

**JORDAN COMMERCIAL BANK**

**(PUBLIC SHAREHOLDING LIMITED COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS (REVIEWED NOT AUDITED)**

**30 JUNE 2025**

**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS  
TO THE BOARD OF DIRECTORS OF JORDAN COMMERCIAL BANK  
AMMAN - JORDAN**

**Introduction**

We have reviewed the accompanying interim condensed financial statements of Jordan Commercial Bank (a Public Shareholding Limited Company) (the "Bank") as at 30 June 2025, comprising the interim condensed statement of financial position as at 30 June 2025 and the related interim condensed income statement, interim condensed statement of comprehensive income, interim condensed statement of changes in shareholders' equity, and interim condensed statement of cash flows for the six months then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with the basis of preparation as disclosed in note (2-1) to the interim condensed financial statements. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

**Scope of review**

We conducted our review in accordance with the International Standard on Review Engagements (2410), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with the basis of preparation as disclosed in note (2-1) to the interim condensed financial statements.

Amman – Jordan  
31 July 2025

**ERNST & YOUNG**  
Amman - Jordan

**JORDAN COMMERCIAL BANK**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2025**

	<u>Notes</u>	30 June 2025 JD (Reviewed not audited)	31 December 2024 JD (Audited)
<b><u>ASSETS</u></b>			
Cash and balances at central bank of Jordan	4	99,244,245	116,981,502
Balances and deposits at banks and financial institutions, net	5	19,012,855	27,718,182
Direct credit facilities, net	6	803,589,319	775,730,731
Financial assets at fair value through income statement	7	1,305,879	1,372,063
Financial assets at fair value through other comprehensive income	8	56,916,859	50,963,194
Financial assets at amortized cost, net	9	334,763,686	319,584,621
Property and equipment, net		21,229,879	21,070,281
Intangible assets, net		2,524,018	2,639,110
Right-of-use assets		6,619,302	5,595,402
Deferred tax assets		7,628,088	8,947,666
Other assets	10	72,448,586	70,732,848
<b>Total Assets</b>		<b>1,425,282,716</b>	<b>1,401,335,600</b>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>			
<b>LIABILITIES</b>			
Banks' and financial institutions' deposits	11	25,628,545	36,166,663
Customers' deposits	12	1,037,931,209	994,890,214
Cash margins		49,672,146	46,455,844
Borrowed funds	13	84,269,713	93,969,080
Income tax provision	14/a	1,975,474	3,133,918
Sundry provisions	15	579,515	907,359
Deferred tax liabilities		889,008	552,498
Lease liabilities		6,324,935	5,378,409
Other liabilities	16	45,576,387	46,191,576
<b>Total Liabilities</b>		<b>1,252,846,932</b>	<b>1,227,645,561</b>
<b>SHAREHOLDERS' EQUITY</b>			
<b>BANK SHAREHOLDERS' EQUITY</b>			
Authorized and paid in capital	17	120,000,000	120,000,000
Statutory reserve	18	22,476,830	22,476,830
Fair value reserve, net	19	3,703,679	2,992,742
Retained earnings	20	21,020,467	28,220,467
Profit for the period		5,234,808	-
<b>Total Bank Shareholders' Equity</b>		<b>172,435,784</b>	<b>173,690,039</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>1,425,282,716</b>	<b>1,401,335,600</b>

The accompanying notes from 1 to 35 form part of these interim condensed financial statements

**JORDAN COMMERCIAL BANK**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**INTERIM CONDENSED INCOME STATEMENT**  
**FOR THE THREE AND SIX-MONTHS ENDED 30 JUNE 2025 (REVIEWED NOT AUDITED)**

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2025	2024	2025	2024
		JD	JD	JD	JD
Interest income	21	22,947,728	23,253,542	45,727,534	46,605,395
<u>Less: interest expense</u>	22	<u>(10,780,854)</u>	<u>(12,316,218)</u>	<u>(21,911,004)</u>	<u>(24,208,997)</u>
<b>Net interest income</b>		<b>12,166,874</b>	<b>10,937,324</b>	<b>23,816,530</b>	<b>22,396,398</b>
Net commissions income		891,240	1,221,922	1,810,478	2,075,962
<b>Net interest and commissions income</b>		<b>13,058,114</b>	<b>12,159,246</b>	<b>25,627,008</b>	<b>24,472,360</b>
Foreign exchange income, net		452,676	261,345	836,026	571,778
(Losses) gains from financial assets at fair value through income statement	24	(21,927)	24,663	(64,834)	51,517
Dividends from financial assets at fair value through other comprehensive income	8	9,600	9,900	89,700	84,900
Other income	25	780,098	558,485	1,847,940	1,258,941
<b>Gross income</b>		<b>14,278,561</b>	<b>13,013,639</b>	<b>28,335,840</b>	<b>26,439,496</b>
Employees' expenses		4,126,152	3,960,147	8,630,358	8,276,368
Depreciation and amortization		1,038,387	1,004,243	2,047,836	2,021,561
Provision for expected credit losses, net	23	(1,603,907)	982,579	2,947,132	2,907,129
Provision for assets seized by the Bank against due debts	10	-	(1,081,999)	-	(1,079,469)
Sundry provisions	15	17,862	60,019	122,771	111,003
Other expenses	26	2,893,636	3,023,293	5,958,921	5,914,644
<b>Total expenses</b>		<b>6,472,130</b>	<b>7,948,282</b>	<b>19,707,018</b>	<b>18,151,236</b>
<b>Profit for the period before income tax</b>		<b>7,806,431</b>	<b>5,065,357</b>	<b>8,628,822</b>	<b>8,288,260</b>
Income tax expense for the period	14/b	(3,122,109)	(1,138,705)	(3,394,014)	(2,345,923)
<b>Profit for the period</b>		<b>4,684,322</b>	<b>3,926,652</b>	<b>5,234,808</b>	<b>5,942,337</b>
<b>Earnings per share for the period attributable to the Bank's shareholders</b>	27	<b>JD / Fils</b>	<b>JD / Fils</b>	<b>JD / Fils</b>	<b>JD / Fils</b>
Basic and diluted		0/039	0/033	0/044	0/050

The accompanying notes from 1 to 35 form part of these interim condensed financial statements

**JORDAN COMMERCIAL BANK**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE AND SIX-MONTHS ENDED 30 JUNE 2025 (REVIEWED NOT AUDITED)**

	For the three months ended 30 June		For the six months ended 30 June	
	2025	2024	2025	2024
	JD	JD	JD	JD
<b>Profit for the period</b>	4,684,322	3,926,652	5,234,808	5,942,337
<b>Other comprehensive income items that will be reclassified to the income statement in subsequent periods after tax</b>				
Change in fair value reserve of financial assets through other comprehensive income				
– Debt instruments	139,673	-	139,673	-
<b>Other comprehensive income items that will not be reclassified to the income statement in subsequent periods after tax</b>				
Change in fair value reserve of financial assets through other comprehensive income – Equity instruments	400,111	134,294	571,264	(300,263)
<b>Total other comprehensive income items for the period</b>	539,784	134,294	710,937	(300,263)
<b>Total comprehensive income for the period</b>	5,224,106	4,060,946	5,945,745	5,642,074

The accompanying notes from 1 to 35 form part of these interim condensed financial statements

**JORDAN COMMERCIAL BANK**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2025 (REVIEWED NOT AUDITED)**

		Reserves				
	Authorized and paid in capital	Statutory	Fair value, net	Retained earnings	Profit for the period	Total shareholders' equity
	JD	JD	JD	JD	JD	JD
<b>For the six months ended 30 June 2025</b>						
Balance as at the beginning of the period	120,000,000	22,476,830	2,992,742	28,220,467	-	173,690,039
Profit for the period	-	-	-	-	5,234,808	5,234,808
Other comprehensive income items	-	-	710,937	-	-	710,937
Total comprehensive income for the period	-	-	710,937	-	5,234,808	5,945,745
Dividends distributed to shareholders *	-	-	-	(7,200,000)	-	(7,200,000)
<b>Balance as at 30 June 2025</b>	<u>120,000,000</u>	<u>22,476,830</u>	<u>3,703,679</u>	<u>21,020,467</u>	<u>5,234,808</u>	<u>172,435,784</u>
<b>For the six months ended 30 June 2024</b>						
Balance as at the beginning of the period	120,000,000	20,705,562	3,924,952	24,278,467	-	168,908,981
Profit for the period	-	-	-	-	5,942,337	5,942,337
Other comprehensive income items	-	-	(300,263)	-	-	(300,263)
Total comprehensive income for the period	-	-	(300,263)	-	5,942,337	5,642,074
Fair value reserve released from sale of financial assets at fair value through other comprehensive income	-	-	14,077	(14,077)	-	-
Dividends distributed to shareholders *	-	-	-	(6,000,000)	-	(6,000,000)
<b>Balance as at 30 June 2024</b>	<u>120,000,000</u>	<u>20,705,562</u>	<u>3,638,766</u>	<u>18,264,390</u>	<u>5,942,337</u>	<u>168,551,055</u>

- According to the instructions of Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 7,628,088 restricted against the deferred tax assets as at 30 June 2025 (JD 8,947,666 as at 31 December 2024).
- According to the instructions of Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 3,703,679 restricted against the credit balance of the financial assets fair value reserve as at 30 June 2025 (JD 2,992,742 as at 31 December 2024) (including JD 311,112 against the implementation of International Financial Reporting Standard No (9)).
- According to the instructions of Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 513,287 restricted against the unrealized gains of financial assets through income statement as at 30 June 2025 (JD 579,471 as at 31 December 2024).
- \* The Bank's General Assembly approved in its meeting held on 14 April 2025 the recommendation of the Board of Directors to distribute 6% of the capital as cash dividends to the shareholders, which is equivalent to JD 7,2 million for the year 2024. (The Bank's General Assembly approved in its meeting held on 29 April 2024 the recommendation of the Board of Directors to distribute 5% of the capital as cash dividends to the shareholders, which is equivalent to JD 6 million for the year 2023).

**The accompanying notes from 1 to 35 form part of these interim condensed financial statements**

**JORDAN COMMERCIAL BANK**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2025 (REVIEWED NOT AUDITED)**

		For the six months ended 30 June	
	Notes	2025	2024
		JD	JD
<b><u>Operating activities</u></b>			
Profit for the period before income tax		8,628,822	8,288,260
<b>Adjustments:</b>			
Depreciation and amortization of property and equipment and intangible assets		2,047,836	2,021,561
Provision for expected credit losses, net	23	2,947,132	2,907,129
Losses (gains) from valuation of financial assets at fair value through income statement	24	64,834	(51,517)
Sundry provisions	15	122,771	111,003
(Gains) losses from sale of property and equipment		(39,217)	9,088
Recovered from provision for assets seized by the bank against due debts	10	-	(1,079,469)
Interest expense on lease liabilities	22	80,125	78,956
Dividends from financial assets at fair value through other comprehensive income	8	(89,700)	(84,900)
Effect of exchange rate fluctuations on cash and cash equivalents		(198,632)	(183,680)
Income from prior years income tax adjustments		-	19,110
<b>Cash flows from operating activities before changes in net assets</b>		<b>13,563,971</b>	<b>12,035,541</b>
Decrease in restricted balances at central bank of Jordan		-	5,000,000
Increase in direct credit facilities		(31,074,510)	(11,740,384)
Increase in other assets		(2,370,524)	(1,129,050)
Increase in customers' deposits		43,040,995	1,933,789
Increase in cash margins		3,216,302	2,183,924
(Decrease) increase in other liabilities		(329,484)	1,658,106
<b>Net cash flows from operating activities before income tax and provisions paid</b>		<b>26,046,750</b>	<b>9,941,926</b>
Income tax paid	14/a	(2,595,672)	(5,303,391)
Sundry provisions paid	15	(450,615)	(106,698)
<b>Net cash flows from operating activities</b>		<b>23,000,463</b>	<b>4,531,837</b>
<b><u>Investing activities</u></b>			
Increase in financial assets at fair value through other comprehensive income		(4,881,069)	(895,271)
(Increase) decrease in financial assets at amortized cost		(15,203,994)	19,397,847
Sale of financial assets at fair value through income statement		-	7,085
Dividends received from financial assets at fair value through income statement	24	1,350	1,350
Dividends received from financial assets at fair value through other comprehensive income	8	89,700	84,900
Purchase of property and equipment and intangible assets		(1,526,846)	(749,582)
Proceeds from sale of property and equipment		40,000	4,165
<b>Net cash flows (used in) from investing activities</b>		<b>(21,480,859)</b>	<b>17,850,494</b>
<b><u>Financing activities</u></b>			
(Decrease) increase in borrowed funds		(9,699,367)	3,312,347
Lease liabilities paid		(723,777)	(683,094)
Dividends distributed to shareholders	20	(7,200,000)	(6,000,000)
<b>Net cash flows used in financing activities</b>		<b>(17,623,144)</b>	<b>(3,370,747)</b>
Effect of exchange rate fluctuations on cash and cash equivalents		198,632	183,680
Net (decrease) increase in cash and cash equivalents		(15,904,908)	19,195,264
Cash and cash equivalents at the beginning of the period		108,533,882	83,610,228
<b>Cash and cash equivalents at the end of the period</b>	28	<b>92,628,974</b>	<b>102,805,492</b>

The accompanying notes from 1 to 35 form part of these interim condensed financial statements

**(1) GENERAL**

Jordan Commercial Bank was established as a Jordanian Public Limited Shareholding Company under registration number of (113) on 3 May 1977 in accordance with the Jordanian Companies Law No. (12) for the year 1964 with paid-in capital of JD 5 million divided into 5 million shares at par value of one Jordanian Dinar per share. The Bank's Head Office address is Amman, P.O. Box 9989, Amman 11191 - The Hashemite Kingdom of Jordan.

