓
Mr. Moustapha S. Chami	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
H.E Mr. Marwan M. Awad	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Nidal F. Qubbaj	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Bijan Khosrowshahi		✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Hani K. Hunaidi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Majed F. Burjak	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Safwan S. Toqan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Omar M. Al Jazy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Abeer G. Jarrar – As of 17/3/2024				✓	✓	✓	✓	✓	✓	✓
H.E Mrs. Nesreen Barakat – As of 8/4/2024					✓	✓	✓	✓	✓	✓

Board Members' Remuneration

Every Board member receives the sum of JOD 5,000 (USD7,052) per year as Board membership allowance according to the Companies Law, in addition to allowances in lieu of travel, transportation and Board committees' membership.

Sheikha Dana Naser Sabah Al Ahmad Al Sabah
Chairperson

CORPORATE GOVERNANCE GUIDE 2024

Table of Content

Corporate Governance Guide

Introduction

The Central Bank of Jordan defines Corporate Governance as a system through which the Bank is managed and run. This system aims at identifying and achieving the corporate objectives of the Bank, managing the Bank's business safely, protecting the depositors' interests, being committed by due diligence responsibility towards shareholders and other stakeholders and abiding by laws and the Bank's internal policies.

Jordan Kuwait Bank perceives corporate governance as the key to win the confidence of the customers and other parties interested in JKB. Corporate Governance is the methodology through which JKB manages its interrelations and relations with the other involved parties.

JKB believes that the existence of good corporate governance will result in good management of the Bank and help to achieve the Bank strategic objectives. Moreover, JKB has an absolute belief that the presence of good governance at all Jordanian institutions will lead to have efficient institutions and provide the appropriate competitive environment, and so support the national economy in general. As banks play an important role in the financial system, and their businesses depend on their customers' deposits, it is therefore of high importance that they should have good corporate governance.

In view of that, the Board of Directors (BoD) of JKB decided to adopt the Corporate Governance Guide ("the Guide") which has been prepared according to the best international standards in this regard and based on the instructions of the Central Bank of Jordan (CBJ) and other regulatory authorities. By adopting this guide, JKB aims at implementing the principles of corporate governance represented in fair treatment of all relevant stakeholders, transparency and disclose JKB's actual financial and administrative position, in addition to accountability in terms of the relations between the BoD and executive management, BoD and shareholders, and BoD and other entities. JKB provides the approved version of the Guide on its website www.jkb.com

This guide reflects JKB requirements and policies approved by BoD. The Guide provisions shall be applicable to BoD, senior executive management, and staff. JKB adopts strategies, policies, and administrative structures of its subsidiaries within the framework of sound governance.

Definitions:

Corporate Governance:	The system by which the Bank is directed and managed, and which aims at identifying and achieving the Bank's Corporate goals, managing the Bank's operations safely, protecting the interests of depositors, committing to the responsibility due towards shareholders and other stakeholders, and the Bank's commitment to legislations and the Bank's internal policies.
Adequacy:	The availability of specific requirements related to honesty, integrity, reputation, competence, and qualifications in persons nominated for membership of the Bank's Board of Directors, and its senior executive management.
Stakeholders:	Anyone with interest in the bank, such as depositors, shareholders, employees, creditors, clients, or relevant control bodies.
Main Shareholders:	the person controlling at least (5%) of the bank's capital.
Independent Director:	A member of the Board of Directors who is not a main shareholder, and who is not under the control of any of them, and who has financial or banking qualifications or experience, and who meet the conditions set out in Banks Corporate Governance Instructions.
Senior Executive Management:	Includes the Bank's top positions specified in the Banking Law and the Corporate Governance Instructions issued by the Central Bank of Jordan, other instructions, and legislations to which the Bank is subject.
Advisory Site:	A site where the occupant and the Bank have a contract or agreement for the provision of temporary advisory services or under an annual contract.

JKB Corporate Governance Objectives

JKB aims at achieving the best standards of business ethics covering all the Bank's business aspects through disclosing JKB results accurately and transparently, and complete abidance by the various laws and regulations that govern JKB work.

Legal framework and sources of corporate governance

In preparing the Corporate Governance Guide, the Bank relied on the following:

- Banking Law In force.
- Companies' Law in force.
- Securities Law in force and the instructions of the Securities Commission.
- Deposit Insurance Law in force.
- Regulations and instructions issued under the above mentioned laws and any subsequent amendments thereof.
- Instructions for Corporate Governance for Banks issued by the Central Bank of Jordan
- Basel Committee relevant publications.
- OECD countries and the World Bank publications on corporate governance.

- Accounting Standards and International Financial Reporting Standards employed by investors to hold the management accountable.
- Laws in force in countries where JKB has branches and within the limits of JKB business.

In addition to the laws protecting the rights of shareholders, depositors and stakeholders.

Corporate Governance Related Parties

1. Shareholders

JKB framework of governance is dedicated to protecting shareholders' rights along with serving and fairly treating them, particularly in the light of the laws, regulations and instructions issued by the regulatory authorities. The same also applies to JKB policies and procedures.

2. BoD Members

BoD members, on behalf of the shareholders, manage JKB under the various laws which define their duties and responsibilities (such as, Companies Law, Banks Law … etc.

3. Employees

All JKB employees, respectively, are held responsible for the implementation of the internal control procedures as part of their responsibilities in achieving the objectives of the Bank.

JKB employees should have the necessary information, skills, knowledge and authority to carry out JKB businesses. Indeed, this requires full understanding of the Bank, the industry, the market and the risks associated therein.

Through the employees' pursuit to achieve these requirements, they will positively contribute to JKB performance and achievements, and this will lead to job security and satisfaction.

4. Creditors

The different parties that are related to JKB, through contractual relations such as customers, suppliers and creditors.

Organizational Structure

Part of BoD duties is to approve an organizational structure consistent with the nature of JKB activities, to ensure that there are sufficient regulations to implement the adopted strategy, to facilitate effective decision-making process and to implement good corporate governance through:

- Clear and transparent organizational structure.
- Specific targets for each administrative unit.
- Job's specific duties and responsibilities for each administrative unit.
- Authorities, reporting lines and direct supervision channels designated for different managerial positions, as well as proper tasking/ tasks segregation.

- Manuals, policies and work procedures appropriate to execute and supervise operations, particularly defining a job description for all levels of jobs within the organizational structure, including qualifications and experience of staff holding each position.
- Ownership structure which does not hinder corporate governance.
- Independent departments to perform the functions of risk management, audit and compliance.
- Units and employees that are not involved in the daily operations of JKB activities (such as the employees of Credit Review and Middle Office).

BoD Members

A. The Bank's Board of Directors shall consist of, at least, thirteen members and four of them should be independent Directors as defined by the governance instructions issued by the Central Bank of Jordan on independent member.

B. BoD develops a clear and appropriate policy for its members which is consistent with the laws and regulatory requirements.

C. Neither the Chairman nor the member of the Board shall hold any executive or any other position which he is involved in the management of the day-to-day running of the Bank, or any advisory position in the Bank.

D. The chairman of the board, board members, or main shareholders may not be connected to the general manager with a familial relationship below the fourth degree.

E. The Chairman of the board, board members, or main shareholders must not be connected to any of the members of the senior executive management with a familial relationship below the second degree.

F. Consideration should be given to the diversity and complementarity of skills and experience among the members of the Board, to provide a Broad range of visions and perspectives, consistent with the size of the Bank, the nature of its activity and its strategy.

G. Consideration should be given to the representation of women in the membership of the Board.

BoD Responsibilities

BoD is responsible for the implementation of the Central Bank, and the requirements besides other supervisory and regulatory requirements relating to JKB businesses, care for stakeholders, and the Bank is managed within the framework of its internal rules and policies, and the effective control over JKB activities is always in place, including JKB activities delegated to third-parties. And the BoD shall take due diligence measures when deciding on any issues related to the Bank business and shall take into consideration sound bases to reach the decision taken in this regard in a manner that ensures the performance of its duties at the highest standards of professionalism.

To achieve all of that, members of BoD and their committees are allowed to have a direct contact with the executive management and BoD Secretary, while ensuring that none of the board members influences the decisions of the executive management, except through deliberations which take place during the board meetings or those of the committees emanating from it.

