

ANNUAL **REPORT**

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capital
bank



His Majesty
King Abdullah II Ibn Al Hussein



His Royal Highness Crown Prince
Al Hussein Bin Abdullah II

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01

Members of the Board of Directors



01

Members of the Board of Directors

Members of the Board of Directors As of End of 2023	Members of the Board of Directors As of End of 2024
His Excellency Bassem Khalil Salem Al-Salem Chairman of the Board of Directors	His Excellency Bassem Khalil Salem Al-Salem Chairman of the Board of Directors
Said Samih Taleb Darwazah Vice Chairman of the Board of Directors	Said Samih Taleb Darwazah Vice Chairman of the Board of Directors
Social Security Corporation Saleh Hamdallah Ayesh Alshbeikat	Social Security Corporation Saleh Hamdallah Ayesh Alshbeikat
Investments and Integrated Industries Co Plc Omar M.I. Shahrour	Investments and Integrated Industries Co Plc Omar M.I. Shahrour
Al Khalil Company for Investments Khalil Hatem Khalil Al-Salem	Al Khalil Company for Investments Khalil Hatem Khalil Al-Salem
Hitaf Investmant Company "Mohammed Ali" Khaldoun Sati' AL-Husry	Hitaf Investmant Company "Mohammed Ali" Khaldoun Sati' AL-Husry
Al Jadarah Company for Real Estate Investment Sultan Mohammed M El Seif	Al Jadarah Company for Real Estate Investment Sultan Mohammed M El Seif
Khalid Walid Hussni Nabils	Khalid Walid Hussni Nabils
Mohammad Hasan Subhi ALHaj Hasan	Mohammad Hasan Subhi ALHaj Hasan
Yousef A. Y. Ensour	Yousef A. Y. Ensour
Abubaker Seddiq Mohamed Hussain Alkhoori	Abubaker Seddiq Mohamed Hussain Alkhoori
The Safety First Investment Company Muteb Mohammed S Alshathri	The Safety First Investment Company Muteb Mohammed S Alshathri
The Safety First Investment Company Lamya Mohammed N Alfozan	The Safety First Investment Company Lamya Mohammed N Alfozan

Our Vision

To be one of the leading banks in the region placing our customers and people at the heart of our journey and enabling them to make informed life decisions.

Our Mission

To simplify daily banking and support economic prosperity through digitization, innovation and personalized customer experience.



02

Message from the Chairman



02

Message from the Chairman

Dear Shareholders,

I am pleased to present to you the annual report of Capital Bank Group, in which we highlight the prominent successes and achievements of our group in 2024 — an exceptional year by all standards. Throughout the year, we navigated challenges and further strengthened our leading position in the banking sector. Thanks to our insightful strategic vision, prudent management, and dedicated team, we achieved accelerated growth across all financial indicators, reflecting the great confidence our clients place in us.

The global economy in 2024 followed a complex path of challenges and opportunities, as economic and geopolitical conditions continued to impact markets. According to the World Bank, the global economy recorded a growth rate of 2.6%, driven by a decline in inflationary pressures in most developed countries and a recovery in demand across many emerging markets. However, geopolitical tensions continued to affect supply chain and energy markets. Meanwhile, monetary tightening policies implemented by central banks over recent years contributed to curbing inflation, albeit at the expense of slowing growth in some major economies. Persistent challenges remain, particularly concerning sovereign debt and high interest rates, which have placed additional pressures on developing countries striving for financial sustainability and sustainable economic growth.

Domestically, the Jordanian banking sector continued to demonstrate high levels of financial stability, with liquidity remaining strong and the Central Bank's foreign exchange reserves reaching a record high of \$21.1 billion. This level, sufficient to cover 8.4 months of the Kingdom's imports of goods and services, bolstered market confidence and reinforced the trust of international financial institutions in Jordan's ability to maintain financial and monetary stability.

Similarly, the Jordanian economy exhibited positive and stable performance in 2024, achieving a growth rate of 2.4%, in line with previous expectations. This stability was supported by strong performance in the production and service sectors. The resilience of the Jordanian economy is a testament to the wise leadership and directives of His Majesty King Abdullah II, whose vision has strengthened Jordan's stability and supported its economy. His guidance has enabled private sector institutions to play a crucial role in driving development and creating more job opportunities. His Majesty's forward-looking vision has also enhanced Jordan's economic standing and fostered a supportive environment for growth and innovation.

Distinguished Shareholders,

In a remarkable achievement reflecting the strength of the national economy, Standard & Poor's upgraded Jordan's sovereign credit rating from B+ to BB- with a stable outlook—the first such upgrade in 21 years. This decision aligns with Moody's recent increase in the government's long-term debt rating from B1 to Ba3, as well as Capital Intelligence's elevation of Jordan's long-term sovereign credit rating from B+ to BB-.

These successive credit rating upgrades underscore the success of the comprehensive economic reforms adopted by the Jordanian government in line with the royal vision. International reports further highlight the Ministry of Finance's efforts in controlling public finances, maintaining public debt sustainability, and enhancing the business environment factors that continue to strengthen investor confidence and bolster the trust of global financial institutions in the Jordanian economy.

Amid these circumstances, Capital Bank Group continued its strong financial performance in 2024, achieving sustainable growth across its various business sectors. The Group's net profits increased from JOD 106 million in 2023 to JOD 160 million by the end of 2024, while the balance sheet witnessed remarkable growth, further validating the success of our well-planned expansion strategies and our commitment to innovation in financial and banking services.

Capital Bank remained steadfast in pursuing its strategic objectives and reinforcing its position as one of the leading banks in Jordan and the region. In 2024, the bank remained dedicated to offering innovative banking services, enhancing financial inclusion, and supporting the national economy by financing vital projects and participating in initiatives that benefit Jordanian society.

Meanwhile, the National Bank of Iraq experienced significant expansion in the Iraqi market, maintaining its status as the largest private sector bank in the country. By the end of 2024, its total assets reached approximately 5.1 trillion Iraqi dinars, while its customer base grew to 320 thousand customers. To enhance service quality, the bank developed cash counting and sorting centres and established a specialized department for foreign transfers. Additionally, it strengthened international partnerships, expanding financial dealings with Citibank and collaborating with the International Finance Corporation.

Looking ahead to 2025, the bank aims to sustain its strong performance by expanding its branch network and service offerings, with a particular focus on digital transformation and the advancement of electronic banking services. It also plans to increase its market share in trade finance and small and medium-sized enterprise (SME) financing while continuing to attract deposits from individuals, corporations, and government institutions.

Moreover, the National Bank of Iraq in the Kingdom of Saudi Arabia has maintained its growth trajectory, expanding its customer base and reinforcing the confidence it enjoys in the Saudi market. The bank plays a pivotal role in strengthening trade and economic ties between Saudi Arabia, Iraq, and Jordan, offering a comprehensive suite of advanced banking services tailored to the needs of the corporate sector and business professionals.

In parallel, Capital Investments has upheld its leadership in providing comprehensive investment banking services both locally and regionally. With a specialized team operating across Jordan and the United Arab Emirates, through its strategic office in the Dubai International Financial Centre, Capital Investments continues to deliver high-quality financial solutions to its clients.

Similarly, Capital Leasing Company has maintained its dominant position in the Jordanian market, offering tailored leasing solutions to a diverse range of income earners, including public and private sector employees, professionals, self-employed individuals, and companies of all sizes. Additionally, it continues to serve various institutions and organizations, reinforcing its role as a key player in the leasing sector.

Esteemed Shareholders,

As part of our commitment to sustainability and social responsibility, we continue to strengthen our practices by integrating sustainability standards into our operational and investment strategies. Our focus remains on implementing pioneering environmental initiatives, including financing green projects, supporting initiatives that promote sustainable practices, and minimizing the environmental impact of our banking operations.

Additionally, we recognize the importance of supporting the communities in which we operate. Through investments in various community initiatives, we aim to foster sustainable development by supporting education, entrepreneurship, and the empowerment of women and youth across diverse economic sectors. We also actively build strategic partnerships with civil society organizations and local institutions to maximize the positive impact of our community initiatives.

Our commitment to upholding the highest standards of environmental, social, and corporate governance reflects our vision of achieving sustainable growth that benefits both our shareholders and the broader community.

02

Message from the Chairman

Distinguished Shareholders,

At Capital Bank Group, we remain dedicated to providing advanced financial solutions while reinforcing our position as a leading banking institution in Jordan and the region. As we continue executing our ambitious strategy, we aim to deliver sustainable value to our shareholders, support the national economy through financing development projects, enhance financial inclusion, and drive innovation in digital banking solutions. Furthermore, we are committed to investing in artificial intelligence technologies to enhance operational efficiency, elevate customer experience, and provide more advanced and secure banking services.

Looking ahead, we embrace the challenges and opportunities of a new year with renewed commitment to working alongside our partners and customers to drive economic development and achieve further milestones that align with our vision for the future.

I would also like to extend my sincere gratitude to the Board of Directors for their strategic vision and invaluable guidance, and to the Executive Management for their unwavering efforts in achieving the Group's objectives and strengthening its market position. I also wish to express my deep appreciation to all Capital Bank Group employees, who remain the cornerstone of our success through their dedication and commitment to delivering exceptional services.

I would also like to take this opportunity to extend my heartfelt appreciation to the Central Bank of Jordan, a distinguished national economic institution that has played a pivotal role in enabling monetary policy to achieve its objectives, maintaining financial and monetary stability, efficiently mitigating inflationary pressures, facilitating specialized financing programs, and ensuring the banking sector contributes to fostering economic growth in alignment with Jordan's economic modernization vision.

Finally, I extend my sincere gratitude to you, our shareholders, for your continued trust and support in our journey of growth and development. We also deeply appreciate our valued customers, whom we consider our partners in success. We remain committed to exceeding their expectations and delivering innovative banking solutions tailored to meet their evolving needs.

Thank you.

Chairman of the Board of Directors

Bassem Khalil Al-Salem



03

Message from the CEO



03

Message from the CEO

Dear Shareholders,

I am pleased to present Capital Bank's Annual Report for 2024, a year defined by dedication, innovation, and key milestones that have reinforced our position as one of Jordan's top three largest banks.

Despite operating in a dynamic and often challenging environment, our strategic vision and prudent management allowed us to confidently navigate market complexities. We capitalized on emerging opportunities, implemented forward-thinking initiatives, and remained committed to delivering sustainable growth and long-term value for our customers, partners, and stakeholders.

This year, we continued our hard work and ambitious efforts under the slogan "Ready," achieving strong growth across several financial and operational indicators, reflecting the resilience of our business model. The bank's net profits rose by 50% to reach JD 160 million, while total customer deposits grew by 8% to approximately JD 6 billion at the end of the year, compared to JD 5.5 billion in 2023. Additionally, net credit facilities granted to customers remained stable at JD 3.4 billion at the end of 2024.

Distinguished shareholders,

Beyond our financial achievements, 2024 was a year of significant progress in our digital transformation journey. At Capital Bank, we firmly believe that digitization is a key driver of sustainable growth in the banking sector. As such, we remain committed to continuously enhancing our digital platforms to deliver innovative solutions that meet the evolving needs of both retail and corporate banking customers.

A major milestone this year was the successful launch of our Open Banking platform. This initiative enables financial technology companies and third-party service providers to seamlessly integrate with Capital Bank within a secure, standardized environment. Interested service providers can easily register and create accounts on the platform, subject to a comprehensive review and approval process.

Recognizing our achievements, Capital Bank received several distinguished regional and international awards in 2024. These include Best Cash Management Bank in Jordan from The Digital Banker, Best Banking App in Jordan from International Business Magazine, and Best Digital Bank in Jordan from Euromoney. These accolades underscore our commitment to excellence, customer-centric innovation, and leadership in digital banking services.

Distinguished shareholders,

Our achievements reaffirm Capital Bank's ability to adapt and thrive, even in times of uncertainty. With a forward-thinking approach, we continue our journey toward leadership in innovative financial services while exploring new business opportunities. These successes are made possible by the trust of our valued customers and the dedication of our exceptional team.

Sustainability remains at the heart of our strategy. Through focused and flexible management, we consistently strive to deliver positive and sustainable results. Over the past year, we have implemented several strategic initiatives aimed at enhancing service quality and elevating customer satisfaction. We are confident that this approach will position us for sustained success and drive superior outcomes in the years ahead.

As we step into 2025, marking the 30th anniversary of Capital Bank's establishment, this milestone stands as a testament to our journey and fuels our ambition to advance further. Now more than ever, we are prepared to navigate challenges and transform our strategic goals into tangible initiatives, aligned with the Kingdom's aspirations for economic and financial development. These initiatives will serve as a roadmap for realizing our future vision in an era of rapid change and growing complexity. Our commitment to delivering exceptional outcomes in the markets we serve remains unwavering.

To achieve this, we will continue strengthening our internal operations and driving operational excellence by leveraging advanced technologies in operations management and data analysis. This will enable us to maximize efficiency and effectiveness across all functions. Additionally, we will further expand our presence in key markets, offering innovative banking solutions tailored to the evolving needs of both corporate and individual clients.

Distinguished Shareholders,

The banking sector is undergoing a profound transformation with the integration of artificial intelligence technologies, which have become a key driver for enhancing operational efficiency, reducing costs, and improving customer experience.

Studies show that generative AI can boost productivity by up to 30%, increase revenues by 6%, and drive operational improvements of up to 15% over the next few years. Additionally, AI plays a crucial role in combating banking fraud, with the potential to reduce fraudulent activities by up to 25%.

In line with this evolution, Capital Bank has begun implementing AI-driven solutions to enhance its banking services, optimize customer interactions, and improve operational efficiency. This initiative is a cornerstone of our ambitious digital transformation strategy, reinforcing our commitment to investing in cutting-edge banking technologies to deliver advanced and secure financial services.

We embrace the future with confidence, recognizing that “Ready” is not just a slogan, but a guiding business philosophy embedded in every aspect of our operations. Our dedication to innovation, growth, and excellence will continue to drive us forward as we build a resilient and dynamic financial institution that meets the evolving needs of Jordanian society while contributing to the vision of economic modernization.

In closing, I extend my deepest gratitude to His Excellency the Governor of the Central Bank of Jordan, the Bank’s team, and His Excellency the Chairman of the Jordan Securities Commission for their unwavering efforts in strengthening the Jordanian banking sector and providing the necessary support to elevate it to regional and global standards. My sincere appreciation also goes to the Board of Directors for their strategic leadership, and to the dedicated employees of the Bank, whose commitment and determination have been instrumental in achieving our successes. Lastly, I extend my heartfelt thanks to our valued customers and partners for their trust and continuous support—they remain the driving force behind our mission to deliver the best banking services and solutions.

With deep appreciation,

Tamer Ghazaleh
CEO of Capital Bank



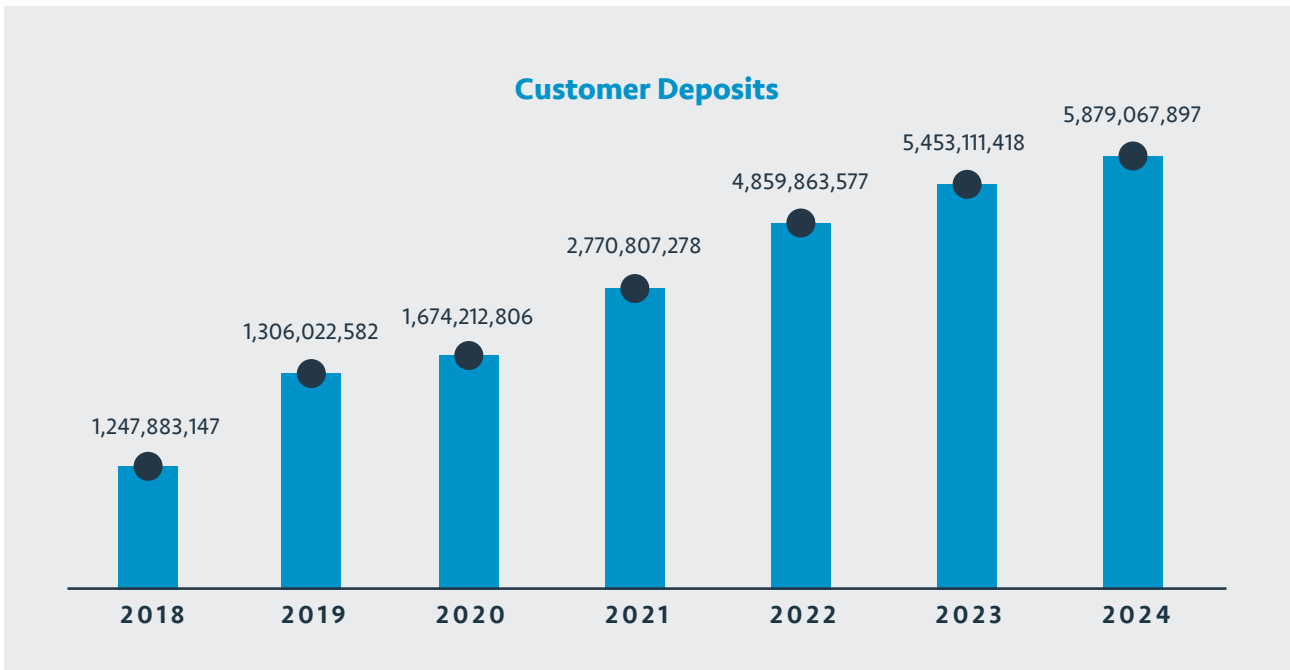
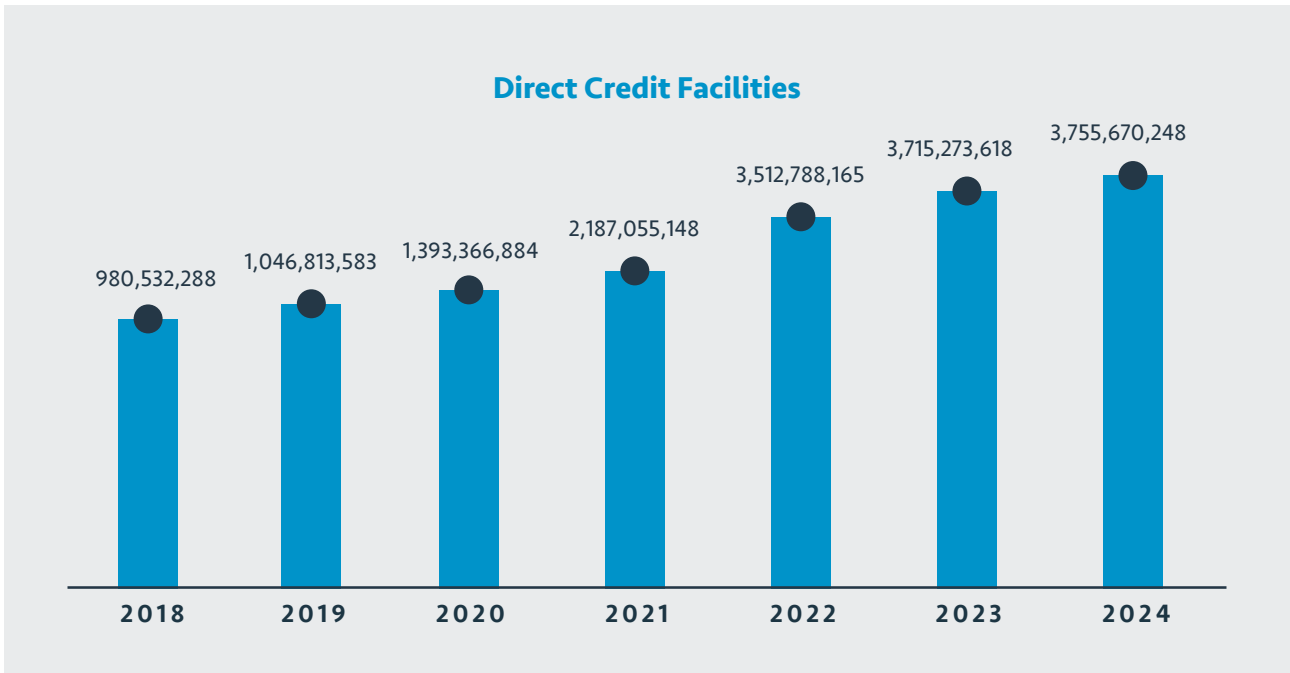
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Financial Ratios

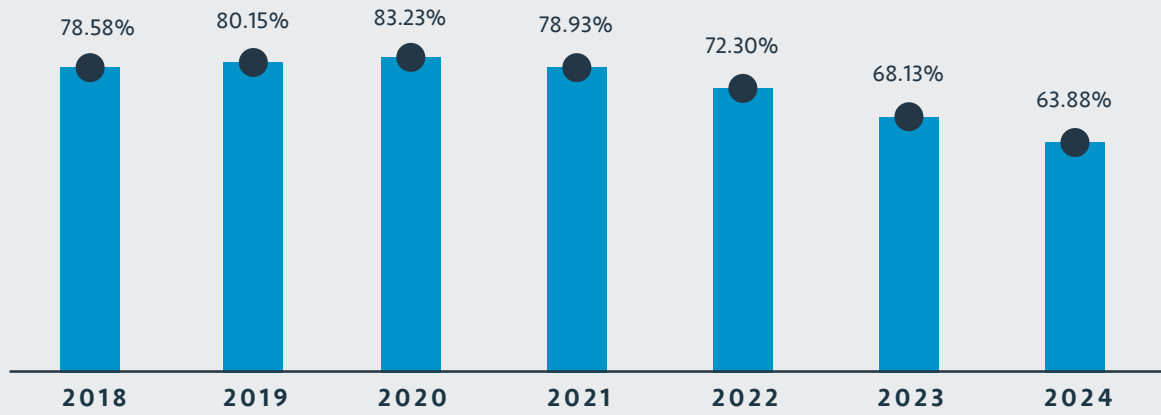


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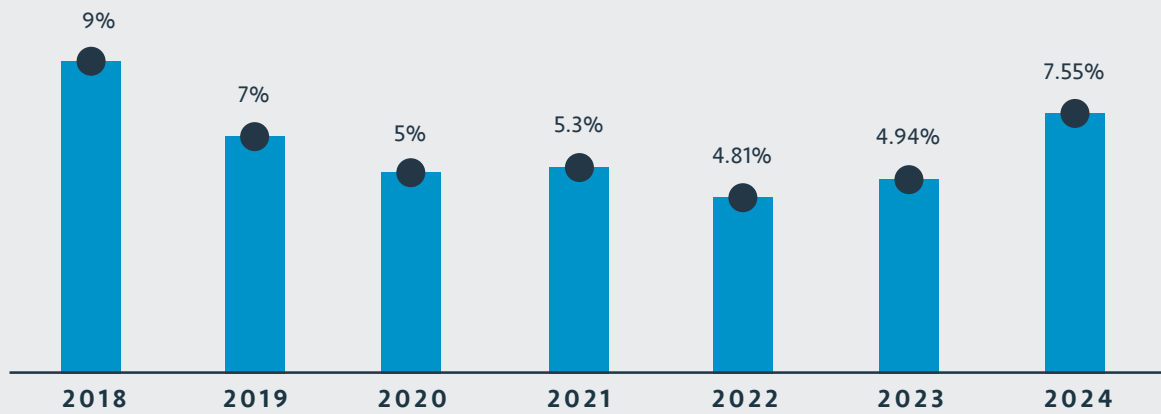
Financial Ratios



Loans to Deposits Ratio

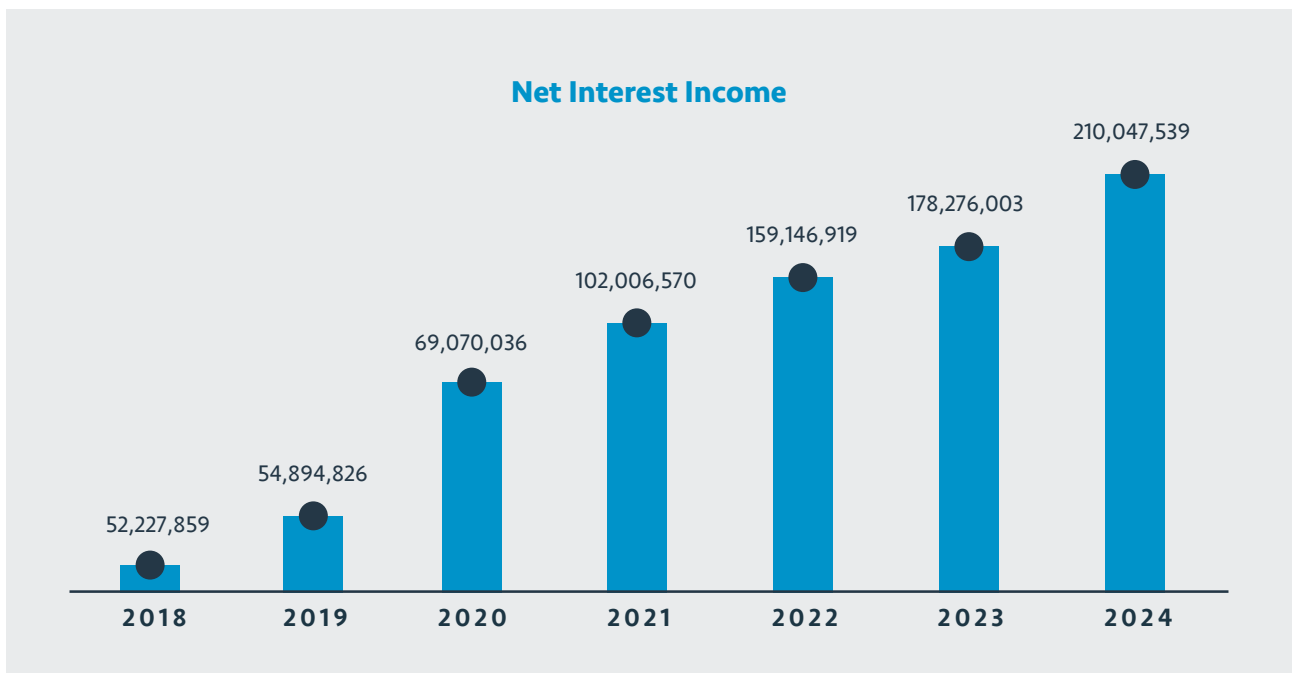
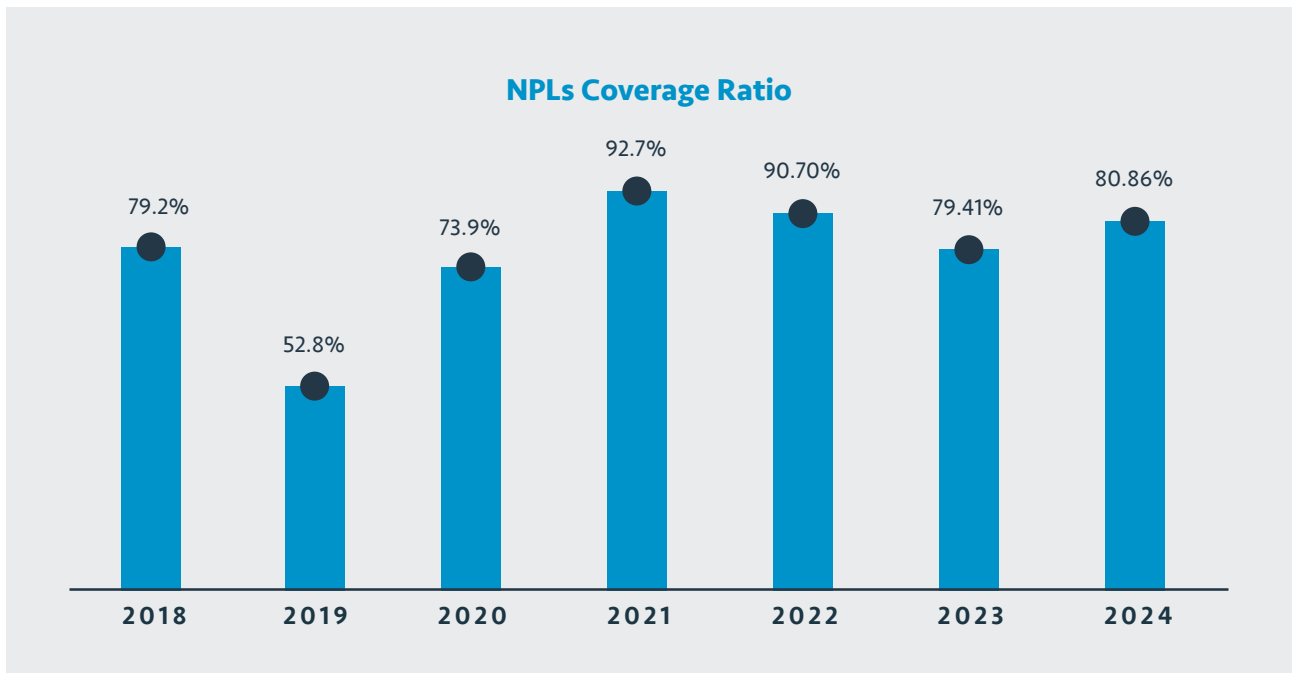


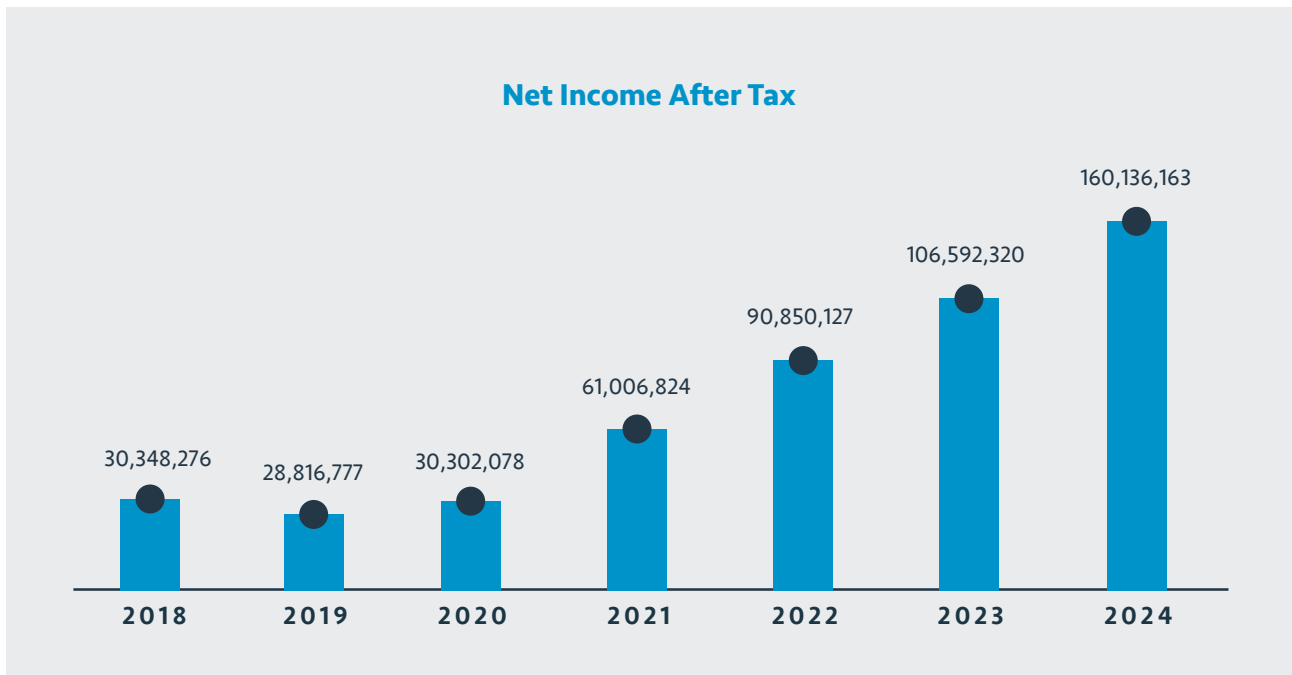
Non-performing Loans Ratio



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Financial Ratios





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Board of Directors Report



Institutional Banking

The corporate sector remains a cornerstone of Capital Bank's operations, with a continued strategic focus throughout 2024 on innovation, service excellence, and tailored financial solutions. By offering cutting-edge banking products, Capital Bank supports businesses in achieving growth and operational efficiency. The bank's corporate sector serves a diverse clientele, including large corporations, commercial institutions, and small and medium enterprises (SMEs).