During the year 1993, Al Mashrek Bank (Jordan branches) was merged into Jordan and Gulf Bank. Consequently, Jordan and Gulf Bank replaced Al Mashrek Bank (Jordan branches) in terms of its rights and obligations.

At the beginning of the year 2004, the Bank was restructured after taking the necessary measures specified by the concerned legal parties and on 28 June 2004, procedures relating to changing the Bank's name from Jordan and Gulf Bank to Jordan Commercial Bank were completed.

The Bank's capital was increased gradually, and the last increase was during 2017, where the General Assembly in its extraordinary meeting held on 30 April 2017, resolved to approve the increase in the Bank's capital by 7,125,000 JD/share, so that the authorized and paid in capital would become 120 million JD/share, the increase was through capitalizing part of the retained earnings and distributing the capitalized amount to shareholders as stock dividends. The procedures for the capital increase were completed on 7 June 2017.

The Bank is engaged in banking and related financial operations through its (37) branches inside Jordan.

Jordan Commercial Bank shares are listed and being traded on Amman Stock Exchange.

The interim condensed financial statements have been approved by the Bank's Board of Directors in their meeting held on 30 July 2025.

**(2-1) BASIS OF PREPARATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

The interim condensed financial statements have been prepared in accordance with International Accounting Standard no. (34) Interim Financial Reporting taking into consideration the amendments on the International Financial Reporting Standards - Accounting Standards as issued by the International Accounting Standards Board (IASB) in accordance with the instructions of Central Bank of Jordan.

The interim condensed financial statements are prepared on a historical cost basis, except for financial assets at fair value through the income statement and financial assets at fair value through other comprehensive income, which are presented at fair value as of the date of the interim condensed financial statements.

The interim condensed financial statements are presented in Jordanian Dinars ("JD"), which is the functional currency of the Bank.



The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards - Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) as adopted by the Central Bank of Jordan and should be read in conjunction with the Bank's annual report as at 31 December 2024. In addition, results for the six months ended 30 June 2025 do not necessarily indicate the expected results for the year ending 31 December 2025. No appropriation of the profit has been made for the six months ended 30 June 2025 as it is made at the end of the financial year.

## **(2-2) CHANGES IN ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Bank's financial statements for the year ended 31 December 2024, except for the adoption of the following amendments effective as at 1 January 2025:

### **Lack of exchangeability - Amendments to IAS 21**

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates 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 had no material impact on the Bank's interim condensed financial statements.

## **(3) USE OF ESTIMATES**

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

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

Management believes that its estimates in the interim condensed financial statements are reasonable. The details of these estimates are as follows:

**Impairment of seized properties**

Impairment in value of seized properties is recognized based on recent real estate valuations by qualified independent valuers for calculating the impairment of these assets, the impairment of seized assets is reviewed periodically.

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

The Bank estimates the useful life of properties, plant, equipment, and intangible assets for the purposes of calculating depreciation and amortization, taking into account the expected use of the assets. Management reviews the residual values and useful lives annually, and future depreciation and amortization expense are adjusted if management believes that the useful lives differ from previous estimates.

**Income tax**

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

**Litigations provision**

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

**Provision of expected credit losses**

Expected credit loss is measured as a 12-months expected credit loss for assets classified as stage 1, or as a lifetime expected credit loss for stage 2 or stage 3 classified assets.

*Significant increase in credit risk*

The asset moves from stage one to the stage two or stage three in case there is a significant increase in credit risk since initial recognition based on CBJ instructions and IFRS (9). Credit risk is evaluated whether it increases significantly for any of the assets through current and future quantitative and qualitative information used by the Bank's management related to assessing whether the credit risk of any asset has increased significantly that result in a change in the classification within the three stages (1, 2 and 3), the expected credit loss is measured as a 12-months expected credit loss for stage 1 assets or lifetime credit losses over the life of the assets classified as stage 2 or 3.

*Re-Division of Portfolios and Movements Between Portfolios*

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

*Models and Assumptions Used*

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

**a. Classification and Measurement of Financial Assets and Liabilities**

The Bank classifies financial instruments or components of financial assets at initial recognition either as a financial asset or a financial liability, or as an equity instrument in accordance with the substance of the contractual agreements and the definition of the instrument. The reclassification of a financial instrument is subject to the substance of the financial statements and not to its legal form.

The Bank shall determine the classification at initial recognition and reassess such determination, if possible and appropriate, at each date of the statement of financial position.

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

**b. Fair Value Measurement**

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

*Key Sources of Uncertainty Estimates*

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

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

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

Probability of Default

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

Loss Given Default

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

Fair value measurement and valuation procedures

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

**Risk management**

In light of the importance of managing the various risks surrounding the Bank's business activities that it is exposed to or may be exposed to in the future, the Bank has continued its work by following a risk management strategy in line with the directives of the Board of Directors, executive management, legislation and laws issued by the Central Bank of Jordan, where best practices have been applied and the latest means and methods used in risk management.

The risk management process includes identifying, measuring, evaluating and monitoring financial and non-financial risks that can negatively affect the overall performance of the Bank, the Risk Department is responsible for managing risks (credit, operational, market, liquidity and information security) within the framework of the Bank's organizational structure and the risk department evaluates and controls risks and recommends mitigating them and submitting the necessary reports to executive management and Risk and Compliance Committee.

The Bank's risk management provides independent oversight and support that aims to establish and spread the concept of risk management as a whole on all levels of management and helps proactively in realizing potential losses and sets out the plan and procedures to take to confront these risks in the event of their occurrence.

The executive management is responsible for defining the main principles of risks and the level of risks that can be accepted, as well as an optimal distribution of them according to the various activities and segment of the Bank where executive management exercises its role in ensuring that the Bank manages various risks and adopts policies and procedures governing risk management in the Bank.

The Bank management also gives great importance to the requirements of Basel and best international practices for risk management, as it is considered as a framework to enhance the Bank's ability to improve the control environment and confront various types of risks.

#### **Acceptable risks level (risk appetite)**

The Bank's philosophy in determining the level of acceptable risks is the method by which the Bank has determined the levels of acceptable risks with, given that capital planning is the basis for determining the levels of acceptable risks.

The bottom-up approach methodology was used to determine acceptable levels of risk through the concerned departments within the Bank from the bottom of the organizational structure and then raise it to the top organizational structure for each of the risks (credit, concentrations, liquidity, interest rates, reputation, strategy, operation, market, governance Institutionalism, compliance, capital structure).

#### The objectives of risk appetite

The Bank aims to determine the acceptable levels of risk to the following:

- 1- Knowing the acceptable level of risk for each type of risk to which the Bank is exposed.
- 2- Protecting the Bank from risks that it might face and negatively affect its business.
- 3- Achieving strategic goals.
- 4- Ensuring that acceptable proportions of capital adequacy are maintained.
- 5- Control risks and work to reduce them.
- 6- Determining the capital needed to face all kinds of risks (economic capital).
- 7- Developing measures to monitor the acceptable level of risks in addition to the capital, asset quality, liquidity, and fluctuation in profits.

#### Stress testing

In accordance with the instructions issued by the Central Bank related to stress testing, the Bank has prepared a methodology for applying these stress tests and adopting a policy and work procedures by the Risk Committee from the Board of Directors where stress tests are an integral and essential part of the institutional governance and risk management system of the Bank as it has an impact on decision-making at the appropriate administrative level, including strategic decisions of the Board of Directors and Executive Management. To ensure this, the Board of Directors and Executive Management must have a key role in these tests, including setting test goals, defining scenarios, evaluating results, and defining measures to take based on the results of these. The tests at various levels are considered:

- A key tool to understand the Bank's risk matrix and its ability to withstand shocks and the high risks it may face.
- It is considered an important part of the capital planning process through the internal evaluation process of the capital adequacy (ICAPP) and improving the Bank's management of its capital.
- It helps the Bank in estimating the size of future capital that must be available in the coming years, in accordance with its strategy.
- An important part in the process of identifying, measuring, and controlling liquidity risk, in order to assess the Bank's liquidity and the adequacy of liquidity shock mitigators and improve the Bank's liquidity.

The mechanism by which stress situations are chosen

Scenarios of stressful situations are chosen to cover all the risks which the Bank is exposed to in accordance with the instructions issued by the Central Bank of Jordan, and a different set of scenarios are applied that range from the least influential to the most influential but are possible to occur are selected and identified by the Bank according to the different risks which it is exposed to such as (size, type, repetition and importance) in coordination with the various departments where these tests aim to assess the Bank's financial position and adequacy, where necessary reports are prepared and applied to stress tests and present them to the Risk Committee from the Board of Directors, which in turn approves assumptions and scenarios used and discuss the results of the tests and approve the measures to be taken based on these results. The impact of stress testing on different financial assets is measured, whether at the level of the facilities or investment portfolio, as follows:

Measuring the impact of stress testing on the Bank's credit portfolio in terms of the increase of non-performing loans as a result of several factors, including the concentration in credit granting, the decline of economic sectors as a result of financial crises, the quality of the credit portfolio, the decrease in the value of guarantees provided and other factors. The impact of these scenarios is assessed for these risks on the income statement and the capital adequacy.

Measuring the impact of stress testing on the Bank's investments in terms of low liquidity of the markets invested in and a decrease in the value of investments due to financial and economic crises. The impact of scenarios for these risks is assessed on the income statement and the capital adequacy.

Measuring the impact of stress testing on the Bank's assets and liabilities in the event of changing the Dinar exchange rates against foreign currencies.

Measuring the impact of stress testing on the Bank's liquidity as a result of several factors, including the loss of our deposits with correspondent Banks, the concentration of Bank customer deposits and Bank deposits with us, extensive withdrawals of deposits, change of the Dinar exchange rates against foreign currencies and other factors. The impact of the scenarios of these risks is assessed based on statutory and liquidity ratios and based on a maturity scale.

Governance of stress testing

- Stress tests are an integral and essential part of corporate governance with the Bank by enhancing the Bank's ability to identify and control its risks and its major role in providing both the Board and Executive Management with indicators on the amount of capital required to meet the resultant losses on shocks or changes that affect the Bank's financial position and solvency.

Board of Directors' responsibility:

- Ensuring that there is an effective framework for stress testing to assess the Bank's ability to withstand shocks and face high risks, as the Board has the ultimate responsibility for the stress testing program, and the adoption of work policies in this regard.
- Ensure that the Risk Department conducts stress tests on a regular basis, and that the Board has a key role in approving the assumptions and scenarios used, analyzing the results of the tests, and adopting the procedures to be taken based on these results.