BoD Tasks and Duties

Given the terms of reference and powers of JKB General Assembly, the elected BoD by the General Assembly shall carry out the duties and responsibilities of managing JKB activities for a period of four years effective the date of election. BoD tasks and duties include, but are not limited to:

I. In the area of general supervision, control and draw JKB strategies:

1. Overseeing executive management and adopting a policy to monitor and review its performance to achieve the corporate objectives and ensure soundness of all Bank operations.
2. Identifying JKB strategic objectives, directing the executive management to develop a strategy to achieve these objectives, and approving this strategy. BoD shall adopt action plans which are consistent with this strategy.
3. Approving the Bank general organizational structure.
4. Approving the organizational structures of the supervisory departments (Internal Audit, Risk management, Compliance Department).
5. Ensuring the existence of policies, plans and procedures covering all JKB activities which are consistent with the relevant laws, and that they are communicated to all administrative levels, and are regularly reviewed.
6. Identifying JKB corporate values , drawing clear lines of responsibility and accountability for all JKB activities and promoting a high-level culture of ethical standards, integrity, and professional conduct of JKB managers.

II. In the area of policies, instructions, strategies and controls to be endorsed by BoD:

1. Approving appropriate policies and procedures to supervise and control JKB performance.
2. Approving a set of clear boundaries of responsibility and accountability to be committed to, and abided by, all levels of JKB management.
3. Approving an effective policy to ensure the adequacy of BoD members “fit and proper”. The policy should include minimum criteria, and conditions that the BoD candidate and appointed member should have. The policy should be reviewed from time to time and when necessary. BoD should develop adequate procedures and systems to ensure that all BoD members meet relevance standards and that they continue to enjoy them.

4. Approving a policy to ensure the adequacy of the members of senior executive management so that this policy includes minimum criteria, and conditions of laws in force on senior executive management. BoD reviews this policy from time to time, establishes sufficient procedures and systems to ensure that all members of the senior executive management meet the relevance standards and that they continue to enjoy them.
5. Approving a policy control conflict of interest in all its forms, including those arising as a result of JKB partnerships with companies of the group, and approving the necessary procedures to ensure the adequacy of internal controls and oversight to monitor compliance with the policy and prevent violations of it.
6. Approving policies and procedures for dealings with stakeholders, so they include identifying these parties, taking into consideration the laws, transactions terms, approval procedures and a mechanism to monitor these transactions, so as not to go beyond these policies and procedures.
7. Set a policy that includes the Bank's responsibility towards protecting the environment and protecting society, provided that the Bank's disclosures in its annual report and/or within the sustainability report include the initiatives that the Bank is pursuing in this regard.
8. Approving the controls for information transfer among various departments to prevent exploiting them for personal advantages.

III. What BoD should verify:

1. Ensure the existence of adequate and reliable management information systems which cover all JKB activities.
2. Verify that the credit policy includes assessing the quality of corporate governance of its public shareholding companies' clients, so that clients' risks are assessed by identifying their strengths and weaknesses according to their governance practices .
3. Ensure that the organizational structure clearly reflects borders of responsibility and authority.
4. Ensure that senior executive management performs its responsibilities related to the management of JKB daily operations, contributes to the implementation of corporate governance at the Bank, delegates powers to the staff, establishes an effective management structure that boosts accountability and that they carry out tasks in various areas and activities of JKB businesses in a manner that is consistent with the policies and procedures approved by BoD.
5. Ensure that the executive management enjoys a high level of integrity in exercising its business and avoid conflicts of interest, and objectively implements the approved policies and procedures.

IV. BoD duties in the area of recruitment, appraisal and rewards:

1. Appointing a general manager enjoys qualities of integrity, technical competency and banking expertise, after obtaining the Central Bank of Jordan's "No Objection" prior to his appointment.
2. Approve, based on the recommendations of the special committee, the appointment/transfer/promotion/assignment of any executive management member, to be obtained the Central Bank of Jordan's "No Objection".
3. Approve, based on the recommendations of the special committee, the resignation or service termination, of any executive management member. As for the resignation or service termination of the General Manager, the internal Audit manager, the Risk Management manager, and the Compliance manager. CBJ's "No Objection" should be obtained,
4. Forming committees from BoD members, defining their objectives and delegating powers according to a charter identifying such powers. Committees should submit periodic reports to BoD.
5. Endorsing a succession plan for senior members of the executive management of the bank. BoD should review this plan once a year at least.
6. Appoint a Secretary to the Board of Directors, terminate his services, and determine his remuneration.
7. annually evaluate the performance of the General manager in accordance with an appraisal system prepared by the Nomination and Remuneration Committee and approved by the Board including setting key performance indicators The criteria for evaluating the performance of the General manager shall include as a minimum the financial and administrative performance of the Bank in relation to the risk profile, the extent to which it achieves the medium and long term plans and strategies of JKB, Weights shall be assigned to each of the assessment items and the Committee shall inform the Central Bank of the outcome of this assessment.
8. Establishing procedures to determine BoD members' remunerations in accordance with the approved appraisal system.
9. Ensuring the relevance of BoD members and members of the senior executive management in accordance with the JKB adopted policies and laws and regulations in force.
10. Adopt a system to evaluate its work and that of its members, providing this system includes, as a minimum, the following:
    - Establish key performance indicators that derived from the plans and strategic objectives, for used to measure the board's and committees' performance.
    - Communication between the board of directors and the shareholders and maintaining this communication periodically.
    - Periodical meetings between the board of directors and the senior executive management.

- The member's role in the board of directors' meeting, and comparing his performance with that of others. Feedback must be obtained from the relevant member for the purpose of improving the evaluation process.
- The extent to which the member has developed his knowledge of banking operations through his participation in training programs.

11. Adopt a system to measure the performance bank's administrative staff other than members in the board of directors, and the general manager, taking into account the performance indicators that differ according to the nature of the work of the Department sand the extent to which they achieve their objectives, provided this system includes the following as a minimum:

- An adequate weighted value is given to measure compliance performance in the work frame of risk management, and the Compliance Department implementing internal control and organizational requirements.
- That the total income or profit is not the only element to measure performance, the need to taking into consideration also other elements to measure the performance of administrators, such as risks resulting from basic operations, and achievement of each Department's objectives and annual plans in addition to measuring customer satisfaction, wherever this is applicable.

12. In case the Board deems this necessary and for clear and specific justifications the Board may appoint an advisor provided that this is within the scope of tasks consistent with the nature of the work of the Consultant provided that this does not include supervisory or executive duties in any way and that this is within a specific time frame and without prejudice to the Board's supervision mission the activities of the Bank in line with its functions stipulated in the legislation Provided that a no objection from the Central Bank is obtained for this appointment.

V. BoD Duties in the Area of Disclosure and Publication:

1. Ensure that the Corporate Governance Guide is published on JKB website and in any other manner appropriate for the public.
2. Ensuring the allocation of a part of JKB website to give details on the shareholders' rights and encourage them to attend and vote at the General Assembly meetings, as well as publishing documents related to meetings, including the full text of the invitation and minutes of meetings.
3. Ensuring that the financial and non-financial information of interest to stakeholders is published in a timely manner.
4. Ensuring that JKB abides by disclosures set by the International Financial Reporting Standards (IFRS), International Accounting Standards(IAS), instructions of the Central Bank of Jordan, other relevant laws and international accounting standards. BoD should also ensure that the executive management is aware of changes taking place to the international financial reporting standards.

5. Ensuring to include disclosures in JKB annual and quarterly reports which give the current or potential shareholders an access to JKB operations results and financial position.

6. Ensuring that the annual report includes the following as a minimum:
   - A summary of the bank's organizational structure.
   - A summary of the functions and responsibilities of the board's committees, and any authorities the board delegated to these committees.
   - The Banks' Corporate Governance guide and Information important to stakeholders as shown in, and the extent to which it is committed to implementing what was mentioned in the guide.
   - A text stating the responsibility and approval of the Board for the accuracy and adequacy of the financial statements of the Bank and the information contained in the report and the adequacy of internal control and systems.
   - Information about each member of the board of directors, his qualifications and experience, and the amount of his contribution in the bank's capital, and whether he is independent or not, his membership in the board's committees, the date of his appointment, any membership he enjoys in the boards of directors of other companies, all forms of bonuses he received from the bank for the previous year, loans extended to him by the bank, and any other operations concluded between the bank and the member or the parties related to him.
   - Information about the risk management department, including its organization, the nature of its operations, and the developments taking place in it.
   - Number of times the board of directors met, its committees, and the number of times each member attended these meetings.
   - Names of each member of the board of directors and the senior executive management who resigned over the year.
   - A summary of the bank's bonus-granting policy, disclosing all types of bonuses and awards to the board of directors' members separately, as well as bonuses granted to members of the senior executive management separately, for the past year.
   - The main shareholders of the Bank and in the companies that contribute mainly in the Bank
   - Names of shareholders who own (1%) or more of the bank's capital, specifying the ultimate beneficial owners of these contributions or any part thereof, clarifying if any of these contributions is totally or partially mortgaged.
   - Affirmations from all board members that the member did not receive any undisclosed benefits through his work at the bank, whether these benefits are material or tangible, and whether they were for him personally or for anyone related to him, for the previous year.