Corporate Banking

Capital Bank continues to strengthen its position as one of the largest banks in Jordan.

Despite the economic conditions in 2024, the bank focused on maintaining its market share in corporate banking by expanding transaction volumes by increasing the volume of corporate sector dealing with the bank and offering sophisticated advanced banking services and products designed to meet the needs of specialized companies and making Capital Bank their first and preferred choice.

Throughout the year, the corporate banking department continued to focus on attracting key current accounts and securing a significant share of corporate deposits. These deposits played a key role in supporting bank's financial position and enhancing its lending capabilities. This strategic approach directly contributed to profitability and long-term growth.

Large Corporate Banking

In 2024, the Corporate Banking Department achieved significant growth by increasing the operational profit of its credit portfolio. This was accomplished through carefully assessed credit facilities extended to new clients and the development of specialized financial products tailored to diverse business needs.

In 2024, Capital Bank further enhanced the utilization of its e-business platform, introduced to clients in 2022. Designed for businesses of all types and sizes, the platform offers a comprehensive suite of innovative banking solutions, enabling companies to seamlessly manage their daily domestic and international transactions. With the latest secure technologies, businesses can conduct their banking operations electronically—anytime, anywhere.

Capital Bank strengthened its vision and competitive position as a leading provider of financial and banking solutions for the corporate sector by expanding its hedging and financial derivatives services. This expansion enables Corporate Banking clients to mitigate risks related to currency exchange rates, interest rates, and commodities, all in line with banking standards and a deep understanding of the business landscape.

The bank also adopted enhanced credit risk classification mechanisms, linking them to product pricing to improve the quality of its credit portfolio. By continuing to provide high-quality banking services, Capital Bank supported existing clients in expanding their businesses while attracting new clients from key economic sectors.

Recognizing the pivotal role of the public sector in economic growth, the bank designated a specialized team to manage and develop its low-risk government and public sector portfolio. This initiative was aimed at stimulating economic expansion while addressing key financial needs.

At the beginning of 2024, dedicated teams of qualified employees were assigned to manage medium-sized enterprises, establishing a separate management structure from large corporations. This approach ensures greater focus and more tailored banking services and solutions for these businesses.

Commercial Corporate Banking

Throughout 2024, the Commercial Corporate Banking Department continued to enhance its service offerings, reinforcing Capital Bank's position as leader in providing high-quality financial solutions tailored to commercial clients. Backed by a team of specialized professionals.

The bank offers customized and scalable financing solutions to support businesses in achieving their operational and long-term goals, also offers corporate accounts, fixed deposits, and liquidity management solutions,

The bank supports international trade by offering letters of credit, bank guarantees, and export financing. The department played a crucial role in facilitating access to financing through preferential loans offered by the bank and the Central Bank of Jordan, supporting key economic sectors and ensuring sustainable business growth.

Additionally, Capital Bank secured agreements with foreign financial institutions, allowing it to offer competitive banking facilities with attractive rates and flexible guarantees, further strengthening its ability to support businesses with customized financing solutions.

To simplify financial transactions, the bank continued to expand its essential banking services, including the business credit cards, corporate ATM cards, and digital banking platforms

SME Banking

In 2024, Capital Bank maintained its focus on the small and medium-sized enterprises (SME) sector, recognizing its significant contribution to GDP and its role as a major driver of employment in the private sector.

The SME sector has been among the most affected by economic challenges, impacting both business continuity and transaction volumes. This has adversely affected profitability and liquidity flow, creating significant challenges in meeting financial obligations.

Therefore, Capital Bank continued to support and finance this vital economic sector, offering medium-term financing at preferential interest rates in line with the Central Bank of Jordan's directives. The supported sectors included industry, renewable energy, tourism, agriculture, information technology, engineering consulting, health, technological, technical and vocational education, transportation, and export activity.

In addition, Capital Bank signed agreements with foreign institutions and agencies to secure loans for clients at reduced interest rates, promoting economic growth, creating job opportunities, and supporting national efforts in training human resources and enhancing their competitiveness in local and foreign labor markets. The bank also streamlined the process for SME owners to obtain financing for project development despite limited guarantees. Consequently, Capital Bank continued its collaboration with the Jordan Loan Guarantee Corporation and foreign institutions to guarantee the loans granted.

Capital Bank strengthened its relationship with customers by responding to their evolving needs in line with its management policies. It provided services through corporate customer service centers in several branches and the specialized free zone branch. A dedicated team was also assigned to serve financial technology (Fintech) companies, aligning with the bank's vision and future projections for this sector. Additionally, the bank established a comprehensive business center in Irbid to serve customers in the north.

Capital Bank also strengthened its market share in point-of-sale (POS) solutions, allowing businesses to streamline sales transactions and accelerate cash flow by ensuring same-day deposit of sales revenue into their accounts.

Capital Bank maintained its strategic policy while developing new programs tailored to its clients' unique needs by integrating technology with conventional banking to enhance service quality and expand market share. The bank introduced customized packages for SMEs, enabling them to purchase goods and settle obligations through prepaid options that offer local and international transfers and select banking services at competitive rates.

Additionally, the bank launched corporate ATM deposit cards, allowing businesses to make deposits and withdrawals within specified limits through its ATMs.

Transaction Banking

As part of its ongoing digital transformation, Capital Bank introduced the revamped business online banking, specifically designed to optimize cash management and Trade Finance products for its Institutional Banking customers.

Featuring a modern, user-friendly interface, the platform improves Institutional Banking customer experience by offering seamless Cash Management solutions and Trade Finance products and services through a secured channel. . It allows businesses to execute local and international transfers, manage payroll, and track their Trade transactions related to Letters of Credit, Bills of Collections and Letters of Guarantees in addition to the Shipping Guarantees.

The platform ensures the compliance with regulatory frameworks and aligns transactions with each company's Certificate of Registration and authority matrix , which reduce the administrative complexity and improving operational efficiency.

In 2024, Capital Bank was awarded the "Best Bank for Cash Management in Jordan" during the Global Transaction Banking Innovation Awards 2024, organized by The Digital Banker magazine. This award is a testament to the excellence of Capital Bank's cash management services and products, designed to meet the evolving needs of Institutional Banking clients by ensuring optimal liquidity and working capital through innovative, seamless, and secure solutions.

This, reflects the bank's leading position and ongoing commitment to providing cutting-edge cash management solutions that exceed client expectations and support their business growth and development plans.

Consumer Banking Department

In 2024, the Consumer Banking Department achieved several milestones, including:

- Capital Bank expanded its presence nationwide, increasing the number of branches and offices to 35. The bank also enhanced operations at 14 strategic locations, upgraded 22 ATMs, and provided a comprehensive suite of services and products tailored to customer needs.
- A new interactive system was introduced for ATMs, aligning with technological advancements to improve service accessibility.
- The Gold Road savings campaign was launched, offering individual customers the chance to win various prizes, including a daily gold English coin, a 100-gram ounce weekly, JD 9,999 monthly, 2 kilograms of gold distributed among five winners in September, and JD 100,000 distributed among 10 winners in June and December.
- A dedicated savings campaign for children was introduced, featuring a PlayStation monthly award and a grand prize of a trip for four to the Land of Legends.
- Private Banking and Select customers were eligible for exclusive prizes, including a monthly Omega watch and a grand prize of JD 100,000 for Private Banking customers.

Direct Debit and Credit Cards

In 2024, Capital Bank's direct debit and credit cards saw significant advancements, reinforcing the department's commitment to delivering superior services and products:

- The use of digital payments via Apple Pay increased, reflecting a shift towards innovative digital solutions.
- New mobile-enabled card services were introduced, granting cardholders greater control over their cards and enhancing the overall banking experience.
- The installment program expanded to include a broader range of merchants, ensuring customers can pay for purchases in installments of up to 36 months with 0% interest.

Loan-Related Products and Campaigns

Throughout 2024, various loan products and campaigns were introduced for individual customers, including:

- The housing loan campaign, offering customers a competitive, fixed interest rate for the first year.
- The personal loan campaign, featuring some of the most competitive interest rates in the market, with the added benefit of a fixed rate for up to 24 months.

Digital Transformation and Automation

Capital Bank continued its commitment to digital transformation by enhancing its banking app with new features that cater to customers' needs, enabling immediate access to services without requiring a branch visit.

Business Excellence and Customer Service

- The Capital Campus advanced training center was inaugurated on February 15, 2024, to empower employees with the knowledge, skills, and resources needed for success in the banking sector. The center features modern technologies, interactive learning environments, and expert trainers.
- Capital Bank hosted an interactive Money Matters workshop for youth, covering essential financial literacy topics such as budgeting, smart spending, saving, credit and debt management, consumer rights, and entrepreneurship. The workshop featured hands-on activities like treasure hunts, business plan development, and direct engagement with bank representatives.
- In alignment with its commitment to inclusivity, Capital Bank now operates seven branches equipped to serve customers with disabilities and 128 ATMs offering accessible services. Additionally, complaint booklets in Braille are available at all branches, and an educational awareness video was released on social media to promote inclusivity.
- The Voice of the Customer program collects insights to enhance customer experience through:
 - Traditional surveys conducted at branches and via the call center.
 - Digital surveys conducted through the mobile app.

These surveys measure overall satisfaction, customer loyalty, and ease of use of digital banking channels. In 2024, the Net Promoter Score increased 11 points.

- The department releases monthly dashboards and reports to track customer transaction flows, identify recurring issues, and support proactive action plans. Additionally, the Customer Service Excellence report records incidents reported by branches and frontline teams, driving continuous service improvements.
- Customer engagement was further enhanced by reviewing SMS and notification language across all channels to ensure clarity, consistency, and respect for customer privacy.
- Customized welcome messages are being developed for new clients, offering an overview of available products and key benefits for an enhanced experience.
- The scope of customer experience mapping was significantly expanded to improve engagement and create a seamless interaction process.

Call Center Performance

- 140 K total calls handled by the Call Center.
- 30 K total digital interactions managed by the digital team.
- Implementation of self-service IVR, allowing customers to conduct transactions independently.
- According to the latest Mystery Shopper report, the Call Center achieved the highest rating among competitors.

Capital Private Banking

Capital Private Banking is committed to preserving and growing its customers' wealth across generations by delivering exceptional banking journey with tailored services and privileges for High net worth clients, including:

- **Investment solutions** – Asset management and financial brokerage.
- **Banking solutions** – Exclusive VIP services, including accounts, deposits, cards, loans, and bancassurance.
- **Exclusive non-banking solutions** – Preferential privileges, the Capital Rewards loyalty program, and exclusive offers and discounts on Capital Bank cards.

Beyond serving High net worth clients in Jordan, Capital Private Banking has established a strong presence in Iraq, Saudi Arabia, and the UAE, offering round-the-clock service through a dedicated team of 25 experts.

To enhance accessibility and convenience, the department has expanded with a second specialized center in Dabouq, complementing the Abdoun location in providing top-tier services.

As a pioneer in Jordan, Capital Bank introduced the Visa Infinite Privilege metal credit card as the first and only bank in Jordan, designed exclusively for High net worth clients, offering unmatched benefits, exceptional experiences, and premium service to suit their distinctive lifestyles.

Treasury and Investment Department

The global interest rate landscape in 2024 was characterized by sharp instability. Following consecutive rate hikes by central banks worldwide in 2022 and 2023, global markets initially anticipated rate cuts as early as the first quarter of the year. However, these expectations were tempered by persistently high inflation data. Despite this, slowing economic growth and easing inflation in parts of Europe led certain central banks to begin reducing interest rates in the third quarter of 2024.

In contrast, the US economy showed greater resilience. By the end of the third quarter, inflation indicators had approached target levels, accompanied by signs of a labor market slowdown. These developments prompted the US Federal Reserve to initiate interest rate cuts, with further reductions expected as economic conditions evolve in line with the expectations of its board members.

This global shift extended to other central banks seeking to stimulate growth and mitigate recession risks. In line with these trends, the Central Bank of Jordan began lowering interest rates on monetary policy instruments in September 2024. This strategic move aimed to spur economic growth and alleviate financial pressures on individuals and businesses, which had faced elevated borrowing costs over the past two years. The Central Bank remained committed to preserving the attractiveness of the Jordanian dinar, supported by a rise in foreign exchange and gold reserves to comfortable levels. Looking ahead, it is expected to continue aligning with US interest rate trends, with further reductions likely unless inflation in the US reaccelerates due to potential policy shifts under President Donald Trump's new administration.

Despite the challenges posed by rising interest rates and the geopolitical impact of the conflict in Gaza and Lebanon on Jordan's economy, Capital Bank Group achieved growth in revenues from interest and commissions. While individuals and businesses faced financial strain, the bank took necessary provisions and allocations to safeguard its financial stability. Notably, profits from the National Bank of Iraq helped offset these provisions, contributing to increased commission revenues.

The Treasury and Investment Department played a key role in managing the bank's assets and liabilities across multiple currencies. By increasing investments in medium-term fixed-income instruments and maintaining high liquidity ratios, the department successfully optimized the bank's financial position. Efforts to reduce funding costs were closely coordinated with the Asset and Liability Management Committee, while revenues from foreign exchange and derivative commissions recorded notable growth. Additionally, the department continued to provide tailored financial solutions to support companies in both local and international markets. Leveraging the bank's regional expansion and growing external banking network, it introduced advanced tools designed to meet the evolving needs of corporate clients. The department also maintained effective liquidity management across all currencies to support the bank's operations while further developing its international bonds securities portfolio within a low-risk framework and an acceptable degree of liquidity, following the bank's approved investment policy and the guidelines of the Central Bank of Jordan.

The Treasury and Investment Department undertook several key activities, including:

- Investing in debt instruments issued and guaranteed by the Jordanian government.
- Investing in debt instruments issued by Jordanian, regional, or international companies with strong financial and credit standings.
- Investing in local, regional, and international companies with high growth potential and attractive investment returns.
- Investing in mutual funds with a solid historical performance while maintaining acceptable risk levels.
- Investing in structured securities based on the bank's strategic needs.
- Managing foreign exchange positions to optimize returns within established ratios and in compliance with the Central Bank of Jordan's regulations.
- Managing the bank's assets and liabilities across various currencies, including the Jordanian dinar and major foreign currencies.

Additionally, the department continued to provide exceptional services to the bank's customers across money markets, capital markets, spot and forward foreign exchange markets, and derivative instruments. These services included:

- Issuing certificates of deposit in Jordanian dinars and major foreign currencies for various tenors at competitive rates.
- Offering competitive spot and forward foreign exchange rates against the dinar and the US dollar for different periods, catering to individuals, corporates, and certified exchange companies.
- Dealing with money market and capital market instruments, including treasury bills and bonds, commercial papers, and various debt instruments on behalf of customers.
- Dealing in spot and forward foreign exchange markets on a cash and margin basis
- Executing (SWAP) transactions for exchange rates and interest rates.
- Facilitating futures contracts on commodities and metals for customers seeking hedging solutions.
- Offering options contracts on commodities, metals, and oil to support customers in hedging strategies.
- Providing advisory services to individuals and corporate clients to hedge against interest rate and exchange rate fluctuations, tailoring appropriate hedging tools through traditional or derivative market instruments.
- Offering subscription services for primary issues of government or government-guaranteed securities for companies and individuals while ensuring secure custody services for these securities at competitive rates.

Through the National Bank of Iraq, the Treasury and Investment Department expanded its operations to strengthen the bank's market presence and maximize profitability. The department provided the bank's team with expertise to enhance market share while expanding relationships with Iraqi banks. It also played a pivotal role in developing a money market and a foreign exchange market for transactions against the Iraqi dinar, contributing to the advancement of Iraq's banking sector.

Furthermore, the department played a key role in supporting the National Bank of Iraq's Saudi Arabia branch by managing liquidity in Saudi riyals and other major currencies. It also provided the necessary expertise to drive the branch's growth and development.

Financial Institutions Department

The Financial Institutions Department delivered strong performance in 2024, leveraging its extensive relationships with correspondent banks, non-banking financial institutions, sovereign entities, and global partners. These connections facilitated access to both local and international markets, enabling the department to provide a diverse range of banking, lending, and investment solutions.

The department successfully established new relationships with various banks and financial institutions while strengthening existing partnerships through transparent and professional transactions. By expanding its network of highly rated correspondent banks, Capital Bank enhanced its ability to support foreign trade activities, treasury operations, and credit facilities, offering greater flexibility in navigating global markets. Additionally, the bank deepened its relationships with regional banks, providing them with a comprehensive suite of investment and commercial services.

In 2024, the Financial Institutions Department secured key agreements and strategic partnerships with leading international institutions. Notably:

- Capital Bank signed a trade facilities agreement with Sumitomo Mitsui Banking Corporation, valued at 3.1 billion Japanese yen. This loan is designated to finance a portfolio of commercial assets involving Asian exporters to Jordan.

Reinforcing Capital Bank's role as a key supporter of the corporate banking sector. By expanding its lending capacity, the bank is better positioned to serve a broader segment of corporate clients, driving commercial growth and contributing positively to the local economy.

Further strengthening its international presence, Capital Bank entered into a cooperation agreement with the European Bank for Reconstruction and Development (EBRD). This partnership enhances the bank's financing capabilities and broadens the scope of its international business activities. By introducing innovative financial solutions and improving access to credit guarantees, Capital Bank aims to foster sustainable business growth for its corporate clients.

As part of this agreement, Capital Bank has been recognized by EBRD as a financial institution supporting incoming credits, further reinforcing its reputation as a trusted partner in international trade financing. This collaboration grants Capital Bank access to EBRD's expertise in global finance, opening new opportunities for customers to expand into foreign markets through an extensive network of global partners. Additionally, the agreement enables Capital Bank to support local companies in their export and import operations, strengthening their resilience against economic challenges while capitalizing on available trade opportunities.

Marketing and Corporate Communications Department

In 2024, the Marketing and Corporate Communications Department launched multiple campaigns and projects aligned with the bank's vision and mission. These initiatives enhanced efficiency, promoted the bank's products, programs, and services, strengthened its position in local and regional markets, improved customer service, and set it apart from competitors.

Marketing Department

Throughout 2024, the Marketing Department designed and executed several campaigns to highlight the bank's latest and most innovative services, most notably the launch 'Ready' campaign: emphasizing the bank's promise and commitment to delivering top-tier services.

In addition to promoting Capital Bank's advanced website and mobile application. A key focus was promoting the ease of opening accounts via the app, eliminating the need for in-person branch visits.

The department made significant strides in improving accessibility to financial services through the website. Key achievements include integrating the "Read Speaker" feature for digital inclusion of individuals with disabilities and continuously enhancing the user interface and experience for a more intuitive customer journey. These efforts contributed to a 15.3% increase in website visits, driven by an optimized search function.

To enhance customer engagement, the department revitalized its customer relationship management system, enabling more targeted and effective communication. Additionally, impactful marketing campaigns reinforced the bank's commitment to innovation and digital excellence.

A major initiative included a series of credit card and savings account campaigns, offering 10 individuals the chance to win JD 100,000 each and five individuals the opportunity to win two kilos of gold each.

Overall, the department's campaigns and programs conveyed a clear message to both individual and corporate customers: Capital Bank is committed to delivering genuine, efficient, and swift financial solutions tailored to their needs.

Campaigns Launched in 2024

- "Ready" campaign – reinforcing the bank's promise to provide top-tier services.
- App-Centric campaigns – showcasing the app's innovative features, enabling seamless transactions without branch visits.
- The "Gold Road" savings campaign.
- Personal loans campaign.
- Housing loans campaign.
- "Deer Malak" Financial Literacy Campaign – engaging diverse audiences, including school students, through social media and events.
- Credit card offers and discounts campaigns.
- Annual Ramadan campaign supporting Atfaluna – aiding 29 children with medical treatment through the bank's ongoing partnership with the Jordanian non-profit organization.
- Award recognition campaigns – announcing the bank's accolades, including:
 - Best Banking App Award 2024 from International Business Magazine
 - Best Digital Bank Award 2024 from Euromoney
- Exclusive events – hosting special events for Capital Investments and Private Banking clients to introduce the latest financial services and market trends.

Corporate Communication and Corporate Social Responsibility Department

The department continued to highlight Capital Bank Group's pivotal role in the national economy as a leading financial institution in Jordan. It also ensured broad audience reach by promoting the latest developments through targeted campaigns, press releases, and reports.

Key Achievements in 2024

- Publishing news about the bank's latest accomplishments and awards in local newspapers and online news portals.
- Issuing the second Sustainability Report for 2023, aligned with the Global Reporting Initiative (GRI) standards, the United Nations 2030 Sustainable Development Goals (SDGs), Jordan's Vision 2025, and the National Action Plan for Green Growth 2021-2025.
- Coordinating and preparing for signing ceremonies events.
- Organizing and implementing various activities for employees in collaboration with HR.
- Managing the Capital Bank portal and internal communication channels.
- Executing external events to announce key programs and products.
- Providing sponsorship for local conferences, exhibitions, and events.
- Arranging local and regional press interviews.

Capital Bank is dedicated to making a meaningful impact on the local community. Driven by this commitment, the bank has developed a comprehensive social responsibility strategy focused on addressing key societal challenges in Jordan. This approach seamlessly integrates community well-being with sustainable performance, fostering growth and development through targeted initiatives.

The strategy is built on key pillars, including financial literacy, entrepreneurship, women's empowerment, environmental sustainability, and charitable activities. These pillars form the foundation of the bank's efforts to create lasting positive change.

Key Milestones Achieved in 2024

- Enhancing financial literacy through various activities targeting school students, including the launch of the "Deer Malak" campaign and participation in career days focused on financial education.
- Supporting Tkiyet Um Ali on various initiatives, with Capital Bank team members volunteering their time during Ramadan, back-to-school, and winter campaigns.
- Renewed cooperation with Atfaluna for the second consecutive year in a Ramadan campaign to treat 29 children.
- Supporting Haya Cultural Center initiatives for underprivileged children, with employee participation in volunteer activities.
- Renewing cooperation with the Elia Nuqul Foundation by providing 9 university scholarships as well as internship and employment opportunities at the bank.
- Offering gold sponsorship for the Women Empowerment Forum (SHETECHS) 2024 in support of women's empowerment and entrepreneurship.
- Honoring female employees on International Women's Day.
- Continued support for SOS Children's Villages by covering expenses for one of the homes at the Amman village.
- Employee participation in a tree-planting initiative in cooperation with the Arab Group for the Protection of Nature.
- Sponsoring the Queen Rania Teacher Academy Forum to train teachers.

- Organizing awareness events for female employees about breast cancer and the importance of early detection during October.
- Supporting Waqf Thareed Endowment and Tkiyet Um Ali to contribute to national efforts to combat hunger.
- Cooperating with Wasel for Awareness and Education in support of the “Shabbek Wa Bader initiative”, aimed at fostering connections between students from private and government schools to create a safe environment for learning and social work.
- Organizing a blood donation campaign for employees for the eighth consecutive year.
- Supporting Jordanian artists by sponsoring the exclusive exhibition "The Greatest Sound is Sparse; The Grandest Sight is Formless" in addition to supporting artist Macadi Nahhas.
- Supporting the Himmetna initiative to enhance primary healthcare in remote areas.

Operations Department

In 2024, Capital Bank enhanced the efficiency of the Operations Department by bringing in qualified and experienced professionals from the local banking sector, elevating the quality of services provided to customers in line with international best practices.

The department continued automating the most time-consuming processes by integrating the latest technologies and global standards. A review of key operations is planned, with redesigns based on the findings to ensure processes are executed with the highest levels of quality and efficiency.

Technical expertise remains central to the department’s ability to provide support services aligned with the bank’s strategic objectives. Accordingly, continuous employee training and development were prioritized to keep pace with industry advancements and enhance overall efficiency.

Information Technology Division

Governance Department

Aligned with global standards for information systems governance and in response to the bank’s expanding operations, the Information Technology Department began reassessing the COBIT scope of work at the start of 2024. The findings are as follows:

- Maintained the management and maturity of 37 goals, achieving 31 compulsory goals.
- Developed two new goals: Managed Organizational Change and Managed Relationships.
- Notable improvements were recorded in:
 - Level 4: Partially achieved (11 processes)
 - Level 3: Fully achieved (25 processes)
 - Level 2: Largely achieved (1 process)
 - Level 1: Partially achieved (3 processes)

The new governance system has effectively addressed internal and external audit reports, implementing thorough solutions based on the risk assessment policy to prevent recurring issues.

Information Systems Operations Department

The Information Systems Operations Department was established, encompassing sub-departments for application support, information systems services management, infrastructure, disaster recovery, and computer center management.

A comprehensive review of disaster recovery policies and procedures was conducted, enhancing the readiness of disaster recovery centers by developing systems and performing periodic checks on critical structures across all areas of the group's operations. These measures ensure full compliance with relevant legislation issued by central banks in various regions.

The Information Systems and Security Department implemented a range of monitoring systems across its infrastructure, servers, databases, systems, networks, and critical services.

Services and incident response are continuously monitored around the clock, enabling proactive and rapid intervention to minimize service interruptions and prevent recurrence.

The completion of the SD-WAN project significantly improved the availability of the branch and ATM network, enhancing service levels for customers.

Additionally, the IT asset management system was upgraded to encompass all information systems assets.

Software Development

In software development, the bank adopted international standards for flexible and secure development in building digital services, starting with Capital Mobile, Blink, and MuleSoft API/Middleware. The development teams also implemented the Jenkins and Azure DevOps platforms, with ongoing efforts to expand their use across all systems under development.

A series of essential upgrades were introduced to both Capital Mobile and Blink Mobile, significantly enhancing speed and flexibility. These improvements had a direct impact on service quality and customer satisfaction.

The project to replace the IBM Middleware system with the MuleSoft API/Middleware system was initiated.

All new systems, including Apple Pay, Card Issuance, Kiosk, and BPM, were developed using the new technology, with ongoing efforts to transition existing services to the live environment of the upgraded system.

Cybersecurity Department

The Information Technology Department expanded its scope of work with the establishment of the Information Security Operations Center (SOC), which operates 24/7. Additionally, the bank introduced a dedicated Security Assurance department and a Dev-Sec-Ops department to further enhance information security measures.

A comprehensive cybersecurity program (Information Security Program) was approved and launched in collaboration with the Information Security Risk Department.

The department also implemented capabilities to detect fraudulent pages on websites and social media platforms, working with hosting providers to facilitate their removal. Additionally, the bank's security and cyber authority are continuously monitored, with alerts issued in case of new vulnerabilities or cyber risks, whether directly affecting the bank or involving third parties with whom the bank interacts.

Internal Control Division

Operations Control Department

In 2024, the Operations Control Department issued several reports aimed at enhancing performance to align with the agreed-upon risk levels across the Operations Department, Joint Services Department, branches, and Blink by Capital Bank.

The department conducted oversight activities on branches and departments by assessing operational efficiency, evaluating the adequacy of supervisory controls, and identifying any oversight gaps using control tools. Through the enhancement of branch and operations monitoring methodologies, multiple monthly reports were issued, highlighting key oversight gaps, associated risks, and recommended solutions.

Significant improvements were achieved by identifying the root causes of incidents and implementing corrective measures to prevent recurrence. Institutional procedures were further regulated and activated, and enhancements were made to the reconciliation system, reducing manual intervention, increasing employee productivity, and improving customer service.

Additionally, the oversight management methodology was refined in 2024 with the addition of several new review items. This development was driven by the department's ongoing analysis of audit reports, quarterly operational event reports, and departmental procedures, as well as recurring observations identified in monthly reports.