Senior executive management responsibility:

- Implementing and monitoring the stress testing program, and in accordance with the methodology approved by the Board of Directors, which was originally based on the specific stress tests according to the instructions of the Central Bank of Jordan.
- Ensure that qualified personnel are available in the Risk Management Department to conduct stress tests and that the department has the appropriate tools and means for that.
- Ensuring that an appropriate number of possible scenarios related to the Bank's business are available, provided that these scenarios are understood and documented.
- Use the results of stress testing in setting and determining the degree of risk tolerance of the Bank and in the process of planning for capital and liquidity.
- Setting the appropriate remedial procedures based on the results of the tests carried out by Executive Management and submitting them to the Risk and Compliance Committee and presenting them to the Board of Directors.

Responsibility of the Internal Audit department:

- The Internal Audit Department is responsible for reviewing and evaluating the framework of stress testing, at least annually, and for evaluating and reviewing results to be submitted to the Board of Directors.

Risk Department responsibility:

- 1- Designing a program of stress testing and using models and methodologies to test its impact on the Bank, so that it covers the following aspects and is not limited to them:
  - Stress testing includes scenarios that range from least to most severe.
  - Covering all complex financial products, if any.
  - It considers potential changes in market conditions that may negatively affect the Bank's exposure to concentration risk.
  - Including stress tests to some scenarios related to reputational risks, by reflecting the results of risks that affect the Bank's reputation, which may be reflected on the Bank's liquidity and liquid assets through customers withdrawing their deposits.
  - The tests used are consistent with the degree of risk tolerance that the Bank has set for itself, so that the chosen scenarios are commensurate with the size, nature and complexity of the Bank's business and the risks associated with it.
  - The stress testing program includes quantitative and qualitative methods to improve the comprehensiveness of these tests and make them supportive and complementary to the models and methods of risk management used in the Bank.
  - It includes different types of tests, such as the simple sensitivity analysis based on changes in one risk factor and between scenarios based on statistical methods that take into account the relationships between the causes of systemic risks in times of crisis, knowing that the part related to these scenarios is determined by the Central Bank of Jordan on an annual basis.
- 2- Organizing an appropriate line of communication between the various parties concerned to take their views on the shocks and potential stressful situations if they occur with the aim of identifying assumptions and scenarios that are appropriate to the internal and external risks that the Bank may be exposed to so that all the parties involved with the Bank participate in this line of communication when determining these tests annually.
- 3- Submitting the results of the tests to the Basel Committee, an internal evaluation of the capital adequacy, and then to the Risk and Compliance Committee from the Bank's Board of Directors annually.

The Bank's application for defaulting and the defaulting mechanism

The Bank follows and applies the instructions of the Central Bank of Jordan (the regulatory body) related to the International Financial Reporting Standard No. (9) to classify credit facilities in three stages.

1. The Bank's application to default:

The instructions of the Central Bank of Jordan regarding the classification of defaulting loans and the suspension of interest are applied according to the requirements of IFRS (9). As for provisioning, instructions No. (8/2024) and (13/2018) related to the International Financial Reporting Standard (9) are adopted. The most conservative and severe results are taken, except in special cases and with prior approval by the Central Bank of Jordan.



2. The defaulting mechanism:

The Bank follows up with a client before their default with the aim of not reaching the point of classifying the facilities granted to them. In case the classification is made, a provision is recorded against this loan in accordance with the adopted standards, among the mechanisms used to treat default by the Bank as follows:

- 1- Debt scheduling according to the scheduling principles as per the instructions of the Central Bank of Jordan.
- 2- Taking legal measures to collect what is owed to the Bank.

**Definition of default:**

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

The weighted probabilities are measured according to the best estimate and related to historical probability and current situations. The weighted scenarios are evaluated every three months. All scenarios are applied to all portfolios exposed to expected credit losses.

- The Bank uses 3 scenarios to reach a probable value when to estimate the expected credit losses as follows:
  - 1- Main scenario (Baseline) weighted 40%
  - 2- Best scenario (V shape) weighted 50%
  - 3- Worst case scenario 1 (U shape) weighted 10%

The internal credit rating system of the Bank and its mechanism:

The Bank has implemented a credit risk rating system based on Standard and Poor's (S&P) classification models to measure the credit risk of large companies, small and medium-sized companies, which would positively reflect on the quality of the credit portfolio and help in making appropriate credit decisions as the following is extracting through the system:

Obligor Risk Rating (ORR) is divided into measuring the activity standards (qualitative) and the financial standards (quantitative) by:

Qualitative standards:

- 1- Measuring the risks of the countries in which the client practices their activity
- 2- Measuring the risks of the economic sectors that represent the client's activities
- 3- Measuring the client's competitive position in detail

Quantitative standards:

- 4- Measuring the client's financial risks by assessing cash flows, receivables, capital structure, and others.

Classification models include (modifier's) quality rates that enhance credit rating accuracy as follows:

- 1- The impact of the various activities of the client
- 2- The capital structure
- 3- Approved financing policy
- 4- Liquidity assessment
- 5- Management and governance

Clients are classified on the system to ten levels, where the classification grades are distributed from (1) high quality clients (few risks) to (10) high risk customers.

As a result of assessing the client's credit rating through the system, the probability of default (PD) is determined.

**The approved mechanism for calculating expected credit losses on financial instruments:**

**1- The basic components of calculating the credit loss of financial instruments:**

- \* Clients' staging
- \* Probability of default ratio stage 1 (12-month projected credit losses) and stage 2 (expected credit losses over the life of the financial instrument).
- \* Loss given default (LGD).
- \* Exposure at default (EAD).

**2- Criteria for classifying clients according to the stages:**

The criterion for classifying the stages is one of the important parameters used to determine the expected credit losses according to the International Financial Reporting Standard No. (9), where financial instruments were classified into three stages in addition to a statement of the credit limitations for the transfer of the financial instrument / exposures between the stages according to the instructions issued by the Central Bank of Jordan No. (13/2018).

**3- Probability of default – PD**

**Corporate portfolio**

Based on the probability of default resulting from the analysis of all quantitative and qualitative data of the client through the credit rating system as this is done through the approved models of the company (S&P) and based on historical data, a future probability of default is calculated and linking it to the macroeconomic indicators.

**Individual portfolio**

Individual risk is measured at the level of each product separately (personal loans / housing loans / credit cards / car loans) through the evaluation of the product Roll Rate Approach, through customer behavior records and their commitment to pay on the historical agreed upon times to link them to all variables of macroeconomic factors to determine the future probability of default.

### **Debt portfolio and money market**

The default probability of debt instruments classified under the amortized cost portfolio (AC) and other comprehensive income statement (OCI) is calculated on an individual basis based on the probability of default according to external classification.

**Debt instruments issued by the Jordanian government, or guaranteed by it, and current accounts are excluded from calculating the expected credit losses.**

### **4- Loss Given Default - LGD**

The percentage of loss is measured on the assumption of default, based on the present value of the guarantees provided by the client based on historical ratios of financial recoveries and converting the guarantees into cash as a result of implementation of the guarantees due to default, taking into account the time dimension and credit dilution, which includes the part covered and not covered by the guarantees according to the requirements of the Central Bank of Jordan.

### **5- Exposure at Default – EAD**

It is defined as the size of the indebtedness to which the Bank may be exposed to the possibility of non-payment if the customer defaults as follows:

- It is the current balance in relation to direct and indirect facilities.
- In the case of ceilings, the value of the amount exposed to default: it is the used balance in addition to a percentage of the unutilized ceiling (direct and indirect) based on a historical study of the extent of utilization of these ceilings.

### **Governance of implementing the requirements of IFRS (9):**

The Bank is adherent to the instructions of institutional governance, including the instructions of the Central Bank of Jordan and the best international practices that were included in the Basel Committee in this regard in a manner that achieves the rule of implementation of the International Financial Reporting Standard. The following are the responsibilities of the Board of Directors, the Executive Management, the concerned committees, and departments to ensure the appropriateness of applying the financial reporting standard:

### **Board Responsibilities:**

- Approving the policies, assumptions and models used for the application of the standard.
- Approving the expected credit losses in the Bank's financial statements.
- Ensuring proper application of the standard by defining the roles of committees, departments and work units in the Bank and ensuring complementarity of work among them and providing the appropriate infrastructure.
- Overseeing, through the committees of the Board, the Executive Management to develop the necessary systems to provide adequate information in an accurate and safe matter so that it provides the accurate capability of the Bank to record through the participation of all relevant business units in the Bank and under the supervision of the Bank's Board of Directors and its related committees.
- Approving of amendments that could affect the business model, the Bank's strategy, measurement and evaluation methodologies for the credit process, pricing and guarantees mechanism for credit products or assets that fall within the standard.

- Ensuring that the Bank manages its credit risk within the appropriate best practices, including effective control systems within the credit process that includes a clear determination of the amount of provisions required for all of its risks.
- Ensuring that the supervisory units in the Bank, specifically risk management, manage the internal audit of all necessary processes to verify the validity and integrity of the methodologies and systems used within the framework of the application of IFRS (9) and work to provide the necessary support for these control units.

**Executive Management Responsibilities:**

- Providing the appropriate infrastructure and providing recommendations regarding required changes or improvements that help to implement the standard in an accurate and comprehensive manner that includes qualified personnel and an adequate database in terms of accuracy and comprehensiveness.
- Reviewing the policies, work procedures, regulations and any other relevant standards and explaining their suitability for implementing the standard.
- Distributing tasks and responsibilities and ensuring the participation of all relevant business units in the proper application of the standard.
- Monitoring the periodic reports related to the results of calculating and applying the standard and determine the impact of the application of the standard on the financial position of the Bank.
- Applying corrective measures approved by the Board of Directors.
- Reflecting the impact of the application of the standard on the Bank's strategy and pricing policy.
- It is responsible for any exceptions of the results of the system outputs, the specific procedures, and the documented forms of the calculation process.
- Reviewing the staging rules process and making the necessary recommendations.
- View the calculation of expected credit losses and recommend their approval.
- Recommend any exception or amendment to the results of calculating the expected credit losses required and in accordance with clear and documented justifications.

**Audit Committee Responsibilities:**

- Reviewing the framework and assumptions for calculating expected credit losses and recommend their approval.
- Supervising the efficiency and effectiveness of the process of calculating the expected credit losses.

**Responsibilities of the Audit Committee:**

- Ensuring that the methodologies and systems used in the application of IFRS (9) have been verified.
- Monitoring the compliance with the framework for calculating expected credit losses in accordance with IFRS (9) and ensuring that the internal audit fulfills its duty in this regard.
- Reviewing the financial statements after implementing the standard, in particular verifying the implementation of the instructions of the Central Bank of Jordan regarding the adequacy of provisions and expressing an opinion on the Bank's non-operating loans before submitting them to the Board of Directors.

- Reviewing the observations in the Central Bank's reports and the external auditor's reports and following up on the measures taken in their regard.
- Reviewing the accounting issues that have a material impact on the Bank's financial statements and ensure the accuracy of the accounting and control procedures and its safety and adherence to them.
- Ensuring through the Internal Audit Department that all financial instruments/ credit exposures have been measured for expected credit losses.

**Compliance Department Responsibilities:**

Ensuring compliance with applicable laws and instructions related to preparing the financial statements and applying the required standard and disclosures.

**Risk Department Responsibilities**

- Calculating the expected credit losses.
- Reviewing the models and assumptions used for calculating the provision and recommending any required adjustments.
- Evaluating the credit rating systems, their parameters, and results.
- Preparing periodic, qualitative and detailed quantitative disclosures required by the Central Bank of Jordan for the purposes of complying with the requirements of the standard.
- Reviewing the transferring process between the different stages and comparing it with the policy of transferring requirements between stages and reviewing these limitations periodically.

**Finance Department Responsibilities:**

- Participating with departments in developing and building the business model, including the classification of the Bank's financial assets in accordance with the principles of IFRS (9).
- Make the necessary accounting adjustments and restrictions after approving the results and verifying that all financial instruments have been accounted for.
- Reviewing the necessary disclosures in cooperation with the relevant departments of the Bank in accordance with the requirements of the standard and the instructions of the Central Bank.