7. Providing a specific mechanism to ensure communication with stakeholders through disclosures and providing significant information on JKB activities to those stakeholders through the following:
   - General assembly meetings.

- Annual report.
- Quarterly reports that contain financial information, in addition to the board's report on the bank shares dealings and its financial position during the year.
- The bank's website.
- Shareholders' relations section.

8. Develop a mechanism for receiving complaints and proposals submitted by the shareholders, including their proposals to include specific topics on the agenda of the meeting of the General Assembly and take appropriate decision thereon.
9. Establish a mechanism to allow shareholders holding at least 5% of the shares to add items on the agenda of the Ordinary General Assembly before sending it to the shareholders.

VI. BoD duties in the Area of Internal and External Audit:

1. Adopting the necessary procedures to enhance internal audit effectiveness through: displaying the due importance of the audit process, consolidating it in the Bank.
2. Ensuring that the Internal Audit Department is able to carry out its tasks, it has the qualified staff and be certain to provide the Department constantly with appropriate and trained employees.
3. Ensuring and enhancing the principle of internal auditors' independence, placing them at adequate level in JKB's organization structure, ensuring they have access to all records and information and the ability to contact any JKB administrator, so that they are able to fulfill the tasks entrusted to them and prepare their reports without any external interference.
4. Adopting an internal audit code which includes duties, authorities, and working methodology of the Audit department.
5. Verifying that the Internal Audit Department is subject to the direct supervision of the Board Audit Committee, and it reports directly to the Chairman of the Audit Committee.
6. always Ensuring the external auditor's independence, to ensure that there is no conflict of interest between the Bank and the external auditor.
7. Ensuring a regular rotation of the external auditor each seven years at maximum, provided that the external auditor shall not be changed during the contracting period except after obtaining the approval of the Central Bank and based on substantial reasons, and it is not permissible to re-elect the old office again before at least three years have elapsed from the date of its last election at the Bank.
8. Approving External Auditing Policy.

VII.BoD Duties in the Area of Compliance:

1. Approving a policy to ensure JKB compliance by all relevant laws.
2. Approving the duties and responsibilities of Compliance Control Department.
3. Ensuring Compliance Control Department independence by submitting its reports to the Compliance Committee.

VIII.BoD Duties in the Area of Risks:

1. Approving a strategy for risk management and monitoring its implementation. Such a strategy should include an acceptable level of risk, and ensure not exposing the Bank to high risks. BOD shall has an appropriate knowledge of JKB operational environment and risks associated with it. BoD should ensure that JKB has the tools and infrastructure designated for risk management that are able to identify, measure, analyze, evaluate and monitor all types of risk faced by the Bank.
2. Approving an Internal Capital Adequacy Assessment document. Such a process should be comprehensive, effective and able to identify all risks that JKB may encounter, and that it takes into consideration JKB strategic plan and capital plan. BoD should review this process regularly, verify its implementation, and validate that JKB maintains adequate capital to encounter all risks it may face.
3. Approving JKB acceptable risk document.
4. Approving the risk management policies covering all Bank operations, and setting clear limits for each type of risk.
5. Approving Business Continuity Plan.
6. Approving The risk management framework of JKB.
7. Verifying that violations on acceptable levels of risk are addressed, including holding the senior executive management accountable for such violations.
8. Ensuring that the Risk Management Department conducts stress testing periodically to measure JKB ability to withstand the shocks and cope with high risks. BoD should play a key role in approving assumptions and scenarios used and discuss the tests results, as well as approving actions to be taken based on these results.
9. Ensuring Risk Management Department independence through submitting its reports to the Risk Management Committee, and granting the Department the necessary powers to be able to obtain information from other JKB departments and to cooperate with other committees to carry out their duties.

Duties of the Chairman of the Board:

1. To establish a constructive relationship between BoD and JKB senior executive management.
2. Encourage the express an opinion on issues discussed in general and issues were members have various views regarding them, and to encourage debate and vote on those issues.
3. Ensure that all BoD members receive and sign the minutes of previous meetings, and that they receive the agenda of any meeting in advance providing that the agenda includes sufficient written information about topics that will be discussed at the meeting. The Secretary of the Board shall deliver the meeting agenda.
4. Ensure the existence of the code that regulates and sets out BoD scope of work.
5. Discuss the strategic and significant issues in BoD meetings extensively.
6. Ensure provide each BoD member upon being elected with the provisions of laws related to banks activities and the Central Bank instructions related to the work of BoD, including corporate governance instructions, the booklet which explains the member's rights, and duties, and duties of the BoD Secretary.
7. Ensure provide each member with a sufficient summary of JKB businesses upon appointment or upon request.
8. To discuss with any new member, with the assistance of JKB legal adviser/Director of the Legal Department and the Board secretary, on the BoD duties and responsibilities, particularly the legal and regulatory requirements. This is to be done to clarify the duties, powers and other issues related to BoD membership, including the membership term, dates of meetings, committees' duties, rewards, and the possibility to seek an independent specialized technical advice, if required.
9. To meet the BoD members' needs regarding the development of their experience and their continuous learning. Chairman may allow the new member to attend orientation program taking in consideration the member's banking background. The program must cover the following topics as a minimum:
    a. The Bank's organizational structure, corporate governance and the Code of Professional Conduct.
    b. Institutional objectives and the Bank's strategic plan and its approved policies.
    c. Financial conditions of the Bank
    d. The Bank's risk structure and risk management framework.
10. To address an invitation to the Central Bank to nominate a representative to attend the General Assembly meetings prior enough time.
11. To provide the Central Bank with the minutes of meetings of the General Assembly no later than five days as of the date of the Companies' Controller or his/her representative endorsement of the minutes of meeting.

Ensure informing the Central Bank of any material information that could adversely affect the relevance of any members of BoD, and the suitability of the representative of a legal person, or executive management.

Duties of BoD Member:

1. To have adequate knowledge of laws and principles of JKB banking and operational environment, cope with developments taking place, besides the external developments related to its business.
2. To attend BoD and its committee's meetings, and the General Assembly meetings, as needed.
3. Not to disclose any JKB confidential information or using them for their or others interest, and the representative of the legal person shall not disclose any confidential information circulated during the meetings of the Board and its committees to any person including any administrator of the legal person.
4. To give the priority for JKB interests in all transactions with any other company in which he has a personal interest, not to take JKB business opportunities to his own advantage, and to avoid conflict of interest.
5. Disclose to the board in detail of any conflict in interests in case they existed, committing not to attend or participate in the decision taken in the meeting in which this issue is deliberated, and to record this disclosure in the minutes of any meeting of the Board or its committees.
6. Allocate sufficient time to carry out his duties as a member of the Board of Directors

The Board Secretary

1. To attend all BoD meetings, record all the deliberations, suggestions, objections, reservations and vote processes on BoD draft decisions accurately.
2. To determine dates of BoD meetings in coordination with the Chairman.
3. To ensure that BoD members sign the minutes of meetings and decisions.
4. To follow up the implementation of BoD decisions and to follow-up any pending issues from the previous meeting.
5. To keep records and documents of BoD meetings.
6. To take the necessary measures to ensure that draft decisions planned to be issued by BoD comply with relevant laws, including those issued by the Central Bank.
7. To prepare for the General Assembly meetings and to cooperate with the BoD committees.
8. To provide the Central Bank with the relevance declarations for BoD members.