Business Excellence Department

In 2024, the Business Excellence Department played a pivotal role in advancing strategic initiatives that enhanced operational efficiency and customer experience across the bank. Key achievements included:

- **Enhanced Digital Services for the Corporate Sector:** The department contributed to the expansion of services on the bank's new digital channel for corporate clients. These enhancements empower customers to conduct secure and transparent online banking transactions 24/7, ensuring a seamless banking experience. Key services include local and international payments, bulk salary transfers, trade finance solutions, and additional features tailored to corporate needs.
- **Streamlined Email Handling System:** The department standardized and optimized email management processes to ensure immediate handling, tracking, and processing of customer requests in line with service level agreements (SLAs).
- **Customer 360 View Enablement:** The introduction of the Customer 360 View provided bank employees with a comprehensive view of customer information, enabling more efficient service delivery and faster responses to customer requirements.

Data and Artificial Intelligence Department

In 2024, over 200 reports and dashboards were developed and published, bringing the total to more than 450, covering over 800 key performance indicators (KPIs). Notable examples include:

1. CEO Dashboard & Retail Sales Dashboard – A comprehensive business performance dashboard providing insights into merchant acquisition, withdrawals, top merchant categories, point-of-sale transaction analytics, revenue breakdowns, and behavioral analytics.
2. Business Online Channel Dashboard – A new digital channel for the corporate sector, offering key performance updates required by the bank’s board of directors, including new registrations, engagement levels, transactions, adoption rates, and more.

A comprehensive data governance strategy and framework was established, encompassing eight key components: data management strategy, data accountability, data prioritization, data definition and lineage, data quality, data security, data retention, and policies, standards, and procedures. A detailed data policy was also developed to align with this framework.

Two machine learning models were introduced to enhance the marketing and sale of personal loans and credit cards. These cross-selling models identify existing bank customers who have not yet taken out personal loans or credit cards and are most likely to do so, applying eligibility rules in line with the approved credit policy.

Additionally, a machine learning model was developed to optimize customer registrations for the bank’s app, improving the effectiveness of employee outreach calls. The implementation of this model led to a fourfold increase in digital registrations compared to the previous random calling approach.

Digital Banking Services Department

Several initiatives were introduced to drive the strategic transformation of the bank’s digital platform. These included dashboards for the bank’s app and website, customer digital conversion behavior, digital acquisition rates, digital channel efficiency and reliability, machine learning models for accelerating mobile banking registrations, and digital service standards.

The department achieved over 90% customer adoption of the Retail Mobile Channel platform, reflecting both the high quality of available services and strong customer satisfaction. Additionally, 22 new features were introduced, enabling customers with diverse needs to seamlessly fulfill their banking requests. To further enhance accessibility, 34 ATMs with cash deposit services were added, leading to a 60% increase in customer usage.

In open banking, the department took proactive steps by launching several application programming interfaces (APIs) for payment services and bank accounts, reinforcing the bank’s commitment to digital innovation.

Risk Department

Capital Bank Group employs a comprehensive risk management process designed to identify, assess, mitigate, and monitor all material risks across the organization, as guided by the Bank’s strategic objectives, risk appetite, and regulatory requirements.

The department operates as an independent unit, led by the Group Chief Risk Officer, and reporting directly to the Board of Director's Risk Committee, enabling the function to provide effective oversight and risk governance across the Bank's operations.

The Group Risk Department ensures a structured and proactive approach to risk management, integrating credit, market, liquidity, operational, and cybersecurity risks within a unified framework. Accordingly, the departments within it utilize best practices to continuously assess potential threats, enhance risk controls, and ensure the Bank's resilience in the face of the following key financial and non-financial and non-financial risks:

Credit Risk

The Credit Risk and Capital Management department is responsible for managing credit and concentration risks at all levels, in addition to directing the Bank's capital to ensure effective allocation through the application of its ICAAP. It also evaluates the impact of stress testing to ensure its capital is within acceptable limits while preserving its financial and profit position. Furthermore, the department is responsible for updating the Expected Credit Losses methodology in accordance with the International Financial Reporting Standards (IFRS 9) and the requirements of the Basel Committee and the Central Bank of Jordan.

Market and Liquidity Risk

The Market Risk department is responsible for managing all material market and liquidity risks the Bank is exposed to through the active monitoring of macroeconomic factors that can impact its financial position and adjusting related internal control mechanisms accordingly. The department is also responsible for assessing the Bank's ability to meet its liquidity needs under stressful scenarios. The department's policies, procedures, and overall operations are guided by and set in accordance with the requirements of Basel Committee and the Central Bank of Jordan.

Operational Risk

The Operational Risk department is responsible for the active management of all internal and external operational risks the Bank may be exposed to. It establishes the necessary controls to minimize potential impacts, as guided by the Bank's policies and overall strategy. The department is also responsible for ensuring the implementation of continuity plans and enhancing the Bank's resilience in the face of any disruptions. The department's policies, procedures, and overall operations are guided by and set in accordance with the requirements of Basel Committee and the Central Bank of Jordan.

Information and Cybersecurity Risk

The Information and Cybersecurity department is responsible for maintaining confidentiality, availability, and accuracy of all information within the Bank, and setting necessary controls and means to stave off risks following the Bank's risk policies and global best practice. The department also promotes awareness among the Bank's employees to ensure compliance with information security programs through various initiatives. Furthermore, it works to increase security awareness amongst customers to protect their information appropriately.

Compliance Department

The Compliance Department at Capital Bank Group plays a vital role in ensuring proper implementation and rigorous monitoring of policies, procedures, systems, and controls across the group. It is responsible for regularly reviewing and updating these frameworks in line with oversight directives issued by regulatory authorities.

The department's primary objective is to identify and mitigate financial crime risks while ensuring strict adherence to regulatory requirements, particularly those related to anti-money laundering (AML) and combating the financing of terrorism (CFT). To achieve this, the bank has adopted a robust compliance framework designed to uphold regulatory standards, mitigate the risks of non-compliance, and safeguard the group from financial crimes and associated threats.

In 2024, the Compliance Department continued executing its three-year strategic plan, endorsed by the Board of Directors. This plan focuses on aligning the bank's compliance framework with the best international practices while supporting its overarching strategy.

A key milestone during the year was the initiation of a project to upgrade and replace the bank's automated financial crime detection systems. This enhancement aims to improve system performance by introducing structured workflows, including dual review mechanisms, strengthening automated controls, and enhancing reporting capabilities to meet regulatory requirements while improving reporting quality in accordance with global standards.

To reinforce its compliance mechanisms, the department introduced a new and an effective methodology for the Regulatory Compliance Reliance Model, which streamlines compliance testing across bank departments. This model includes system self-tests and in-depth reviews conducted under a risk-based accredited plan. Compliance effectiveness is assessed through sampling and control evaluations to ensure adherence to regulatory directives. Additionally, new standardized work papers and reporting templates were developed for documenting these assessments.

The department also continued refining its training programs on AML, CFT, and related compliance tools, including e-learning modules available to all employees. Specialized training sessions were conducted for new and existing Compliance Department staff to enhance their expertise and keep them abreast of the latest developments in the field.

Furthermore, the team provided periodic training sessions and workshops for employees across the bank to raise awareness and mitigate financial crime risks.

To further enhance operational efficiency, the department updated its organizational structure to ensure clear communication channels, optimal task segregation, and role specialization. These improvements were implemented to enhance overall performance and maintain the highest standards of compliance across the group.

Internal Audit Department

The Internal Audit Department provides the Board of Directors and the Audit Committee with an independent, objective assurance and advisory services designed to add value and improve Banks's operations. It helps the Group to accomplish its objectives by following a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

Operating under the Internal Audit Charter approved by the Board. The function conducts its activities in accordance with the Global Internal Audit Standards set by the Institute of Internal Auditors with great emphasis on the principles of integrity, objectivity, confidentiality, and competency. Group Internal Audit provides the Board Audit Committee, the Chief Executive Officer and the respective business units with the audit outcomes and monitors the implementation of remedial actions.

The bank's Internal Audit function maintains full independence, reporting functionally to the Board Audit Committee. It conducts risk-based audits across the bank and its subsidiaries based on a risk-based audit plan approved by the Board Audit Committee, ensuring comprehensive oversight and continuous enhancement of governance, risk management, and control processes

The bank's Management places great emphasis on training, qualifying, and developing auditors in collaboration with leading local and international training institutions.

Human Resources Department

The Human Resources department played a pivotal role in driving the Bank's strategic objectives by cultivating a high performing workforce and fostering a culture of excellence through embedding the best HR practices, enabling efficiency and effectiveness across all HR operations.

This year, our strategic HR initiatives focused on strengthening talent management, aligning workforce capabilities with business objectives, enhancing employee engagement by fostering a work environment that promotes both professional and personal growth, and reinforcing a culture centered on core values and career development.

The following section highlights key areas of focus and progress made in achieving our strategic goals:

1. Formalized the approval on the Bank's main organizational structure in response to institutional changes, and in alignment with an efficient operating model to ensure adaptability and operational excellence.
2. Prioritized creating internal job opportunities for employees to support their career growth and expand their knowledge. Accordingly, more than 40 internal transfer opportunities were approved during 2024.
3. New HR policies were developed and formally approved to ensure the adoption of best HR practices, serve as a reference for governing HR processes, and promote transparency across the institution.
4. Through targeted learning and development programs, a wide range of training programs and initiatives were launched during the year in line with the bank's commitment to employee development and fostering a culture of strong talent management, career development & growth. Throughout the year, numerous training programs were launched aimed at building capabilities in soft skills, technical expertise, leadership development, and digital acumen, while also ensuring comprehensive coverage of regulatory training requirements, alongside specialized professional certifications to further develop their expertise.
5. A targeted acceleration development program was launched for High Potential Employees. The program is sponsored by senior management targeting young talented employees to upskill their knowledge and capabilities by supporting their growth and empowering them along their career path at Capital Bank.

6. An institutionalized framework for learning and development was initiated during the year to ensure a comprehensive approach is addressed to enhance internal capabilities and invest in our talented employees. This approach was designed to address and capitalize on employees' core competencies and skills and to provide a wide range of learning opportunities.
7. In line with Capital Bank's commitment to wellness and a healthy work environment, the bank partnered with our trusted corporate wellness service provider for the third consecutive year to offer a series of initiatives around the year covering different wellness pillars [Emotional Wellness, Physical Wellness, Social Wellness, and Mental Wellness]. These initiatives support employees' personal and professional growth through engaging activities, including workshops, seminars, rewards, and workplace events.

Blink by Capital Bank

Capital Bank launched Blink, its digital-only experience, in February 2022, reinforcing its commitment to customer-centric banking, financial inclusion, and digital innovation.

Blink by Capital Bank provides customers with seamless experience, allowing them to open an account directly from their smartphones via the app in Apple Store and Google Play in under ten minutes. Customers instantly create a bank account and can instantly issue a virtual debit card and request a physical one at no additional cost.

Through Blink by Capital Bank, users can efficiently manage their accounts, send and receive money instantly and free of charge, review financial transactions, pay bills via eFAWATEER.com, withdraw cash from local and international ATMs, purchase eVouchers, and book flights on Royal Jordanian—all through an intuitive, seamless, fully digital banking platform.

Additionally, Blink by Capital Bank offers instant credit cards, approved within two minutes of application, without requiring a salary transfer. This, along with Blink's broad range of easy, convenient, and fee-free banking services, has positioned it as a leading digital banking solution in the market.

In its third year of operation, Blink by Capital Bank achieved remarkable success, both in customer acquisition and in meeting global benchmarks for digital banking efficiency.

Usage of the Blink app, products, and services per customer has grown significantly, leading to enhanced customer satisfaction. Blink by Capital Bank has also remained steadfast in its mission to promote financial inclusion and corporate social responsibility, actively supporting various sectors and underserved communities in society.

Accomplishments

1. Blink by Capital Bank launched several campaigns throughout 2024, including:
 - a. The 6x6 campaign for accounts running for the whole year, offering the highest annual interest rate in the market of %6 accruing on daily balances and paid monthly to customers straight into their accounts, with an opportunity for six people to win their balance amount monthly.
 - b. An eFAWATEER.com campaign running for six months, awarding seven monthly winners the entire value of their paid bills.
 - c. The launch of discounts and promotions through partnerships with tens of companies creating value to customers.

- d. Debit card cashback campaign running for the whole year on all local and international purchases.
 - e. Credit card cashback campaign running for the whole year on all local and international purchases.
 - f. A referral program launched in August 2024 to encourage customers to invite their friends and family to Blink and enjoy cashback on their transactions as reward.
2. Blink by Capital Bank engaged in numerous activities and events, including:
- Launching several engaging marketing campaigns.
 - Visiting companies in an aim to acquire their employees and offer them a superior banking experience.
 - Sponsoring selected events, including SmartTeck and Lego® Shows.
3. Remarkable growth and customer service metrics were achieved, including:
- %85 increase in number of customers onboarded compared to 2023.
 - %200 increase in number of active customers during 2024.
 - %350 increase in customer deposits during 2024.
 - %476 increase in number of credit cards issued compared to 2023.
 - %681 increase in debit card spend compared to 2023.
 - %58 increase in credit card spend compared to 2023.
 - App rating increased from 3.7 to 4.5 on Google Play and from 3.4 to 4.5 on App Store during 2024.
 - Customer satisfaction rating was maintained above %93 throughout the year, where more than 3,000 customers participated in the survey.
 - Average customer service abandonment rate was maintained below %2.8 of all calls and chats throughout the year.
 - Average speed of answer for all calls/chats was maintained below 9 seconds throughout the year.

Payment and Acquiring Services Department

The Payment & Acquiring Services Department remained a key driver of the bank's strategic vision, delivering diverse digital solutions and secure payment methods designed for corporate clients and SMEs. Aligned with the bank's commitment to empowering merchants, these initiatives supported business growth, enhanced customer experiences, and optimized operations by providing cost-effective, secure, and efficient payment systems.

Through its comprehensive suite of payment solutions, the bank enabled merchants to accept a wide range of payment methods, including Visa, MasterCard, and American Express. Specialized offerings included Smart POS devices—available as standalone units or integrated with merchant systems—along with the Capital SoftPOS smart payment application and an advanced electronic payment gateway. The online payment gateway facilitates seamless integration with merchant platforms and provided direct payment links to streamline digital transactions.

Ongoing improvements to the bank's payment infrastructure ensured that merchants received services aligned with evolving industry standards and the latest security requirements. These improvements not only elevated the user experience but also enabled direct system integration and connectivity with the electronic billing system, allowing merchants to issue invoices in full compliance with Income and Sales Tax Department regulations.

Subsidiary Companies

Capital Investments

Capital Investments, operating from its offices in Jordan and the United Arab Emirates, delivers tailored investment and advisory services across multiple markets. The company serves a select group of local and regional clients, including major corporations, government institutions, and high-net-worth individuals, reinforcing its reputation as a trusted financial partner.

In 2024, Capital Investments strengthened its position as a leading regional investment firm, achieving exceptional financial performance. Net profit before tax for the group reached approximately \$3.22 million, while assets under management exceeded \$1 billion, despite the challenging economic conditions and the ongoing war in Gaza and Lebanon.

A key milestone for the company in 2024 was the continued expansion of its asset management services, including the introduction of structured products and the enhancement of partnerships with top Swiss banks to offer the External Asset Manager service, further diversifying its investment solutions.

Financial Brokerage in Local, Regional, and International Markets

Capital Investments' local brokerage department accounted for (3.4%) of total trading on the Amman Stock Exchange, reaffirming its strong market presence. Meanwhile, the regional and international brokerage divisions continued to expand, offering investors seamless access to Arab and global markets through online trading services and the CapInvest Trader app. This platform enables investors to buy and sell shares and various securities directly from their smart devices.

The CapInvest Trader app also provides comprehensive investment insights, including real-time stock prices, advanced charts, and seamless trading through a unified electronic platform. Additionally, it offers an easy and efficient way to invest in mutual funds managed by some of the world's leading investment firms.

Further strengthening its offerings, the company continued to promote currency and precious metals trading, along with major stock indices, through the CapInvest Forex platform in Jordan, ensuring diversified investment opportunities for its clients.

Asset Management

Capital Bank Group expanded its operations in asset management, overseeing the growth of assets under management from \$840 million at the end of 2023 to over \$1 billion by the end of 2024.

This significant increase reflects the group's commitment to delivering comprehensive investment solutions and wealth management services.

This growth enables the group to offer a wider range of investment products, spearheaded by Capital Investments in Jordan and Dubai. A key highlight is the External Asset Manager model, operated through Capital Investments at DIFC, which offers high-net-worth clients the ability to open investment accounts with renowned banks in Switzerland and Singapore—providing them with access to world-class financial services.

The group's specialized asset management team delivers a broad spectrum of services, including investment management, advisory services, and wealth management solutions, all adhering to the highest governance standards. The team also facilitates investment financing services through global banking institutions, ensuring clients have access to tailored financial strategies.

With a focus on innovative and integrated investment solutions, the Asset Management Department provides expert portfolio management and financial analysis to meet the diverse needs of clients. This includes medium- and high-net-worth individuals, investment institutions, financial service firms, insurance companies, pension funds, provident funds, endowments (Waqf), and family or private offices. The department also assists in providing institutions in accessing international markets to help them achieve their investment objectives.

In addition, asset management services include financial planning and investment opportunities in both traditional and Sharia-compliant products, ensuring alignment with the diverse preferences and goals of clients.

Through its high-quality services for a growing base of individual and institutional clients, the Asset Management Department adopts a creative and innovative approach to asset and wealth management. Its goal is to build long-term, trust-based relationships with clients, delivering solutions that cater to their diverse financial objectives and varying risk appetites. Backed by extensive experience in local, regional, and international financial markets, the department's team of experts is dedicated to providing tailored investment strategies that meet clients' evolving needs.

The services of the Asset Management Department include the following:

- Portfolio management
- Investment consultation
- Fixed income and money market tools
- Investment funds and traded investment funds tools
- Sharia-compliant products
- Structured and specialized products
- Alternative investments

The Asset Management Department maintains active engagement with its clients and the broader investment community through the issuance of weekly and monthly bulletins. Additionally, the department ensures a strong media presence on major global platforms such as CNBC, Asharq Bloomberg, and Al Arabiya, alongside its continuous activity on social media channels.

In alignment with Capital Bank Group's targeted growth strategy for the coming years, the department is set to expand its services across Jordan and the region, increasing both the volume of managed assets and the range of investment products available. This expansion is driven by a team of experts with unparalleled access to extensive research, investment opportunities, and a broad network of leading financial institutions.

Corporate Finance

The Corporate Finance Department offers a comprehensive range of advisory and investment services, leveraging the deep expertise and technical proficiency of its team. The department primarily targets Jordan and Iraq, while also covering Gulf markets through its presence in Dubai.

With an impressive track record of successfully executed transactions, the department serves a diverse client base, including public and private sector institutions, as well as financial entities.

Committed to building long-term relationships, the Corporate Finance team works closely with clients to help them achieve their financial and strategic objectives, ensuring sustainable business growth while maintaining an exceptional standard of service.

Services Provided by the Corporate Finance Department:

- **Equity Financing:** Advising companies and investors on public and private placements, including initial and secondary public offerings.
- **Debt Financing:** Structuring and arranging short- and long-term financing instruments, such as bonds, Islamic sukuk, and syndicated loans.
- **Mergers & Acquisitions:** Facilitating mergers and acquisitions to drive corporate growth and expansion, managing corporate financing through share sales and strategic partnerships.
- **Financial Advisory:** Offering advisory services related to capital acquisition, corporate restructuring, valuation, and capital structure optimization, including equity and debt distribution.
- **Government Advisory:** Providing consultation to government entities on project financing, joint ventures, privatization, and public-private partnership programs.
- **Project Financing:** delivering tailored financial solutions for projects across real estate, infrastructure, energy, water, and other key development sectors.

Capital Investments (Dubai International Financial Center) Ltd.

Capital Investments Limited (DIFC) is a licensed entity under the Dubai Financial Services Authority (DFSA) and is registered at the Dubai International Financial Center (DIFC). As a subsidiary of Capital Bank Group, it operates as an extension of the group, offering consulting, asset management and providing custody,

The company serves as a strategic gateway for Capital Bank Group in the United Arab Emirates and the Gulf Cooperation Council (GCC), providing a seamless platform for the group's clients in Jordan and Iraq to connect with international investors and companies. Through this network, it facilitates access to high-quality investment opportunities and projects. Additionally, it serves as a trusted entry point for Emirati investors and businesses seeking opportunities in Jordan and Iraq. It also provides investors with the opportunity to access investment portfolio management services, consulting and custody services.

The solid regulatory framework provided by DIFC for investment banks enables Capital Bank Group to operate through a well-connected regional hub that supports sustained growth and market expansion. Capital Investments will continue leveraging DIFC's strong regulatory environment to penetrate new markets and serve as a foundation for the group's future growth strategy.

The company's core areas of expertise currently include corporate financing, business development, and asset management and custody services.

Business Development

Capital Investments plays a key role as a gateway for Emirati and multinational companies seeking investment opportunities in Iraq and Jordan. Over the years, the company's team has built an extensive network of corporate clients, many of whom are now engaged with the National Bank of Iraq and Capital Bank of Jordan across a range of investment products and services.

In 2024, the company successfully provided financial advisory services to its clients in the UAE, further strengthening its position as a valuable asset to the group. Moving forward, Capital Investments will continue to enhance this aspect, with the UAE serving as a vital hub for regional and international companies working in Iraq.

Capital Investments has also attracted a broad range of investors in the global financial markets through its Asset Management Department, which has a long-established history in wealth management and investment consulting. The company currently oversees approximately \$450 million in investor funds, including managed funds, custodial assets, and investment portfolios in collaboration with Swiss banks.

Jordan Capital for Financial Leasing

Company's Legal Status and Description of Main Activities

Jordan Capital for Financial Leasing was established on September 20, 2017, following approval from the Central Bank and the Companies Controller General. Registered under number 1216 as a private limited shareholding company, it operates as a wholly owned subsidiary of Capital Bank Jordan, with a capital of JD 7.5 million. The company specializes in financial leasing, offering asset financing solutions that culminate in ownership.

It provides financing for acquiring fixed assets across diverse customer segments, including public- and private-sector employees, professionals, craftsmen, freelancers, and companies of all sizes. Its operations primarily support the development of Jordan's real estate and industrial sectors.

Committed to service excellence and innovation, the company serves a broad range of individual and corporate customers, delivering high-quality services with efficiency and professionalism. It continuously diversifies and enhances its offerings by introducing future-oriented solutions.

As part of its strategic objectives, the company aims to increase revenues by expanding its customer base and attracting investors from various sectors. Its success is driven by a highly skilled and experienced team specializing in financial leasing, dedicated to providing tailored solutions that meet customer needs with distinction and excellence.

How does financial leasing work?

- The customer selects fixed assets, equipment, or real-estate projects from the real-estate developer/seller
- The Jordan Capital for Financial Leasing purchases the assets and leases them to the customer for the duration of the contract
- The customer becomes the sole owner of the assets, equipment/real estate upon the expiration of the contract and after full payment of the rental fees

Various solutions with financial leasing

Financing real-estate projects

- Residential or commercial properties, ready or under construction.
- Owning a piece of land for individual investment or to execute residential or commercial projects by real-estate developers.

Financing means of transport for personal or commercial use

- Private vehicles for rent, vehicles for companies and factories, and others
- Marine transport equipment (yachts, boats, vessels, others) and air transport equipment (private planes, commercial planes, others)

Financing equipment and machinery for industrial sectors

- Production machines
- Contracting equipment and vehicles
- Fixed assets for professionals, equipment for arts and crafts workshops and more
- Equipment for various industries
 - Medical equipment for hospitals, laboratories, clinics, etc.
 - Equipment for engineering and informatics laboratories, such as digital panels and others
 - Food Equipment
 - Sports equipment
 - Green energy and environment-friendly equipment

Many advantages that make all the difference

- Competitive financing and cost ratio
- Flexible payment schedules
- Possibility of financing without guarantees, a guarantor, domiciling the salary or mortgaging the asset to be financed
- Exemption from registration fees for residential and commercial real-estate projects funded through the company
- Leasing is intrinsically compatible with Islamic finance

Who can benefit from financial leasing?

Any employee in the public or private sector, professional, self-employed person, institution, or company with a valid source of income who wishes to acquire material assets.

Financial Performance

In 2024, the company maintained the strength and stability of its financial position despite economic challenges, driven by the persistent efforts of its management and team. Revenues increased by more than 33% compared to the previous year, reaching approximately JD 4.083 million in 2024, up from JD 3.068 million in 2023. Profits before taxes and fees amounted to JD 1.109 million, while net profits after taxes and allocations rose by over 46.31%, reaching JD 800,437 in 2024, compared to JD 547,084 in 2023. Total assets at the end of 2024 stood at JD 48.81 million, reflecting a 18.13% decrease from JD 59.62 million at the end of 2023. This decline resulted from the repayment of a portion of financial lease contracts provided to real estate developers during the year 2022 and 2023. Shareholder equity increased to JD 8.99 million at the end of 2024, compared to JD 8.17 million at the end of 2023.

National Bank of Iraq

The National Bank of Iraq continued its efforts to further develop the Iraqi banking market by offering unparalleled banking services, products, and integrated electronic solutions designed to meet the evolving needs of both individual and corporate customers.

These efforts are a fundamental part of Capital Bank Group's strategic vision and align with the policies of the central banks of Iraq and Jordan. The National Bank of Iraq maintained its position as the largest Iraqi private bank among its peers in terms of assets, received numerous local and international awards during 2024, and was classified by international rating institutions, including Capital Intelligence and Moody's.

The National Bank of Iraq's branch in the Kingdom of Saudi Arabia highlights the bank's ambitions and commitment to its business development in the field of corporate banking services, which has great potential and provides promising growth opportunities, in addition to offering the best banking services to customers to facilitate trade exchange between Iraq and Saudi Arabia. The branch offers the following banking services: current accounts and deposits, commercial transfers (outgoing and incoming), letters of guarantee within the Kingdom of Saudi Arabia and Iraq, consolidating and discounting incoming credits, issuing documentary credits, and direct credit facilities.

The National Bank of Iraq's services include:

- The entire suite of customer accounts including current, savings accounts and fixed deposit accounts in Iraqi dinars and US dollars or any other major currency.
- Salary transfer service for all clients from the private and public sectors.
- Incoming and outgoing transfer services.
- Western Union transfer services.
- VIP customer services.
- Deposit certificates.
- Saving accounts / Zanageen.
- Gold Road accounts.
- Credit facilities for individuals including personal loans and credit cards.
- Specialized services provided to corporations, such as commercial services that include outgoing and incoming letters of credit, letters of guarantee, in addition to bank transfers, banking facilities of all kinds, dealing in foreign currencies, and participation in the foreign currency buying and selling window, in addition to the services provided to SMEs.
- Financial brokerage services, through the Iraqi Money Brokerage Company for Financial Brokerage, which includes buying and selling securities.
- Loan grants to purchase vehicles through the National Iraqi Installments Company.
- Custodian services for investors in the Iraqi Securities Market.
- Investment services in Iraq in cooperation with Capital Investments.
- Card and ATM services, Internet banking services, in addition to a telephone service center that serves customers quickly and efficiently.

- Electronic services, including the National Bank of Iraq mobile app for individuals, the Business Online App for companies, electronic account statements, telephone service center, WhatsApp account, direct debit cards, electronic wallet / electronic outlets.
- A discount program using cards issued by the National Bank of Iraq.

Some of the most prominent achievements in 2024 include:

- Increasing the bank's capital from 300 billion Iraqi dinars to 400 billion Iraqi dinars.
- Implementing the new Temenos-T24 banking system.
- Implementing mobile banking services for individuals.
- Securing approval from the Central Bank of Iraq to invest in the bancassurance company.
- Signing a funding agreement with DFC allocating \$50 million to provide financing for entrepreneurs in Iraq.
- Signing a cooperation agreement with the German GIZ to support financial inclusion in Iraq.
- Renovating the Secondary College of Baghdad.
- Opening four new branches in across Iraq's governorates, resulting in a total of 33 branches, including the branch in the Kingdom of Saudi Arabia.
- Increasing the number of ATMs in Iraqi governorates to 294.
- Opening 15 accounts for government institutions.
- Opening 933 accounts for various Iraqi companies.
- Increasing the number of NBI customers to 320,000 customers.
- Opening a new monetary center in the Karbala governorate, bringing the total number to four major monetary centers and seven small counting centers.
- Increasing the presence of electronic payment devices to 3164 POS devices distributed to 1841 merchants.
- Creating a new online system for companies, which includes all financial and non-financial services, most importantly account statements of all types, internal and external transfers, auction transfers, salaries and merchant payments, documentary credits, and letters of guarantee.
- Being awarded the ISO 9001:2015 certifications within the scope of external transfer service.
- Launching a housing loans product.
- Offering loans and increasing personal loan ceilings distributed among 53,073 customers.

Capital Bank's Commitment to Sustainability

journey: Focused on Sustainable Value Creation

The materiality topics are mapped to the three core pillars of ESG and strategically aligned with the United Nations Sustainable Development Goals (SDGs). This alignment ensures that our initiatives are not only responsive to global sustainability challenges but also contribute to our overarching business goals and value creation objectives to foster positive impact.

Climate Action and protecting the Environment	Delivering Value for Our People and Communities	Implementing robust and Responsible Corporate Governance
		
<ul style="list-style-type: none"> • Climate Change and Decarbonisation. • Environmental Management. • Sustainable Lending and Investing. 	<ul style="list-style-type: none"> • Gender Equality and Workforce Development and well-being. • Local Communities • Financial Inclusion & Literacy. • SME Growth. • Customer Experience and Satisfaction. 	<ul style="list-style-type: none"> • Data Security. • Innovation and Digitalization. • Incorporation of ESG Factors in Credit Analysis. • Compliance and Ethical Conduct

Our Path Forward

As we move forward, we remain focused on developing our ESG initiatives to be in line with the regulations of the Amman Stock Exchange and the CBJ, as well as best practices enhancing transparency, and delivering measurable progress. Capital Bank is dedicated to ensuring that sustainability is embedded in every facet of our operations, driving not only business success but also a positive, lasting influence on society and the environment

We are committed to further supporting the environment by investing in and funding ESG initiatives, including green finance.