**The following are the most prominent determinants used to measure the significant change in credit risk:**

- There is a decrease or a decline in the actual internal credit rating of the borrower according to the internal evaluation system applied by the Bank compared to the degree of the internal rating of the borrower at the time of granting.
- The presence of unpaid dues on a client or borrower account exceeding a certain period.
- Knowing that the borrower faces difficulties affecting the cash flow
- Violating debt covenants or conditions in a manner that affects the obligation to repay.
- The market value of collaterals declines significantly.
- The possibility of a borrower entering Bankruptcy procedures.

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

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

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

Each macroeconomic scenario used in calculating the expected credit losses is linked to changing macroeconomic factors.

Our estimates are used to calculate expected credit losses for stage 1 and stage 2 using discounted weighted scenarios that include future macroeconomic information for the next three years.

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

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**(4) CASH AND BALANCES AT CENTRAL BANK OF JORDAN**

	30 June 2025 JD (Reviewed not audited)	31 December 2024 JD (Audited)
Cash in vaults	25,973,468	25,136,413
Balances at central bank of Jordan:		
Current and call accounts	24,761,279	41,317,396
Statutory cash reserve	34,509,498	33,627,693
Certificates of deposits	14,000,000	16,900,000
Total balances at central bank of Jordan *	73,270,777	91,845,089
Total cash and balances at central bank of Jordan	99,244,245	116,981,502

- The restricted cash balances are amounted to JD 34,509,498 as at 30 June 2025 (JD 33,627,693 as at 31 December 2024).
  - There are no balances maturing within a period of more than three months as at 30 June 2025 and 31 December 2024.
  - The certificates of deposits are amounted to JD 14,000,000 as at 30 June 2025 those certificates matured on 1 July 2025 (JD 16,900,000 as at 31 December 2024 matured on 7 January 2025).
- \* Set out below is the movement in balances at central bank of Jordan for the six months ended 30 June 2025 and the year ended 31 December 2024:

	Stage 1 JD	Stage 2 JD	Stage 3 JD	Total June 30 2025 JD (Reviewed not audited)	Total 31 December 2024 JD (Audited)
Balance as at the beginning of the period/year	91,845,089	-	-	91,845,089	45,374,392
New balances during the period/year	14,000,000	-	-	14,000,000	16,925,859
Certificates of deposits	(16,900,000)	-	-	(16,900,000)	-
Changes due to adjustments	(15,674,312)	-	-	(15,674,312)	29,544,838
Balance as at the end of the period/year	73,270,777	-	-	73,270,777	91,845,089

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**(5) BALANCES AND DEPOSITS AT BANKS AND FINANCIAL INSTITUTIONS, NET**

	Banks and financial institutions				Total	
	Inside Jordan		Outside Jordan			
	31		31		31	
	30 June 2025	December 2024	30 June 2025	December 2024	30 June 2025	December 2024
	JD	JD	JD	JD	JD	JD
	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)
Current and call accounts	-	-	8,179,508	10,905,957	8,179,508	10,905,957
Deposits maturing within a period of three months or less	8,311,000	16,537,600	2,522,766	275,486	10,833,766	16,813,086
Total	8,311,000	16,537,600	10,702,274	11,181,443	19,013,274	27,719,043
<u>Less: Provision for expected credit losses *</u>	(299)	(668)	(120)	(193)	(419)	(861)
	8,310,701	16,536,932	10,702,154	11,181,250	19,012,855	27,718,182

- The non-interest-bearing balances and deposits at banks and financial institutions amounted to JD 8,179,508 as at 30 June 2025 (JD 10,905,957 as at 31 December 2024).
- There are no restricted balances as at 30 June 2025 and 31 December 2024.



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- Set out below is the movement in balances and deposits at banks and financial institutions for the six months ended 30 June 2025 and the year ended 31 December 2024:

	Stage 1	Stage 2	Stage 3	Total	
	JD	JD	JD	30 June 2025	31 December 2024
	JD	JD	JD	JD	JD
				(Reviewed not audited)	(Audited)
Balance as at the beginning of the period/year	27,719,043	-	-	27,719,043	68,718,565
New balances and deposits during the period /year	2,234,680	-	-	2,234,680	17,724,777
Settled balances and deposits during the period/year	(1,777,600)	-	-	(1,777,600)	(57,676,300)
Changes due to adjustments	(9,162,849)	-	-	(9,162,849)	(1,047,999)
Balance as at the end of the period/year	<u>19,013,274</u>	<u>-</u>	<u>-</u>	<u>19,013,274</u>	<u>27,719,043</u>

- \* Set out below is the movement in the provision for expected credit losses (ECL) for balances and deposits at banks and financial institutions for the six months ended 30 June 2025 and the year ended 31 December 2024:

	Stage 1	Stage 2	Stage 3	Total	
	JD	JD	JD	30 June 2025	31 December 2024
	JD	JD	JD	JD	JD
				(Reviewed not audited)	(Audited)
Balance as at the beginning of the period/year	861	-	-	861	1,781
ECL for new balances during the period/year	-	-	-	-	667
Recovered from ECL on settled balances	(71)	-	-	(71)	(1,456)
Changes due to adjustments	(371)	-	-	(371)	(131)
Balance as at the end of the period/year	<u>419</u>	<u>-</u>	<u>-</u>	<u>419</u>	<u>861</u>

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**(6) DIRECT CREDIT FACILITIES, NET**

	30 June 2025	31 December 2024
	JD (Reviewed not audited)	JD (Audited)
<b>Individuals (retail):</b>		
Overdraft accounts	551,732	776,437
Loans and promissory notes *	172,505,256	183,470,565
<b>Credit Cards</b>	5,865,335	6,447,183
<b>Real Estate Loans</b>	109,971,850	103,006,612
<b>Companies:</b>		
<b>A - Large:</b>		
Overdraft accounts	52,785,281	81,249,907
Loans and promissory notes *	422,380,008	404,538,616
<b>B- SMEs:</b>		
Overdraft accounts	15,834,254	16,793,364
Loans and promissory notes *	50,920,303	46,060,619
<b>Government and Public Sector</b>	38,145,124	13,811,600
<b>Total</b>	868,959,143	856,154,903
<b>(Less): Provision for expected credit losses **</b>	(48,881,222)	(57,828,163)
Interest in suspense	(16,488,602)	(22,596,009)
<b>Net direct credit facilities</b>	803,589,319	775,730,731

\* Net after deducting interest and commissions received in advance, amounted to JD 394,984 as at 30 June 2025 (JD 222,171 as at 31 December 2024).

- Credit facilities classified as stage 3 amounted to JD 91,040,792 representing 10,48% of total credit facilities as at 30 June 2025 (JD 91,212,783 as at 31 December 2024 representing 10,65% of total credit facilities).
- Credit facilities classified as stage 3, net of interest and commissions in suspense amounted to JD 74,552,190 representing 8,75% of total direct credit facilities net of interest and commissions in suspense as at 30 June 2025 (JD 68,616,774 as at 31 December 2024 representing 8,23% of total direct credit facilities net of interest and commissions in suspense).
- Non-performing credit facilities transferred to off financial position items amounted to JD 210,555,711 as at 30 June 2025, (JD 185,416,755 as at 31 December 2024). These facilities are fully covered with the provisions and interest in suspense.
- During the six months ended 30 June 2025, direct credit facilities amounted to JD 630,415 were written-off with interest in suspense JD 307,298 and the provision against them JD 323,117. (During the year ended 31 December 2024, direct credit facilities amounted to JD 789,948 were written-off with interest in suspense JD 588,089 and the provision against them JD 201,859).
- There is no direct credit facilities granted with the guarantee of the Jordanian government as at 30 June 2025 (JD 3,750,000 as at 31 December 2024).

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Set out below is the movement in direct credit facilities collectively for the six months ended 30 June 2025 and for the year ended 31 December 2024:

	Stage 1 JD	Stage 2 JD	Stage 3 JD	30 June 2025 JD (Reviewed not audited)	31 December 2024 JD (Audited)
Balance as at the beginning of the period/year	558,962,080	205,980,040	91,212,783	856,154,903	818,917,343
Granted facilities during the period/year	59,743,197	228,028	165,833	60,137,058	83,367,660
Fully settled facilities during the period/year	(45,418,925)	(445,185)	(1,833,554)	(47,697,664)	(28,660,037)
Transferred to stage 1	94,593,909	(94,270,217)	(323,692)	-	-
Transferred to stage 2	(8,175,330)	9,574,267	(1,398,937)	-	-
Transferred to stage 3	(2,605,127)	(20,778,487)	23,383,614	-	-
Changes due to adjustments	20,828,142	(298,041)	2,436,570	22,966,671	3,990,941
Written-off facilities	-	-	(630,415)	(630,415)	(789,948)
Facilities transferred to regulatory accounts off statement of financial position	-	-	(21,971,410)	(21,971,410)	(20,671,056)
Balance as at the end of the period/year	<u>677,927,946</u>	<u>99,990,405</u>	<u>91,040,792</u>	<u>868,959,143</u>	<u>856,154,903</u>

\*\* Set out below is the movement in the provision for expected credit losses (ECL) for the six months ended 30 June 2025 and the year ended 31 December 2024:

	Individuals JD	Real estate JD	Corporate JD	SME's JD	Government and public sector JD	Total JD
<u>30 June 2025 (Reviewed not audited)</u>						
Balance as at the beginning of the period	19,779,398	2,173,284	30,619,556	5,248,444	7,481	57,828,163
ECL on granted facilities during the period	99,683	3,634	45,211	17,105	-	165,633
Recovered from ECL on fully settled facilities during the period	(299,610)	(42,419)	(5,845)	(543)	-	(348,417)
Transferred to stage 1	(52,199)	72,757	176,094	4,967	-	201,619
Transferred to stage 2	(356,166)	(99,898)	(343,390)	(21,994)	-	(821,448)
Transferred to stage 3	408,365	27,141	167,296	17,027	-	619,829
Effect on provision due to reclassification among three stages	254,831	1,510	1,392,203	20,663	-	1,669,207
Changes due to adjustments	(300,248)	384,077	1,295,865	327,113	22,692	1,729,499
Written-off facilities	(41,324)	(214,752)	(66,014)	(1,027)	-	(323,117)
ECL provision transferred to regulatory accounts off statement of financial position	<u>(4,087,643)</u>	<u>(128,398)</u>	<u>(4,150,936)</u>	<u>(3,472,769)</u>	<u>-</u>	<u>(11,839,746)</u>
Balance as at the end of the period	<u>15,405,087</u>	<u>2,176,936</u>	<u>29,130,040</u>	<u>2,138,986</u>	<u>30,173</u>	<u>48,881,222</u>
Re-allocation:						
Provisions on an individual basis	<u>15,405,087</u>	<u>2,176,936</u>	<u>29,130,040</u>	<u>2,138,986</u>	<u>30,173</u>	<u>48,881,222</u>
Total	<u>15,405,087</u>	<u>2,176,936</u>	<u>29,130,040</u>	<u>2,138,986</u>	<u>30,173</u>	<u>48,881,222</u>

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	Individuals	Real estate	Corporate	SME's	Government and public sector	Total
<u>31 December 2024 (Audited)</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Balance as at the beginning of the year	16,737,148	3,964,388	35,748,449	6,843,302	20,851	63,314,138
ECL on granted facilities during the year	232,619	11,275	98,482	19,589	-	361,965
Recovered from ECL on fully settled facilities during the year	(249,705)	(72,485)	(192,822)	(69,683)	-	(584,695)
Transferred to stage 1	(75,388)	(30,845)	(323,690)	40,725	-	(389,198)
Transferred to stage 2	(364,473)	(2,916)	48,196	(30,967)	-	(350,160)
Transferred to stage 3	439,861	33,761	275,494	(9,758)	-	739,358
Effect on provision due to reclassification among three stages	3,429,530	268,741	4,191,330	(49,222)	-	7,840,379
Changes due to adjustments	586,916	(155,698)	(544,999)	360,436	(13,370)	233,285
Written-off facilities	(150,231)	(45,437)	-	(6,191)	-	(201,859)
ECL provision transferred to regulatory accounts off statement of financial position	<u>(806,879)</u>	<u>(1,797,500)</u>	<u>(8,680,884)</u>	<u>(1,849,787)</u>	<u>-</u>	<u>(13,135,050)</u>
Balance as at the end of the year	<u>19,779,398</u>	<u>2,173,284</u>	<u>30,619,556</u>	<u>5,248,444</u>	<u>7,481</u>	<u>57,828,163</u>
Re-allocation:						
Provisions on an individual basis	<u>19,779,398</u>	<u>2,173,284</u>	<u>30,619,556</u>	<u>5,248,444</u>	<u>7,481</u>	<u>57,828,163</u>
Total	<u>19,779,398</u>	<u>2,173,284</u>	<u>30,619,556</u>	<u>5,248,444</u>	<u>7,481</u>	<u>57,828,163</u>