BoD Meetings

1. BoD shall convene at a written notice of the Chairman, or Vice-Chairman if he/she is absent, or upon a written notice submitted by a quarter of its members to the Chairman justifying the grounds for such a meeting. If the Chairman or Vice- Chairman do not call for a meeting within seven days effective as of the date of receipt of notice, members who submitted the notice shall have the right to call BoD to convene.
2. BoD shall convene with the presence of an absolute majority of members at JKB head office or in any other place within the territories of the Kingdom if it is impossible to hold it at JKB head office. BoD decisions shall be issued with absolute majority of members who attend the meeting. If votes are equal, the chairman of the meeting shall be deemed a casting vote.
3. Board members shall attend Board meetings in person or through electronic means.
4. Voting on BoD decisions shall be in person or through electronic means and carried out by the persons themselves and it could not be by proxy. The minutes may be signed electronically.
5. In the event that the meeting is held through electronic means, the Chairman of the Board and/or Vice Chairman in his absence and the board secretary shall approve the minutes of the meeting and hold it legally.
6. BoD meetings shall be held six times at least per fiscal year. There should be a meeting for the BoD every two months.

Responsibility and Accountability Limits

- Take the necessary steps to create a clear separation between the authorities of the main shareholders on one side, and the executive management on the other, create adequate mechanisms to reduce the effect of main shareholders . And the top executive management derives its authority from the board only, and work within the mandate granted to it by the board.
- JKB organizational structure shall specify the administrative hierarchy and reflect the lines of responsibility and authority in a clear and detailed manner.
- In addition to what is stated in laws, the General Manager shall act as follows:

  1) Develop JKB strategic direction.

  2. Implement JKB strategies and policies.

  3. Execute BoD decisions.

  4. Provide guidance to implement short and long term action plans.

  5. Establish the mechanisms for delivering JKB vision, mission and strategy to the staff.

6. Inform BoD of all the significant aspects of JKB operations.
7. Manage JKB day-to-day operations.
8. Approving a detailed description of the functions of each Regulatory Unit except for the Supervisory Departments (Internal Audit, Risk Management, Compliance Department) which must be approved by the Competent Committee, it shall be reviewed by all JKB employees each according to his specializations.

The Board Committees:

- To further organize the work of BoD and increase its efficiency and effectiveness, BoD forms various committees from its members, and adopting a charter for each committee including as a minimum the composition of the committee its tasks and powers and the periodicity and quorum of its meetings.
- BoD nominate a secretary for each committee and specify his duties, including the recording of all deliberations motions objections and reservations and the precise manner of voting on the committee's draft resolutions
- The committees must submit periodical reports to the Board as stipulated in their charters. The existence of these committees does not absolve BoD to assume direct responsibility for all matters relating to JKB.
- No member of the Board shall not serve as chairperson of more than one of the following committees (Audit, Risk, Compliance, Nomination & Remuneration, and Corporate Governance). Also prohibited from serving as chairperson of more than two committees of all Board committees. The Chairperson of the Board Audit Committee shall not be the Chairperson of any other committee emanating from the Board.
- Board committees have the following authorities:
  - Request any data or information from bank staff who must cooperate to provide this data in a complete and accurate manner.
  - Request legal, financial, administrative, or technical advice from any external consultant.
  - Request the presence of any bank employee to provide any necessary clarifications.
- It's prohibited to delegate any of the powers of any of the committees emanating from the Board to any other authority.
- It's prohibited to form any committee that has any executive powers except for the Credit Committee.
- The members of the Boards committees may attend the committee meetings by any means of video telephony provided that the Committee Chairperson and the Secretary approve the minutes and quorum of the Committee meeting.

- With the expectation of the Credit Committee, the quorum of any committee shall not be less than three members including the Chairperson of the committee, its also not permissible to use the nomination of an alternate member in the meeting of any committee in the event of the principal's absence.

A. Board Audit Committee:

Committee's Role:

The Board Audit Committee is tasked to carry out the following, in addition to other relevant functions stated in its Charter. The Charter stipulates the right of the committee to get any information from the executive management or through the Director of Internal Audit, and its right to . The Audit committee's tasks may not be merged with the tasks of any other committee.

1. The Committee shall review:
   a. The scope, results and the adequacy of JKB internal and external audit
   a. Accounting issues that have a significant impact on JKB financial statements
   a. JKB internal control and monitoring systems.
2. Provide recommendations to BoD regarding the external auditor's appointment, termination, fees and any other related contracting terms, including any other tasks that the Committee intends to assign to the External Auditor, in addition to assessing its independence.
3. Verify the independence of the external auditor during the initial and continuing contracting period to ensure that there is no conflict of interest between the Bank and the External Auditor.
4. Meet with the External Auditor, the Head of Internal Audit, and the Compliance Manger (separately) once at least annually without the attendance of any of the other senior executive management members.
5. Review and monitor procedures that enable the employee to report confidentially any mistake in financial reports or any other matters. The Board Audit Committee shall ensure implementing the necessary arrangements for carrying out an independent investigation and follow the results of the investigation and treat them objectively.
6. Review the internal audit report which ensure that all related party transactions with JKB have been carried out in accordance with the applicable legislations and the Bank's internal policies and approved procedures, and immediately notify the Central Bank of any violation of the applicable legislation and internal policies in this regard.
7. Ensure that the internal audit staff rotate in auditing the activities of JKB every three years at the latest. In case of inability to achieve this in certain areas the approval of the Committee will be taken on the justifications for non-compliance especially in specialized cases such as information technology and cyber security audits.

8. Verify not to task internal audit staff with any executive duties.
9. Verify that all JKB activities – in accordance with the risk based approach - including outsourced activities assigned to third parties, are subject to audit.
10. Verify that the Internal Audit Department complies with the international standards for the professional practice of internal auditing issued by the association of internal auditors, including conducting an independent external evaluation of the internal audit activity at least once every five years.
11. Approve a detailed description of the responsibilities and functions of the internal audit department.
12. Approve comprehensive operating procedures for all internal audit activities.
13. Recommend to the BoD to approve the internal audit organizational structure.
14. Ensure the availability of sufficient resources and enough qualified human employees for the Internal Audit Department and subject them to specialized training programs including in the field of corporate governance.
15. The Board Audit Committee shall exercise the role entrusted to it under the Banks Law and other relevant laws. This should include particularly the following:
    - Review and approval of the internal audit plan which includes audit scope and frequency.
    - Ensure that the executive management takes the corrective actions on a timely manner regarding weaknesses in the internal control, and cases of non-compliance with policies, laws and regulations, and other remarks identified by the internal audit.
    - Review observations stated in the regulatory authorities and external auditor reports and follow-up the correction procedures.
    - Review JKB financial statements prior submitting them to BoD, particularly to verify regulatory authorities' orders on capital adequacy, adequacy of provisions taken against the bad debts and all other provisions and to express their opinion in JKB non-performing debts or debts proposed to be deemed as bad debts.
    - Ensure that the laws and regulations governing JKB work.
16. Evaluate the performance of the Director of the Internal Audit Department and determine his remuneration in line with the performance appraisal policy approved by the Board.
17. Verify the qualifications and effectiveness of the External Auditor and shall ensure that the engagement letter clearly states the scope of the audit remuneration contract term and any other conditions in a manner that is commensurate with the nature of JKB the size of its business and the complexity and risks of its operations.

The Head of Internal Audit Department may attend the Committee meetings, and the Committee may invite any person to seek their opinion on a particular issue.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall be formed and its chairperson appointed by a decision of the Board of Directors. It shall consist, at least, of three members, the majority of them including the Committee chairperson, provided that the chairperson is not chairperson of any other committee emanating from the Board, also not include the Chairman of the Board.
- The majority of the members of the Committee should hold academic qualifications in accounting, finance or hold a professional certificate in both fields, and have relevant work experience in accounting, finance, external audit, internal audit or banking.
- The Audit Committee shall meet at the invitation of its Chairperson at least once every three months, or whenever the need arises, or based on the decision of the Board of Directors, or on the request of two of its members, and submits its reports to the Board of Directors.
- Its recommendations will be taken by majority vote. The Committee shall maintain documented minutes of meetings.