Together, we are committed to building a more sustainable future for all.

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Analytical Overview of Domestic and Global Economic Performance



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Global economic growth slowed to 3.2% in 2024, down from 3.3% in the previous year, driven by a deceleration in the Chinese and Indian economies and subdued expansion in the eurozone, which recorded growth of less than 1%.

According to the International Monetary Fund's World Economic Outlook, global growth is projected to reach 3.3% in 2025 and 2026, though concerns persist over renewed inflationary pressures, particularly in the service sector. Monetary policy is expected to remain adaptive, following a 100-basis-point reduction in U.S. interest rates in late 2024. Additionally, rising protectionist measures, including increased tariffs on imports, could exacerbate trade tensions, dampen investment flows, and reduce market efficiency.

In the Middle East and North Africa region, economic growth is forecasted to rebound to 3.5% in 2025 and accelerate to 3.9% in 2026, following a slowdown to 2% in 2024.

Economic Indicators

Jordan's economic performance, as shown by macro and micro indicators, demonstrated resilience in 2024, supported by a prudent monetary policy under the Central Bank of Jordan (CBJ) and ongoing financial and economic reforms that have strengthened the country's ability to navigate external shocks. Preliminary data as of Q3 2024 indicated an improvement in macroeconomic fundamentals, with GDP recording real growth of 2.4% at fixed market prices during the first three quarters and an estimated annual growth of 2.3% for the full year.

Economic expansion was driven by positive sectoral growth, with agriculture leading at 5.9%, while the domestic services sector saw a marginal increase of 0.1%. However, the construction sector contracted by 1.5%, reflecting sector-specific challenges amid broader economic progress.

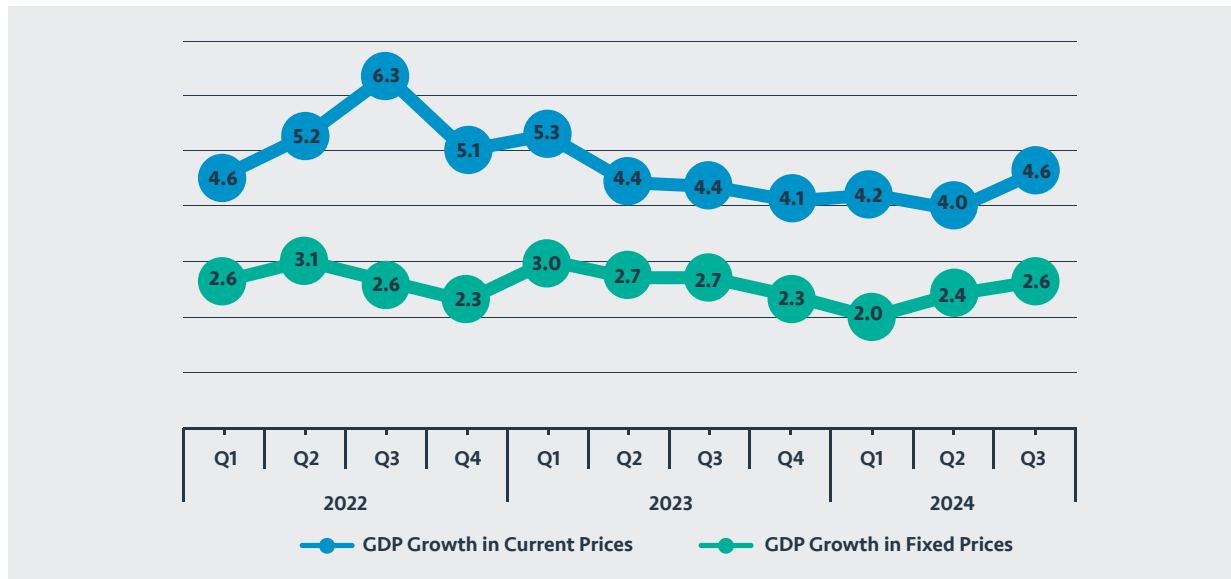
GDP Component Sectors

Most prominent sectors to the GDP at fixed market prices

Sectors	Growth Rate		Contribution to Growth (%)	
	3Qs 2023	3Qs 2024	3Qs 2023	3Qs 2024
GDP at fixed market prices	2.8	2.4	2.8	2.4
Agriculture	7.1	5.9	0.3	0.3
Mines and quarries	4.2	4.9	0.1	0.1
Transformative industries	3.8	3.8	0.7	0.7
Electricity and water	4.1	4.5	0.1	0.1
Construction	0.8	-1.5	0.0	0.0
Retail and wholesale trade	2.3	1.8	0.2	0.2
Restaurants and hotels	6.3	1.3	0.1	0.0
Transportation, storage and communications	5.2	3.1	0.4	0.3
Money and insurance services	3.3	2.7	0.3	0.2
Real estate	1.1	0.9	0.1	0.1
Social and personal services	2.8	2.3	0.2	0.2
Government services producers	1.7	1.7	0.2	0.2
Not-for-profit private service producers	3.3	2.3	0.0	0.0
Domestic services	1.4	0.1	0.0	0.0

Analytical Overview of Domestic and Global Economic Performance

GDP growth between 2023 ,2022 and 2024 at current and fixed prices

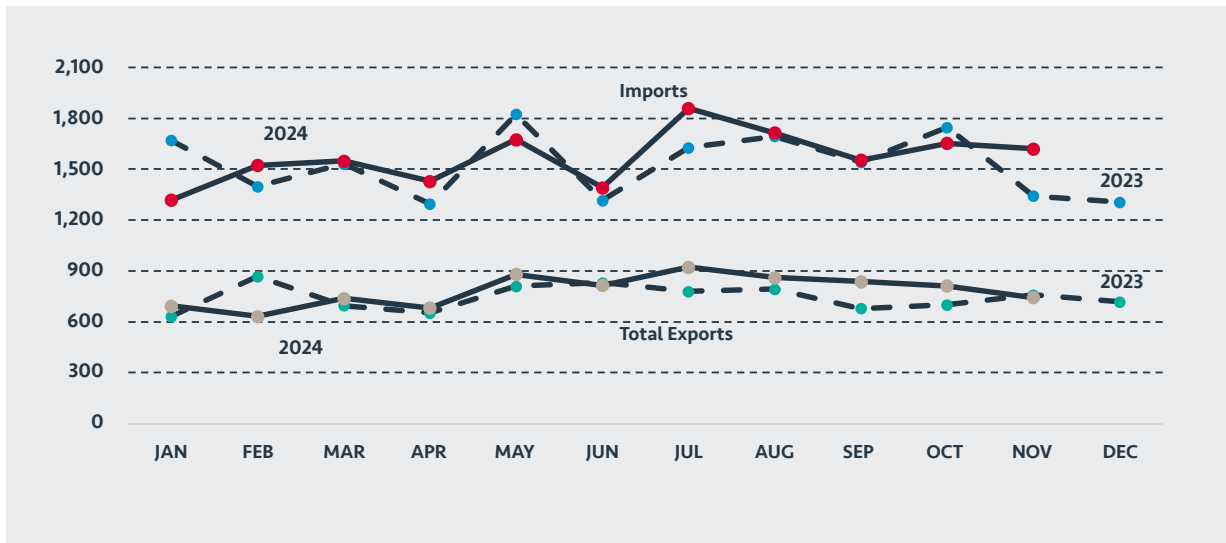


Jordan's trade balance deficit narrowed by 1.4% by the end of November 2024, reaching approximately JD 8.7 billion, compared to JD 8.8 billion for the same period in 2023. This improvement contributed to a rise in the total export coverage of imports to 50%, reflecting a two-percentage-point increase over the previous year.

Monthly Tourism Receipts and Expenditures for 2024-2023 in JD Million

Month	% Relative Change	Expenditure		% Relative Change	Receipts	
	24/23	2024*	2023	24/23	2024*	2023
January	-3.9%	101.3	105.4	0.4%	392.9	391.2
February	12.8%	106.9	94.8	8.9%	389.7	357.8
March	-4.9%	94.2	99.1	-23.0%	335.4	435.8
1 st Quarter	1.0%	302.4	299.3	-5.6%	1118.0	1184.9
April	2.8%	103.5	100.7	-2.6%	375.2	385.1
May	8.1%	101.0	93.4	-12.4%	380.0	433.7
June	21.0%	179.5	148.3	2.0%	455.8	446.6
2 nd Quarter	12.1%	384.0	342.4	-4.3%	1211.0	1265.4
July	-4.2%	164.0	171.2	-2.3%	541.7	554.5
August	-6.1%	133.5	142.2	-0.3%	644.4	646.2
September	-5.1%	95.3	100.4	-8.3%	435.3	474.8
3 rd Quarter	-5.1%	392.8	413.8	-3.2%	1621.4	1675.5
October	-0.6%	96.2	96.8	-5.5%	412.1	435.9
November	23.5%	93.0	75.3	14.9%	381.9	332.5
December	15.0%	104.9	91.2	8.0%	388.0	359.3
4 th Quarter	11.7%	294.1	263.3	4.8%	1181.9	1127.7
Total	4.1%	1373.3	1318.8	-2.3%	5132.3	5253.5

Foreign trade values until the end of November 2023 and November 2024



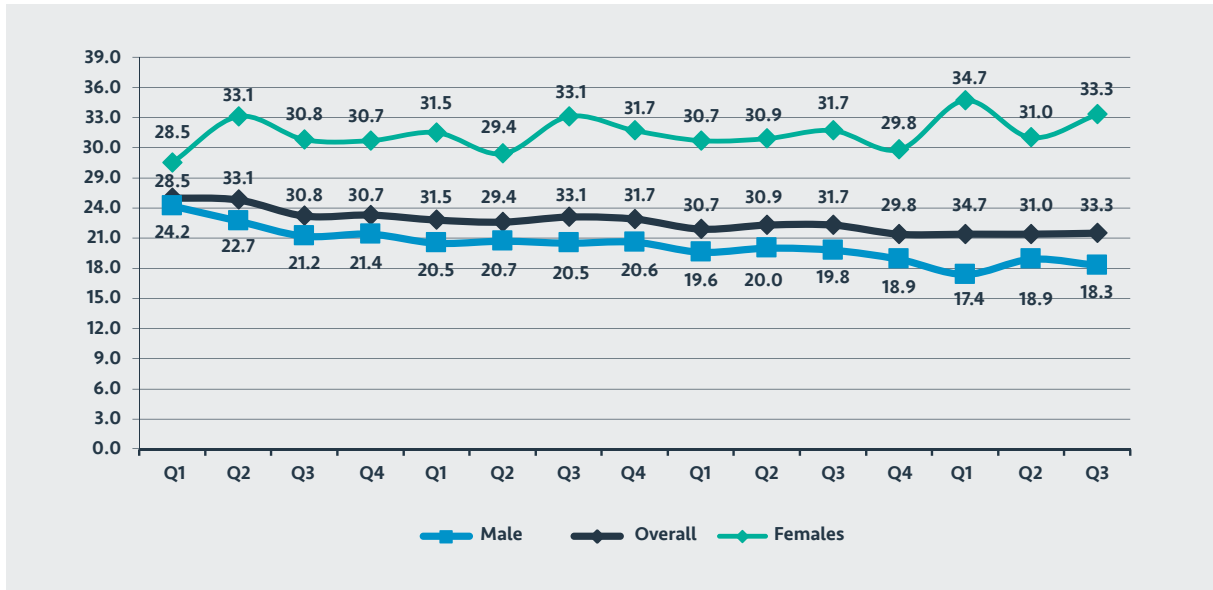
Remittances from Jordanians working abroad grew by 2.8% in 2024, reaching \$3.6 billion compared to \$3.5 billion in 2023. Meanwhile, tourism income declined by 2.3% to \$7.3 billion due to regional security concerns affecting inbound tourism from Europe and the Americas, although Arab tourism saw a notable improvement. Outbound tourism spending increased by 3.99% to approximately \$1.94 billion (JD1,373.3 million) in 2024, up from \$1.86 billion (JD1,318.8 million) in 2023.

Jordan's current account deficit widened to JD2,119.2 million equivalent to 7.7% of GDP between January and September 2024, compared to JD1,769.8 million (7.4% of GDP) in the same period of 2023. Foreign direct investment inflows totaled \$1.3 billion (3.3% of GDP) in the first three quarters of 2024, down from \$1.6 billion in 2023 but exceeding levels recorded in 2021 and 2022.

The unemployment rate declined to 21.5% in Q3 2024 from 22.3% in Q3 2023, with male unemployment at 18.3% and female unemployment at 33.3%. Economic participation also improved, with the revised participation rate rising to 34.3% from 32.6% in the same quarter of the previous year.

Analytical Overview of Domestic and Global Economic Performance

Total unemployment rates by gender and quarters for the years 2024-2021



Jordan’s economy has continued to demonstrate resilience, maintaining stability despite geopolitical uncertainties in the region. The ceasefires in Gaza and Lebanon have shifted economic expectations toward a more positive outlook, particularly with the anticipated political transition in Syria. This has raised prospects for the commencement of reconstruction efforts, the reopening of key land trade routes through Syria and Turkey, and increased opportunities for Jordanian businesses to contribute to reconstruction activities. These developments are expected to have a positive impact on the construction, services, industrial, and agricultural sectors.

However, this optimism is tempered by concerns over potential policy shifts under U.S. President Donald Trump, including a temporary suspension and review of aid programs, which could affect Jordan as a recipient country. Additionally, proposals regarding the displacement of Gazans to Jordan have introduced an element of uncertainty, despite the ceasefire and the return of Gaza’s displaced populations to northern areas.

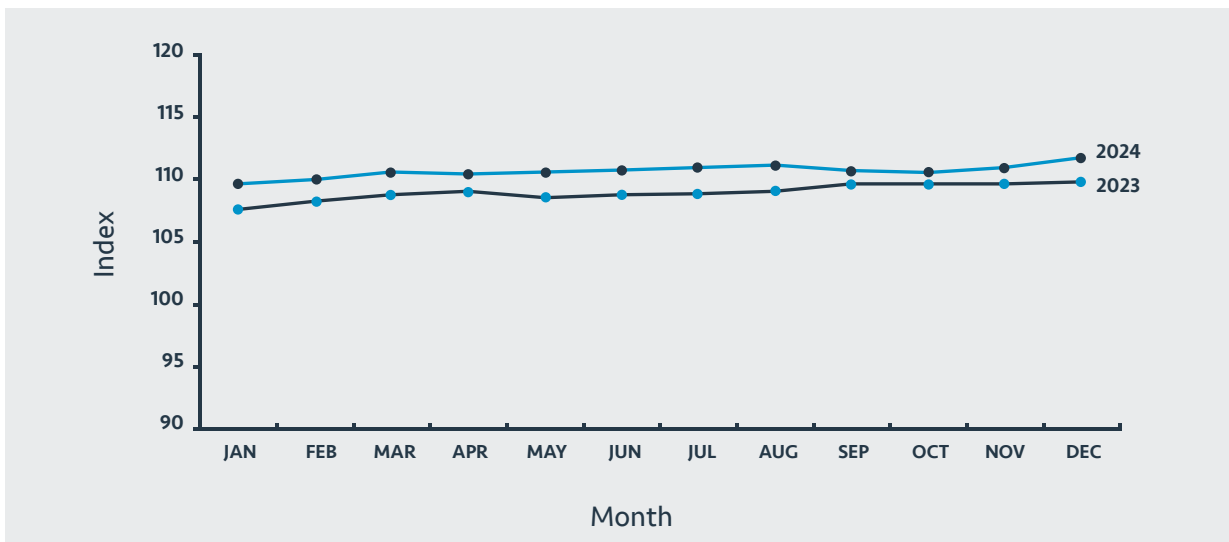
On the energy front, the discovery of an estimated 14.6 trillion cubic feet of natural gas reserves in the Risha gas field is expected to support continued exploration and drilling operations led by the National Petroleum Company, building on more than a decade of investment in Jordan’s energy sector.

The Jordanian government, through the Ministry of Energy and Mineral Resources, aims to advance the Kingdom toward commercial natural gas production to meet domestic energy needs and position Jordan as an energy exporter. In line with this objective, the country launched an ambitious drilling program in 2024, targeting eight new wells—equally distributed between the Kuwait Drilling Company and the National Petroleum Company. This initiative will be expanded in 2025 with ten additional wells, six operated by the Kuwait Drilling Company and four by the National Petroleum Company. The latter is working to scale up its natural gas production capacity from 50 million cubic feet per day (recorded between 2020 and 2023) to 200 million cubic feet per day by 2030.

On the financial front, the Central Bank of Jordan (CBJ) implemented a series of interest rate reductions, totaling 100 basis points by the end of 2024. This measure is anticipated to lower borrowing costs in 2025, stimulating economic activity across various sectors. The housing market, in particular, is expected to experience significant growth, driven by increased demand and initiatives by banks to offer fixed-rate loans for first-time homebuyers over a three-year period.

Inflation remained well-managed in 2024, with the general consumer price index rising by 1.56%, compared to 2.1% in 2023. This stability is attributed to the CBJ’s proactive monetary policies, which included multiple decisions to maintain interest rates before implementing the 100-basis-point reduction in the last quarter of the year. These measures have contributed to ensuring a balanced economic environment while supporting sustainable growth.

Consumer Price Index for 2024-2023



Balanced economic policies, most notably the monetary policy, contributed to curbing inflationary pressures, which led to the inflation rate stabilizing at 1.56% for 2024.

Analytical Overview of Domestic and Global Economic Performance

General Consumer Price Index (100=2018)

Year	November	December	1/1 – 31/12
2023	109.56	109.82	109.02
2024	111.04	111.76	110.71
Change %	1.35	1.77	1.56

The Central Bank of Jordan (CBJ) closely monitored monetary developments, ensuring financial stability and reinforcing confidence in the Jordanian dinar. The decision to lower interest rates was supported by strong economic fundamentals, particularly the robust level of foreign reserves, including gold and special drawing rights—which reached approximately \$21.1 billion. These reserves are sufficient to cover 8.4 months of the Kingdom’s imports of goods and services, further strengthening the resilience of the national currency.

Financial soundness indicators reaffirmed the strength of the Jordanian banking sector. As of the first half of 2024, the non-performing debt ratio stood at 5.6% of total debt, while the coverage rate for non-performing debt reached 73.1%, reflecting the sector’s resilience and prudent risk management practices.

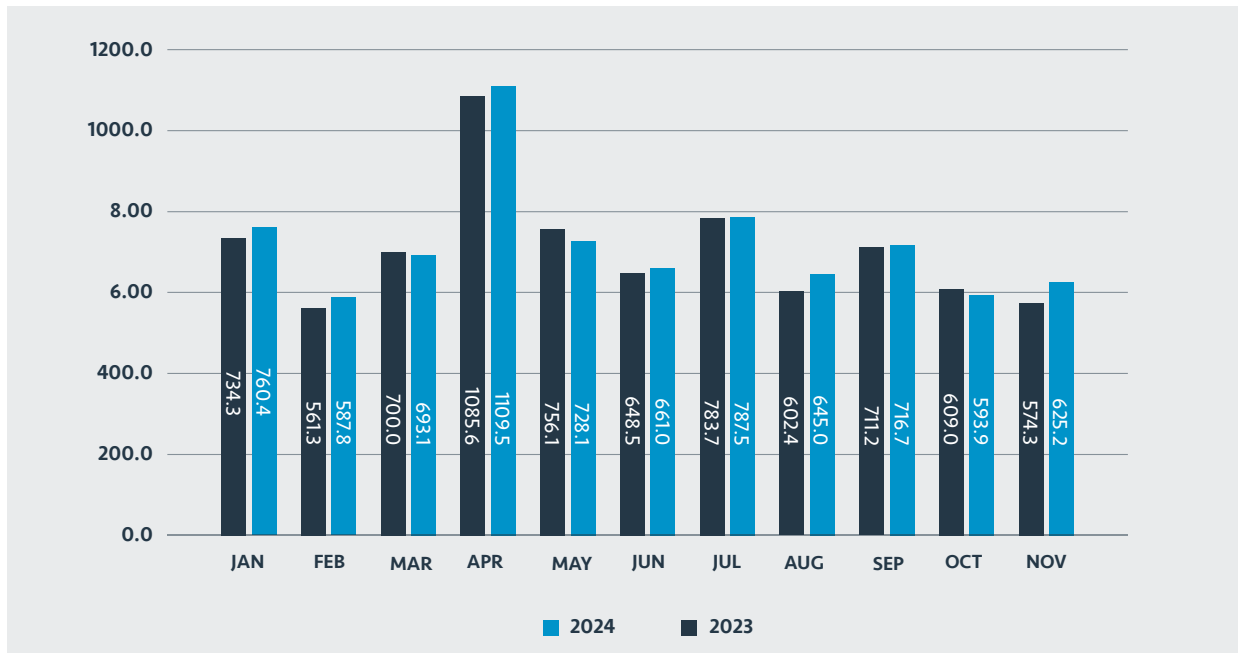
In the transport and logistics sectors, passenger traffic to and from Jordan increased by 2.8%, with 8.981 million travelers recorded by the end of November 2024, compared to 8.737 million in the same period of 2023. Despite ongoing challenges in the Red Sea and disruptions in global shipping routes, the port of Aqaba demonstrated remarkable growth, with cargo handling volumes increasing by 12%, reaching 11.197 million tons by the end of 2024, compared to 10 million tons in 2023. These positive developments underscore the adaptability and strength of Jordan’s trade and transport sectors in navigating global economic uncertainties.

Financial Indicators

Geopolitical developments in the region posed challenges to revenue collection in 2024, prompting the government to implement necessary financial measures to safeguard the financial stability it had achieved. Despite these challenges, re-estimated local revenues for 2024 increased by approximately JD186 million compared to 2023. However, they remained below the initially projected levels for the year.

Total general revenues of the central government reached JD7,997.1 million by the end of November 2024, reflecting a 1.9% increase from JD7,850.1 million recorded during the same period in 2023.

Local revenues in first 11 months for 2023 and 2024



Regarding expenditures, the government mitigated part of the decline in domestic revenues in 2024 by controlling spending and prioritizing key projects. Current expenditures for 2024 were revised to approximately 10.538 billion dinars, while capital expenditures were adjusted to about JOD 1.260 billion, resulting in total estimated public expenditures of around 11.798 billion dinars. By the end of November 2024, expenditure totaled roughly 10,121.1 million dinars, compared to 9,746.6 million dinars during the same period in 2023, a 3.8% increase.

As a result, the general budget deficit after grants for 2024 is estimated at JD2.441 billion, equivalent to 6.5% of GDP, with the primary budget deficit standing at 2.9% of GDP. By the end of November 2024, the actual deficit after grants amounted to JD2,160 million, compared to JD1,968.1 million for the same period in 2023. The deficit before external grants was recorded at JD2,248.9 million, compared to JD2,051.7 million in the previous year, reflecting the financial pressures faced throughout the period.

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Analytical Overview of Domestic and Global Economic Performance

Most important financial and economic indicators, including revenues, public expenditure, deficit, and public debt

	2019	2020	2021	2022	2023	2024
Public Finance Sector / Budget	Jan. - Nov.					
Total Revenues and Grants (Million JD)	7,754.3	7,028.9	8,128.2	8,914.1	9,231.7	7,997.1
In percent of GDP	24.5	22.7	24.7	25.7	25.5	23.3
Domestic Revenues	6,965.9	6,238.0	7,324.9	8,121.9	8,520.0	7908.2
In percent of GDP	22.0	20.1	22.3	23.5	23.5	23.0
Foreign Grants	788.4	790.8	803.3	792.2	711.7	88.9
In percent of GDP	2.5	2.5	2.4	2.3	2.0	0.3
Total Expenditures	8,812.7	9,211.3	9,858.8	10,466.6	11,004	10,121.1
In percent of GDP	27.9	29.7	30.3	30.2	30.4	29.4
Current Expenditures	7,897.2	8,388.5	8,720.6	8,954.3	9,626.8	9160.1
In percent of GDP	25.0	27.0	26.5	25.9	26.6	26.6
Capital Expenditures	915.5	822.8	1,138.2	1,512.3	1,377.2	961.0
In percent of GDP	2.9	2.7	3.5	4.4	3.8	2.8
Overall Balance						
Including Grants (Million JD)	-1058.4	-2182.4	-1730.6	-1552.5	-1860.3	-2160.0
In percent of GDP	-3.3	-7.0	-5.3	-4.5	-5.1	-6.3
Excluding Grants (Million JD)	-1,846.8	-2,973.3	-2,533.9	-2,344.7	-2,572.0	-2,248.9
In percent of GDP	-5.8	-9.6	-7.7	-6.8	-7.1	-6.5
	Nov.					
Debt Outstanding Excluding the Debt Holding by SSIF	23958.5	26499.3	28763.1	30667.3	32289.3	34238.3
In percent of GDP	75.8	85.4	87.5	88.6	89.2	90.7
Outstanding External Public Debt Excluding SSIF	11,970.4	13,715.2	15,137.5	16,488.9	18207.9	19210.3
In percent of GDP	37.9	44.2	46.1	47.6	50.3	50.9
Domestic Debt Excluding SSIF	11988.1	12784.0	13625.6	14178.7	14081.4	15028.0
In percent of GDP	37.9	41.2	41.5	41.0	38.9	39.8
Financial Sector Statistics	Percentage Changes %					Nov.
Money Supply (M2) / Domestic Liquidity	4.8	5.8	6.7	5.5	2.4	5.6
Net Foreign Assets of the Banking System	2.0	0.8	-0.7	-8.1	11.4	16.7
Net Domestic Assets of the Banking System	5.7	7.3	8.7	8.8	0.5	3.0
Total Deposits:	4.3	4.2	7.4	6.5	3.9	6.2
In Jordanian Dinar	5.6	4.2	8.7	7.0	5.0	5.8
In Foreign Currencies	0.2	4.4	3.3	4.8	0.1	7.8
Credit Facilities Extended by Licensed Banks	3.7	5.7	4.9	8.5	2.6	4.9
Weighted Average Interest Rates on Loans and Advances	8.49	7.17	6.83	8.34	8.82	8.28
Weighted Average Interest Rates on Time Deposits	4.77	3.65	3.45	4.61	5.94	5.90
Gross Foreign Reserves Including Gold and SDRs (US\$ Million)	14,329.3	15,919.7	18,043.2	17266.9	18122.9	20144.4
Coverage of Imports of Goods and Non-Factor Services (In Months)	9.3	8.2	7.2	7.2	7.4	8.0

Jordan has successfully navigated economic uncertainties while maintaining monetary and financial stability. The country has completed the second review of its National Financial and Economic Reform Program with the International Monetary Fund (IMF). The IMF’s review report affirmed that Jordan has met all its commitments related to the second review, underscoring the government’s dedication to sound macroeconomic policies and ongoing structural reforms.

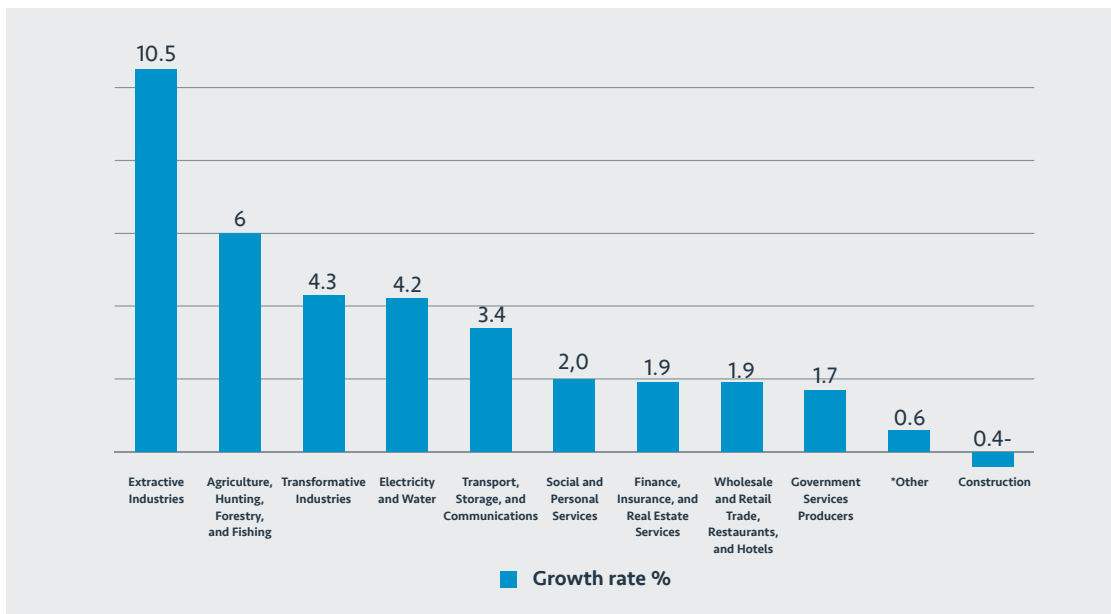
Furthermore, the IMF highlighted Jordan’s resilience and its ability to sustain macroeconomic stability despite external pressures from regional conflicts.

Looking ahead, the IMF projects Jordan’s economic growth to reach 2.3% in 2024 and 2.5% in 2025, reflecting a steady trajectory of economic expansion and policy effectiveness.

Contributions of economic sectors to the GDP

Jordan’s national accounts indicate that GDP grew by 2.6% by the end of the third quarter of 2024, slightly lower than the 2.7% growth recorded for the same period in 2023. Preliminary sectoral estimates show that most economic sectors achieved growth during this period. The extractive industries sector recorded the highest growth rate of 10.5%, contributing 0.22 percentage points to overall GDP growth. The agriculture sector expanded by 6%, adding 0.25 percentage points to the total growth. The manufacturing sector grew by 4.3%, making the largest contribution of 0.81 percentage points, while the electricity and water sector grew by 4.2%, contributing 0.08 percentage points to the overall growth rate.