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**Interest in suspense**

Set out below is the movement in interest in suspense for the six months ended 30 June 2025 and the year ended 31 December 2024:

30 June 2025 (Reviewed not audited)

	Individuals JD	Real estate JD	Corporate JD	SME's JD	Government and public sector JD	Total JD
Balance as at the beginning of the period	7,628,604	1,920,538	9,372,908	3,673,959	-	22,596,009
Add: interest in suspense for the period	1,696,020	306,801	1,909,941	541,733	-	4,454,495
Less: interest transferred to revenues during the period	(82,556)	(26,049)	(9,225)	(5,110)	-	(122,940)
Interest in suspense written-off	(54,726)	(239,385)	(4,936)	(8,251)	-	(307,298)
Interest in suspense transferred to regulatory accounts off statement of financial position	(4,426,849)	(375,539)	(2,303,758)	(3,025,518)	-	(10,131,664)
Balance as at the end of the period	<u>4,760,493</u>	<u>1,586,366</u>	<u>8,964,930</u>	<u>1,176,813</u>	<u>-</u>	<u>16,488,602</u>

31 December 2024 (Audited)

	Individuals JD	Real estate JD	Corporate JD	SME's JD	Government and public sector JD	Total JD
Balance as at the beginning of the year	5,737,187	2,485,669	11,197,598	3,755,662	-	23,176,116
Add: interest in suspense for the year	2,826,489	1,021,591	3,135,163	1,293,455	-	8,276,698
Less: interest transferred to revenues during the year	(304,042)	(47,343)	(275,929)	(105,396)	-	(732,710)
Interest in suspense written-off	(33,324)	(54,037)	(414,902)	(85,826)	-	(588,089)
Interest in suspense transferred to regulatory accounts off statement of financial position	(597,706)	(1,485,342)	(4,269,022)	(1,183,936)	-	(7,536,006)
Balance as at the end of the year	<u>7,628,604</u>	<u>1,920,538</u>	<u>9,372,908</u>	<u>3,673,959</u>	<u>-</u>	<u>22,596,009</u>

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**(7) FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME STATEMENT**

	30 June 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Quoted shares in financial markets	1,305,879	1,372,063

**(8) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	30 June 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Quoted shares in financial markets *	32,324,971	30,919,206
Unquoted shares in financial markets	20,940,538	20,043,988
Treasury bonds quoted in financial markets	3,651,350	-
	56,916,859	50,963,194

- There were no realized gains or losses from the sale of shares at fair value through other comprehensive income during the six-months ended 30 June 2025 (unrealized gains of JD 4,433 for the year ended 31 December 2024).
- Cash dividends for the above-mentioned financial assets amounted to JD 89,700 during the six-months ended 30 June 2025 (JD 84,900 during the six months ended 30 June 2024).

\* The quoted shares include shares in National Bank – Palestine with a total amount of JD 23,906,901. A memorandum of understanding was signed during December 2022 to sell Jordan Commercial Bank's shares in National Bank – Palestine. Sale agreement execution and transfer of shares ownership procedures have not been finalized as final approvals from the regulatory authorities were not obtained up to the date of these interim condensed financial statements preparation.

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**(9) FINANCIAL ASSETS AT AMORTIZED COST, NET**

	30 June 2025	31 December 2024
	JD (Reviewed not audited)	JD (Audited)
Treasury bonds and bills	325,730,433	315,843,939
Companies' bonds and debentures	9,573,051	4,194,026
	<u>335,303,484</u>	<u>320,037,965</u>
<u>Less:</u> Provision for expected credit losses *	(400,247)	(375,318)
Interest in suspense	(139,551)	(78,026)
Financial assets at amortized cost, net	<u>334,763,686</u>	<u>319,584,621</u>

- Set out below is the movement in financial assets at amortized cost for the six months ended 30 June 2025 and the year ended 31 December 2024:

	30 June 2025 (Reviewed not audited)				31 December 2024 (Audited)
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at the beginning of the period/year	318,679,939	-	1,358,026	320,037,965	343,666,823
New investments during the period/year	34,527,696	-	-	34,527,696	45,009,992
Matured investments during the period/year	(20,423,828)	-	-	(20,423,828)	(68,828,547)
Changes due to adjustments	1,100,126	-	61,525	1,161,651	189,697
Balance as at the end of the period/year	<u>333,883,933</u>	<u>-</u>	<u>1,419,551</u>	<u>335,303,484</u>	<u>320,037,965</u>

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\* Set out below is the movement in the provision for expected credit (ECL) for the six months ended 30 June 2025 and the year ended 31 December 2024:

	30 June 2025 (Reviewed not audited)				31 December 2024 (Audited)
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at the beginning of the period/year	19,215	-	356,103	375,318	379,308
Provision during the period/year	31,817	-	-	31,817	-
Changes resulting from adjustments	(6,888)	-	-	(6,888)	(3,990)
Balance as at the end of period/year	<u>44,144</u>	<u>-</u>	<u>356,103</u>	<u>400,247</u>	<u>375,318</u>

**(10) OTHER ASSETS**

	30 June 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Assets seized by the bank against due debts, net *	46,633,784	46,816,268
Accrued interest and revenues	17,104,085	15,427,755
Prepaid expenses	3,104,183	1,291,723
Refundable deposits	1,908,572	1,562,238
Purchased time withdrawals and letters of credit, net **	60,844	1,214,090
Clearing checks	-	39,650
Others	3,637,118	4,381,124
	<u>72,448,586</u>	<u>70,732,848</u>



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\* Set out below is the movement in assets seized by the Bank against due debts during the six months ended 30 June 2025 and the year ended 31 December 2024:

	30 June 2025 (Reviewed not audited)				31 December 2024 (Audited)
	Seized properties	Seized properties sold on installments	Seized shares	Total	Total
	JD	JD	JD	JD	JD
Balance as at the beginning of the period/year, net	44,779,187	1,510,196	526,885	46,816,268	46,083,302
Additions during the period/year	1,879,265	-	-	1,879,265	3,282,702
Disposals during the period/year, net	(1,941,364)	(120,385)	-	(2,061,749)	(5,994,255)
Seized properties sold on installments	(143,951)	143,951	-	-	-
Losses on valuation of seized shares	-	-	(33,672)	(33,672)	(830,783)
Recovery effect for the period/year	-	-	33,672	33,672	4,275,302
Balance as at the end of the period/year, net	<u>44,573,137</u>	<u>1,533,762</u>	<u>526,885</u>	<u>46,633,784</u>	<u>46,816,268</u>

- Set out below is the movement in the impairment losses and provision against breached assets seized by the Bank against due debts for the six months ended 30 June 2025 and the year ended 31 December 2024:

	30 June 2025 (Reviewed not audited)				31 December 2024 (Audited)
	Seized properties	Seized properties sold on installments	Seized shares	Total	Total
	JD	JD	JD	JD	JD
Balance as at the beginning of the period/year	2,142,906	123,501	647,976	2,914,383	7,289,324
Provision during the period/year	-	-	-	-	29,356
Released from provision during the period/year	-	-	(33,672)	(33,672)	(4,304,658)
Utilized from provision	-	-	-	-	(99,639)
Balance at the end of the period/year	<u>2,142,906</u>	<u>123,501</u>	<u>614,304</u>	<u>2,880,711</u>	<u>2,914,383</u>

- According to the Instructions of the Central Bank of Jordan, the Bank is required to dispose seized assets in a maximum period of two years from the acquisition date. The Central Bank of Jordan may approve of an extension up to two executive years at most. According to the Central Bank of Jordan circular No. 10/3/16234, no more provision should be calculated for assets held for more than four years and restricted the use of previously booked provisions only upon the disposal of the seized assets.

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\*\* Set out below is the movement in the purchased time withdrawals and letters of credit during the six months ended 30 June 2025 and the year ended 31 December 2024:

	30 June 2025 (Reviewed not audited)				31 December 2024 (Audited)
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at the beginning of the period/ year	1,222,000	-	-	1,222,000	2,990,000
New exposures	61,182	-	-	61,182	1,222,000
Settled balances	(1,222,000)	-	-	(1,222,000)	(2,990,000)
Balance as at the end of the period/year	<u>61,182</u>	<u>-</u>	<u>-</u>	<u>61,182</u>	<u>1,222,000</u>

- Set out below is the movement in the provision for expected credit losses for purchased time withdrawals and letters of credit during the six months ended 30 June 2025 and the year ended 31 December 2024:

	30 June 2025 (Reviewed not Audited)				31 December 2024 (Audited)
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period/year	7,910	-	-	7,910	23,370
New exposures	338	-	-	338	7,910
Settled balances	(7,910)	-	-	(7,910)	(23,370)
Balance at the end of the period/year	<u>338</u>	<u>-</u>	<u>-</u>	<u>338</u>	<u>7,910</u>

**(11) BANKS AND FINANCIAL INSTITUTIONS' DEPOSITS**

	30 June 2025 (Reviewed not audited)			31 December 2024 (Audited)		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Current and call accounts	-	21,374,545	21,374,545	-	565,235	565,235
Time deposits	4,254,000	-	4,254,000	26,233,000	9,368,428	35,601,428
	<u>4,254,000</u>	<u>21,374,545</u>	<u>25,628,545</u>	<u>26,233,000</u>	<u>9,933,663</u>	<u>36,166,663</u>

- There were no banks' and financial institutions' deposits maturing within a period of more than three months as at 30 June 2025 and 31 December 2024.

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**(12) CUSTOMERS' DEPOSITS**

30 June 2025 (Reviewed not audited)					
	Companies			Government and public	Total
	Individuals	Corporate	SME's	sector	
	JD	JD	JD	JD	
Current and call accounts	32,875,635	78,923,591	34,054,137	6,133,989	151,987,352
Saving deposits	203,522,896	116,844	3,426,840	124,650	207,191,230
Certificates of deposits	63,185,203	-	-	-	63,185,203
Time deposits, and at notice	387,372,170	69,443,803	96,347,965	62,403,486	615,567,424
	<u>686,955,904</u>	<u>148,484,238</u>	<u>133,828,942</u>	<u>68,662,125</u>	<u>1,037,931,209</u>
31 December 2024 (Audited)					
	Companies			Government and public	Total
	Individuals	Corporate	SME's	sector	
	JD	JD	JD	JD	
Current and call accounts	32,850,193	61,466,237	39,519,130	10,017,979	143,853,539
Savings deposits	191,890,340	456,619	2,059,448	537,457	194,943,864
Certificates of deposits	48,317,831	-	-	-	48,317,831
Time deposits, and at notice	398,607,750	57,066,037	90,135,981	61,965,212	607,774,980
	<u>671,666,114</u>	<u>118,988,893</u>	<u>131,714,559</u>	<u>72,520,648</u>	<u>994,890,214</u>

- The Government of Jordan and the public sector deposits amounted to JD 68,662,125 representing 6.62% of total deposits as at 30 June 2025 (JD 72,520,648 representing 7.29% of total deposits as at 31 December 2024).
- Non-interest-bearing deposits amounted to JD 149,288,904 representing 14.38% of total deposits as at 30 June 2025 (JD 141,795,917 representing 14.25% of total deposits as at 31 December 2024).
- Reserved deposits (restricted withdrawals) amounted to JD 3,395,351 representing 0.33% of total deposits as at 30 June 2025 (JD 2,884,725 representing 0.29% of total deposits as at 31 December 2024).
- Dormant deposits amounted to JD 11,651,869 as at 30 June 2025 representing 1.12% of total deposits as at 30 June 2025 (JD 11,100,435 representing 1.12% of total deposits as at 31 December 2024).