B. Board Risk Committee:

Committee's Role:

The Board Risk is tasked to carry out the following below stated duties at least, in addition to other relevant duties stated in its Charter:

1. Recommend to the BOD to approve JKB risk management framework.
2. Verify the availability of policies and tools for identifying measuring analyzing assessing and controlling risks and reviewed at a minimum annually to ensure its effectiveness and amended if necessary.
3. Ensure that JKB has a comprehensive risk management strategy that includes the type and level of risk acceptable to all the Bank's activities.
4. Cope with the developments affecting JKB risk management, and submit periodic reports to BoD.
5. Provide the Board with periodic reports on the risks to which JKB is exposed, including abuses of acceptable risk levels and the procedures for dealing with them.
6. Verify the effectiveness of the work procedures of the Risk Management Department and assess the compliance of the executive management with the approved policies and procedures.
7. Verify the availability of a risk management system that ensures the accuracy and adequacy of the data used to identify, measure, analyze, assess, and monitor the risks and losses that may result from it and maintain the capital required to face them.

8. Verify the existence of means to assist in risk management.

9. Approve a detailed description of the responsibilities and functions of risk management department.

10. Approve comprehensive operating procedures for all risk management activities.

11. Recommend to the BoD to approve the risk management organizational structure.

12. Ensure the availability of sufficient resources and enough qualified human cadres for the Risk Management Department and subject them to specialized training programs.

13. Evaluate the performance of the Director of the Risk Management Department and determine his remuneration in line with the performance appraisal policy approved by the Board, and that after consulting the opinion of the Chief Excretive Officer.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall be formed and its chairperson appointed by a decision of the Board of Directors. It shall comprise of three members at least, where the majority of the members of the Committee including the chairperson shall be independent members. The committee may invite management representatives or other experts and specialists to attend its meetings.
- The Committee shall meet at the invitation of its Chairperson at least once every three months, or whenever the need arises, or based on the decision of the Board of Directors, or on the request of two of its members, and submits its reports to the Board of Directors. Its recommendations will be taken by majority vote. The Committee shall maintain documented minutes of meetings.

C. Board Nominations and Remuneration Committee:

Committee's Role:

Board Nominations and Remuneration Committee is tasked to carry out the following below stated duties at least, in addition to other relevant duties stated in its Charter:

1. Examine the suitability of the persons nominated for membership in the board within the members' relevance policy approved by BoD taking into consideration the capabilities and qualifications of the nominated persons and make the appropriate recommendation to the Board. In case of re-nominations, member's attendance and extent of participation in Board meetings should be taken into account.

2. Notify in writing any person (including the representative of a legal person) who applies for membership of the Board of the Board's decision that the provisions of board membership do not apply to him.

3. Nominate to BoD qualified persons to join the executive management, in accordance with the requirements of the Executives employment policy.

4. Ensure BoD members joining workshops or seminars on banking topics, particularly risk management and corporate governance, and the latest developments in the banking business.
5. Determine whether the member meets the independent member criteria taking into account the minimum requirements stated in the laws and regulations in force, and verify the status annually and provide the Central Bank with any updates on the independence of any of the Independent Members.
6. Supervise the implementation of policies adopted by BoD regarding BoD and senior executive management performance appraisal, including the General Manager.
7. Provide information and summaries on some of the important topics of JKB to BoD members upon request, and ensure updating them constantly about the latest topics related to the banking business.
8. Set a policy of performance appraisal and granting remunerations to JKB administrative staff is in place, review it regularly and implement this policy, include the mechanism for determining the salaries remunerations and privileges of the General Manager and other members of the senior executive management. The Committee may not delegate this task to the executive management, and the policy shall be approved by the Board.
9. The Internal Audit Department Manager and staff performance appraisal and remunerations are to be determined by the Board Audit Committee.
10. Evaluate the work of the board, its committees, and its members as a whole annually, and it shall inform the Central Bank and the Securities Commission with the result of this evaluation.
11. Set clear methodology to verify that board members allocate sufficient time to carry out their duties, including (for example) the multi commitment of the member to other boards/bodies memberships/forums…etc.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall be formed and its Chairperson appointed by a decision of the Board of Directors. It shall comprise of three members at the least, the majority of whom are independent including the Chairperson. The Committee may invite members of the executive management or other specialized persons to attend its meetings.
- The Committee shall meet at the invitation of its Chairperson at least twice a year, or whenever the need arises, or based on the decision of the Board of Directors, or on the request of two of its members, and submits its reports to the Board of Directors. Its recommendations will be taken by majority vote. The Committee shall maintain documented minutes of meetings.

D. Board Corporate Governance Committee:

Committee's Role:

Corporate Governance Committee shall have at least the following duties, in addition to the other related tasks includes in the committee's charter:

1. Supervising the processes of preparing the Corporate Governance Guide, its update and implementation monitoring, and its approval by the Board.
2. Ensure that JKB organizational structure serves the requirements of corporate governance.
3. Ensure commitment to the adopted JKB Code of Ethics at the level of BoD and all administrative levels in the Bank.
4. Provide the Central Bank with a letter signed by all members of the Committee within two months of the date of any amendment of the corporate governance guide.
5. Formulate written procedures for the implementation of the Corporate Governance Guidelines of the listed companies issued by the Securities Commission and to ensure the Bank's compliance with these instructions and to study the comments of the Commission on its application and follow up on what has been done.
6. Prepare the Governance Report and submit it to the Board of Directors.
7. Verify that the observations contained in the report of the Internal Audit Department - or any other relevant entity - regarding the Bank's compliance with the Corporate Governance Guide are corrected.
8. Notify the Central Bank immediately upon verification of any violations of the provisions and requirements of Banks Corporate Governance instructions.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall be formed and its Chairperson appointed by a decision of the Board of Directors. It shall comprise of three BOD members at least, the majority of whom are independent and should include the Chairman of the Board. The Committee may invite members or representatives of the management or other experts and specialists to attend its meetings.
- The Committee shall meet at the invitation of its Chairperson at least twice a year, or whenever the need arises, or based on the decision of the Board of Directors, or on the request of two of its members, and submits its reports to the Board of Directors. Its recommendations will be taken by majority vote. The Committee shall maintain documented minutes of meetings.

E. Board Compliance Committee

Committee's Role:

The Board Compliance Committee is tasked to carry out the following below stated duties at least, in addition to other relevant duties stated in its Charter:

1. Recommend to the BoD to adopt governing compliance management policies, including compliance policy, anti-money laundering policy, international sanctions policy, bribery policy, combatting fraud and any other policy related to compliance management, and periodically reviewing these policies and commitment to their application.
2. Assess the degree of effectiveness with which the Bank manages the risk of non-compliance at least once a year and review it should amendments have been made.
3. Ensure the independence of the Compliance Department, in order to ensure the compliance control function is separate from the Bank's other departments.
4. Approve the annual plan and review the periodic reports prepared by the Compliance Department including the assessment of non-compliance risks, infractions, and deficiencies, and of non-compliance violations and deficiencies and the corrective actions taken.
5. Supervise the implementation of the compliance policy of the Bank and ensure that the Executive Management of the Bank resolves all compliance related matters promptly and effectively.
6. Supervise the work of the Compliance Department and ensure the existence of the appropriate mechanisms to monitor the compliance of all management levels in the Bank with all regulatory requirements in force legislations and international standards including the recommendations of the Financial Action Task Force.
7. Verify the availability of sufficient resources and enough qualified human cadres for the Compliance Department and subject them to specialized training programs.
8. Evaluate the performance of the Director of the Compliance Department and determine his/her remuneration in line with the Performance Appraisal Policy approved by the Board and that after consulting the opinion of the General Manager.
9. Approve a detailed description of the responsibilities and functions of compliance department.
10. Approve comprehensive operating procedures for all compliance department activities.
11. Recommend to the BoD to approve the compliance department organizational structure.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall be formed and its Chairperson appointed by a decision of the Board of Directors. It shall comprise of three Board members at least, the majority of whom are independent. The Committee may invite members or representatives of the management or other experts and specialists to attend its meetings.
- The Committee shall meet at the invitation of its Chairperson at least once every 3 months a year, or whenever the need arises, or based on the decision of the Board of Directors, or on the request of two of its members, and submits its reports to the Board of Directors. Its recommendations will be taken by majority vote. The Committee shall maintain documented minutes of meetings.