Percentage of growth of economic sectors in fixed prices in third quarter of 2024



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Analytical Overview of Domestic and Global Economic Performance

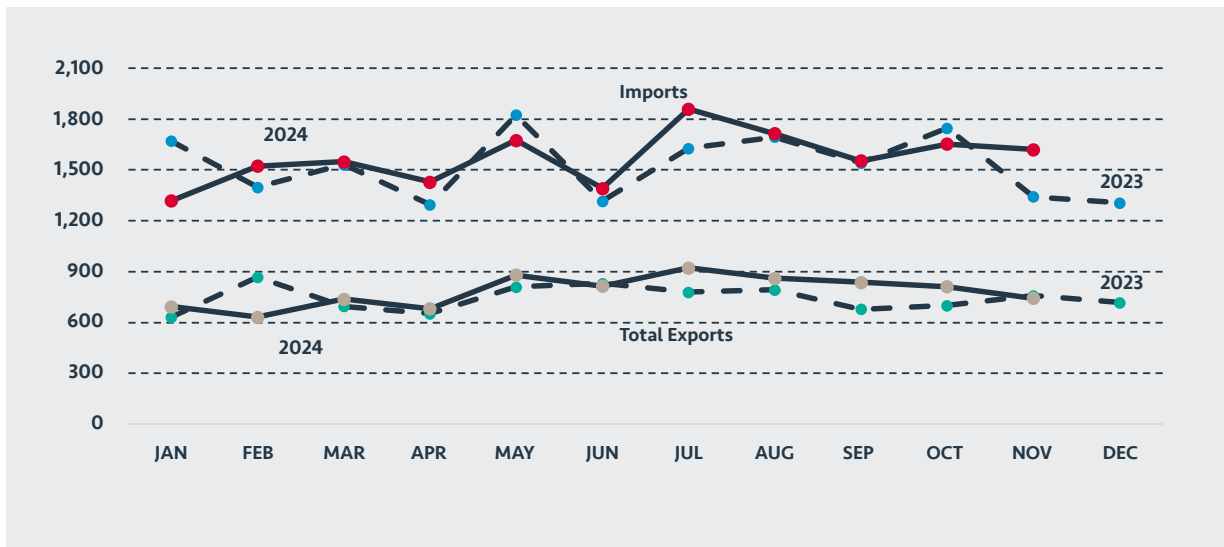
The contribution of the most prominent economic sectors to the growth rate in the third quarter of 2024



Foreign Trade

In terms of foreign trade, the total value of exports by the end of November 2024 reached JD8.619 billion, with national exports amounting to JD7.832 billion and re-exports totaling JD787 million, compared to imports worth JD17.285 billion. This resulted in a trade balance deficit of JD8.666 billion by the end of November 2024, slightly lower than the JD8.787 billion deficit recorded for the same period in 2023.

Comparison of foreign trade values at the end of November between 2023 and 2024



It is noteworthy that total export coverage for imports reached 50% by the end of November 2024, an increase of two points compared to 2023. This was clearly reflected in the Kingdom’s foreign exchange reserves.

Regarding the commodity composition of exports and imports, exports of clothing and manufactured goods increased by 24.6% to JD1,505 million, and pharmaceutical preparations increased by 16.3% to JD451 million. Meanwhile, exports of nitrogenous or chemical fertilizers decreased by 7.2% to JD845 million, jewelry and precious jewelry by 16% to JD633 million, crude potash by 28.6% to JD440 million, and crude phosphate by 10.4% to JD498 million.

Analytical Overview of Domestic and Global Economic Performance

Comparative table showing most important national exports and imports at end of November between 2023 and 2024

(Value in JD Million)

National exports				Imports			
Goods	2023*	2024*	% of Change	Goods	2023*	2024*	% of Change
Clothing & similar	1,208	1,505	24.6	Crude oil, derivatives & mineral oils	2,704	2,471	-8.6
Nitrogenous & chemical fertilizers	911	845	-7.2	Vehicles, motorcycles & parts	1,460	1,526	4.5
Jewelry & precious jewelry	754	633	-16.0	Automatic machines,] tools & parts	1,035	1,192	15.2
Pharmaceutical ingredients	465	541	16.3	Jewelry & precious jewelry	1,200	1,054	-12.2
Crude phosphate	556	498	-10.4	Electric machines & parts	876	871	-0.6
Crude potash	616	440	-28.6	Grains	755	619	-18.0
Other materials	3,070	3,370	9.8	Other materials	8,952	9,552	6.7
National exports	7,580	7,832	3.3				
Re-exports	615	787	28.0				
Total exports (1)	8,195	8,619	5.2	Total imports (2)	16,982	17,285	1.8
Trade deficit (1) - (2)					-8,787	-8,666	-1.4

Monetary Indicators

As part of its continuous assessment of economic and monetary conditions in the Kingdom, the Central Bank of Jordan's (CBJ) Open Market Operations Committee opted to maintain interest rates on five occasions before initiating a series of measured reductions. In 2024, the CBJ lowered interest rates three times—by 50 basis points in September, followed by two reductions of 25 basis points each in November and December.

These adjustments marked the conclusion of the monetary tightening cycle that had been in effect since March 2022. Over the course of 2022 and 2023, the CBJ implemented 11 interest rate increases.

Following these revisions, the main interest rate stood at 6.5%, the rediscount rate at 7.5%, the overnight deposit window rate at 6.25%, the overnight repurchase agreements rate at 7.25%, the one-week repurchase agreements rate at 6.5%, the one-month repurchase agreements rate at 6.5%, and the one-week certificates of deposit rate at 6.5%.

Interest rates on monetary policy tools and open market processes at CBJ	22/12/2024
CBJ Main Interest Rate	6.500
Rediscount Price	7.500
Deposit Window Price Per Night	6.250
Repurchase Agreements Price Per Night	7.250
Repurchase Agreements Price Per Week	6.500
Repurchase Agreements Price Per Month	6.500
Interest Rate on Deposit Certificates Per Week	6.500

The Central Bank of Jordan's (CBJ) total foreign reserves, including gold and special drawing rights, reached a robust level of \$21.1 billion by the end of 2024, compared to \$18.123 billion in 2023. This reserve level is sufficient to cover 8.4 months of the Kingdom's imports of goods and services, significantly exceeding the internationally recognized safe threshold of three months for foreign trade coverage.

The banking sector demonstrated resilience and continued growth, with total deposits increasing by JD2.7 billion by the end of October 2024, reflecting an annual growth rate of 6.1% and bringing total deposits to JD46 billion. Meanwhile, the volume of credit facilities extended by banks rose by JD1.4 billion, registering a 4.4% annual increase and reaching a total of JD34.8 billion.

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Corporate Governance Guide



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Corporate Governance Guide

Dear Shareholders,

We would like to inform you that Capital Bank's new Corporate Governance Code has been issued and can be accessed through the link below:

<https://www.capitalbank.jo/en/personal/about-us/investor-relations>

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Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Capital Bank of Jordan

Amman – Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

Basis for Opinion

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

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another auditor who expressed an unqualified opinion on 13 February 2024.

Key Audit Matters

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

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

1. Inadequate allowances (ECL) for credit facilities

Refer to the notes (2-3), (8) and (44) to the consolidated financial statements

Key Audit matter	How the key audit matter was addressed in the audit
<p>As of 31 December 2024, the Group reported total gross direct credit facilities at amortized cost of JD 3,755,670,248, with expected credit loss provisions of JD 265,206,185. The significance of these amounts highlights the critical importance of accurately estimating credit risk associated with them.</p> <p>The estimation of ECL, governed by IFRS 9, requires significant management judgment and involves complex assumptions, which introduces a high degree of estimation uncertainty. Management must determine if there has been a significant increase in credit risk since the initial recognition of these facilities and apply a three-stage impairment model to calculate ECL. This process includes categorizing loans into stages 1, 2, or 3 and making assumptions about expected future cash flows and macroeconomic factors.</p> <p>Given that credit facilities at amortized cost represent a major portion of the Group's assets, there is a risk that inappropriate impairment provisions could be recorded due to inaccurate data or unreasonable assumptions. The material impact of these judgments on the consolidated financial statements, along with the complexity of the ECL estimation process, makes this area a Key Audit Matter.</p> <p>The impairment provision policy and methodologies are presented in the material accounting policies information and risk management policies within the consolidated financial statement.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Gained an understanding of the Group's key credit processes, including granting, booking, and impairment provisioning, and tested the effectiveness of controls related to granting and booking of the facilities. • Reviewed the Group's impairment provisioning policy and compared it with the requirements of IFRS 9. • Evaluated the Group's expected credit loss model, focusing on its methodology and compliance with IFRS 9 requirements. • Selected samples of credit facilities, including rescheduled ones, to evaluate the determination of significant increases in credit risk and the classification of exposures into various stages. • For a sample of exposures moved between stages we have checked the appropriateness of the Group's determination of significant increase in credit risk and the basis for classification of exposures into various stages. • Involved specialists to review key parameters such as Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD), and assessed the overlays considered by management. • Verified the appropriateness of the Group's staging criteria and the accuracy of ECL calculations, including the eligibility and value of collateral. • Assessed the completeness and accuracy of data inputs used in the ECL models and performed checks for mathematical integrity. • Assessed the impairment allowance for a sample of individually impaired credit facilities (Stage 3) in accordance with IFRS 9. • Evaluated the disclosures in the consolidated financial statements to ensure compliance with IFRS 9 requirements.

Other information included in the Group's 2024 annual report

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

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

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group's or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

The partner in charge of the audit resulting in this auditor's report was Osama Fayez Shakhathreh; license number 1079.

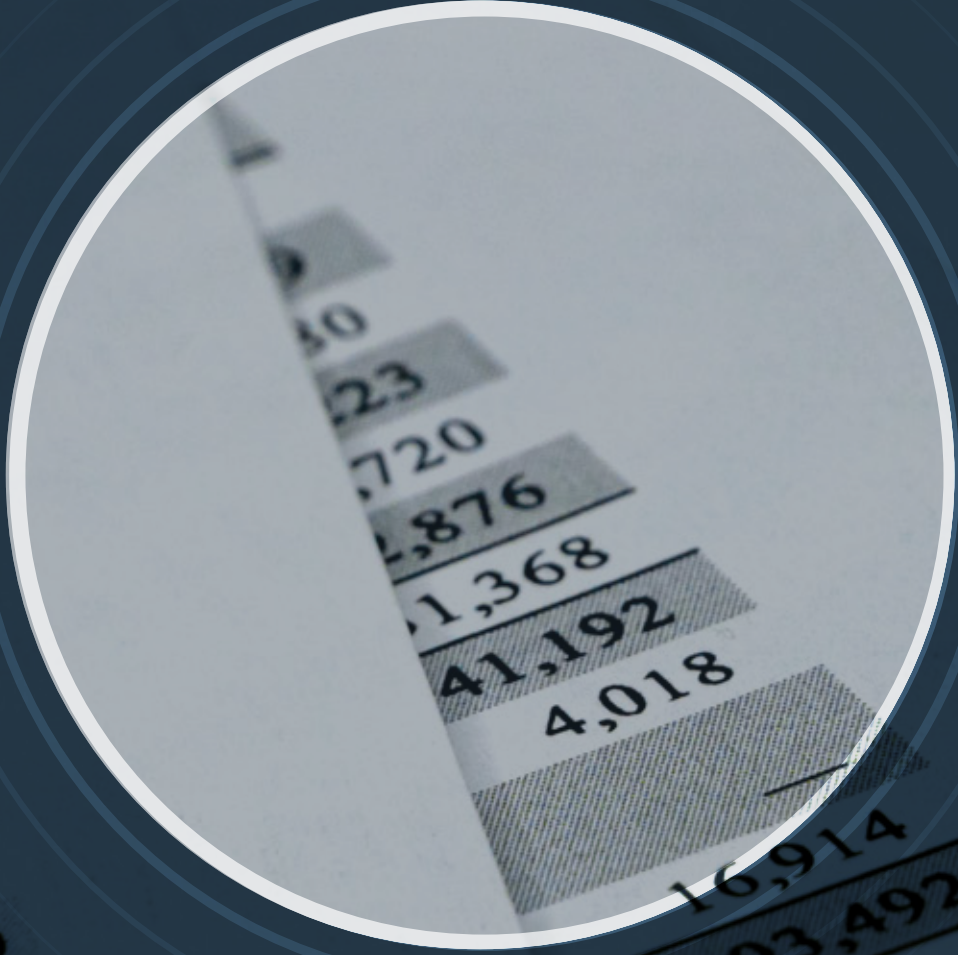
Amman – Jordan

20 February 2025

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Consolidated Financial Statements

31 December 2024



Consolidated Financial Statements 31 December 2024

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 JD	2023 JD
Assets			
Cash and balances with central banks	5	1,654,204,813	1,318,639,618
Balances at banks and financial institutions	6	221,567,195	165,316,545
Financial assets at fair value through other comprehensive income	7	77,917,575	78,595,161
Direct credit facilities at amortized cost, net	8	3,429,168,025	3,431,013,881
Financial assets at amortized cost, net	9	2,115,702,468	1,891,018,558
Pledged financial assets at amortized cost	10	226,054,164	227,607,943
Property, plant and equipment, net	11	105,823,935	116,376,443
Intangible assets, net	12	67,610,165	67,616,131
Right-of-use leased assets	17	18,531,892	17,566,480
Deferred tax assets	21-B	51,876,710	48,382,597
Other assets	13	269,927,425	230,366,007
Total Assets		8,238,384,367	7,592,499,364
Liabilities And Equity			
Liabilities			
Banks' and financial institutions' deposits	14	152,901,755	146,132,126
Customers' deposits	15	5,879,067,897	5,453,111,418
Margin accounts	16	651,071,794	482,539,749
Loans and borrowings	18	499,532,102	585,767,064
Income tax provision	21-A	23,767,686	21,321,909
Deferred tax liabilities	21-B	3,751,165	3,674,761
Sundry provisions	20	857,987	1,195,345
Expected credit losses provision against off-balance sheet items	49	10,182,949	9,761,766
Lease liabilities	17	18,879,870	17,428,553
Other liabilities	22	150,651,218	127,895,005
Subordinated loans	19	15,172,600	15,172,600
Total Liabilities		7,405,837,023	6,864,000,296
Equity			
Equity attributable to the Bank's shareholders			
Authorised, issued and paid in capital	1,24	263,037,122	263,037,122
Additional paid in capital	1,24	68,872,349	68,872,349
Perpetual bonds	23	70,900,000	70,900,000
Statutory reserve	26	81,157,605	69,714,499
Foreign currency translation reserve	27	(4,397,422)	(4,397,422)
Fair value reserve	28	3,967,607	4,388,724
Retained earnings	30	241,048,908	185,054,830
Net equity attributable to the Bank's shareholders		724,586,169	657,570,102
Non-controlling interest		107,961,175	70,928,966
Net Equity		832,547,344	728,499,068
Total Liabilities and Equity		8,238,384,367	7,592,499,364

Consolidated Income Statement

For the Year Ended 31 December 2024

	Notes	2024 JD	2023 JD
Interest income	31	474,723,255	427,448,477
Less: Interest expense	32	264,675,716	249,172,474
Net interest income		210,047,539	178,276,003
Commission income		199,620,489	166,091,068
Less: commission expense		27,669,476	23,913,218
Net commission income	33	171,951,013	142,177,850
Gain from foreign currencies	34	12,793,295	10,444,966
Dividends income from financial assets at fair value through other comprehensive income	7	1,371,601	1,752,335
Gain on sale of financial assets at fair value through other comprehensive income -debt instruments	7	30,285	28,160
Loss on sale of financial assets at amortized cost	9	-	(14,407)
Other revenues	35	6,691,419	14,240,964
Net income		402,885,152	346,905,871
Employees' expenses	36	66,860,774	54,271,013
Depreciation and amortization	11,12,17	31,211,155	23,645,753
Other expenses	37	57,599,052	57,352,749
Gain on sale of seized assets	13	(88,355)	(310,421)
Expected credit losses on financial assets	44-A-1	44,241,302	73,466,885
Impairment provision on seized assets	13	3,721,979	10,822,506
Sundry provisions	20	13,726,883	170,160
Total expenses		217,272,790	219,418,645
Net income before tax		185,612,362	127,487,226
Less: Income tax expense	21	25,476,199	20,894,906
Net income for the year		160,136,163	106,592,320
Attributable to:			
Bank's shareholders		107,946,902	71,852,595
Non - controlling interest		52,189,261	34,739,725
		160,136,163	106,592,320
		JD/Fils	JD/Fils
Basic and diluted earnings per share from profit for the year attributable to the bank's shareholders	38	0.410	0.273

Consolidated Financial Statements 31 December 2024

Consolidated Statement of Comprehensive Income

For the Year Ended 31 December 2024

	2024	2023
	JD	JD
Net income for the year	160,136,163	106,592,320
Add: items that will be reclassified to profit or loss in subsequent periods after excluding the impact of tax		
Exchange differences on foreign currencies translation of foreign operation	-	12,136,741
Change in fair value of the financial assets through other comprehensive income-debt instruments	104,311	818,623
Gain on sale of debt instruments at fair value through other comprehensive income transferred to income statement	(30,285)	(28,160)
Add: income statement items that will not be reclassified to profit or loss in subsequent periods after excluding the impact of tax		
Change in the fair value of financial assets at fair value through other comprehensive income-equity instruments	(736,413)	1,628,196
Total other comprehensive income for the year net of tax	(662,387)	14,555,400
Total comprehensive income for the year	159,473,776	121,147,720
Attributable to:		
Bank's shareholders	107,270,632	86,173,494
Non-controlling interest	52,203,144	34,974,226

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2024

31 December 2024	Authorised, issued and paid in capital		Additional paid in capital		Perpetual bonds		Statutory reserve		Foreign currency translation reserve		Fair value reserve		*Retained earnings		Equity attributable to the Bank's shareholders		Non-controlling interest		Total equity	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance as at the beginning of the year	263,037,122	68,872,349	70,900,000	69,714,499	(4,397,422)	4,388,724	185,054,830	657,570,102	70,928,966	728,499,068										
Net income for the year	-	-	-	-	-	-	107,946,902	107,946,902	52,189,261	160,136,163										
Change in fair value of financial assets at fair value through other comprehensive income - debt instruments	-	-	-	-	-	104,311	-	104,311	-	104,311										
Gain on sale of financial assets at fair value through other comprehensive income - debt instruments (Note 7)	-	-	-	-	-	(30,285)	-	(30,285)	-	(30,285)										
Change in fair value of financial assets at fair value through other comprehensive income - equity instruments	-	-	-	-	-	(750,296)	-	(750,296)	-	(750,296)										
Total comprehensive income for the year	-	-	-	-	-	(676,270)	107,946,902	107,270,632	52,203,144	159,473,776										
Loss on sale of equity instruments held at fair value through other comprehensive income transferred to retained earnings (Note 7,28)	-	-	-	-	-	255,153	(255,153)	-	(556)	(556)										
Interest related to perpetual bonds, net of tax (Note 23)	-	-	-	-	-	-	(3,206,386)	(3,206,386)	-	(3,206,386)										
Expenses related to the subsidiaries' capital increase	-	-	-	-	-	-	(231,315)	(231,315)	(143,118)	(374,433)										
Transferred to reserves	-	-	-	11,443,106	-	-	(8,804,402)	2,638,704	(2,638,704)	-										
Dividends (Note 25)	-	-	-	-	-	-	(39,455,568)	(39,455,568)	(12,388,557)	(51,844,125)										
Total balance at the end of the year	263,037,122	68,872,349	70,900,000	81,157,605	(4,397,422)	3,967,607	241,048,908	724,586,169	107,961,175	832,547,344										

	31 December 2023		Additional paid in capital		Perpetual bonds		Statutory reserve		Foreign currency translation reserve		Fair value reserve		*Retained earnings		Equity attributable to the Bank's shareholders		Non-controlling interest		Total equity		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
Balance as at the beginning of the year	263,037,122	68,872,349	70,900,000	62,375,552	(16,540,837)	1,780,249	166,923,467	617,347,902	35,252,553	652,600,455											
Net income for the year	-	-	-	-	-	-	71,852,595	71,852,595	-	-	-	-	71,852,595	34,739,725	106,592,320						
Exchange differences on foreign currencies translation of foreign operation	-	-	-	-	12,143,415	(31,014)	-	12,112,401	-	-	-	-	-	24,340	12,136,741						
Change in fair value of financial assets at fair value through other comprehensive income - debt instruments	-	-	-	-	-	622,564	-	622,564	-	-	-	-	-	196,059	818,623						
Gain on sale of financial assets at fair value through other comprehensive income - debt instruments (Note 7)	-	-	-	-	-	(28,160)	-	(28,160)	-	-	-	-	-	-	(28,160)						
Change in fair value of financial assets at fair value through other comprehensive income - equity instruments	-	-	-	-	-	1,614,094	-	1,614,094	-	-	-	-	-	14,102	1,628,196						
Total comprehensive income for the year	-	-	-	-	12,143,415	2,177,484	71,852,595	86,173,494	34,974,226	121,147,720											
Loss on sale of equity instruments held at fair value through other comprehensive income transferred to retained earnings (Note 7,28)	-	-	-	-	-	430,991	(430,991)	-	-	-	-	-	-	(2,181)	(2,181)						
Interest related to perpetual bonds, net of tax and its related expenses (Note 23)	-	-	-	-	-	-	(3,138,548)	(3,138,548)	-	-	-	-	-	-	(3,138,548)						
Expenses related to the subsidiaries' capital increase	-	-	-	-	-	-	(79,896)	(79,896)	-	-	-	-	-	(40,400)	(120,296)						
Transferred to reserves	-	-	-	7,338,947	-	-	(5,355,486)	1,983,461	(1,983,461)	-	-	-	-	-	-						
Subsidiaries' Non-controlling interest	-	-	-	-	-	-	(44,716,311)	(44,716,311)	-	-	-	-	-	2,728,229	2,728,229						
Dividends (Note 25)	-	-	-	-	-	-	(44,716,311)	(44,716,311)	-	-	-	-	-	-	(44,716,311)						
Total balance at the end of the year	263,037,122	68,872,349	70,900,000	69,714,499	(4,397,422)	4,388,724	185,054,830	657,570,102	70,928,966	728,499,068											

Retained earnings include JD 51,876,710 which represents deferred tax assets balance as at 31 December 2024 and security exchange commission regulations these balances are restricted. according to the Central Bank of Jordan's and security exchange commission regulations these balances are restricted.

Retained earnings balance as at 31 December 2023 includes an amount of JD 958,330 which represents the effect of the early adoption of IFRS 9 which is related to the measurement and classification. This amount is not available for distribution according to the Securities and Exchange Commission regulations until the amount becomes realized.

An amount equals to the negative balance of fair value reserve is restricted within retained earnings and cannot be utilized according to the Central Bank of Jordan's and security exchange commission regulations.

The Central Bank of Jordan issued Circular No. 10/1/1359 on 25 January 2018 which states the regulations related to IFRS 9 adoption which allowed the Banks to transfer the general banking risks reserve balance to the retained earnings to offset the effect of applying IFRS (9) on the opening balance of the retained earning as of 1 January 2018. The circular also stated that the unutilized balance from the general banking risks reserve cannot be distributed to shareholders and / or used for other purposes except with the approval of the Central Bank of Jordan. The unutilized balance amounted to JD 8,840,593.

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2024

Operating Activities	Notes	2024 JD	2023 JD
Net income for the year before tax		185,612,362	127,487,226
Adjustments for Non-Cash Items			
Depreciation and amortization	11,12,17	31,211,155	23,645,753
Expected credit losses on financial assets	44-A-1	44,241,302	73,466,885
Gain on sale of financial assets at fair value through other comprehensive income -debt instruments		(30,285)	(28,160)
Impairment provision on seized assets	13	3,721,979	10,822,506
Loss on sale of property and equipment		165,603	468,593
Dividends income from financial assets at fair value through other comprehensive income	7	(1,371,601)	1,752,335
Sundry provisions	20	13,726,883	170,160
Gain on sale of seized assets	13	(88,355)	(310,421)
Net accrued interest payable		3,571,192	11,523,373
Cash flows from operating activities before changes in assets and liabilities		280,760,235	248,998,250
Changes in assets and liabilities -			
Restricted balances at bank's and financial institutions		8,169,055	(9,577,619)
Restricted balances at central banks		(35,420,050)	(214,837,814)
Direct credit facilities at amortized cost		(40,396,630)	(182,859,284)
Other assets		(20,597,443)	(9,200,580)
Banks and financial institutions' deposits (maturing in more than three months)		-	9,475,598
Customers' deposits		425,956,479	507,688,272
Margin accounts		168,532,045	63,224,682
Other liabilities		(16,662,517)	(38,723,328)
Paid sundry provisions	20	(14,064,241)	(3,309,731)
Net cash flow from operating activities before income tax		756,276,933	370,878,446
Income tax paid	21	(24,693,467)	(14,039,143)
Net cash flow from operating activities -		731,583,466	356,839,303
Investing Activities			
Sale of financial assets at fair value through other comprehensive income		5,603,491	39,495,124
Purchases of financial assets at fair value through other comprehensive income		(5,650,169)	(1,517,958)
Maturity of financial assets at amortized cost		653,967,855	863,176,894
Purchases of financial assets at amortized cost		(877,268,331)	(864,930,289)
Proceeds from the sale of seized assets		9,897,679	24,305,224
Purchases of property and equipment	11	(10,126,156)	(9,413,544)
Proceeds from sale of property and equipment and intangible assets		9,252,119	6,082,565
Purchases of intangible assets		(15,507,587)	(18,638,378)
Net cash flow (used in) from investing activities -		(229,831,099)	38,559,638
Financing Activities			
Proceeds from loans and borrowings		102,325,667	170,052,313
Repayment of loans and borrowings		(188,560,629)	(332,337,788)
Dividends income from financial assets at fair value through other comprehensive income received		1,371,601	(1,752,335)
Interest related to perpetual bonds and its related expenses, net of tax		(4,751,294)	(4,972,483)
Dividend paid to non-controlling interests	25	(12,388,557)	-
Capital increase fees and related expenses, net of tax		-	(79,896)
Lease commitment payments	17	(5,122,360)	(5,588,148)
Cash dividends paid		(39,470,455)	(44,716,311)
Net cash flow used in financing activities -		(146,596,027)	(219,394,648)
Increase in cash and cash equivalents		355,156,340	176,004,293
Foreign currency translation at NBI		-	53,688,332
Cash and cash equivalent at the beginning of the year		1,036,842,105	807,149,480
Cash and cash equivalent at the end of the year	40	1,391,998,445	1,036,842,105

Notes to the Consolidated Financial Statements

As at 31 December 2024

(1) General Information

Capital Bank is a public shareholding company incorporated in Jordan on 30 August 1995 in accordance with Companies law No.1 for the year 1989 under registration number 291. Its registered office is at Abdali Boulevard, Suliman Al Nabulsi Street, Amman Jordan.

Capital Bank, together with its subsidiaries (the Group) and through its thirty five branches across Jordan, provides retail, corporate banking, and investment banking services. Capital Bank is the ultimate parent of the Group.

The Bank increased its capital during prior years from JD 20 million to reach JD 200 million, through capitalizing reserves, retained earnings and private underwriting.

During 2022, The Bank entered into an agreement with the Saudi Investment Fund, a strategic partner, under which the Fund became one of the Bank's shareholders by investing JD 131,200,000. This investment was allocated as an increase in capital through the issuance of new shares valued at JD 63,037,122, priced at one JD per share. Consequently, the authorized, subscribed, and paid-in capital increased to JD 263,037,122, with the remaining JD 68,162,877 recorded as a share premium (additional paid in capital).

The shares of Capital Bank are fully listed on the Amman Stock Exchange in Jordan.

The Bank also issued (Tier 1) perpetual bonds worth 70,900,000 dinars (\$100 million), which are listed on the Dubai Financial Market.

The consolidated financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the board of the directors on 13 February 2025.

The bank's board of directors has also approved the recommendation to distribute cash dividends amounting to 15% of the authorised paid in capital.

(2) Basis of preparation of the consolidated financial statements and material accounting policies**(2-1) Basis of the preparation of the consolidated financial statements**

The accompanying consolidated financial statements of the Bank and its subsidiaries (together the "Group") have been prepared in accordance with IFRS accounting Standards as issued by the International Accounting Standards Board.

The consolidated financial statements have been presented in Jordanian Dinars which represents the bank's functional currency.

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

The bank has fully transitioned to and implemented International Financial Reporting Standards (IFRS) starting from January 1, 2024, instead of the modified International Financial Reporting Standards according to the instructions of the Central Bank of Jordan. The differences between these two frameworks are not material to the consolidated financial statements.

The bank presents the items of the consolidated statement of financial position in order of liquidity based on the bank's intention and expected ability to recover/settle most assets/liabilities. Details of the analysis of the distribution of assets and liabilities according to expectations of recovery/settlement of assets and liabilities within 12 months after the date of the financial statements (current) or more than 12 months after the date of the financial statements (non-current) are shown in Note 48.

(2-2) Basis of consolidation of the financial statements

The consolidated financial statements of Capital Bank of Jordan Group, include the financial statements of Capital Bank of Jordan ("the bank") and its subsidiaries, which are as follows:

Company Name	Percentage of ownership (%)		Date of Acquisition	Principal Activity	Place of Incorporation	Paid-up Capital
	31 December 2024	31 December 2023				
Capital Investment and Brokerage Company Limited	100%	100%	16 May 2005	Brokerage services	Jordan	10,000,000 JD
National Bank of Iraq (NBI) and its branch in Saudi Arabia and its subsidiary «National Company of Iraq for trading	61.85%	61.85%	1 January 2005	Banking services	Iraq	400 Billion Iraq Dinar
Capital Investments (DIFC) Ltd	100%	100%	22 December 2013	Financial consulting services	United Arab Emirates	250,000 USD
Capital leasing Company Limited	100%	100%	As a result of the acquisition of Société Générale Bank - Jordan (formerly) in 2022.	Financial leasing activities	Jordan	8,000,000 JD

Control is achieved when the Bank is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Generally, there is a presumption that a majority of voting rights results in control. However, in individual circumstances, the Bank may still exercise control with a less than 50% shareholding, or may not be able to exercise control even with ownership over 50% of an entity's shares. When assessing whether it has power over an investee and therefore controls the variability of its returns, the Bank considers all relevant facts and circumstances, including:

- The purpose and design of the investee
- The relevant activities and how decisions about those activities are made and whether the Bank can direct those activities
- Contractual arrangements such as call rights, put rights and liquidation rights

Whether the Bank is exposed, or has rights, to variable returns from its involvement with the investee, and has the power to affect the variability of such returns.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Bank and to the non-controlling interests (NCIs), even if this results in the NCIs having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Bank's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Bank are eliminated in full on consolidation.