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**(13) BORROWED FUNDS**

	Loan amount	Balance	Repayment method	Guarantees	Interest rate
<b><u>30 June 2025 (Reviewed not audited)</u></b>	JD	JD			%
			20 years, including a 5-year grace period; to be settled in		
World Bank loan	2,000,000	500,000	semi-annual installments.	-	7,11
Advances from the Central Bank of Jordan	72,633,482	72,633,482	Various installments	-	0-1
			Bullet payment dated	Property	
Jordan Mortgage Refinance Company	10,000,000	10,000,000	16/08/2028	mortgage	5,1
			18 years, including a 3-years grace period; to be settled in		
International Fund for Agricultural Development	750,000	519,231	semi-annual installments	-	5,18
			15 years, including a 2-years grace period to be settled in		
International Fund for Agricultural Development	617,000	617,000	semi-annual installments	-	5,36
		<u>84,269,713</u>			
	Loan amount	Balance	Repayment method	Guarantees	Interest rate
<b><u>31 December 2024 (Audited)</u></b>	JD	JD			%
			20 years, including a 5- years grace period; to be settled in semi-annual		
World Bank loan	2,000,000	600,000	installments.	-	7.11
Advances from the Central Bank of Jordan	63,379,473	63,379,473	Various installments.	-	0-1
			Bullet payment dated	Property	
Jordan Mortgage Refinance Company	10,000,000	10,000,000	16/08/2028	mortgage	5.1
			18 years, including a 3- year grace period; to be settled in semi-annual		
International Fund for Agricultural Development	750,000	548,077	installments	-	5.18
			15 years, including a 2- years grace period to be settled in semi-annual		
International Fund for Agricultural Development	617,000	617,000	installments	-	5.36
			7 years, including 2 years grace period to be settled in semi-annual		
European Investment Bank	23,007,759	18,824,530	installments	-	5.82
		<u>93,969,080</u>			

- Total re-loaned funds amounted to JD 74,629,768 as at 30 June 2025 (JD 65,949,269 as at 31 December 2024) with interest rates ranging between 2% and 12.5% as at 30 June 2025 and 31 December 2024.

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**(14) INCOME TAX**

**A. Income tax provision**

Set out below is the movement in the income tax provision for the six months ended 30 June 2025 and the year ended 31 December 2024:

	30 June 2025	31 December 2024
	JD (Reviewed not audited)	JD (Audited)
Balance as at the beginning of the period/year	3,133,918	5,303,391
Income tax incurred on current period/year profit	1,825,475	4,393,733
Prior years income tax adjustments	274,111	-
Transferred from advance payments	(662,358)	-
Income tax paid	(2,595,672)	(6,563,206)
Balance as at the end of period/year	<u>1,975,474</u>	<u>3,133,918</u>

**B. Income tax expense:**

Set out below is the income tax expense shown in the interim condensed income statement:

	For the six months ended 30 June 2025	2024
	JD (Reviewed not audited)	JD (Reviewed not audited)
Income tax incurred on current period profits	1,825,475	1,550,673
Prior years income tax expense (surplus)	274,111	(19,110)
Deferred tax assets for the period	1,319,578	782,016
Deferred tax liabilities for the period	(25,150)	32,344
	<u>3,394,014</u>	<u>2,345,923</u>

**C. Tax Status:**

The Bank has reached a final settlement with the Income and Sales Tax Department until the end of the year 2020.

Regarding the years 2021, 2022, 2023, and 2024, the income tax returns were submitted within the legal period, but they were not reviewed by the Income and Sales Tax Department up to the date of interim condensed financial statements. In the opinion of the management and the Bank's tax consultant, no liabilities in excess of the provision booked and the advance payments made by the Bank will arise as at the date of the interim condensed financial statements.

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The statutory and effective income tax rates are as follows:

	For the six months ended 30 June	
	2025	2024
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
<b>Statutory tax rate</b>	38%	38%
<b>Effective tax rate</b>	21.2%	18.7%

**(15) SUNDRY PROVISIONS**

	Balance as at the beginning of the period	Expense for the period	Paid during the period	Balance as at the end of the period
	JD	JD	JD	JD
<u>30 June 2025 (Reviewed not audited)</u>				
Provision for lawsuits against the Bank	770,657	96,615	(450,615)	416,657
Provision for end-of-service indemnity	19,132	26,156	-	45,288
Others	117,570	-	-	117,570
	<u>907,359</u>	<u>122,771</u>	<u>(450,615)</u>	<u>579,515</u>
	Balance as at the beginning of the year	(Recovery) expense for the year	Paid during the year	Balance as at the end of the year
	JD	JD	JD	JD
<u>31 December 2024 (Audited)</u>				
Provision for lawsuits against the Bank	622,500	268,509	(120,352)	770,657
Provision for end-of-service indemnity	-	19,132	-	19,132
Others	615,000	(497,430)	-	117,570
	<u>1,237,500</u>	<u>(209,789)</u>	<u>(120,352)</u>	<u>907,359</u>

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**(16) OTHER LIABILITIES**

	30 June 2025 JD (Reviewed not audited)	31 December 2024 JD (Audited)
Refundable and various deposits	31,633,377	32,040,185
Accrued unpaid interests	3,111,759	3,876,763
Acceptable checks	3,568,585	3,410,334
Received amounts on the sale of seized properties	1,158,319	1,091,439
Expected credit losses on indirect facilities and un-utilized limits *	765,797	1,051,502
Accrued unpaid expenses	1,488,952	1,905,333
Income tax and social security deposits	473,697	451,246
Transactions in transit among branches	-	682,918
Safe deposits boxes	110,156	108,036
Shareholders' deposits	54,281	27,262
Board of Directors' remunerations	-	55,000
Others	3,211,464	1,491,558
	<u>45,576,387</u>	<u>46,191,576</u>

\* Set out below is the movement in provision for expected credit losses (ECL) for indirect facilities and un-utilized limits for the six months ended 30 June 2025 and the year ended 31 December 2024:

	30 June 2025 (Reviewed not audited)				31 December 2024 (Audited)
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at the beginning of the period/year	468,025	80,228	503,249	1,051,502	1,384,768
ECL on new facilities during the period/year	21,370	118	1,480	22,968	68,338
Recovered from ECL on settled facilities during the period/year	(20,855)	(11,874)	(1,371)	(34,100)	(51,912)
Transferred to stage 1	4,509	(4,506)	(3)	-	-
Transferred to stage 2	(1,234)	1,258	(24)	-	-
Transferred to stage 3	(601)	(2,886)	3,487	-	-
Effect on provision due to reclassification among three stages	-	(54,284)	72,611	18,327	6,120
Changes due to adjustments	(216,080)	(3,845)	(72,975)	(292,900)	(355,812)
Balance as at the end of the period/year	<u>255,134</u>	<u>4,209</u>	<u>506,454</u>	<u>765,797</u>	<u>1,051,502</u>

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- Set out below is the movement in indirect facilities and un-utilized limits for the six months ended 30 June 2025 and the year ended 31 December 2024:

	30 June 2025 (Reviewed not audited)				31 December 2024 (Audited)
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at the beginning of the period/year	273,732,782	22,809,969	4,852,354	301,395,105	283,114,075
Granted facilities during the period/year	22,148,559	19,822	11,257	22,179,638	36,328,254
Settled facilities during the period/year	(13,232,443)	(1,660,181)	(9,515)	(14,902,139)	(26,155,521)
Transferred to stage 1	14,296,236	(14,295,236)	(1,000)	-	-
Transferred to stage 2	(450,937)	466,491	(15,554)	-	-
Transferred to stage 3	(332,692)	(1,705,692)	2,038,384	-	-
Changes due to adjustments	24,212,607	(2,049,888)	(4,426)	22,158,293	8,108,297
Balance as at the end of period/year	<u>320,374,112</u>	<u>3,585,285</u>	<u>6,871,500</u>	<u>330,830,897</u>	<u>301,395,105</u>

**(17) AUTHORIZED AND PAID IN CAPITAL**

The Bank's authorized and paid in capital is JD 120,000,000 divided into 120,000,000 shares (JD 1/share) as at 30 June 2025 (as at 31 December 2024: JD 120,000,000).

**(18) STATUTORY RESERVE**

The Bank has not deducted the statutory reserve according to the Jordanian Companies Law given that these financial statements are interim and condensed. The statutory reserve is deducted at the end of the financial year.

**(19) FAIR VALUE RESERVE, NET**

Set out below is the movement in the fair value reserve during the six months ended 30 June 2025 and the year ended 31 December 2024:

	30 June 2025 JD (Reviewed not audited)	31 December 2024 JD (Audited)
Balance as at the beginning of the period/year	2,992,742	3,924,952
Unrealized gains (losses)	710,937	(936,643)
Released due to the sale of financial assets at fair value through other comprehensive income	-	4,433
Balance as at the end of the period/year	<u>3,703,679</u>	<u>2,992,742</u>

- Fair value reserve balance includes JD 311,112 as at 30 June 2025 and 31 December 2024 against implementation of International Financial Reporting Standard No. (9).



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**(20) RETAINED EARNINGS**

Set out below is the movement in the retained earnings for the six months ended 30 June 2025 and the year ended 31 December 2024:

	30 June 2025 JD (Reviewed not audited)	31 December 2024 JD (Audited)
Balance as at the beginning of the period/year	28,220,467	24,278,467
Profit for the year	-	11,717,701
Dividends distributed to shareholders *	(7,200,000)	(6,000,000)
Transferred to statutory reserve	-	(1,771,268)
Realized losses from the sale of financial assets at fair value through other comprehensive income	-	(4,433)
Balance at the end of the period/year	<u>21,020,467</u>	<u>28,220,467</u>

- According to the instructions of Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 7,628,088 restricted against the deferred tax assets as at 30 June 2025 (JD 8,947,666 as at 31 December 2024).
- According to the instructions of Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 3,703,679 restricted against the credit balance of the financial assets fair value reserve as at 30 June 2025 (JD 2,992,742 as at 31 December 2024) (including JD 311,112 against the implementation of International Financial Reporting Standard No (9)).
- According to the instructions of Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 513,287 restricted against the unrealized gains of financial assets through income statement as at 30 June 2025 (JD 579,471 as at 31 December 2024).
- \* The Bank's General Assembly approved in its meeting held on 14 April 2025 the recommendation of the Board of Directors to distribute 6% of the capital as cash dividends to the shareholders, which is equivalent to JD 7,2 million for the year 2024. (The Bank's General Assembly approved in its meeting held on 29 April 2024 the recommendation of the Board of Directors to distribute 5% of the capital as cash dividends to the shareholders, which is equivalent to JD 6 million from the retained earnings for the year 2023).