F. Board Credit Committee:

Committee's Role:

1. Granting, amendment, renewing, structuring, scheduling, or settling of credit facilities that exceed the authorities of the Management Credit Committee, headed by the General Manager, within the limits set by the Board of Directors. The Board of Directors shall take the decisions in matters exceeding the Committee's authorities.
2. The Committee's authority is limited to taking the right decision regarding the facilities that have been recommended for approval by the Management Credit Committee.
3. The Committee's authority shall not include the following:
   a. Granting credit facilities to members of the Board of Directors.
   b. Writing-off debts.
4. Submit to the Board periodically details of the credit facilities that have been approved by the committee.
5. The Committee's decisions are considered valid by the presence and personal voting of its members, if a member is unable to attend, he may express his opinion through telephone or video, and has the right to vote and sign the minutes of the meeting that must be duly documented.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall be formed and its Chairperson appointed by a decision of the Board of Directors. It shall have at least five members one of its members may be independent provided that none of its members is on the Audit Committee. The meeting shall be considered valid if attended by at least four members, and decisions are taken by majority of its members regardless of the number of attendees. If the votes are equal, the side to which the Committee Chairperson votes will outweigh.
- The Committee may invite members or representatives of the management or other experts and specialists to attend its meetings.

- The Committee meets once every week if needed and maintains documented minutes of meetings.
- The General Manager is the Secretary of the Committee.

G. Information Technology Governance and Cyber Security Committee

Committee's Role

The Committee shall undertake the following tasks guided by the Governance and Management of Information Technology and its accompanying Instructions No. 65/2016 dated 25/10/2016 issued by CBJ:

1. Approve the Information Technology strategic objectives and appropriate organizational structures, including Steering Committees at Executive Management Level, particularly (The Information Technology Steering Committee), ensuring the achievement of the Bank's strategic objectives, and realizing the best value-added of projects and investments in Information Technology while utilizing the tools and standards to monitor and ascertain the extent of achievement, such as using the IT Balanced Scorecard system, and calculating the rate of return on investment (ROI) and measuring the investment impact on financial and operational efficiency.
2. Approve the general framework for the control and monitoring of resources and projects, that corresponds to best accepted international practices in this regard, particularly (COBIT) (Control Objectives for Information and related Technology), complying with and facilitating the achievement of objectives and regulations, through the sustainable achievement of corporate objectives, and achieve the information objectives' chart and its associated technology and cover IT governance operations.
3. Approve the corporate objectives chart, and its associated Information Technology objectives, considering its legibility as minimum, and define the sub-objectives needed for its achievement.
4. Approve the responsibility chart (RACI Chart) towards the major operations of IT governance and its emanating sub-operations i.e.: The party or parties or the person primarily responsible (Responsible), and those finally responsible (Accountable), and those consulted (Consulted), and those to be informed (informed) towards all operations guided by the standard (COBIT 5 Enabling processes) in this regard.
5. Ensure the existence of a general IT Risk Management Framework that complies and integrates with the Bank's general comprehensive Risk Management Framework and considers all IT governance operations.
6. Approve an information technology resources and projects budget in line with the Bank's strategic objectives.
7. Oversee and be acquainted of the progress of information technology operations, resources, and projects to ensure its adequacy and its effective contribution in achieving the Bank's business and its requirements.

8. Be acquainted of the audit reports on information technology and taking the necessary action to correct deviations.
9. Recommend to the Board of Directors to take the necessary measurements to correct any deviations.
10. The committee also undertakes tasks related to cybersecurity governance in accordance with the instructions of the cybersecurity framework issued by the CBJ.

Formation of the Committee and the periodicity and quorum of its meetings:

- The Committee shall be formed and its Chairperson appointed by a decision of the Board of Directors, and the Board determines its objectives and powers, to be demonstrated in its Charter.
- The Committee shall comprise of, at least, three Board members and preferably comprising persons with expertise or strategic knowledge in information technology. The committee, in coordination with the Chairman of the Board, may seek the assistance of external experts, when necessary, at the expense of the Bank to make up the shortfall in this area and enhance substantive opinion. The Committee may invite any of the Bank's administrators to attend its meetings to express their opinion, including those involved in internal audit and senior executive management members (such as Information Technology Manager) or those involved in External auditing.
- The Board shall elect one of its members to be an observer member in the Information Technology Steering Committee.
- The Committee shall submit periodic reports to the Board, the Board's mandate to the Committee does not relieve it from its responsibilities in this regard.
- The Committee shall meet at the invitation of its Chairperson at least once every three months, or whenever necessary, or in accordance with the decision of the Board of Directors, or the request of two of its members, and shall submit its reports to the Board of Directors. Its recommendations will be taken by majority vote. The Committee shall maintain documented minutes of meetings.

Senior Executive Management

BoD approves the appointment of JKB Executive Management. BoD makes sure that members of the Executive Management possess the necessary expertise, competencies and integrity to manage JKB businesses and affairs in a manner consistent with the standards of professional conduct, particularly supervising the JKB management, enjoying the appropriate competences to oversee key individuals associated with the Bank operations. JKB develops a policy to manage and fill top executive jobs to meet laws and regulations requirements in force and the aspirations of JKB.

The duties of the senior executive management are as follows:

- Implement and manage the activities of JKB in accordance with the strategies/policies approved by the Board, the systems, risk management processes and controls required to manage all types of risks to which the Bank is exposed, to ensure that the acceptable levels of risk approved by the Board are not exceeded, and comply with all applicable legislation and the Bank's internal policies.
- Ensure the existence of comprehensive operating procedures for all activities of JKB in line with the legislation in force and the strategies/policies approved by the Board. Such procedures shall be approved by the General Manager (except for the Supervisory Departments where they must be approved by the competent committee) and ensure the implementation of such procedures.
- Preparing the financial statements.
- Prepare the general organizational chart of the Bank and approve it by the Board of Directors as well as prepare the subsidiary organizational structures of all operating units of the Bank and approve them by the General Manager, except for the subsidiary organizational structures of the supervisory departments.
- Prepare an annual budget and approve it by the Board and submit periodic performance reports to the Board, stating the deviation in actual performance from what is estimated and the reasons thereof.
- Not engage in any practices that would affect the independence and objectivity of the Supervisory Departments. The cooperation of these departments with the various units of the Bank and the Executive Management is considered essential to the fulfillment of their duties. It shall inform the Senior Executive Management of any important issues that require immediate action to be taken upon becoming aware of such matters by any of these departments. This shall not prevent such departments from informing the competent committee on such matters.
- Provide the supervisory authority, the external audit, internal audit and any other competent entities at the time determined by these entities they shall provide the required information and statements required for the optimal performance of their duties.
- Prepare JKB Code of Conduct, and approve it by the Board, and circulate it to all the Bank's administrators.
- Develop the skills and professional conduct JKB's employees to comply with the latest standards of ethics and the Code of Business Conduct.
- Verify that appropriate controls are in place for each activity or operation Administrative and operational separation of procedures between approval and implementation tasks.

Administrators' Performance Appraisal:

JKB develops policies of performance appraisal which ensure the participation of all those involved in managing JKB businesses to achieve the Bank objectives through carrying out tasks, objectives and obligations assigned to each one of them within a framework of fair competition based on the culture of excellence in performance.

- Performance Appraisal Policy for BoD and its members
- Performance Appraisal Policy for holders of senior positions and accountability
- Performance Appraisal Policy for other JKB staff members.

All the aforementioned policies are based on the latest international practices which are meant to objectively measure performance, take into account risk aversion and the provisions of laws and regulations in force.

Internal Control and Audit Systems:

- The Board and the Executive Management of JKB are in charge of implementing and maintaining internal control and audit systems that are able to ensure and achieve the following:
- Accurate and integral financial and operational data issued by JKB.
- Efficient and effective performance of JKB operational processes.
- Effective protection procedures of JKB assets and property.
- Compliance with work policies and internal procedures, laws and regulations in force.

This is based on BoD belief in the importance of effective internal control and audit system as it is one of the most important elements of good management and the basis for the soundness and quality of JKB operations. JKB adopted a number of internal control and audit systems which the senior executive management is responsible to set up, follow-up its development and update them. JKB management is constantly monitoring and assessing the efficiency and effectiveness of these systems, their ability to achieve the desired goals and strive to enhance them. Internal Audit make sure that transactions with stakeholders are conducted in accordance with the adopted policies and procedures.

BoD adopts control and audit policy addressing all aspects of the internal control systems in terms of their definition, components and BoD and senior executive management responsibilities.

To ensure JKB supervisory departments independence and that they fulfil their supervisory roles they tasked to carry out, their reports are to be submitted to BoD committees. BoD committees appraise the performance of the holders of senior positions at supervisory departments under the Performance Appraisal Policy for holders of senior positions adopted by BoD.