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

(2-3) Material accounting policies

Segments Information

The business sector represents a group of assets and operations that jointly provide products or services that are subject to risks and returns that differ from those related to other business sectors and which are measured according to the reports used by the executive directors and key decision makers of the bank.

The geographical segment provides services and products in a certain economic environment that is subject to returns and risks that differ from other segments that operate in other economical environments.

Net interest income

Interest income and expense for all financial instruments with the exception of those classified as held for trading or measured at fair value is recognized through the consolidated statement of income in "net interest income" as interest income and interest expense using the Effective interest method. Interest on financial instruments measured at fair value through the consolidated statement of income is also included in the fair value movement during the year.

An effective interest rate is the rate at which the estimated future cash flows of a financial instrument are discounted during the expected life of the financial instrument or, when appropriate, for a shorter period, to the net carrying amount of the financial asset or financial liabilities. Future cash flows are estimated by taking into account all contractual terms for the instrument.

Interest income / interest expense is calculated by applying the effective interest rate principle on the total carrying value of financial assets that are not credit impaired (i.e. on the basis of the amortized cost of the financial asset before settlement for any expected credit loss allowance) or to the amortized cost of financial liabilities. With regard to low credit financial assets (the third stage), interest will continue to be calculated and suspended during the same period.

Net commission income

Net commission income and expense includes fees other than the fees that are an integral part of the effective interest rate. The commissions included in this part of the bank's consolidated income list also include commissions charged for the loan service, non-use commissions related to loan obligations when this is unlikely to result in a specific arrangement for lending and co-financing of loans.

For contracts with clients that result in recognition of financial instruments, part of which may be related to IFRS 9 or IFRS 15, case commissions are recognized in the part that relates to IFRS 9 and the remainder is recognized according to IFRS 15.

Net trading income (Gains on financial assets at fair value through income statement)

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

Net income from other financial instruments at fair value through income statement

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

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

Dividend income

Dividend income is recognized when the right to receive payment is established, which is the preceding date for listed dividends, and usually the date on which shareholders agree to unquoted dividends.

The distribution of dividends in the consolidated statement of profits or losses depends on the classification and measurement of investment in shares, that is:

In respect of equity instruments held for trading, dividend income is included in the consolidated statement of income within the Gain or (losses) from financial assets at fair value through the consolidated statement of income;

For equity instruments classified at fair value through other comprehensive income, dividends are included in the consolidated statement of income in the item of dividends from financial assets at fair value through other comprehensive income;

For equity instruments not classified at fair value through other comprehensive income and not held for trading purposes, dividend income is recognized as net income from other instruments at fair value through the consolidated statement of income.

Financial instruments**Initial Recognition and Measurement:**

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument and is recognized in the consolidated statement of financial position and loans are recognized when credited to the clients' account.

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

If the transaction price differs from the fair value at initial recognition, the bank addresses this difference as follows:

- If the fair value is established at a specified price in an active market for identical assets or liabilities or based on a valuation technique that uses only observable inputs in the market, the difference in income is recognized using initial recognition (i.e. income on the first day);
- In all other cases, the fair value is adjusted to match the transaction price (i.e. the first day's income will be deferred by being included in the initial carrying amount of the asset or liability).

After initial recognition, the deferred income will be taken to the consolidated statement of income on a logical basis, only to the extent that it arises from a change in a factor (including time) that market participants take into account when pricing the asset or liability or when the recognition is revoked of this tool.

Financial assets

A) Initial Recognition

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. Transaction costs that are directly attributable to the acquisition of financial assets designated at fair value through income are recognized in the consolidated statement of income.

B) Subsequent measurement

All recognized financial assets that fall within the scope of IFRS (9) later are required to be measured at amortized cost or fair value based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets, specifically the following:

- The financing instruments maintained in the business model that aims to collect contractual cash flows, and which have contractual cash flows that are only principal and interest payments on the principal outstanding, are subsequently measured at amortized cost;
- Funding instruments held within the business model that aims to both collect contractual cash flows and sell debt instruments, which have contractual cash flows that are only principal and interest payments on the principal amount outstanding, and are subsequently measured at fair value through other comprehensive income
- All other financing instruments (such as debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at fair value through the statement of income.

However, the bank can choose for that to be irrevocable after initial recognition of the financial asset on a per-asset basis, as follows:

- The bank can make the irreversible selection by including subsequent changes in the fair value of the investment in non-held property rights for trading or a possible replacement recognized by the buyer within the business merger to which the IFRS 3 applies, in other comprehensive income
- The bank can determine indefinitely the financing instruments that meet the amortized cost or fair value criteria through other comprehensive income as measured by the fair value from the statement of profits or losses if that abolishes or significantly reduces the inconsistency in accounting (referred to as the fair value option).

C) Debt instruments at amortized cost or fair value through other comprehensive income

For the purposes of testing principal and interest principal payments (SPPI), the asset is the fair value of the financial asset upon initial recognition. This principal amount may change over the life of the financial asset (for example, if the principal is repaid). Interest consists of the allowance for the time value of money, the credit risk associated with the principal amount outstanding during a specified period of time and other basic lending options and risks, as well as the profit margin. An evaluation of principal and interest payments is made on the principal amount in the currency in which the financial asset is denominated.

The contractual cash flows that represent principal and interest payments on the principal amount outstanding are consistent with the underlying financing arrangement. Contractual terms that involve exposure to risks or fluctuations in contractual cash flows that are not linked to the primary financing arrangement, such as exposure to changes in stock prices or commodity prices, do not lead to contractual cash flows that are only payments of principal and interest. Also, the granted or acquired financial asset can be a basic financing arrangement regardless of whether it is a loan in its legal form.

D) Business Model Assessment

The bank adopts more than one business model to manage its financial instruments that reflect how the bank manages its financial assets in order to generate cash flows. The bank's business models determine whether the cash flows will result from collecting contractual cash flows or selling financial assets, or both.

The bank considers all relevant information available when conducting an evaluation of the business model. However, this assessment is not performed on the basis of scenarios that the bank does not reasonably expect to occur, such as so-called "worst-case" or "stress-case" scenarios. The bank also takes into account all available relevant evidence such as the following:

- The policies and objectives announced for the portfolio and the application of those policies whether the management strategy focuses on obtaining contractual revenue, maintaining a specific rate of profit, and matching the period of financial assets with the period of financial liabilities that finance those assets or achieving cash flows through the sale of assets.
- How to assess the performance of the business model and the financial assets held in this business model and inform key management personnel about this; and
- Risks that affect the performance of the business model (and the financial assets present in that model), and in particular the way those risks are managed.
- How to compensate business managers (for example, whether compensation is based on the fair value of assets under management or on contractual cash flows collected).

Upon initial recognition of the financial asset, the bank determines whether the recently recognized financial assets are part of an existing business model or whether it reflects the beginning of a new business model. The bank reassesses its business models in each reporting period to determine whether the business models have changed since the previous period.

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

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

E) Financial assets - assess whether contractual cash flows are payments of principal and interest only:

For the purposes of this evaluation, "principal amount" is defined as the fair value of a financial asset at the date of the initial recognition. "Interest" is defined as the consideration of the time value of money, the credit risk associated with the principal of the amount outstanding during a specific time period, and other underlying borrowing costs (such as liquidity risk and administrative costs), as well as a profit margin.

In assessing whether contractual cash flows are only payments of principal and interest, the bank has considered the contractual terms of the instrument. This includes assessing whether the financial assets involve a contractual period that can change the timing or amount of contractual cash flows and therefore the condition does not meet payments only for principal and interest. In making this assessment, the bank considers:

- Emergency events that change the amount or timing of cash flows.
- Prepaid features and the possibility to extend.
- Conditions that define the bank's claim for cash flows from a specified asset.

F) Financial assets at fair value through income statement

Financial assets at fair value through income are the following:

- Assets with contractual cash flows that are not principal and interest payments on the principal outstanding, or / and
- Assets held within the business model other than those held to collect contractual cash flows or held for collection and sale; or
- Assets designated at fair value through income statement using the fair value option.

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

G) Reclassification

If the business model under which the bank holds financial assets changes, the financial assets that are affected by this change will be reclassified. The classification and measurement requirements for the new category will apply prospectively, starting from the first day of the reporting period following the change in the business model that results in the reclassification of the bank's financial assets. Changes in contractual cash flows are considered within the accounting policy related to the modification and derecognition of financial assets as outlined below. The bank does not reclassify financial assets after their initial recognition, except in exceptional cases where the bank acquires or sells a business unit. Financial liabilities are not reclassified permanently.

Foreign exchange gains and losses

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

- Financial assets measured at amortized cost that are not part of a specific hedging relationship, it recognizes the difference in currency in the statement of profits or losses; and
- Debt instruments measured at fair value through other comprehensive income that are not part of a specific hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in the statement of income. Other exchange differences in other comprehensive income are recognized in the investment revaluation reserve; and
- Financial assets measured at fair value through the consolidated statement of profits or losses that are not part of a specific hedge accounting relationship, exchange differences from income are recognized in the consolidated statement of income;
- Equity instruments measured at fair value through comprehensive income, exchange rate differences in other comprehensive income are recognized in the investment revaluation reserve.

Fair value option:

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

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

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

Expected credit losses:

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

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

Impairment loss is not recognized in equity instruments.

With the exception of Purchased or Originated rating-Impaired' (POCI) financial assets (which are considered separately below), ECL are required to be measured through a loss allowance at an amount equal to:

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

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

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

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

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

All other financial assets, with the exception of debt instruments carried at amortized cost, are subsequently measured at fair value.

The Bank measures ECL on an individual basis, or on the portfolio basis that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a portfolio basis.

Credit-impaired financial assets:

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

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

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

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

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

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

Definition of default:

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

The Bank considers the following as an event of default:

- The borrower defaults for more than 90 days on any significant credit obligation to the Bank.
- The borrower is unlikely to pay his credit obligations to the of the Bank in full.

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

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

- Interest and commissions are suspended on non-performing credit facilities granted to clients.
- Credit facilities and their suspended interest covered by provisions are transferred entirely off the consolidated statement of financial position, in accordance with the decisions of the Board of Directors in this regard.
- Interest is suspended on the accounts with law suits outside the consolidated statement of financial position in accordance to the management decision regarding this matter.

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

Significant increase in credit risk:

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

The Bank will not consider that financial assets with 'low' credit risk at the reporting date did not have a significant increase in credit risk. As a result, the Bank monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

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

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

For corporate financing, forward-looking information includes the future prospects of the industries in which the Bank's counterparties operate, that can be obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as taking into consideration various internal and external sources of actual and forecast economic information.

For retail financing, forward looking lending information includes the same economic forecasts as corporate lending with additional forecasts of local economic indicators, particularly for regions with a concentration to certain industries, as well as internally generated information of customer payment behavior. The Bank allocates its counterparties to a relevant internal credit risk grade depending on their credit quality. The quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime PD by comparing:

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

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

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

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

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

Modification and de-recognition of financial assets

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

The bank renegotiates loans with customers who face financial difficulties to increase collection and reduce the risk of default. The terms of repayment of the loan are facilitated in cases where the borrower has made all reasonable efforts to pay under the original contractual terms, and an important risk of default or default has occurred and it is expected that the borrower will be able to fulfil the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants. The bank has a waiting policy that applies to corporate and individual lending.

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

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

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

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

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

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

Where a modification does not lead to de-recognition, the Bank calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then, the Bank measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

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

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

Write-offs

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

Presentation of expected credit loss allowances in consolidated financial statements

- For financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets.
- For debt instruments measured at FVTOCI: no loss allowance is recognized in the consolidated statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investments revaluation reserve;
- Loans commitments and financial guarantee contracts: as a provision.
- Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component, the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

Loans and advances

The “loans and advances” included in the statement of financial position comprise the following:

- Loans and advances measured at amortized cost; initially measured at fair value plus incremental direct transaction costs, and subsequently measured at amortized cost using the effective interest method.
- Loans and advances, which are measured at FVTPL or designated as at FVTPL; are measured at fair value with changes recognized immediately in income.

Financial liabilities and equity

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

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

Equity instruments

Equity instruments are any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities. The equity instruments issued by the bank are recognized according to the returns received, after deduction of direct issuance costs.

A) Share capital

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

B) Treasury Shares

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

C) Composite instruments

The component parts of the composite instruments (such as convertible notes) issued by the Bank are classified separately as financial liabilities and equity in accordance with the content of the contractual arrangements, definitions of financial liabilities and equity instruments. The transfer option that will be settled by exchanging a fixed cash amount or other financial asset for a specified number of the company's equity instruments is an equity instrument.

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

D) Perpetual Bonds

Perpetual bonds issued by the Group for capital support purposes are classified as part of equity and the interest earned on them is recorded as a deduction from retained earnings.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through income statement or other financial liabilities.

A) Financial liabilities at fair value through income statement

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

- It was primarily incurred for the purpose of repurchasing it in the short term; or
- At initial recognition, this is part of the portfolio of specific financial instruments that are managed by the bank and which have a modern pattern of profit taking in the short term; or
- It is a non-specific and effective derivative as a hedging instrument.

A financial liability other than a financial liability held for the purpose of trading or the possible consideration that a buyer may pay as part of a business combination at fair value is determined through the statement of income upon initial recognition if:

- This classification would substantially eliminate or reduce the inconsistency of the measurement or recognition that might otherwise arise; or
- The financial obligation was part of the group of financial assets, financial liabilities, or both, whose performance is managed and evaluated on a fair value basis, in accordance with the documented risk or investment management strategy of the bank, and information related to the formation of the group was provided internally on this basis; or
- If the financial obligation forms part of a contract that contains one or more derivatives, and IFRS 9 allows a fully hybrid contract (compound) to be determined at fair value through the statement of income.

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

However, in respect of non-derivative financial liabilities designated at fair value through the statement of income, the amount of the change in the fair value of the financial liabilities that resulted from changes in the credit risk of those liabilities is included in other comprehensive income, unless recognition of the effects of changes in credit risk arises Liabilities in other comprehensive income to create or increase accounting inconsistencies in the consolidated statement of income. The remaining amount of changes in the fair value of the liability is recognized in the consolidated statement of income, and changes in the fair value attributable to the credit risk of the financial liabilities recognized in other comprehensive income are subsequently reclassified as income. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

With regard to loan obligations issued and financial guarantee contracts classified at fair value through the statement of income, all gains and losses are included in the consolidated statement of income.

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

B) Other financial liabilities

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

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

C) Derecognition

Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expired).

When the bank exchanges one debt instrument with the current lender for another instrument on significantly different terms, this exchange is accounted for as amortization of the original financial liabilities and new financial liabilities are recognized. Likewise, the bank treats the material amendment to the terms of the existing obligation or part thereof as amortization of the original financial liability and recognition of the new obligation. The terms are assumed to differ materially if the reduced present value of the cash flows is under the new terms, including any fees paid, net of any fees received and discounted using the original effective rate of at least 10% from the reduced present value of the remaining cash flows of the original financial liabilities.

Derivative financial instruments:

The bank enters into a variety of derivative financial instruments, some of which are held for trading while others are maintained to manage exposure to interest rate risk, credit risk, and foreign exchange rate risk. Financial derivatives include foreign currency forward contracts, interest rate swaps, interest rate swaps across currencies and credit default swaps.

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

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

Embedded derivatives

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

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

Financial guarantee contracts

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

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

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

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

The Bank did not specify any financial guarantee contracts at fair value through the consolidated statement of income.

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

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

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

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

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

Derivative financial instruments

A) Trading derivatives

The fair value of financial instrument derivatives held for trading purposes (such as foreign currency forward contracts, future interest contracts, swap contracts, foreign exchange rate options rights) is recorded in the consolidated statement of financial position, and the fair value is determined according to prevailing market prices. valuation, and the amount of changes in fair value is recorded in the consolidated statement of income.

B) Hedge accounting

The bank identifies certain derivatives as hedging instruments with respect to foreign currency and interest rate risks in fair value hedges, cash flow hedges or net investment hedges in foreign operations as appropriate. Hedges of foreign exchange risk on bank liabilities are also accounted for as cash flow hedges. The Bank does not apply fair value hedge accounting to interest rate risk portfolio hedges. In addition, the bank does not use the exemption to continue using the hedge accounting rules using International Accounting Standard No. (39), meaning that the bank applies the hedge accounting rules of IFRS 9.

At the inception of the hedge relationship, the bank documents the relationship between the hedging instrument and the hedged item, as well as its risk management objectives and strategy for undertaking various hedging transactions. Furthermore, at hedge inception and on an ongoing basis, the bank documents whether the hedging instrument is effective in offsetting the changes in the fair value or cash flows of the hedged item that can be attributed to the hedged risk, and at which all hedging relationships meet the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument; and
- The impact of credit risk does not dominate the changes in value resulting from this economic relationship; and
- The hedging ratio for the hedging relationship is the same resulting from the quantity of the hedged item for which the bank is actually hedging and the amount of the hedging instrument that the bank actually uses to hedge that quantity of the hedged item.

The bank re-balances the hedge relationship in order to comply with the requirements of the hedge ratio as necessary. In such cases, the stopover may be applied to only part of the hedging relationship. For example, the hedge ratio may be adjusted in such a way that a portion of the hedging item is no longer part of the hedge relationship, and hence hedge accounting is discontinued only for the size of the hedging item that is no longer part of the hedging relationship.

If the hedging relationship ceases to meet the hedge effectiveness requirements for the hedge ratio but the risk management objective for that hedge relationship remains the same, then the Group adjusts the hedge ratio for the hedge relationship (such as rebalancing the hedge again) so that the criteria for the hedge are regrouped.

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

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

In some hedging relationships, the bank excludes from the determination of the forward component of a forward contract or a currency difference of the currency hedging instrument. In this case, the same treatment applies as for the time value of the options. The treatment of the forward component of the forward contract and the component on a currency basis is optional, and the option is applied on a hedged basis separately, unlike the treatment of the time value of the options that are considered mandatory. With regard to hedging relationships and forward derivatives or foreign currencies such as interest rate swaps across currencies, when the forward component or the difference on a currency basis is excluded from the rating, the bank generally recognizes the excluded component in other comprehensive income. Detail the fair values of the derivative instruments used for hedging purposes and the movements in equity hedge reserve.

C) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in the consolidated statement of income immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in the consolidated statement of income.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to the consolidated statement of income from that date.

When the hedge gain / loss is recognized in the income statement, it is recognized in the same line as the hedged item.

The bank discontinues hedge accounting only when the hedging relationship (or part thereof) ceases to fulfill the qualifying criteria (after rebalancing, if any). This includes cases where the hedging instrument has expired, sold, terminated, or exercised, and the disposal is accounted for for future effect. Also, the fair value adjustment to the carrying value of hedged items for which the effective interest rate method is used (i.e. debt instruments measured at amortized cost or at FVOCI) arising from the cessation of the hedged risk in the statement of income does not exceed Hedge accounting.

D) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the consolidated statement of comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated statement of income, and is included in the other income line item.

Amounts previously recognized in the consolidated statement of comprehensive income and accumulated in equity are reclassified to consolidated statement of income in the periods when the hedged item affects the recognition of a non-financial assets or a non-financial liability, the gains and losses previously recognized in the consolidated statement of comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

The bank discontinues hedge accounting only when the hedging relationship (or part thereof) ceases to fulfill the qualifying criteria (if any, and after rebalancing if any). This includes situations where the hedging instrument expires or is sold, terminated, or exercised, or when the occurrence of a specific hedging transaction is not considered highly probable and the discontinuation is accounted for with future effect. Any gain / loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the eventual expected transaction is recorded in profit or loss. When the occurrence of a forecast transaction becomes unexpected, the cumulative gain / loss is reclassified in shareholders' equity and recognized directly in the income statement.

E) Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in the consolidated statement of comprehensive income and accumulated under the heading of cumulative translation reserve. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated statement of income.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the cumulative translation reserve are reclassified to the consolidated statement of income on the disposal of the foreign operation.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and reported net in the consolidated statement of financial position only when there is a legally enforceable right to set off the recognized amounts or when the Group intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Accounts managed for the interest of clients

Accounts managed by the bank on behalf of clients are not considered assets of the bank. The fees and commissions for managing these accounts are shown in the statement of income. A provision is made against the decrease in the value of the portfolios managed for the benefit of clients from their capital.

Fair value measurement

The fair value is defined as the price that will be received to sell any of the assets or pay for transferring any of the liabilities in an orderly transaction between market participants on the date of measurement, regardless of whether the price can be achieved directly or whether it is estimated thanks to another valuation method. When estimating the fair value of any of the assets or liabilities, the bank takes into consideration when determining the price of any of the assets or liabilities whether market participants should take those factors into consideration at the measurement date. Fair value is determined for measurement and / or disclosure purposes in these financial statements according to those principles, except for those related to measurement procedures that are similar to fair value procedures and are not fair value such as fair value as used in International Accounting Standard No. (36).

Additionally, fair value measurements for financial reporting purposes are classified into Level (1), (2) or (3) based on the inputs clarity according to the fair value measurements and the significance of the inputs to the fair value measurements as a whole, which are defined as follows:

Fair value levels are as follows:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Employees' benefits**Employees' short term benefits**

Employee's short term benefits are recognized as expenses when providing related services. The commitment relating to the amount expected to be paid is recognized when the Bank has a current legal or constructive obligation to pay for the previous services provided by the employee and the obligation can be estimated reliably.

Income Tax

Tax expense comprises current tax and deferred taxes.

Current tax is based on taxable profits, which may differ from accounting profits disclosed in the consolidated statement of income. Accounting profits may include non-taxable profits or tax-deductible expenses which may be exempted in the current or subsequent financial years.

Taxes are calculated based on tax rates confirmed under the laws, regulations and instructions of the Hashemite Kingdom of Jordan and the countries which subsidiaries are operating in.

The deferred taxes are taxes expected to be paid or refunded as a result of the temporary differences between assets and liabilities – in the consolidated financial statements and the value of the tax basis profit. Deferred taxes are measured by adhering to the consolidated financial position statement and calculated based on tax rates that are expected to apply in the period when assets are realized or liabilities are settled.

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

Assets seized in settlement of debts

Assets whose ownership has been transferred to the bank appear in the consolidated statement of financial position among other assets at the value that has been transferred to the bank or the fair value, whichever is less, and they are re-evaluated on the date of the consolidated financial statements individually, and any decline in their value is recorded as a loss in the consolidated income statement and is not Recording the increase as revenue, the subsequent increase is taken into the consolidated income statement to the extent that it does not exceed the value of the decline that was previously recorded. As of the beginning of the year 2015, a gradual provision was calculated against the expropriated real estate against debts that were expropriated for a period of more than 4 years, according to the bank's circular. The Central Bank of Jordan No. 15/1/4076 dated March 27, 2014 and No. 10/1/2510 dated February 14, 2017. Noting that the Central Bank of Jordan had issued Circular No. 10/1/13967 dated October 25, 2019 approving the extension of Circular No. 16607/1/10 on December 17, 2017, in which he confirmed the postponement of calculating the provision until the end of the year 2020. This is in accordance with Central Bank Circular No. 1/16239 dated November 21, 2020. 5%) of the total book values of those real estates (regardless of the period of their violation) as of the year 2021, so that the required percentage of (50%) of those real estates is reached by the end of the year 2030, and this is in accordance with the Central Bank of Jordan Circular No. 13246/3/10 On September 2, 2021, it was approved to extend the work again in Circular 1/1/2510, which is to postpone calculating the deduction of allocations for one year, and to postpone the work of Circular No. 1/1/16607 until the year 2022, based on the circular received from the Central Bank of Jordan No. 3/16234 10 It was decided to cancel Clause (Second) of Circular No. (4076/1/10) dated 3/27/2014 related to the request to deduct an allowance for expropriated real estate in violation of the provisions of Banking Law No. (28) of 2000 and its amendments, and based on what was stated in the circular, it has been It stipulated the need to maintain the allocated allocations against expropriated real estate in violation of the provisions of the Banking Law, and that only the allocated provision be released against any of the infringing real estate that is disposed of.

The instructions of the Central Bank of Iraq, according to the Iraqi Banking Law, require the disposal of seized assets by the bank within a maximum period of two years from the date of transfer. The Central Bank of Iraq may approve an extension for the bank to retain the properties for up to two additional periods, each of two years. These instructions are in accordance with the regulations issued on November 26, 2020, which amend the provisions for calculating impairment allowances on seized assets in which full provision of 100% is calculated within 6 years.

Financial assets pledged as collateral

The financial assets pledged by the Bank are for the purpose of providing collateral for the counterparty to the extent that counterparty is permitted (to sell and /or re-pledge the assets). The method of valuation is related to the financial policies for its original classification.

Repurchase and resale agreements

Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) will continue to be recognized in the Bank's financial consolidated statements due to the Bank's continuing exposure to the risks and rewards of these assets using the same accounting policies (where the buyer has the right to use these assets (sell or re-lien) they are reclassified as liened financial assets).

The proceeds of the sale are recorded under loans and borrowings. The difference between the sale and the repurchase price is recognized as an interest expense over the agreement term using the effective interest method.

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

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Lands are not depreciated.

Depreciation is recognized so as to write-off the cost of assets, using the straight-line method, over the estimated useful lives of the respective assets, as follows:

	%
Buildings	2
Equipment and furniture	2.5-15
Vehicles	15
Computers	25
Other	10

When the recoverable amount of any property and equipment is less than its net book value, its value is reduced to the recoverable value and the impairment value is recorded in the income statement.

The useful life of property and equipment is reviewed at the end of each year. If the expected useful life differs from the previously prepared estimates, the change in the estimate for subsequent years is recorded as a change in the estimates.

Property and equipment are excluded upon disposal or when there are no future benefits expected from their use or disposal.

Intangible assets

A) Goodwill

Goodwill is recorded at cost which represents the increase in the acquisition or purchase cost of an investment over the fair value of the company's net assets at the acquisition date. Goodwill resulting from investing in subsidiaries is recorded in a separate item as intangible assets. Goodwill resulting from investing in associates appears as part of the investment account in the associate and the cost of goodwill is subsequently reduced by any impairment in the investment value.

Goodwill is allocated to cash-generating unit(s) for the purpose of impairment testing.

Goodwill impairment is tested at the reporting date. Goodwill is written down if there is an indication that it is impaired and if the estimated recoverable amount of cash-generating unit (s) to which the goodwill belongs is lower than the carrying amount of the cash-generating unit (s). Impairment is recognized in the consolidated statement of income.

B) Other intangible assets

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

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

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

Any indications for the impairment of intangible assets are reviewed at the date of the financial statements. The estimate of the useful lives of those assets is reviewed and any adjustments are made for subsequent periods.

Intangible assets include computer software, systems, and trademarks. The Bank's management estimates the lifetime of each item, and these assets are amortized using the fixed installment method at a rate of 25%.

Below is the accounting policy for each item of intangible assets at the bank:

- Computer software and systems (main & others): Amortized using the straight line method with a fixed ratio from 10% to 25%.

Impairment of non-financial assets

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

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

The recoverable amount is the higher of an asset's fair value -less costs to sale - and the value in use.

All impairment losses are taken to the consolidated statement of income and other comprehensive income.

The impairment loss for goodwill is not reversed. For other assets, the impairment loss is reversed only if the carrying amount of the asset does not exceed the carrying amount that was determined after the depreciation or amortization has taken place if the impairment loss is not recognized.

Foreign currencies

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

The separate financial statements of the Bank's subsidiaries are prepared, and the separate financial statements of each of the Group's companies are presented in the main functional economic currency in which they operate. Transactions are recorded in currencies other than the Bank's functional currency, according to the exchange rates prevailing on the dates of those transactions. On the date of the statement of financial position, the financial assets and liabilities are translated into foreign currencies at the exchange rates prevailing on that date. Non-monetary items carried at fair value and denominated in foreign currencies are also translated at the exchange rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not reclassified.

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

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

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

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

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

Leases

The Bank has implemented IFRS (16) "Leases" that have replaced existing guidance on leases as of 1 January 2019, including IAS (17) "Leases" and IFRIC (4) "Determining whether an arrangement contains a lease", SIC (15) "Operating lease -incentives" and SIC (27) retrospectively from 1 January 2018 "Evaluating the substance of transactions involving the legal form of a lease".

The bank determines whether the contract is a lease or includes lease clauses. The contract is considered a lease contract or includes a lease if it includes the transfer of control over a specified asset for a specified period in exchange for compensation as defined in the leasing contract in the standard.

The Bank as a lessee

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

The bank recognizes the right to use the obligations of the lease at the beginning of the lease. The right to use is measured at the initial recognition of the cost, which includes the initial value of the rental contract obligation adjusted for the lease payments that took place at the beginning or before the contract, until any initial direct costs are realized or any costs less the impact of any rental incentives received.

The right to use the asset is subsequently depreciated using the straight-line method from the date of the beginning of the contract, considering the lower of useful life of either the lease term or the remaining life of the rental asset. The useful life of the leased asset is estimated on the basis of estimating the useful life of the property and equipment. The value of the right to use the asset is periodically reduced to reflect the lower value (if any) and is modified to reflect the effect of the amendments on the item of obligations related to lease contracts.

The obligations associated with the lease are measured at the initial recognition of the present value of the unpaid lease payments at the date of the lease, deducted using the interest rate presented in the lease, and if it is not possible to determine, the borrowing rate used by the bank is used. Usually the borrowing rate used by the bank is what ends up being used.

The bank determines the borrowing rate by analyzing its loans from various external sources and making some adjustments to reflect the lease terms and the type of leased assets.