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**(21) INTEREST INCOME**

	For the six months ended 30 June	
	2025	2024
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Direct credit facilities		
<b>Individuals (Retail):</b>		
Overdraft accounts	34,506	13,354
Loans and promissory notes	7,661,630	10,060,748
<b>Credit cards</b>	420,133	443,335
<b>Real estate loans</b>	4,887,753	4,448,356
<b>Companies</b>		
<b>Corporate:</b>		
Overdraft accounts	2,513,837	3,559,212
Loans and promissory notes	15,624,637	15,211,372
<b>Small and Medium Entities "SMEs":</b>		
Overdraft accounts	741,003	759,625
Loans and promissory notes	1,779,246	1,603,322
<b>Government and public sector</b>	643,162	827,941
<b>Balances at central bank of Jordan</b>	1,681,647	101,901
<b>Balances and deposits at banks and financial institutions</b>	492,650	767,683
<b>Financial assets at amortized cost</b>	9,247,330	8,808,546
	<u>45,727,534</u>	<u>46,605,395</u>

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**(22) INTEREST EXPENSE**

	For the six months ended 30 June	
	2025	2024
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Banks and financial institutions' deposits	406,823	1,241,799
Customers' deposits:		
Current and call accounts	247,245	653,568
Saving accounts	502,654	713,443
Time deposits, and at notice	17,148,047	18,201,995
Certificates of deposits	1,586,912	952,249
Cash margins	486,878	435,860
Deposit insurance corporation fees	490,695	386,301
Interest expense on lease liabilities	80,125	78,956
Borrowed funds	961,625	1,544,826
	<u>21,911,004</u>	<u>24,208,997</u>

**(23) PROVISION FOR EXPECTED CREDIT LOSSES, NET**

	For the six months ended 30 June	
	2025	2024
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Balances and deposits at banks and financial institutions	(442)	(790)
Direct credit facilities	3,215,922	2,990,879
Financial assets at amortized cost	24,929	(5,879)
Indirect credit facilities and un-utilized limits	(285,705)	(63,788)
Purchased time withdrawals and letter of credits	(7,572)	(13,293)
	<u>2,947,132</u>	<u>2,907,129</u>

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**(24) (LOSSES) GAINS FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME STATEMENT**

	Realized losses	Unrealized (losses) gains	Dividends	Total
	JD	JD	JD	JD
<b><u>30 June 2025 (Reviewed not audited)</u></b>				
Quoted shares in financial markets	<u>-</u>	<u>(66,184)</u>	<u>1,350</u>	<u>(64,834)</u>
<b><u>30 June 2024 (Reviewed not audited)</u></b>				
Quoted shares in financial markets	<u>(1,921)</u>	<u>52,088</u>	<u>1,350</u>	<u>51,517</u>

**(25) OTHER INCOME**

	For the six months ended 30 June	
	2025	2024
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Recovery of debts previously written-off *	768,324	255,848
Rental income of safe boxes	30,417	33,100
Income from transfers	364,094	336,531
Income from checks	62,591	72,502
Telecommunication and post income	19,952	18,257
Gain from sale of property and equipment	39,217	-
Returns on seized properties	28,360	30,099
Income from account services	401,206	354,558
Insurance income	8,206	4,961
Others	125,573	153,085
	<u>1,847,940</u>	<u>1,258,941</u>

\* This item represents amounts recovered from written - off debts and interest in suspense taken during the previous years to off statement of financial position items but recovered during the six months ended 30 June 2025 and 30 June 2024.

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**(26) OTHER EXPENSES**

	For the six months ended 30 June	
	2025	2024
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Software and computers maintenance	975,541	938,028
Advertisement	610,000	520,000
Subscriptions	495,152	357,617
Legal and lawyer fees	472,571	571,866
Insurance expenses	408,167	500,050
Donations	388,048	402,086
Water, electricity, and telecommunication swifts	376,032	382,806
Maintenance, repair, and vehicle expenses	371,295	330,716
Board of Directors' transportation and attendance of meeting allowances	321,000	337,634
Cleaning and security services	307,096	272,340
Fees, licenses, and taxes	294,434	286,740
Credit cards expenses – net	222,460	243,494
Stationery and publications	191,574	174,756
Professional and consultancy fees	151,360	146,636
Cash transportation fees	84,060	85,496
Loss from the sale of seized assets against debts	83,381	84,516
Rent	80,014	90,715
Hospitality	45,292	37,570
Collection incentives	6,282	20,113
Loss from sale of property and equipment	-	9,088
Others	75,162	122,377
	<u>5,958,921</u>	<u>5,914,644</u>

**(27) EARNINGS PER SHARE FOR THE BANK'S SHAREHOLDERS - BASIC AND DILUTED**

	For the three months ended 30 June		For the six months ended 30 June	
	2025	2024	2025	2024
	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)
Profit for the period (JD)	<u>4,684,322</u>	<u>3,926,652</u>	<u>5,234,808</u>	<u>5,942,337</u>
Weighted average number of shares (Share)	<u>120,000,000</u>	<u>120,000,000</u>	<u>120,000,000</u>	<u>120,000,000</u>
	JD/Fils	JD/Fils	JD/Fils	JD/Fils
Earnings per share for the period's profit				
Basic and diluted	<u>0/039</u>	<u>0/033</u>	<u>0/044</u>	<u>0/050</u>

**(28) CASH AND CASH EQUIVALENTS**

	For the six months ended 30 June	
	2025	2024
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Cash and balances at Central Bank of Jordan maturing within three months	99,244,245	74,986,689
<u>Add:</u> Balances and deposits at banks and financial institutions maturing within three months	19,013,274	33,304,371
<u>Less:</u> Banks and financial institutions' deposits maturing within three months	(25,628,545)	(5,485,568)
	<u>92,628,974</u>	<u>102,805,492</u>

**(29) CAPITAL MANAGEMENT**

Through the management of its paid-in capital, the Bank seeks to achieve the below goals:

- \* Compliance with the Central Bank capital related requirements.
- \* Maintaining the Bank's ability to continue as a going concern.
- \* Ensuring a strong capital base for supporting the Bank's expansion and development.

Capital adequacy is continuously monitored by the Bank's management and reported quarterly to the Central Bank of Jordan.

According to the Central Bank Instructions, the minimum requirement for capital adequacy is equal to 12%. Banks are classified into 5 categories, the best of which is having an average capital adequacy equal to or more than 14%.

The Bank manages the capital structure and makes the necessary adjustments with respect to changes in business conditions. The Bank has not made any adjustments to the objectives, policies and procedures related to the capital structure during the period.

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**Capital Adequacy**

Capital adequacy ratio is calculated according to the Central Bank of Jordan instructions based on Basel Committee resolutions III as follows:

	30 June 2025	31 December 2024
	JD (Reviewed not audited)	JD (Audited)
<b><u>Primary capital items:</u></b>		
Authorized and paid-in capital	120,000,000	120,000,000
Retained earnings	21,020,467	28,220,467
<b><u>Other comprehensive income items:</u></b>		
Fair value reserve - net	3,703,679	2,992,742
Statutory reserve	22,476,830	22,476,830
Profit for the period	5,234,808	-
<b>Total primary capital before regulatory amendments</b>	<b>172,435,784</b>	<b>173,690,039</b>
<b><u>Less:</u></b>		
Intangible assets - net	(2,524,018)	(2,639,110)
Deferred tax assets -net	(6,739,080)	(8,395,168)
Dividends to be distributed	-	(7,200,000)
Deferred provisions with the approval of the central bank	(667,143)	(905,774)
Investing in the capital of banks and financial companies outside the scope of consolidation, in which the Bank owns more than 10%	(7,656,347)	(8,451,903)
<b>Total regulatory amendments</b>	<b>(17,586,588)</b>	<b>(27,591,955)</b>
<b>Net primary capital</b>	<b>154,849,196</b>	<b>146,098,084</b>
<b><u>Secondary capital items:</u></b>		
Provision required against credit facilities in stage 1	2,063,830	2,266,747
<b>Total regulatory capital</b>	<b>156,913,026</b>	<b>148,364,831</b>
<b><u>Assets weighted by risks-continuous operations</u></b>		
Credit risk	1,011,927,901	1,005,056,145
Market risk	8,928,075	3,645,356
Operational risk	103,744,824	103,744,824
<b>Net assets weighted by risks</b>	<b>1,124,600,800</b>	<b>1,112,446,325</b>
 Regulatory capital adequacy ratio	 13.95%	 13.34%
Primary capital ratio	13.77%	13.13%

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**Liquidity Coverage Ratio (LCR):**

	30 June 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Total high quality liquid assets after adjustments	391,861,298	395,644,196
Net cash outflow	186,425,217	179,389,455
Liquidity coverage ratio (LCR)	210.2%	220.6%
Liquidity coverage ratio according to the average at end of each month	257.6%	275.7%

**Net Stable Funding Ratio (NSFR):**

	30 June 2025		31 December 2024	
	(Reviewed not audited)		(Audited)	
Item	Book value before weighting	Value after applying the available stable conversion factor	Book value before weighting	Value after applying the available stable conversion factor
	JD	JD	JD	JD
Total stable funding available (after available stable funding factor)	1,426,202,405	1,125,987,658	1,402,581,820	1,105,338,566
Total stable funding required (after the required stable funding factor)	1,404,944,926	756,018,545	1,396,665,938	746,724,522
Total stable funding required for off-statement of financial position items (after the required stable funding factor)	326,920,264	16,346,013	287,450,470	14,372,524
Total stable funding required	1,731,865,190	772,364,558	1,684,116,408	761,097,046
<b>Net stable funding ratio</b>		145.78%		145.23%



**(30) BANK'S SEGMENT INFORMATION**

A. Information on Bank activities

The Bank is organized for managerial purposes through the following five major operating segments:

- Individual accounts: includes following up on individual customers deposits, and granting them credit facilities, credit cards and other services.
- Small and medium enterprise "SMEs": includes following up on deposits and credit facilities within this sector, that are classified based on the volume of deposits and facilities in accordance with the Bank's existing policies and guidelines and in accordance with the instructions of the regulatory authorities.
- Corporate accounts: includes following up on deposits and credit facilities and banking services related to corporations that are classified based on the volume of deposits and facilities in accordance with the Bank's existing policies and guidelines and in accordance with the instructions of the regulatory authorities.
- Treasury: this segment includes providing trading services, treasury, managing the Bank's funds, and long-term investments at amortized cost and held to collect contractual cash flows.
- Others: this segment includes all non-listed accounts not included in the above sectors, for example shareholders' equity, property and equipment, general management, and support management.

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Set out below is the information on the Bank's segments according to its' activities:

	Individuals	Corporate	Treasury	Others	Total	
	JD	JD	JD	JD	30 June 2025	30 June 2024
					JD	JD
					(Reviewed not audited)	(Reviewed not audited)
Gross income for the period	7,381,830	14,755,580	6,185,924	12,506	28,335,840	26,439,496
Less: Expected credit losses	417,216	(3,347,433)	(16,915)	-	(2,947,132)	(2,907,129)
Segment results	7,799,046	11,408,147	6,169,009	12,506	25,388,708	23,532,367
Less: Distributed segment expenses	(9,642,502)	(4,821,251)	(1,607,084)	(689,049)	(16,759,886)	(15,244,107)
Profit for the period before income tax	(1,843,456)	6,586,896	4,561,925	(676,543)	8,628,822	8,288,260
Less: Income tax for the period	-	-	-	(3,394,014)	(3,394,014)	(2,345,923)
Profit for the period	<u>(1,843,456)</u>	<u>6,586,896</u>	<u>4,561,925</u>	<u>(4,070,557)</u>	<u>5,234,808</u>	<u>5,942,337</u>
<b>Other Information</b>						
Capital expenditures					<u>1,526,846</u>	<u>749,582</u>
Depreciation and amortization					<u>2,047,836</u>	<u>2,021,561</u>
					30 June 2025	31 December 2024
					JD	JD
					(Reviewed not audited)	(Audited)
Total assets	<u>240,515,252</u>	<u>636,761,881</u>	<u>454,860,286</u>	<u>93,145,297</u>	<u>1,425,282,716</u>	<u>1,401,335,600</u>
Total liabilities	<u>721,792,370</u>	<u>461,005,151</u>	<u>52,592,449</u>	<u>17,456,962</u>	<u>1,252,846,932</u>	<u>1,227,645,561</u>

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1- Geographical distribution information

This segment represents the geographical distribution of the Bank's operation. The Bank operates mainly in Jordan.