JKB Supervisory Departments

Internal Audit Department: The Internal Audit Department shall undertake the following duties as a minimum:

1. Verify the adequacy of and adherence to the adequacy of the internal control systems for the activities of JKB and its subsidiaries, review and document any modifications made to the structure of these systems.
2. Prepare the internal audit charter and approve it by the Board based on the recommendation of the Audit Committee, which includes the functions, powers, and work methodology of the Internal Audit Department.
3. Prepare an audit plan covering the activities of JKB including those of other oversight departments and outsourced activities in accordance with the degree of risk of such activities to be approved by the Audit Committee.
4. Review annually the compliance with the Corporate Governance Guide and the related policies and charters, and prepare a detailed report thereof and submit it to the Audit Committee and a copy thereof to the Corporate Governance Committee.
5. Review the validity and comprehensiveness of stress testing consistent with the methodology approved by the Board.
6. Ensure the accuracy of the procedures followed for the Internal Capital Adequacy Assessment (ICAAP) process.
7. To audit financial and administrative matters.
8. Follow up on the violations and observations contained in the reports of the supervisory authority and the external auditor, and ensure that they are addressed and that the Executive Management has appropriate controls to prevent their recurrence.
9. Ensure that the procedures required for receipt are in place processing, retaining complaints from JKB customers, the notes relating to the accounting system internal control and control audits, and submit periodic reports thereto.
10. Maintain audit reports and working papers for a period consistent with the provisions of the legislation in force in this regard in an orderly and secure manner and be available for review by the supervisory authority and the external auditor.

The Internal Audit Department shall conduct an examination at least once a year to ensure that all related party transactions with JKB have been carried out in accordance with the applicable legislations and the Banks internal policies and approved procedures.

And it submits its reports to the Audit Committee with a copy to the General Manager synchronously.

Risk Management Department: This department is tasked to monitor risks in JKB at all levels and market and operational areas, information risks, credit risks and business continuity, and monitor JKB departments compliance with the identified levels of risk in accordance with the best international standards. Risk Management Department submits its reports to the Board Risk Committee. The tasks of the risk management department shall be as follows as a minimum:

1. Implement the risk management strategy in addition developing work policies and measures to manage all types of risks.
2. Develop a risk management policy (s) covering all operations of JKB and setting clear benchmarks and limits for each type of risk ensure that all employees at their level of management are fully aware of the same and review the same on a periodic basis. The risk management policy(s) shall be approved by the Board.
3. Prepare a comprehensive document for all risks acceptable JKB and approve it by the Board.
4. Review the risk management framework of JKB and approve it by the Board of Directors.
5. Prepare JKB internal capital adequacy assessment document, review them periodically and verify their implementation, which are comprehensive, effective, and capable of identifying all the risks that the Bank may face and take into account the Banks strategic and capital plan and to be approved by the Board.
6. Develop methodologies for the identification, measurement, analysis, assessment, and control of each type of risk.
7. Verify the integrity of risk measurement mechanisms with the used management information systems.
8. Prepare a Business Continuity Plan for approval by the Board, and to be checked periodically.
9. Ensure before launching/introducing any new (product/service/process/system) that it is in line with the strategy of JKB that all the associated risks including Operational/Information Security/ and Cyber risks have been identified and that the new controls and procedures or amendments thereto have been made commensurate with the risk limits acceptable to the Bank.
10. Provide the necessary information about the Bank's risks to be used for disclosure purposes.
11. Submit recommendations to the Board Risk Committee on the Bank's exposures to risks and record cases of exceptions to the risk management policy.
12. Monitor the compliance of the Bank's executive departments with the defined levels of acceptable risk.
13. Submit reports to the Board through the Board Risk Committee and a copy to the General Manager containing information on the actual risk profile of all JKB activities in comparison with the risk appetite document, and follow up the treatment of negative deviations, and the Executive Management may request special reports as needed from the Risk Management Department.

Compliance Control Department: This department is tasked to verify compliance with local and international laws and regulations governing JKB businesses. It is also tasked to monitor and combat money laundry. Moreover, it is tasked to manage Customers Complaints Unit within a framework approved by BoD as per the supervisory instructions. And it submits its reports to the Board Compliance Committee. The tasks of the compliance department shall be as follows as a minimum:

1. Develop a compliance policy to ensure that JKB complies with all relevant legislation, ensure that all employees at their level of management are fully informed and aware of them, such policy shall be approved by the Board of Directors.
2. Prepare an annual Compliance Plan and to be approved by the Compliance Committee.
3. Monitor the compliance of all management levels in JKB with all regulatory requirements in force legislations and international standards including the recommendations of the Financial Action Task Force.
4. Prepare periodic reports including the assessment of the risks of non-compliance violations and deficiencies and the corrective action taken, the same shall be submitted to the Compliance Committee and copies shall be made to the General Manager.

All the aforementioned departments should develop their own charters to be approved by BoD.

Business Ethics Code

JKB adopted a code of business ethics which was approved by BoD and pledged to abide by all JKB staff in their respective administrative levels, in addition to the BoD members.

This code identified JKB staff's ethics, values and principles through four main themes, namely:

- Integrity.
- Compliance with the laws.
- Transparency.
- Loyalty to the bank.

As for integrity, the code included that JKB employees are committed to the following:

- Depositors' funds are a trust and responsibility which should be kept safe.
- Personal interest should not conflict with JKB interests.
- Not to use inside information to serve personal interests.
- Maintaining objective and non- bias personal relationships.
- Avoiding business relations with customers and suppliers.
- No-discrimination whatsoever among customers.
- Refrain from accepting gifts, benefits and invitations.

As for compliance with the laws and regulations, employees should abide by bank secrecy and JKB policies and work manuals. Also, they should pay more attention for combating money laundering, not to issue bad cheques and to abide by the management's decisions.

Concerning transparency, JKB employees should be committed to provide authorized accurate figures, data and reports, and that the data is accurate, adequate, timely and in line with the standards. Additionally, employees should disclose their personal interest and soundness of their financial standing and their personal business activities, and to disclose any violations and damages.

Regarding loyalty to JKB, this could be realized through achieving JKB mission, vision, objectives and role, transferring JKB slogan into a tangible reality, besides achieving customer satisfaction and retain them, being positive, excellent, responsible, enjoying qualities and efficiency, then accuracy and continuous learning, keeping up with working hours, adapting to work stress with the spirit of teamwork, paying attention to appearance, conduct and good handling of situations, being keen to maintain JKB reputation and achievements, maintaining JKB assets and its appearance, not to disclose work secrets, taking permission of the administration to make any statement related to JKB via any means of media.

The relevant standards and policies are published through JKB website. The level of adherence to those standards and policies should be identified in the Corporate Governance Report included in JKB annual report.

Conflict of Interest

JKB shall have written policies on conflict of interest covering its definition, independent execution, and disclosure, whether such conflict is between the Board members and JKB or between the Executive Management and JKB.

Conflict of interest policy shall cover various aspects related to this subject, such as:

- Board member and member of the Senior Executives shall avoid the activities which may lead to conflict of interest.
- BoD approval shall be obtained for any activity a Board member performs that may result in a conflict of interest and verify that the activity does not contain any conflict.
- Board member and member of the Senior Executives shall disclose any subject, which may lead to or has already led to a conflict of interest.
- Board member shall abstain from voting on any item of the agenda which might contain a conflict of interest for the member or has an effect on the objectivity of the vote.
- All transactions with related parties shall be based on equal basis and clear mechanism established for the Board to handle the case in the event of non-compliance with conflict of interest policy.
- The conflict of interest policy shall contain examples of cases where a conflict of interest may arise for a Board member and member of the Senior Executives.

Transactions with Stakeholders

- JKB shall have written policies on transactions with the related parties. These policies shall include rules and procedures for organizing transactions with such parties whether between JKB and its employees, JKB and its Board members or their companies, or parties related to them, including lending transactions and joint trading transactions with JKB.
- BoD shall ensure that the transactions with stakeholders are reviewed to assess their risks and are subjected to appropriate restrictions in place.

Whistle Blowing Policy

The Bank shall place policies and procedures to report on illicit acts/ Fraud- "Whistle Blowing Policy", including procedures enabling employees to contact the Chairman of the Board to communicate any concerns they might have on the possibility of violations or fraud, and in a way that allows independent investigation into these concerns and to follow-up them. These procedures shall ensure that JKB provides the required protection for these employees to assure them they will not be threatened or penalized even when there is nothing to prove their concerns.