The lease payments taken into account for the purposes of calculating the obligations related to the lease include the following:

- Fixed payments, including substantial fixed payments,
- Variable payments that depend on an index or ratio and that are measured upon initial recognition taking into account this indicator or the ratio at the date of the lease,
- The amounts expected to be paid under the residual value guarantee clause; and
- Purchase option price when the bank is confident that it will implement the purchase option disclosure, lease payments when an optional renewal clause exists and the bank has the intention to renew the lease contract, and fines related to early termination of the contract unless the bank is confident that it will not perform early termination.

Obligations related to lease contracts are measured based on amortized cost, using the effective interest rate. The liabilities are re-measured when there is a change in the future rental payments as a result of the change in a specific index or ratio, and when there is a change in the management's estimates regarding the payable amount under the item of the residual value guarantee, or when the bank's plan in relation to exercising the option to buy, renew or terminate the contract changes.

When the obligations related to lease contracts are measured this way, adjustments are recorded in the right to use the asset or in the statement of income in the case where the carrying amount of the right to use the asset has been fully amortized.

The bank offers the right to use the assets under property and equipment, and the liabilities related to lease contracts are displayed among other liabilities (borrowed funds) in the consolidated statement of financial position.

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

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

The Bank as a lessor

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

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

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

Cash and Cash equivalents

Cash and cash equivalents comprise of cash on hand and cash balances at banks and financial institutions that mature within three months, less banks and financial institutions deposits that mature within three months from acquisition date and restricted balances.

Basic and diluted earnings per share

Basic and diluted earnings per share are calculated in respect of ordinary shares. The basic earnings per share is calculated by dividing the profit or loss for the year attributable to the shareholders of the bank's by the weighted average number of ordinary shares during the year. The diluted earnings per share is calculated by adjusting the profit or loss for the year attributable to the bank's shareholders and the weighted average number of ordinary shares so as to show the effect on the share of the profits of all ordinary shares traded during the year and the potential decline in its return.

(3) Changes In Accounting Policies and Standards Issued but not yet effective

(3-1) Changes in Accounting Policies

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

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

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

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

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

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

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

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

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

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

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

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

(3-2) Standards Issued but not yet effective

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

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

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

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

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

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

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

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

Lack of exchangeability – Amendments to IAS 21

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

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

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

IFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

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

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

IFRS 19 Subsidiaries without Public Accountability: Disclosures

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

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

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

(4) Critical accounting judgements and estimates

The preparation of consolidated financial statements and the application of accounting policies require the bank's management to make efforts, judgments, and assumptions that impact the amounts of financial assets, financial liabilities, and the disclosure of potential obligations. These estimates and judgments also affect revenues, expenses, provisions in general, expected credit losses, and changes in fair value that appear in the consolidated statement of comprehensive income and within shareholders' equity.

Specifically, the bank's management is required to make significant judgments and estimates to assess the amounts of future cash flows and their timing. These mentioned estimates are necessarily based on assumptions and multiple factors with varying degrees of estimation and uncertainty, and actual results may differ from the estimates due to changes arising from circumstances and conditions affecting those estimates in the future.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods

Significant areas where management has used estimates, assumptions, or exercised judgements are as follows:

Impairment of seized assets

Impairment of seized assets is calculated based on recent real estate valuations and approved by accredited valuers for the purpose of calculating the impairment of assets seized. The Impairment is reviewed periodically.

Tangible and Intangible assets useful lives

Useful life for property and equipment is reviewed each year. If expected useful life is different from the previous one, the difference is adjusted prospectively as a change in accounting estimate.

Income Tax

The group is subject to income tax and therefore this requires judgment in determining the income tax provision. The Group recognizes income tax liabilities based on its expectations of whether the tax audit will result in any additional tax. If the final tax estimate is different from what was recorded, then the differences will affect the current income tax in the period in which these differences are found.

Legal provision

Legal provisions are taken for lawsuits raised against the Bank based on the Bank legal advisor's opinion.

Non financial assets that are stated at cost

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

Provision for expected credit loss

The Bank's management is required to use significant judgments and estimates to estimate future cash flows amounts and timings, and estimate the risks of a significant increase in credit risk for financial assets after initial recognition and future measurement information for expected credit losses. The most significant policies and estimates used by the Bank's management are detailed in Note (44).

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Bank determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence, including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Bank monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant increase in credit risk

ECLs are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Bank takes into account qualitative and quantitative reasonable and supportable forward looking information. Estimates used by the Bank's management, which are related to the significant change in credit risk that lead to a change in classification within the three stages (1, 2, and 3) are detailed in Note (44).

Establishing groups of assets with similar credit risk characteristics

When the expected credit losses are measured on a collective basis, the financial instruments are grouped based on common risk characteristics (such as the type of instrument, the degree of credit risk, the type of collateral, the initial recognition date, the remaining period of maturity date, the industry, the borrower's geographic location, etc.). The Bank monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets.

Re-segmentation of portfolios and movement between portfolios

Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECL, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECL but the amount of ECL changes because the credit risk of the portfolios differ.

Models and assumptions used

The Bank uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL, as outlined in Note (44). Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

a) Classification and measurement of financial assets and liabilities

The Bank classifies financial instruments or components of financial assets upon initial recognition, either as a financial asset, financial liability, or an equity instrument in accordance with the substance of the contractual agreements and the definition of the instrument. Reclassification of a financial instrument in the consolidated financial statements is subject to its substance rather than its legal form.

The Bank determines the classification upon initial recognition as well as a reassessment of that determination, if possible and appropriate, at the date of each consolidated statement of financial position.

When measuring financial assets and liabilities, some of the Bank's assets and liabilities are remeasured at fair value for the purposes of preparing financial reports. When estimating the fair value of any of the assets or liabilities, the Bank uses the observable available market data. In the absence of Level 1 inputs, the Bank performs the assessments using professionally qualified independent evaluators. The Bank works in close cooperation with qualified external evaluators to develop appropriate valuation techniques and data on the fair value estimation model.

b) Fair Value Measurement

Where the fair values of financial assets and financial liabilities recorded on the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include considerations of liquidity and model inputs such as volatility for longer dated derivatives and discount rates, prepayment rates and default rate assumptions for asset-backed securities. The management believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

c) Derivative Financial Instruments

The fair value of derivatives measured at fair value is generally obtained by referring to the listed market prices, discounted cash flow models and recognized pricing models, if appropriate. In the absence of market price, fair value is determined using valuation techniques that reflect observable market data. These techniques include comparing similar instruments when there are observable market prices, discounted cash flow analysis, pricing option models and other valuation techniques commonly used by market participants. The main factors that management considers when applying the model are:

- The expected timing and probability of future cash flows of the instrument, as these cash flows are generally subject to the terms of the instrument, although management judgment may be required in cases where the ability of the counterparty to pay the instrument according to the contractual terms is in doubt; and
- An appropriate discount percentage for the instrument. The management determines this percentage based on its assessment of the margin of the ratio for the instrument, which is higher than the risk-free ratio. When evaluating the instrument with reference to comparative tools, management considers the entitlement, structure and degree of classification of the instrument based on the system with which the existing position is compared. When evaluating tools based on the model using the fair value of the main components, management also considers the need to make adjustments to calculate a number of factors such as bid differences, credit status, portfolio services costs and uncertainty about the model.

Lease extension and termination options

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

Determination of lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The extension options (or periods after the termination options) are included only in the term of the lease if the lease is reasonably certain to be extended (or not terminated). The evaluation is reviewed in the event of a significant event or significant change in the circumstances that affect this evaluation and that are under the control of the lessee.

Key sources of estimation uncertainty

The following are key estimations that the management has used in the process of applying the of the Bank's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- Establishing the number and relative weightings of forward-looking scenarios for each type of types product/ Market and determining the forward looking information relevant to each scenario:
- When measuring ECL, the Bank uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Probability of default (PD)

PD is a key entry point in the measurement of expected credit loss. PD is an estimate of the probability of default, over a certain period of time, which includes the computation of historical data, assumptions and projections related to future conditions.

Loss given default (LGD)

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Measurement and assessment procedures of fair value

When estimating the fair value of assets or liabilities, the Bank uses the observable available market data. In the absence of Level 1 inputs, the Bank performs the assessments using appropriate valuation models to determine the fair value of financial instruments.

Discounting lease payments

Lease payments are discounted using the bank's additional borrowing rate («IBR»). Management applied provisions and estimates to determine the additional borrowing rate at the start of the lease.

(5) Cash and Balances with Central Banks

	2024 JD	2023 JD
Cash on hand	280,103,853	336,794,496
Balances at Central Banks:		
Current and demand accounts	507,751,631	423,144,794
Time and notice deposit	363,100,000	101,977,553
Statutory cash reserve	503,249,329	456,722,775
Total balances with Central Banks	1,654,204,813	1,318,639,618

- The statutory cash reserve at the Central Bank of Jordan amounted to JD 201,052,828 as at 31 December 2024 compared to JD 189,946,324 as at 31 December 2023.

- There are no balances maturing within a period exceeding three months as at 31 December 2024 and 31 December 2023.
- The statutory cash reserves with the Central Bank of Iraq amounted to JD 302,196,501 as at 31 December 2024 compared to JD 266,776,451 as at 31 December 2023, and they are excluded from cash and cash equivalents for the purpose of the consolidated cash flow statement.

The distribution of Cash and balances with Central banks based on the Bank's internal credit rating is as follows:

31 December 2024	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Low risk / performing	870,356,685	-	-	870,356,685
Acceptable risk / performing	783,848,128	-	-	783,848,128
Total	1,654,204,813	-	-	1,654,204,813

31 December 2023	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Low risk / performing	604,103,390	-	-	604,103,390
Acceptable risk / performing	714,536,228	-	-	714,536,228
Total	1,318,639,618	-	-	1,318,639,618

Movements of total cash balances with central banks during the year is as follows:

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	1,318,639,618	-	-	1,318,639,618
New balances during the year	424,233,391	-	-	424,233,391
Settled balances	(88,668,196)	-	-	(88,668,196)
Total balance at the end of the year	1,654,204,813	-	-	1,654,204,813

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	780,556,681	-	-	780,556,681
New balances during the year	657,489,814	-	-	657,489,814
Settled balances	(159,483,944)	-	-	(159,483,944)
Foreign currency translation adjustments	40,077,067	-	-	40,077,067
Total balance at the end of the year	1,318,639,618	-	-	1,318,639,618

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(6) Balances at banks and financial institutions

	Local banks and financial institutions		Foreign Banks and Financial Institutions		Total	
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
Current and demand accounts	25,699,216	27,303,999	196,078,062	113,219,386	221,777,278	140,523,385
Deposits maturing within less than 3 months	-	-	-	24,862,109	-	24,862,109
Less: Expected credit losses	(107,237)	-	(102,846)	(68,949)	(210,083)	(68,949)
Total amount	25,591,979	27,303,999	195,975,216	138,012,546	221,567,195	165,316,545

- Non-interest bearing balances at banks and financial institutions amounted to JD 115,629,825 as at 31 December 2024 against JD 84,071,312 as at 31 December 2023.
- Restricted balances amounted to JD 6,830,527 as at 31 December 2024 against JD 14,999,582 as at 31 December 2023 which are excluded from the cash and cash equivalent for the consolidated cash flow statement purposes.
- The Bank balances - customer accounts related to the brokerage amounted to JD 22,054,863 as at 31 December 2024 against JD 19,274,848 as at 31 December 2023. These balances are excluded from cash and cash equivalents for the for consolidated cash flow preparation purposes.

The distribution of balances with banks and financial institutions based on the bank's internal credit rating is as follows:

31 December 2024	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Low risk / performing	221,451,266	-	-	221,451,266
Acceptable risk / performing	56,690	198,979	70,343	326,012
Total	221,507,956	198,979	70,343	221,777,278

31 December 2023	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Low risk / performing	127,954,777	-	-	127,954,777
Acceptable risk / performing	37,361,768	-	68,949	37,430,717
Total	165,316,545	-	68,949	165,385,494

Movements of balances with banks and financial institutions during the year is as follows:

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	165,316,545	-	68,949	165,385,494
New balances during the year	132,941,942	21,673	-	132,963,615
Settled balances	(76,559,762)	(12,069)	-	(76,571,831)
Transferred to second stage	(189,375)	189,375	-	-
Transferred to third stage	(1,394)	-	1,394	-
Total balance at the end of the year	221,507,956	198,979	70,343	221,777,278

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	218,125,516	1,936,833	68,949	220,131,298
New balances during the year	43,387,111	-	-	43,387,111
Settled balances	(113,038,594)	(1,936,833)	-	(114,975,427)
Foreign currency translation adjustments	16,842,512	-	-	16,842,512
Total balance at the end of the year	165,316,545	-	68,949	165,385,494

Movements on provision for expected credit losses on balances with banks and financial institutions during the year is as follows:

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	-	-	68,949	68,949
Impairment loss on new balances during the year	139,704	36	1,394	141,134
Total balance at the end of the year	139,704	36	70,343	210,083

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	-	7,938	68,949	76,887
Recovered from Impairment loss on settled balances	-	(7,938)	-	(7,938)
Total balance at the end of the year	-	-	68,949	68,949

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

Quoted financial assets	2024 JD	2023 JD
Corporate bonds and debt securities	2,577,532	4,983,377
Other governments bonds	833,643	2,303,835
Quoted shares	5,511,566	7,230,786
Total quoted financial assets	8,922,741	14,517,998
Unquoted financial assets		
Treasury bonds	3,607,723	3,514,769
Unquoted shares*	49,802,262	44,237,491
Investment funds	15,586,368	16,324,903
Total unquoted financial assets	68,996,353	64,077,163
Less: Expected credit losses	(1,519)	-
Total Financial Assets at Fair Value through Other Comprehensive Income	77,917,575	78,595,161
Analysis of bonds and bills (net):		
Fixed Rate	7,017,379	10,801,981
Total	7,017,379	10,801,981

- The unquoted shares include an amount of JD 20,963,078, representing 19.78% of the capital of Professional Real Estate Investment Company, which amounted to JD 106,000,000. This investment is made in partnership with several Jordanian banks and has been approved by the Central Bank of Jordan , under the supervision of the Association of Banks. The establishment of the Professional Real Estate Investment Company is intended to manage the banks' seized assets in Jordan. The Group reviewed the requirements of IAS 28 « Investments in associates and joint ventures» and accordingly the investment was classified as financial asset at fair value through other comprehensive income as the Group has no significant influence on the on the Company in accordance with International Accounting Standard 28.
- The Bank received dividends of JD 1,371,601 (2023: JD 1,752,335) from its fair value through other comprehensive income equities which was recorded separately in the consolidated income statement.
- Realized gain from sale of financial assets at fair value through other comprehensive income (debt instruments) amounted to JD 30,285 during the year ended 31 December 2024 against realized gain of JD 28,160 during the year ended 31 December 2023 and it has been transferred to the retained earnings through the consolidated income statement.
- During the year, the Bank also sold financial assets at fair value through other comprehensive Income equity instruments In relation to this, Realized losses resulted from sales of financial assets at fair value through other comprehensive Income amounted to JD 255,153 during the year ended 31 December 2024 against realized losses of JD 430,991 during the year ended 31 December 2023, and it has been transferred to the retained earnings through the Consolidated Statement of Changes in Equity.
- The addition of allowance for debt securities at fair value through other comprehensive income for the year 2024 of JD 1,519 (2023: JD null) does not change the carrying amount of these investments, as these investments are measured at fair value and the ECL gives rise to an equal and opposite gain in the consolidated statement of other comprehensive income.

Financial Assets at Fair Value through other comprehensive income

Distribution of financial Assets at Fair Value through Other Comprehensive Income (debt instruments) based on the Bank's internal credit rating as at the year end is as follows:

31 December 2024	Stage one JD	Stage two JD	Stage three JD	Total JD
Low risk / performing	3,607,723	-	-	3,607,723
Acceptable risk / performing	3,411,175	-	-	3,411,175
Total	7,018,898	-	-	7,018,898

31 December 2023	Stage one JD	Stage two JD	Stage three JD	Total JD
Low risk / performing	3,514,769	-	-	3,514,769
Acceptable risk / performing	7,287,212	-	-	7,287,212
Total	10,801,981	-	-	10,801,981

Movements of debt instruments at fair value through other comprehensive income during the year is as follows :

31 December 2024	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	10,801,981	-	-	10,801,981
New investments during the year	150,329	-	-	150,329
Settled investments	(8,495)	-	-	(8,495)
Sold during the year	(3,924,917)	-	-	(3,924,917)
Total balance at the end of the year	7,018,898	-	-	7,018,898

31 December 2023	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	45,157,583	-	-	45,157,583
New investments during the year	1,517,958	-	-	1,517,958
Settled balances	(38,418,130)	-	-	(38,418,130)
Sold during the year	(1,048,834)	-	-	(1,048,834)
Foreign currency translation adjustments	3,593,404	-	-	3,593,404
Total balance at the end of the year	10,801,981	-	-	10,801,981

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Movements of provision for expected credit losses on debt instruments at fair value through comprehensive income during the year is as follows:

31 December 2024	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	-	-	-	-
Impairment loss on new investments during the year	1,519	-	-	1,519
Total balance at the end of the year	1,519	-	-	1,519

31 December 2023	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	103	-	-	103
Recovered from impairment loss during the year	(103)	-	-	(103)
Total balance at the end of the year	-	-	-	-

(8) Direct Credit Facilities -at Amortized cost, Net

	2024 JD	2023 JD
Retail customers		
Overdrafts	23,382,561	24,217,978
Loans and notes *	1,081,940,937	902,191,126
Credit cards	57,497,918	60,416,900
Real estate Lending	254,266,898	288,461,089
Corporate Lending		
Overdrafts	146,371,988	181,277,023
Loans and notes *	1,437,174,185	1,499,843,610
Small and medium enterprises "SMEs" facilities		
Overdrafts	74,056,456	99,577,404
Loans and notes *	272,891,798	283,223,806
Government and public sector lending	408,087,507	376,064,682
Total	3,755,670,248	3,715,273,618
Less: Suspended interest	61,296,038	50,540,371
Less: Expected credit losses	265,206,185	233,719,366
Net direct credit facilities	3,429,168,025	3,431,013,881

- Those balances are net of interest and commissions received in advance which amounts to JD 165,590,208 as at 31 December 2024 against JD 121,581,594 as at 31 December 2023.
- Non-performing credit facilities amounted to JD 333,878,257, representing 8.89% of total direct credit facilities as of 31 December 2024, compared to JD 228,191,961 as of 31 December 2023, which represented 6.14% of total direct credit facilities.
- Non-performing credit facilities, net of suspended interest, amounted to JD 279,089,487 representing 7.55% of total direct credit facilities net of interest in suspense as of 31 December 2024, compared to JD 181,284,793 as of December 2023, which represented 4.94% of total direct credit facilities net of interest in suspense.
- Credit facilities granted to and guaranteed by the government as at 31 December 2024 amounted to 239,100,894 compared to JD 228,013,603 as at 31 December 2023 .

Direct credit facilities at amortized cost - Large corporates

The Distribution of direct credit facilities at amortized cost for Corporate customers based on the Bank's internal credit rating as at 31 December 2024 and 2023 is as follows:

31 December 2024	Stage one JD	Stage two JD	Stage three JD	Total JD
Low risk / performing	338,836,044	13,651,923	-	352,487,967
Acceptable risk / performing	787,773,161	272,129,582	11,579,792	1,071,482,535
Non- Performing				
Substandard	-	-	8,316,538	8,316,538
Doubtful	-	-	27,806,137	27,806,137
Loss	-	-	123,452,996	123,452,996
Total	1,126,609,205	285,781,505	171,155,463	1,583,546,173

31 December 2023	Stage one JD	Stage two JD	Stage three JD	Total JD
Low risk / performing	361,671,483	5,939,042	-	367,610,525
Acceptable risk / performing	935,929,154	239,686,545	36,936,342	1,212,552,041
Non- Performing				
Substandard	-	-	4,664,290	4,664,290
Doubtful	-	-	11,234,069	11,234,069
Loss	-	-	85,059,708	85,059,708
Total	1,297,600,637	245,625,587	137,894,409	1,681,120,633

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The movement on total Direct credit facilities at amortized cost for Large Corporate customer during the year is as follows :

31 December 2024	Stage one JD	Stage two JD	Stage three JD	Total JD
Balance at the beginning of the year	1,297,600,637	245,625,587	137,894,409	1,681,120,633
New balances during the year / additions*	535,826,178	95,203,812	25,689,866	656,719,856
Settled balances	(652,485,712)	(69,741,316)	(21,953,031)	(744,180,059)
Transferred to stage one	11,050,566	(11,050,566)	-	-
Transferred to stage two	(54,322,526)	54,912,046	(589,520)	-
Transferred to stage three	(11,059,938)	(29,168,058)	40,227,996	-
Written off balances	-	-	(10,114,257)	(10,114,257)
Total balance at the end of the year	1,126,609,205	285,781,505	171,155,463	1,583,546,173

31 December 2023	Stage one JD	Stage two JD	Stage three JD	Total JD
Balance at the beginning of the year	1,421,007,200	204,536,471	138,428,003	1,763,971,674
New balances during the year / additions*	799,896,504	132,203,439	55,952,409	988,052,352
Settled balances	(908,807,315)	(113,658,570)	(26,214,413)	(1,048,680,298)
Transferred to stage one	10,737,839	(10,737,358)	(481)	-
Transferred to stage two	(37,329,379)	41,570,384	(4,241,005)	-
Transferred to stage three	(1,448,732)	(13,366,557)	14,815,289	-
Written off balances	-	-	(42,469,184)	(42,469,184)
Adjustments due to change in exchange rates	13,544,520	5,077,778	1,623,791	20,246,089
Total balance at the end of the year	1,297,600,637	245,625,587	137,894,409	1,681,120,633

* The new balances during the year / additions include the interest that was calculated on the non performing loans. This interest was suspended and incorporated into the interest in suspense provision.

The movement on the provision for expected credit losses on direct credit facilities at amortized cost for Corporate customers during the year is as follows :

31 December 2024	Stage one JD	Stage two JD	Stage three JD	Total JD
Balance at the beginning of the year	22,804,727	41,795,131	66,870,155	131,470,013
Impairment loss on new balances / additions during the year	6,825,759	22,364,848	21,608,055	50,798,662
Impairment loss recoveries from settled balances	(16,717,887)	(6,258,863)	(11,917,388)	(34,894,138)
Transferred to stage one	388,460	(388,460)	-	-
Transferred to stage two	(1,820,102)	2,141,011	(320,909)	-
Transferred to stage three	(1,260,514)	(18,163,340)	19,423,854	-
Written off balances	-	-	(5,044,595)	(5,044,595)
Utilized to off-set purchased loans	(3,198,389)	-	-	(3,198,389)
Adjustments due to change in exchange rates	0	0	0	0
Total balance at the end of the year	7,022,054	41,490,327	90,619,172	139,131,553

31 December 2023	Stage one JD	Stage two JD	Stage three JD	Total JD
Balance at the beginning of the year	19,099,320	19,580,722	73,664,379	112,344,421
Impairment loss on new balances / additions during the year	18,962,993	27,091,754	28,334,737	74,389,484
Impairment loss from settled balances	(9,031,069)	(10,104,333)	(7,775,215)	(26,910,617)
Transferred to stage one	526,216	(526,202)	(14)	-
Transferred to stage two	(6,978,523)	6,978,523	-	-
Transferred to stage three	(8,714)	(1,900,242)	1,908,956	-
Written off balances	-	-	(30,125,994)	(30,125,994)
Foreign currency translation adjustments	234,504	674,909	863,306	1,772,719
Total balance at the end of the year	22,804,727	41,795,131	66,870,155	131,470,013

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Direct credit facilities at amortized cost - Small and Medium Enterprises

Distribution of direct credit facilities for Small and Medium enterprises based on the Bank's internal credit rating as at 31 December 2024 and 2023 is as follows:

31 December 2024	Stage one JD	Stage two JD	Stage three JD	Total JD
Low risk / performing	83,106,160	64,579	-	83,170,739
Acceptable risk / performing	148,946,759	41,601,796	9,100,994	199,649,549
Non- Performing				
Substandard	-	-	2,501,457	2,501,457
Doubtful	-	-	8,706,603	8,706,603
Loss	-	-	52,919,906	52,919,906
Total	232,052,919	41,666,375	73,228,960	346,948,254

31 December 2023	Stage one JD	Stage two JD	Stage three JD	Total JD
Low risk / performing	90,109,760	3,531,664	-	93,641,424
Acceptable risk / performing	180,594,707	39,561,706	12,930,643	233,087,056
Non- Performing				
Substandard	-	-	3,913,298	3,913,298
Doubtful	-	-	6,938,204	6,938,204
Loss	-	-	45,221,228	45,221,228
Total	270,704,467	43,093,370	69,003,373	382,801,210

Movement on total direct credit facilities at amortized cost for Small and Medium enterprises during the year is as follows :

31 December 2024	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	270,704,467	43,093,370	69,003,373	382,801,210
New balances during the year / additions*	102,865,890	17,056,042	10,600,438	130,522,370
Settled balances	(129,229,567)	(22,369,262)	(14,776,497)	(166,375,326)
Transferred to stage one	2,159,560	(2,091,155)	(68,405)	-
Transferred to stage two	(12,264,454)	12,460,463	(196,009)	-
Transferred to stage three	(2,182,977)	(6,483,083)	8,666,060	-
Total balance at the end of the year	232,052,919	41,666,375	73,228,960	346,948,254

31 December 2023	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	267,690,146	51,544,582	55,763,219	374,997,947
New balances during the year / additions*	132,318,607	14,053,775	13,957,335	160,329,717
Settled balances	(124,867,700)	(16,154,730)	(11,916,426)	(152,938,856)
Transferred to stage one	10,230,092	(10,230,078)	(14)	-
Transferred to stage two	(10,182,664)	10,336,388	(153,724)	-
Transferred to stage three	(7,312,856)	(6,678,818)	13,991,674	-
Adjustments due to change in exchange rates	2,828,842	222,251	94,734	3,145,827
Written off balances	-	-	(2,733,425)	(2,733,425)
Total balance at the end of the year	270,704,467	43,093,370	69,003,373	382,801,210

* The New balances during the year / additions include the interest that was calculated on the non performing loans. This interest was suspended and incorporated into the interest in suspense provision. Movement on provision for expected credit losses for direct credit facilities for Small and Medium enterprises during the year is as follows :

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31 December 2024	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	2,967,204	2,103,182	38,361,511	43,431,897
Impairment loss on new balances / additions during the year	803,049	2,438,748	7,058,163	10,299,960
Impairment loss recoveries from settled balances	(448,237)	(827,630)	(8,582,272)	(9,858,139)
Transferred to stage one	16,364	(15,830)	(534)	-
Transferred to stage two	(226,311)	230,881	(4,570)	-
Transferred to stage three	(290,449)	(2,248,814)	2,539,263	-
Utilized to off-set purchased loans	(2,072,005)	-	(1,365,589)	(3,437,594)
Total balance at the end of the year	749,615	1,680,537	38,005,972	40,436,124

31 December 2023	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	9,085,792	2,536,240	27,115,619	38,737,651
Impairment loss on new balances / additions during the year	2,933,892	997,274	9,239,365	13,170,531
Impairment loss recoveries from settled balances	(2,542,954)	(1,252,960)	(3,087,768)	(6,883,682)
Transferred to stage one	43,611	(43,611)	-	-
Transferred to stage two	(824,831)	824,831	-	-
Transferred to stage three	(5,752,295)	(968,602)	6,720,897	-
Adjustments due to change in exchange rates	23,989	10,010	14,986	48,985
Written off balances	-	-	(1,641,588)	(1,641,588)
Total balance at the end of the year	2,967,204	2,103,182	38,361,511	43,431,897

Direct credit facilities at Amortized cost - Retail

Distribution of direct credit facilities for Retail segment based on the Bank's internal credit rating as at 31 December 2024 and 2023 is as follows:

31 December 2024	Stage one JD	Stage two JD	Stage three JD	Total JD
Low risk / performing	698,349,927	8,548,185	20,074.0	706,918,186
Acceptable risk / performing	323,166,758	44,561,969	2,891,394	370,620,121
Non- Performing				
Substandard	-	-	8,490,353	8,490,353
Doubtful	-	-	16,371,295	16,371,295
Loss	-	-	60,421,461	60,421,461
Total	1,021,516,685	53,110,154	88,194,577	1,162,821,416

31 December 2023	Stage one JD	Stage two JD	Stage three JD	Total JD
Low risk / performing	475,121,170	6,677,103	-	481,798,273
Acceptable risk / performing	402,113,111	43,604,423	10,865,602	456,583,136
Non- Performing				
Substandard	-	-	3,878,445	3,878,445
Doubtful	-	-	11,515,414	11,515,414
Loss	-	-	33,050,736	33,050,736
Total	877,234,281	50,281,526	59,310,197	986,826,004

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Movement on total direct credit facilities at amortized cost for Retail segment during the year is as follows :

31 December 2024	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	877,234,281	50,281,526	59,310,197	986,826,004
New balances during the year / additions*	392,270,374	11,881,866	19,112,737	423,264,977
Settled balances	(218,970,220)	(15,080,343)	(13,212,475)	(247,263,038)
Transferred to stage one	14,669,073	(12,706,478)	(1,962,595)	-
Transferred to stage two	(28,307,214)	30,488,484	(2,181,270)	-
Transferred to stage three	(15,379,609)	(11,754,901)	27,134,510	-
Written off balances	-	-	(6,527)	(6,527)
Total balance at the end of the year	1,021,516,685	53,110,154	88,194,577	1,162,821,416

31 December 2023	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	734,049,226	33,936,375	42,899,647	810,885,248
New balances during the year / additions*	444,164,682	13,993,813	14,633,162	472,791,657
Settled balances	(302,658,234)	(11,303,734)	(8,388,667)	(322,350,635)
Transferred to stage one	10,706,959	(9,472,823)	(1,234,136)	-
Transferred to stage two	(29,280,440)	31,198,899	(1,918,459)	-
Transferred to stage three	(11,533,299)	(8,328,591)	19,861,890	-
Written off balances	-	-	(7,062,168)	(7,062,168)
Adjustments due to change in exchange rates	31,785,387	257,587	518,928	32,561,902
Total balance at the end of the year	877,234,281	50,281,526	59,310,197	986,826,004

* The New balances during the year / additions include the interest that was calculated on the non performing loans. This interest was suspended and incorporated into the interest in suspense provision.