Set out below is the distribution of the Bank's income, assets and capital expenditures by geographical segment:

	Inside Jordan		Outside Jordan		Total	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024	30 June 2025	31 December 2024
	JD	JD	JD	JD	JD	JD
	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)
Bank's Assets	<u>1,385,667,550</u>	<u>1,361,415,755</u>	<u>39,615,166</u>	<u>39,919,845</u>	<u>1,425,282,716</u>	<u>1,401,335,600</u>

	Inside Jordan		Outside Jordan		Total	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	JD	JD	JD	JD	JD	JD
	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)
Gross income	<u>28,811,292</u>	<u>27,614,758</u>	<u>(475,452)</u>	<u>(1,175,262)</u>	<u>28,335,840</u>	<u>26,439,496</u>
Capital expenditures	<u>1,526,846</u>	<u>749,582</u>	<u>-</u>	<u>-</u>	<u>1,526,846</u>	<u>749,582</u>

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**(31) Risk Management:**

**1. Distribution of credit exposure by economic sectors:**

A- Distribution of credit exposures by financial instruments as at 30 June 2025 (Reviewed not audited):

	Financial	Industrial	Trading	Construction	Real estate	Agricultural	Shares	Individual	Government and public sector	Others	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central bank of Jordan	73,270,777	-	-	-	-	-	-	-	-	-	73,270,777
Balances and deposits at banks and financial institutions	19,012,855	-	-	-	-	-	-	-	-	-	19,012,855
Direct credit facilities	54,907,204	126,550,113	156,757,110	31,544,869	106,208,548	8,304,504	3,050,947	158,460,456	38,114,951	119,690,617	803,589,319
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	3,651,350	-	3,651,350
Financial assets at amortized cost	9,033,253	-	-	-	-	-	-	-	325,730,433	-	334,763,686
Purchased withdrawals and letters of credit	-	-	60,844	-	-	-	-	-	-	-	60,844
Total items within statement of financial position	156,224,089	126,550,113	156,817,954	31,544,869	106,208,548	8,304,504	3,050,947	158,460,456	367,496,734	119,690,617	1,234,348,831
Letters of guarantee	8,998,389	4,429,703	11,573,082	-	19,221,965	304,990	7,401,294	24,199,913	-	68,453,814	144,583,150
Letters of credit	-	573,955	13,563,861	-	-	-	-	178,470	-	6,560,498	20,876,784
Un-utilized limits	8,387,172	37,555,560	35,848,895	-	19,728,721	39,131	943,783	26,175,028	4,454,605	31,472,271	164,605,166
Total	173,609,650	169,109,331	217,803,792	31,544,869	145,159,234	8,648,625	11,396,024	209,013,867	371,951,339	226,177,200	1,564,413,931

B- Distribution of credit exposures according to IFRS (9) stages as at 30 June 2025 (Reviewed not audited):

	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Financial	166,795,566	1,475,540	5,338,544	173,609,650
Industrial	132,279,966	32,414,421	4,414,944	169,109,331
Trading	177,321,053	38,157,581	2,325,158	217,803,792
Construction	15,392,177	9,436,182	6,716,510	31,544,869
Real estate	132,471,163	7,919,091	4,768,980	145,159,234
Agricultural	5,238,136	107,590	3,302,899	8,648,625
Shares	10,559,445	16,014	820,565	11,396,024
Individuals	195,531,721	10,038,894	3,443,252	209,013,867
Government and public sector	371,951,339	-	-	371,951,339
Others	218,578,178	813,719	6,785,303	226,177,200
Total	1,426,118,744	100,379,032	37,916,155	1,564,413,931

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**2- Reclassified Credit Exposures:**

The following disclosures are prepared in two stages (first: the gross credit exposures and second for the balance of expected credit losses).

**A- Total reclassified credit exposures as at 30 June 2025 (Reviewed not audited):**

Item	Stage 2		Stage 3		Total reclassified exposures	Percentage of reclassified exposures
	Total exposure value	Reclassified exposures	Total exposure value	Reclassified exposures		
	JD	JD	JD	JD	JD	%
Balances at central bank of Jordan	-	-	-	-	-	-
Balances and deposits at banks and financial institutions	-	-	-	-	-	-
Direct credit facilities	99,990,405	9,574,267	91,040,792	23,383,614	32,957,881	3.8
Financial assets at amortized cost	-	-	1,419,551	-	-	-
Purchased withdrawals and letters of credit	-	-	-	-	-	-
Total exposures for items within statement of financial position	99,990,405	9,574,267	92,460,343	23,383,614	32,957,881	
Indirect facilities and un-utilized limits	3,585,285	466,491	6,871,500	2,038,384	2,504,875	0.76
Total	103,575,690	10,040,758	99,331,843	25,421,998	35,462,756	

**B- Expected credit losses on reclassified exposures as at 30 June 2025 (Reviewed not audited):**

Item	Reclassified exposures			Expected credit losses on reclassified exposures			Percentage of reclassified expected credit losses
	Total reclassified exposures from stage 2	Total reclassified exposures from stage 3	Total reclassified exposures	Stage 2	Stage 3	Total	
	JD	JD	JD	JD	JD	JD	%
Balances at central bank of Jordan	-	-	-	-	-	-	-
Balances and deposits at banks and financial institutions	-	-	-	-	-	-	-
Direct credit facilities	9,574,267	23,383,614	32,957,881	135,597	665,651	801,248	1.64
Financial assets at amortized cost	-	-	-	-	-	-	-
Purchased withdrawals and letter of credit	-	-	-	-	-	-	-
Total exposures for items within statement of financial position	9,574,267	23,383,614	32,957,881	135,597	665,651	801,248	
Indirect facilities and un-utilized limits	466,491	2,038,384	2,504,875	1,258	3,487	4,745	0.62
Total	10,040,758	25,421,998	35,462,756	136,855	669,138	805,993	

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**3- Distribution of credit exposures according to geographic sectors:**

A. The table shows geographical distribution of credit exposures as at 30 June 2025 (Reviewed not audited):

	Inside Jordan	Middle East	Europe	Asia	Africa	America	Other	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central bank of Jordan	73,270,777	-	-	-	-	-	-	73,270,777
Balances and deposits at banks and financial institutions	8,310,701	908,361	7,557,344	481,669	33,319	1,284,683	436,778	19,012,855
Direct credit facilities	803,589,319	-	-	-	-	-	-	803,589,319
Financial assets at fair value through other comprehensive income	3,651,350	-	-	-	-	-	-	3,651,350
Financial assets at amortized cost	329,478,003	5,285,683	-	-	-	-	-	334,763,686
Purchased withdrawals and letters of credit	60,844	-	-	-	-	-	-	60,844
Total items within statement of financial position	1,218,360,994	6,194,044	7,557,344	481,669	33,319	1,284,683	436,778	1,234,348,831
Letters of guarantee	144,583,150	-	-	-	-	-	-	144,583,150
Letters of credit	9,848,122	833,167	1,665,480	6,601,030	239,343	-	1,689,642	20,876,784
Un-utilized limits	164,605,166	-	-	-	-	-	-	164,605,166
Total	1,537,397,432	7,027,211	9,222,824	7,082,699	272,662	1,284,683	2,126,420	1,564,413,931

B. Distribution of credit exposures according to IFRS 9 stages as at 30 June 2025 (Reviewed not audited):

	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Inside Jordan	1,399,102,245	100,379,032	37,916,155	1,537,397,432
Middle East	7,027,211	-	-	7,027,211
Europe	9,222,824	-	-	9,222,824
Asia	7,082,699	-	-	7,082,699
Africa	272,662	-	-	272,662
America	1,284,683	-	-	1,284,683
Other	2,126,420	-	-	2,126,420
Total	1,426,118,744	100,379,032	37,916,155	1,564,413,931

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**(32) RELATED PARTIES TRANSACTIONS AND BALANCES**

The Bank entered into transactions with the members of the Board of Directors and related parties and companies represented by the members of the Board of Directors and executive management within the normal Banking practice and according to the normal interest rates and trading commissions. All the credit facilities granted to related parties are considered as performing facilities. The provision for expected credit losses on those facilities was calculated in accordance with IFRS (9) requirements as adopted by Central Bank of Jordan.

- Financial statements include balances and transactions with related parties as follows:

	Companies represented by				Total	
	BOD members	the BOD members	Executive management	Others	30 June 2025	31 December 2024
	JD	JD	JD	JD	JD (Reviewed not audited)	JD (Audited)
<b><u>Statements of financial position items</u></b>						
Deposits at the Bank	2,416,039	990,261	633,562	112,158	4,152,020	3,038,755
Direct credit facilities	1,081,726	26,279,532	1,373,757	5,794,240	34,529,255	30,519,790
Cash margins	-	37,199	-	-	37,199	48,986
<b><u>Off-statement of financial position items:</u></b>						
Letters of guarantee	5,000	1,448,857	-	1,347,100	2,800,957	2,959,073
					For the six months ended 30 June	
					2025	2024
					JD	JD
					(Reviewed not audited)	(Reviewed not audited)
<b><u>Income statement items:</u></b>						
Interest and commission income *	45,198	744,067	38,680	146,327	974,272	1,297,209
Interest and commission expense **	26,710	-	6,333	-	33,043	2,993,615

\* Credit interest rate range from 2.8% to 21%.

\*\* Debit interest rate range from 0% to 5.50%.

**Salaries and bonuses of executive management**

The salaries and bonuses of the Bank's executive management amounted to JD 1,786,801 during the six months ended 30 June 2025 (JD 2,056,485 during the six months ended 30 June 2024).

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**(33) COMMITMENTS AND CONTINGENT LIABILITIES (OFF-STATEMENT OF FINANCIAL POSITION)**

	30 June 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Letters of credit	8,690,469	8,544,968
Enhanced incoming letters of credit	3,910,578	3,203,136
Acceptances	8,285,390	13,948,202
<b>Letter of guarantees:</b>		
Payment	24,862,175	23,148,925
Performance	50,820,475	49,917,850
Others	69,516,978	70,712,492
Un-utilized direct credit facilities limits	106,575,858	79,190,444
<b>Total</b>	<b>272,661,923</b>	<b>248,666,017</b>

**(34) LAWSUITS AGAINST THE BANK**

Lawsuits raised against the Bank amounted to JD 1,693,643 as at 30 June 2025 (JD 2,990,673 as at 31 December 2024). In the opinion of the Bank's management and the legal advisor, no further liabilities exceeding the provision of JD 416,657 is required as at 30 June 2025 (JD 770,657 as at 31 December 2024).



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**(35) FAIR VALUE MEASUREMENT**

A. Fair value of Banks' financial assets that are measured at fair value on a recurring basis:

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

Financial Assets	Fair value		Fair value hierarchy	Valuation techniques and key inputs
	30 June 2025	31 December 2024		
	JD	JD		
	(Reviewed not audited)	(Audited)		
<u>Financial assets at fair value through income statement:</u>				
Quoted shares in financial markets	<u>1,305,879</u>	<u>1,372,063</u>	Level 1	Quoted prices in financial markets
<u>Financial assets at fair value through other comprehensive income:</u>				
Quoted shares in financial markets	32,324,971	30,919,206	Level 1&2	Quoted prices in financial markets
Unquoted shares in financial markets	20,940,538	20,043,988	Level 3	Through equity method and latest available financial information
Treasury bonds quoted in financial markets	<u>3,651,350</u>	<u>-</u>	Level 1	Quoted prices in financial markets
	<u>56,916,859</u>	<u>50,963,194</u>		

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

	30 June 2025 (Reviewed not audited)		31 December 2024 (Audited)		Fair value hierarchy
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
<b>Financial assets not measured at fair value</b>					
Balances at central bank of Jordan	73,270,777	73,288,229	91,845,089	91,848,099	Level 2
Balances and deposits at banks and financial institutions-net	19,012,855	19,041,541	27,718,182	27,745,864	Level 2
Direct credit facilities-net	803,589,319	816,733,054	775,730,731	787,906,762	Level 2&3
Financial assets at amortized cost-net	334,763,686	338,677,628	319,584,621	322,805,384	Level 2
Total financial assets not measured at fair value	<u>1,230,636,637</u>	<u>1,247,740,452</u>	<u>1,214,878,623</u>	<u>1,230,306,109</u>	
<b>Financial liabilities not measured at fair value</b>					
Banks and financial institutions' deposits	25,628,545	25,631,600	36,166,663	36,230,864	Level 2
Customers' deposits	1,037,931,209	1,040,628,909	994,890,214	998,033,142	Level 2&3
Cash margins	49,672,146	49,866,097	46,455,844	46,751,759	Level 2&3
Borrowed funds	84,269,713	84,486,770	93,969,080	94,342,803	Level 2
Total financial liabilities not measured at fair value	<u>1,197,501,613</u>	<u>1,200,613,376</u>	<u>1,171,481,801</u>	<u>1,175,358,568</u>	