JKB Governing Policies

Jordan Kuwait Bank regards providing written policies covering all the Bank's activities with high importance as these policies are adopted by the Board of Directors and circulated to all management levels as well as reviewing and updating them regularly to reflect any changes and amendments that occur to the laws, regulations, economic circumstances and any other matters related to the Bank.

Protecting Shareholders Rights and their Relations with the Bank

- BoD ensures the protection of shareholders' fundamental rights concerning the registration and transfer of ownership, participation in the General Assembly meetings, gaining profits and get information regularly on JKB.
- BoD shall encourage shareholders' active participation of in the General Assembly meetings; explaining voting procedures and rules, as well as inform them by the date and venue of the meeting along with the meeting agenda in sufficient time, in addition to inform shareholders by the General Assembly minutes of the meetings.
- JKB develops positive relations based on transparency with all shareholders. In this regard, the Bank saves no effort to encourage all shareholders, especially minority shareholders, to attend the annual meeting of the General Assembly and they are encouraged to vote. In addition, consideration is given to voting on each issue that is raised during the annual meeting of the General Assembly separately.
- The Chairmen of the various Board committees attend the annual General Assembly meeting.
- Following the General Assembly meeting, detailed report is prepared to inform shareholders of the various remarks and questions brought forth by the shareholders and management responses to them as well as the conclusions reached.

- Representatives of the External Auditors attend the annual General Assembly meeting to answer any questions that may be raised regarding audit and the auditors' report.
- Pursuant to the Companies Law, members of the Board of Directors are elected or re-elected during the annual General Assembly meeting. The external auditor is also elected during the same meeting.

Transparency and Disclosures

- JKB provides full information regarding its activities constantly and periodically to all stakeholders such as regulators, shareholders, depositors and the public in general, focusing on issues with material impact on the Bank.
- JKB is fully committed to the requirements of full disclosure according to the International Financial Reporting Standards (IFRS) and the disclosure instructions issued by the Central Bank and regulators.
- JKB follows up the various developments regarding the requirements of disclosure according to international standards, such that they are immediately reflected in its financial reports.
- JKB commits to providing permanent and professional communication lines with all relevant stakeholders such as regulators, shareholders, investors, depositors and other banks. To achieve this, JKB shall create a position of Investors Relation officer whose main task is to provide full and objective information regarding the Bank's financial and administrative standing as well as the Bank's various activities.
- JKB annual report shall contain all information related to the Bank in a manner that is transparent and objective.
- Publish periodic reports that contain quarterly financial information, in addition to a report from the BoD regarding the trading of the Bank's stocks and its financial standing during the year as well as periodic briefs by Executive Management for shareholders, financial market analysts and journalists specialized in the financial sector.
- Hold periodic meetings between the Bank's Executive Management and investors and shareholders.
- JKB provides the information available in its annual or periodic reports on the Bank's website in both the Arabic and English languages, where information is updated constantly.
- The reports that JKB presents must contain disclosure from the Executive Management about the results of current and future operations, the financial standing of the Bank and any future results of risk that might affect the general financial standing of the Bank.

Branch and ATM Directory

Amman Branches

Main Branch	06-5629400
Jabal Amman Branch	06-4644868
Wehdat Branch	06-4777174
Commercial Center Branch	06-4624312
Tla'a El'Ali Branch	06-5532168
Jabal Al-Hussein Branch	06-5658662
Yarmouk Branch	06-4779102
Wadi El-Seir Branch	06-5858864
Jubaiha Branch	06-5346763
Ibn Khaldoun Branch	06-4613902
Shmeissani Branch	06-5685403
Vegetable Market Branch	06-4127588
Marka Branch	06-4889531
Madinah Munawarah Branch	06-5533561
Amra Branch	06-5535292
Sweifiyyah Branch	06-5851028
Nazzal Branch	06-4382618
Mecca Mall Branch	06-5517967
Abu-Nsair Branch	06-5235223
Abdoun Branch	06-5924195
Al-Mougabalain	06-4203679
Marj El Hamam Branch	06-5731056
City Mall Branch	06-5824318
Al-Rabiyah Branch	06-5511428
Wadi Saqra Branch	06-5679174
Dabouq Branch	06-5411580
Mecca Street Branch	06-5532651
Petra University Branch	06-5714365
Al-Madina Al-Riyadiyah Branch	06-5161938
Zain Branch	06-5810734
Dair Ghbar Branch	06-5853681
Khalda Branch	06-5370835
Al-Rawnaq Branch	06-5850392
Southern Sweileh Branch	06-5356737
Taj Mall Branch	06-5936901
Galleria Mall Branch	06-4017870
Hashmi Al Shamali Branch	06-5051538
Tabarbour Branch	06-5065336
Abdali Mall Branch	06-5629415
Abu-Hassan Mall Branch	06-4164585
Dome of the Rock Branch	06-4386847
Sahab Industrial City	06-5204829
Private Banking Branch "The Villa"	06-5903232

Middle Region Branches

Baq'ah Branch	06-4725090
Madaba Branch	05-3253568
Amman Ahliyyah University Branch	05-3500195
Al-Salt Branch	05-3558995
Samarah Mall Branch	05-3561243
Fuhais Branch	06-4710530

North Region Branches

Irbid Branch	02-7243665
Yarmouk University Branch	02-7256065
King Abdullah II Street Branch	02-7248496
Al-Mafraq	02-6235901
Al Huson Branch	02-7020035
Jerash	02-6340916

South Region Branches

Aqaba Branch	03-2015188
Al-Karak Branch	03-2396102

Zarqa Area Branches

Zarqa Branch	05-3983855
Russaifeh Branch	05-3744151
Free Zone – Zarqa Branch	05-3826196
New Zarqa Branch	05-3866005
Hussien Bin Talal St. Branch	05-3938498
Bab Al Madinah Branch	05-3851273

Jawal Branch

Jawal Branch	+962-791995682

Branches Outside Jordan

Cyprus Branch	+35725875555

ATM Locations – Jordan

Amman

JKB Zahran ATM
JKB Cozmo ATM
JKB Baraka Mall ATM
JKB Crowne Plaza Hotel ATM
JKB Hilton HOTEL ATM
JKB Centro Mall ATM
JKB Movenpic ATM
JKB Total Gas Station-Gardens / DRIVE THRU
JKB Abdali Mall ATM3
JKB Andalucia Villas
JKB ST Regis ATM 1
JKB Head Office ATM
JKB Dahyet Al Rashid Al Khair Complex
JKB Arab Orient Insurance ATM
JKB Al Burj ATM / DRIVE THRU
JKB Jabal Al-Weibdeh ATM
JKB Rawhi Pharmacy - Abdoun ATM
JKB Rainbow St. ATM
JKB Avenue Mall ATM
JKB KHBP ATM
JKB Kuwait embassy ATM
JKB Clemensou Hospital
JKB Al-Tajamoat Industrial City
JKB ST Regis ATM 2
JKB Central Mall ATM
JKB AlHAYAH HOSPITAL ATM
JKB Safeway Shmeissani ATM
JKB Mecca Mall ATM
JKB Isteklal Hospital ATM
JKB Rawhi Pharmacy - Khelda ATM
JKB Regency Hotel ATM
JKB Abdali Boulevard ATM
JKB Fairmont ATM
JKB Abdali Mall ATM2
JKB The National Center for Diabetes ATM
JKB New Headoffice Building
JKB Al Quds ATM
JKB Baptist School ATM
JKB Al Masrah ATM

Middle Region

JKB Crowne Plaza Hotel / Dead Sea ATM
JKB Hilton / Dead Sea ATM
JKB Kempinski / Dead Sea ATM
JKB Holiday Inn Resort / Dead Sea ATM
JKB Al-Ahliyya Amman University ATM

North Region

JKB Irbid City Center Mall ATM

South Region

JKB Kempinski Hotel-Aqaba ATM
JKB Tala Bay Aqaba

Zarqa Area

JKB Al Manaseer Gas Station / Zarqa ATM

ITM Locations

ITM - Abdali Boulevard
ITM - Irbid City Center
ITM - Abdali Mall Branch
ITM - Abdoun Branch
ITM – City Mall Branch
ITM - Al Madinah Al Munawwarah Branch
JKB Ibn Khaldoun Branch
JKB Khalda Branch

Headquarters

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