The movement on the provision for expected credit on direct credit facilities for Retail segment during the year is as follows :

31 December 2024	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	9,243,128	1,720,698	35,549,994	46,513,820
Impairment loss on new balances / additions during the year	11,415,223	8,823,507	19,559,078	39,797,808
Impairment loss recovered from settled balances	(6,335,154)	(910,185)	(6,963,837)	(14,209,176)
Transferred to stage one	356,669	(86,335)	(270,334)	-
Transferred to stage two	(641,458)	827,144	(185,686)	-
Transferred to stage three	(8,832,104)	(8,753,458)	17,585,562	-
Written off balances	-	-	(1,148)	(1,148)
Total balance at the end of the year	5,206,304	1,621,371	65,273,629	72,101,304

31 December 2023	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	6,806,833	861,984	25,093,495	32,762,312
Impairment loss on new balances / additions during the year	6,111,482	606,051	16,782,112	23,499,645
Impairment loss recovered from settled balances	(1,538,596)	(274,665)	(4,793,996)	(6,607,257)
Transferred to stage one	167,004	(97,041)	(69,963)	-
Transferred to stage two	(771,497)	981,669	(210,172)	-
Transferred to stage three	(1,724,907)	(373,869)	2,098,776	-
Adjustments due to change in exchange rates	192,809	16,569	215,199	424,577
Written off balances	-	-	(3,565,457)	(3,565,457)
Total balance at the end of the year	9,243,128	1,720,698	35,549,994	46,513,820

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Direct credit facilities at amortized cost - Real Estate

Distribution of direct credit facilities for Real Estate facilities based on the Bank's internal credit rating as at 31 December 2024 and 2023 is as follows:

31 December 2024	Stage one JD	Stage two JD	Stage three JD	Total JD
Low risk / performing	55,890,605	689,766	-	56,580,371
Acceptable risk / performing	143,593,858	25,306,560	3,894,598	172,795,016
Non- Performing				
Substandard	-	-	867,968	867,968
Doubtful	-	-	5,714,421	5,714,421
Loss	-	-	18,309,122	18,309,122
Total	199,484,463	25,996,326	28,786,109	254,266,898

31 December 2023	Stage one JD	Stage two JD	Stage three JD	Total JD
Low risk / performing	42,775,056	2,853,981	-	45,629,037
Acceptable risk / performing	184,224,205	24,347,959	11,543,319	220,115,483
Non- Performing				
Substandard	-	-	1,225,419	1,225,419
Doubtful	-	-	2,498,291	2,498,291
Loss	-	-	18,992,859	18,992,859
Total	226,999,261	27,201,940	34,259,888	288,461,089

Movement on total direct credit facilities at amortized cost for Real Estate facilities during the year is as follows :

31 December 2024	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	226,999,261	27,201,940	34,259,888	288,461,089
New balances during the year / additions*	27,097,280	3,146,270	4,943,221	35,186,771
Settled balances	(49,093,929)	(6,087,378)	(14,136,007)	(69,317,314)
Transferred to stage one	7,096,905	(6,613,084)	(483,821)	-
Transferred to stage two	(9,912,788)	12,463,010	(2,550,222)	-
Transferred to stage three	(2,702,266)	(4,114,432)	6,816,698	-
Written off balances	-	-	(63,648)	(63,648)
Total balance at the end of the year	199,484,463	25,996,326	28,786,109	254,266,898

31 December 2023	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	248,860,863	29,407,022	36,575,654	314,843,539
New balances during the year / additions*	28,061,263	1,431,875	2,872,488	32,365,626
Settled balances	(43,877,527)	(3,563,986)	(10,044,409)	(57,485,922)
Transferred to stage one	8,984,938	(8,544,003)	(440,935)	-
Transferred to stage two	(12,292,782)	14,603,140	(2,310,358)	-
Transferred to stage three	(2,737,494)	(6,132,108)	8,869,602	-
Written off balances	-	-	(1,262,154)	(1,262,154)
Total balance at the end of the year	226,999,261	27,201,940	34,259,888	288,461,089

* The new balances during the year / additions include the interest that was calculated on the non performing loans. This interest was suspended and incorporated into the interest in suspense provision

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Movement of provision for impairment losses for direct credit facilities for Real Estate facilities during the year is as follows :

31 December 2024	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	674,823	1,179,189	10,449,624	12,303,636
Impairment loss on new balances / additions during the year	659,658	1,043,957	4,176,472	5,880,087
Impairment loss recoveries from settled balances	(194,063)	(636,620)	(3,781,993)	(4,612,676)
Transferred to stage one	26,389	(24,556)	(1,833.00)	-
Transferred to stage two	(243,148)	320,604	(77,456)	-
Transferred to stage three	(437,262)	(917,957)	1,355,219	-
Written off balances	-	-	(33,843)	(33,843)
Total balance at the end of the year	486,397	964,617	12,086,190	13,537,204

31 December 2023	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	825,549	1,095,460	9,331,407	11,252,416
Impairment loss on new balances / additions during the year	426,865	425,479	4,478,090	5,330,434
Impairment loss recoveries from settled balances	(69,430)	(511,129)	(3,028,853)	(3,609,412)
Transferred to stage one	86,396	(79,471)	(6,925)	-
Transferred to stage two	(189,138)	394,545	(205,407)	-
Transferred to stage three	(405,419)	(145,695)	551,114	-
Written off balances	-	-	(669,802)	(669,802)
Total balance at the end of the year	674,823	1,179,189	10,449,624	12,303,636

Direct credit facilities at amortized cost - Government and Public Sector

Distribution of direct credit facilities for Governmental & Public sectors based on the Bank's internal credit rating as at 31 December 2024 and 2023 is as follows:

31 December 2024	Stage one JD	Stage two JD	Stage three JD	Total JD
Low risk / performing	408,087,507	-	-	408,087,507
Acceptable risk / performing	-	-	-	-
Total	408,087,507	-	-	408,087,507

31 December 2023	Stage one JD	Stage two JD	Stage three JD	Total JD
Low risk / performing	376,064,682	-	-	376,064,682
Acceptable risk / performing	-	-	-	-
Total	376,064,682	-	-	376,064,682

The movement on total direct credit facilities at amortized cost for Governmental & Public sectors during the year is as follows :

31 December 2024	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	376,064,682	-	-	376,064,682
New balances during the year / additions	89,986,857	-	-	89,986,857
Settled balances	(57,964,032)	-	-	(57,964,032)
Total balance at the end of the year	408,087,507	-	-	408,087,507

31 December 2023	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	248,089,757	-	-	248,089,757
New balances during the year / additions	143,490,854	-	-	143,490,854
Settled balances	(15,515,929)	-	-	(15,515,929)
Total balance at the end of the year	376,064,682	-	-	376,064,682

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Movement of provision for expected credit losses for direct credit facilities for Governmental & Public sectors during the year is as follows :

31 December 2024	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	-	-	-	-
Impairment loss on new balances / additions during the year	-	-	-	-
Total balance at the end of the year	-	-	-	-

31 December 2023	Stage one JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	-	-	-	-
Impairment loss recoveries from settled balances	-	-	-	-
Total balance at the end of the year	-	-	-	-

Direct credit facilities at amortized cost - Cumulative

Distribution of direct credit facilities based on the Bank's internal credit rating as at 31 December 2024 and 2023 is as follows:

31 December 2024	Stage one JD	Stage two JD	Stage three JD	Total JD
Low risk / performing	1,584,270,243	22,954,453	20,074	1,607,244,770
Acceptable risk / performing	1,403,480,536	383,599,907	27,466,778	1,814,547,221
Non- Performing				
Substandard	-	-	20,176,316	20,176,316
Doubtful	-	-	58,598,456	58,598,456
Loss	-	-	255,103,485	255,103,485
Total	2,987,750,779	406,554,360	361,365,109	3,755,670,248

31 December 2023	Stage one JD	Stage two JD	Stage three JD	Total JD
Low risk / performing	1,345,742,151	19,001,790	-	1,364,743,941
Acceptable risk / performing	1,702,861,177	347,200,633	72,275,906	2,122,337,716
Non- Performing				
Substandard	-	-	13,681,452	13,681,452
Doubtful	-	-	32,185,978	32,185,978
Loss	-	-	182,324,531	182,324,531
Total	3,048,603,328	366,202,423	300,467,867	3,715,273,618

The movement on total direct credit facilities at amortized cost during the year is as follows:

31 December 2024	Stage one JD	Stage two JD	Stage three JD	Total JD
Balance at the beginning of the year	3,048,603,328	366,202,423	300,467,867	3,715,273,618
New balances during the year / additions*	1,148,046,579	127,287,990	60,346,262	1,335,680,831
Settled balances	(1,107,743,460)	(113,278,299)	(64,078,010)	(1,285,099,769)
Transferred to stage one	34,976,104	(32,461,283)	(2,514,821)	-
Transferred to stage two	(104,806,982)	110,324,003	(5,517,021)	-
Transferred to stage three	(31,324,790)	(51,520,474)	82,845,264	-
Written off balances	-	-	(10,184,432)	(10,184,432)
Adjustments due to change in exchange rates				-
Total balance at the end of the year	2,987,750,779	406,554,360	361,365,109	3,755,670,248

31 December 2023	Stage one JD	Stage two JD	Stage three JD	Total JD
Balance at the beginning of the year	2,919,697,192	319,424,450	273,666,523	3,512,788,165
New balances during the year / additions*	1,547,931,910	161,682,902	87,415,394	1,797,030,206
Settled balances	(1,395,726,705)	(144,681,020)	(56,563,915)	(1,596,971,640)
Transferred to stage one	40,659,828	(38,984,262)	(1,675,566)	-
Transferred to stage two	(89,085,265)	97,708,811	(8,623,546)	-
Transferred to stage three	(23,032,381)	(34,506,074)	57,538,455	-
Written off balances	-	-	(53,526,931)	(53,526,931)
Foreign currency translation adjustments	48,158,749	5,557,616	2,237,453	55,953,818
Total balance at the end of the year	3,048,603,328	366,202,423	300,467,867	3,715,273,618

*The new balances during the year / additions include the interest that was calculated on the non performing loans. This interest was suspended and incorporated into the interest in suspense provision.

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The movement of provision for impairment losses for direct credit facilities is during the year is as follows:

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	35,689,882	46,798,200	151,231,284	233,719,366
Impairment loss on new balances / additions during the year	19,703,689	34,671,060	52,401,768	106,776,517
Impairment loss recoveries from settled balances	(23,695,341)	(8,633,298)	(31,245,490)	(63,574,129)
Transferred to stage one	787,882	(515,181)	(272,701)	-
Transferred to stage two	(2,931,019)	3,519,640	(588,621)	-
Transferred to stage three	(10,820,329)	(30,083,569)	40,903,898	-
Written off balances	-	-	(5,079,586)	(5,079,586)
Utilized to off-set purchased loans	(5,270,394)	-	(1,365,589)	(6,635,983)
Total balance at the end of the year	13,464,370	45,756,852	205,984,963	265,206,185

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	35,817,494	24,074,406	135,204,900	195,096,800
Impairment loss of direct credit facilities/ additions during the year	28,435,232	29,120,558	58,834,304	116,390,094
Impairment loss recoveries from settled balances	(13,182,049)	(12,143,087)	(18,685,832)	(44,010,968)
Transferred to stage one	823,227	(746,325)	(76,902)	-
Transferred to stage two	(8,763,989)	9,179,568	(415,579)	-
Transferred to stage three	(7,891,335)	(3,388,408)	11,279,743	-
Written off balances	-	-	(36,002,841)	(36,002,841)
Foreign currency translation adjustments	451,302	701,488	1,093,491	2,246,281
Total balance at the end of the year	35,689,882	46,798,200	151,231,284	233,719,366

The cumulative movement of the provision for impairment losses of direct credit facilities by sectors during the year is as follows :

31 December 2024	Retail	Real estate	Corporate	SMEs	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	46,513,820	12,303,636	131,470,013	43,431,897	-	233,719,366
Impairment loss of direct credit facilities during the year	39,797,808	5,880,087	50,798,662	10,299,960	-	106,776,517
Impairment loss recoveries from settled balances	(14,209,176)	(4,612,676)	(34,894,138)	(9,858,139)	-	(63,574,129)
Transfer (from) to stage one	(9,116,893)	(654,021)	(2,692,156)	(500,396)	-	(12,963,466)
Transfer (from) to stage two	(8,012,649)	(621,909)	(16,410,789)	(2,033,763)	-	(27,079,110)
Transferred to (from) to stage three	17,129,542	1,275,930	19,102,945	2,534,159	-	40,042,576
Foreign currency translation adjustments	-	-	(3,198,389)	(3,437,594)	-	(6,635,983)
Written off balances	(1,148)	(33,843)	(5,044,595)	-	-	(5,079,586)
Total balance at the end of the year	72,101,304	13,537,204	139,131,553	40,436,124	-	265,206,185

31 December 2023	Retail	Real estate	Corporate	SMEs	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	32,762,312	11,252,416	112,344,421	38,737,651	-	195,096,800
Impairment loss on new balances during the year	23,499,645	5,330,434	74,389,484	13,170,531	-	116,390,094
Impairment loss recoveries from settled balances	(6,607,257)	(3,609,412)	(26,910,617)	(6,883,682)	-	(44,010,968)
Transfer (from) to stage one	(2,329,400)	(508,161)	(6,461,021)	(6,533,515)	-	(15,832,097)
Transfer (from) to stage two	510,759	169,379	4,552,079	(187,382)	-	5,044,835
Transferred to (from) to stage three	1,818,641	338,782	1,908,942	6,720,897	-	10,787,262
Adjustments due to change in exchange rates	424,577	-	1,772,719	48,985	-	2,246,281
Written off balances	(3,565,457)	(669,802)	(30,125,994)	(1,641,588)	-	(36,002,841)
Total balance at the end of the year	46,513,820	12,303,636	131,470,013	43,431,897	-	233,719,366

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Interest in suspense

The cumulative movement of the interest in suspense by sector during the year is as follows :

31 December 2024	Retail JD	Real estate JD	Corporate JD	SMEs JD	Total JD
Balance at the beginning of the year	5,762,312	3,450,791	30,779,245	10,548,023	50,540,371
Suspended interest during the year	3,825,924	875,232	14,946,302	2,556,236	22,203,694
Interest transferred to income	(731,991)	(748,021)	(1,614,842)	(3,248,327)	(6,343,181)
Adjustments due to change in exchange rate	(5,379)	(29,805)	(5,069,662)	-	(5,104,846)
Total balance at the end of the year	8,850,866	3,548,197	39,041,043	9,855,932	61,296,038

31 December 2023	Retail JD	Real estate JD	Corporate JD	SMEs JD	Total JD
Balance at the beginning of the year	6,882,372	4,692,257	32,251,052	9,285,780	53,111,461
Suspended interest during the year	3,019,823	1,229,360	12,001,316	3,771,351	20,021,850
Interest transferred to income	(763,959)	(1,878,474)	(1,834,881)	(1,421,235)	(5,898,549)
Written off suspended interest	(3,496,711)	(592,352)	(12,343,190)	(1,091,837)	(17,524,090)
Adjustments due to change in exchange rate	120,787	-	704,948	3,964	829,699
Total balance at the end of the year	5,762,312	3,450,791	30,779,245	10,548,023	50,540,371

Direct gross credit facilities portfolio is distributed as per the following geographical and economic sectors classification as at 31 December 2024 and 2023 is as follows:

	Inside Jordan	Outside Jordan	31 December 2024	31 December 2023
	JD	JD	JD	JD
Financial	57,662,764	-	57,662,764	55,005,223
Industrial	459,795,373	17,120,112	476,915,485	556,989,730
Commercial	382,900,859	201,361,946	584,262,805	559,153,535
Real estate and Construction	462,717,599	69,880,792	532,598,391	547,633,635
Tourism and hotels	59,638,662	-	59,638,662	67,399,537
Agriculture	32,911,457	29,544,339	62,455,796	52,725,965
Shares	98,964,882	1,294,073	100,258,955	116,703,054
Service and public utilities	205,058,686	56,045,869	261,104,555	298,668,858
Transportation services (including air transportation)	18,702,710	-	18,702,710	28,607,356
Government and public sector	408,087,507	-	408,087,507	376,064,682
Retail	493,805,895	642,509,510	1,136,315,405	974,264,367
Other	57,667,213	-	57,667,213	82,057,676
Total	2,737,913,607	1,017,756,641	3,755,670,248	3,715,273,618

(9) Financial Assets At Amortized Cost, net

	31 December 2024	31 December 2023
	JD	JD
Treasury bills	272,605,174	283,654,900
Governmental treasury bonds	1,205,289,242	1,234,139,011
Guaranteed governmental bonds	83,441,597	93,637,298
Corporate Bonds and bills	58,179,700	76,835,700
Other governmental bonds and bills	498,476,857	204,871,406
Total Financial Assets At Amortized Cost	2,117,992,570	1,893,138,315
Less: Expected credit losses	(2,290,102)	(2,119,757)
Net Financial Assets At Amortized Cost	2,115,702,468	1,891,018,558
Analysis of bonds and bills:		
Fixed Rate	2,107,927,304	1,883,240,179
Floating rate	7,775,164	7,778,379
Total	2,115,702,468	1,891,018,558

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Financial Assets At Amortized Cost

31 December 2024	Stage one JD	Stage two JD	Stage three JD	Total JD
Low risk / performing	1,561,336,013	-	-	1,561,336,013
Acceptable risk / performing	549,996,557	-	-	549,996,557
Non- Performing				
Loss	-	-	6,660,000	6,660,000
Total	2,111,332,570	-	6,660,000	2,117,992,570

31 December 2023	Stage one JD	Stage two JD	Stage three JD	Total JD
Low risk / performing	1,611,431,209	-	-	1,611,431,209
Acceptable risk / performing	275,047,106	-	-	275,047,106
Non- Performing				
Loss	-	-	6,660,000	6,660,000
Total	1,886,478,315	-	6,660,000	1,893,138,315

The movement on the Financial Assets at Amortized Cost during the year is as follows :

31 December 2024	Stage one JD	Stage two JD	Stage three JD	Total JD
Balance at the beginning of the year	1,886,478,315	-	6,660,000	1,893,138,315
New investments during the year	877,220,974	-	-	877,220,974
Settled investments	(652,366,719)	-	-	(652,366,719)
Total balance as at year end	2,111,332,570	-	6,660,000	2,117,992,570

31 December 2023	Stage one JD	Stage two JD	Stage three JD	Total JD
Balance at the beginning of the year	1,848,114,709	-	6,660,000	1,854,774,709
New investments during the year	839,907,007	-	-	839,907,007
Settled investments	(836,534,678)	-	-	(836,534,678)
Transfers from pledged financial assets (note 10)	29,061,078	-	-	29,061,078
Adjustments due to change in exchange rates	5,930,199	-	-	5,930,199
Total balance at the end of the year	1,886,478,315	-	6,660,000	1,893,138,315

31 December 2024	Stage one	Stage two	Stage three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	47,637	-	2,072,120	2,119,757
Impairment loss on new investments during the year	206,171	-	-	206,171
Impairment loss recovered from matured investments	(35,826)	-	-	(35,826)
Total balance at the end of the year	217,982	-	2,072,120	2,290,102

31 December 2023	Stage one	Stage two	Stage three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	35,005	-	2,072,120	2,107,125
Impairment loss on new investments during the year	19,068	-	-	19,068
Impairment loss recovered from matured investments	(6,436)	-	-	(6,436)
Total balance at the end of the year	47,637	-	2,072,120	2,119,757

(10) Pledged Financial Assets at amortized cost

	31 December 2024		31 December 2023	
	Pledged Financial Assets	Associated Liabilities (Note 15)	Pledged Financial Assets	Associated Liabilities (Note 15)
	JD	JD	JD	JD
Financial Assets at Amortized Cost (Jordanian Government bonds)	226,054,164	166,880,000	227,607,943	166,900,000
Total	226,054,164	166,880,000	227,607,943	166,900,000

- Those bonds are mortgaged as of 31 December 2024 against the deposits related to the Social Security corporation.

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The movement on pledged financial assets during the year is as follows:-

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	227,607,943	-	-	227,607,943
New investments during the year	47,357	-	-	47,357
Settled investments during the year	(1,601,136)	-	-	(1,601,136)
Total balance at the end of the year	226,054,164	-	-	226,054,164

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	258,287,955	-	-	258,287,955
New investments during the year	25,023,282	-	-	25,023,282
Settled investments during the year	(26,642,216)	-	-	(26,642,216)
Transferred to Financial assets at amortized cost (Note 9)	(29,061,078)	-	-	(29,061,078)
Total balance at the end of the year	227,607,943	-	-	227,607,943

(11) Property, plant and Equipment - Net

The details of the property, plant and equipment is as follows:

2024	Lands		Buildings		Furniture & Fixtures		Vehicles		Computers		Others*		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost														
Balance as at 01 January 2024	22,904,133	41,311,010	30,747,912	1,111,889	24,230,543	30,206,344	150,511,831							
Additions	-	-	4,254,462	140,450	3,477,077	2,254,167	10,126,156							
Disposals	(27,061)	(164,964)	(3,472,668)	(82,155)	(1,130,447)	(2,646,733)	(7,524,028)							
Transferred from payments for the purchase of fixed assets	-	-	2,127,966	-	801,259	7,981,588	10,910,813							
Balance as at 31 December 2024	22,877,072	41,146,046	33,657,672	1,170,184	27,378,432	37,795,366	164,024,772							
Accumulated depreciation:														
Accumulated depreciation as at 01 January 2024	-	6,837,540	21,157,695	694,116	14,718,806	19,921,137	63,329,294							
Depreciation for the year	-	933,293	1,391,014	112,205	5,325,837	3,462,309	11,224,658							
Disposals	-	(31,400)	(3,374,999)	(50,869)	(1,100,790)	(2,556,510)	(7,114,568)							
Accumulated depreciation as at 31 December 2024	-	7,739,433	19,173,710	755,452	18,943,853	20,826,936	67,439,384							
Net book value of Property, plant and Equipment	22,877,072	33,406,613	14,483,962	414,732	8,434,579	16,968,430	96,585,388							
Advanced payment on fixed assets	-	-	8,739,389	-	-	499,158	9,238,547							
Net book value of Property, plant and Equipment as at 31 December 2024	22,877,072	33,406,613	23,223,351	414,732	8,434,579	17,467,588	105,823,935							

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2023	Lands		Buildings		Furniture & Fixtures		Vehicles		Computers		Others*		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost														
Balance as at 01 January 2023	25,076,792	43,773,962	29,867,016	1,249,385	23,189,469	29,132,620	152,289,244							
Additions	978,770	-	3,201,923	85,999	2,776,764	2,370,088	9,413,544							
Disposals	(4,195,605)	(2,904,727)	(2,932,773)	(263,550)	(2,149,656)	(2,192,226)	(14,638,537)							
Adjustment due to change in exchange rates	1,044,176	441,775	611,746	40,055	413,966	895,862	3,447,580							
Balance as at 31 December 2023	22,904,133	41,311,010	30,747,912	1,111,889	24,230,543	30,206,344	150,511,831							
Accumulated depreciation:														
Accumulated depreciation as at 01 January 2023	-	6,797,721	19,580,675	812,600	15,517,045	18,805,694	61,513,735							
Depreciation for the year	-	893,935	3,727,305	114,913	1,837,503	2,388,664	8,962,320							
Disposals	-	(925,395)	(2,612,586)	(255,900)	(2,638,595)	(1,654,903)	(8,087,379)							
Adjustment due to change in exchange rates	-	71,279	462,301	22,503	2,853	381,682	940,618							
Accumulated depreciation as at 31 December 2023	-	6,837,540	21,157,695	694,116	14,718,806	19,921,137	63,329,294							
Net book value of Property, plant and Equipment	22,904,133	34,473,470	9,590,217	417,773	9,511,737	10,285,207	87,182,537							
Advanced payment on fixed assets	4,630,329	5,322,519	5,410,210	-	801,260	13,029,588	29,193,906							
Net book value of Property, plant and Equipment as at 31 December 2023	27,534,462	39,795,989	15,000,427	417,773	10,312,997	23,314,795	116,376,443							

* Others category represent renovation, interior design and decoration of buildings and branch offices.

- The remaining cost to complete projects under implementation is estimated at JD5,903,630 as of 31 December 2024, compared to JD2,683,956 as of 31 December 2023.
- Fully depreciated property and equipment amounted to JD 34,839,358 as of 31 December 2024 against JD 35,970,759 as of 31 December 2023.

(12) Intangible Assets, Net

	2024	
	Computer Software & Systems	Total
	JD	JD
Balance at the beginning of the year	43,301,713	43,301,713
Additions	10,762,718	10,762,718
Disposal	(21,762)	(21,762)
Amortization for the year	(15,491,791)	(15,491,791)
Transferred from projects under construction	16,323,084	16,323,084
Balance as at year end	54,873,962	54,873,962
Projects under Construction at year end	12,736,203	12,736,203
Balance as at year end	67,610,165	67,610,165

	2023	
	Computer Software & Systems	Total
	JD	JD
Balance at the beginning of the year	35,311,325	35,311,325
Additions	18,638,378	18,638,378
Amortization for the year	(11,135,145)	(11,135,145)
Adjustments due to change in exchange rates	487,155	487,155
Balance as at year end	43,301,713	43,301,713
Projects under construction at year end	24,314,418	24,314,418
Balance as at year end	67,616,131	67,616,131

- The remaining cost to complete projects under implementation is estimated at JD5,319,313 as of 31 December 2024 for an amount of JD17,384,318 against 31 December 2023.
- Fully amortized intangible assets amounted to JD 20,105,805 as of 31 December 2024 compared to JD 12,304,811 as of 31 December 2023.

(13) Other Assets

	2024 JD	2023 JD
Accrued interest and revenues	72,463,293	66,739,591
Prepaid expenses	10,796,896	13,012,326
Assets seized by the bank against due debts - net*	116,533,167	107,186,445
Purchased banks acceptances at amortized cost - net	26,659,730	20,630,380
Trade receivables net	1,096,696	1,397
Assets/unrealized derivatives gains (Note 41 & 43)	-	351,638
Refundable Deposits	14,252,710	6,816,011
Others	28,124,933	15,628,219
Total	269,927,425	230,366,007

- 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 may approve of an extension up to two executive years at most. According to the Central Bank 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.
- The instructions of the Central Bank of Iraq, according to the Iraqi Banking Law, require the disposal of seized assets by the bank within a maximum period of two years from the date of transfer. The Central Bank of Iraq may approve an extension for the bank to retain the properties for up to two additional periods, each of two years. These instructions are in accordance with the regulations issued on November 26, 2020, which amend the provisions for calculating impairment allowances on seized assets in which full provision of 100% is calculated within 6 years.

The following is a summary of the movement of assets seized by the bank:

	2024 JD	2023 JD
Balance at the beginning of the year	107,186,445	89,049,541
Additions during the year	22,878,025	51,724,812
Disposals during the year	(9,809,324)	(23,994,803)
Impairment loss during the year	(3,371,959)	(9,197,005)
Provision against seized assets during the year	(350,020)	(1,625,501)
Adjustment due to change in exchange rate	-	1,229,401
Balance as at year end	116,533,167	107,186,445

Gain on sale of seized assets (net) amounted to JD 88,355 as at 31 December 2024 and JD 310,421 as at 31 December 2023.

Purchased Banks acceptances - Amortized cost

Distribution of bank acceptances and bills purchased based on the Bank's internal credit rating as at as at the year end is as follows:-

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Low risk / performing	26,719,786	1,373,474	14,995	28,108,255
Total	26,719,786	1,373,474	14,995	28,108,255

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Low risk / performing	5,239	-	-	5,239
Acceptable risk / performing	20,673,634	-	-	20,673,634
Total	20,678,873	-	-	20,678,873

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The movements on bank acceptances and purchased bills during the year is as follows :

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	20,678,873	-	-	20,678,873
New balances during the year	7,901,451	1,373,474	14,995	9,289,920
Settled balances	(1,860,538)	-	-	(1,860,538)
Total balance at the end of the year	26,719,786	1,373,474	14,995	28,108,255

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	53,242,050	-	-	53,242,050
New balances during the year	20,733,475	-	-	20,733,475
Settled balances	(53,296,652)	-	-	(53,296,652)
Total balance at the end of the year	20,678,873	-	-	20,678,873

Movements of provisions on bank acceptances and purchased bills during the year is as follows :

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	47,096	-	-	47,096
Impairment loss during the year	10,626	286,805	9,174	306,605
Impairment loss recovered during the year	(1,872)	-	-	(1,872)
Total balance at the end of the year	55,850	286,805	9,174	351,829

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	184,376	-	-	184,376
Impairment loss during the year	47,096	-	-	47,096
Impairment loss recovered during the year	(184,376)	-	-	(184,376)
Total balance at the end of the year	47,096	-	-	47,096

(14) Banks and Financial Institutions' Deposits

	2024			2023		
	Inside Jordan JD	Outside Jordan JD	Total JD	Inside Jordan JD	Outside Jordan JD	Total JD
Current and demand deposits	545,848	25,896,510	26,442,358	44,846	25,921,141	25,965,987
Term deposits maturing in less than 3 months	98,531,837	27,927,560	126,459,397	76,947,906	43,218,233	120,166,139
Total	99,077,685	53,824,070	152,901,755	76,992,752	69,139,374	146,132,126

(15) Customers' Deposits

2024	Retail JD	Corporate JD	Small medium enterprises JD	Government and Public Sectors JD	Total JD
Current accounts and demand deposits	346,066,926	1,265,190,317	189,697,207	260,437,121	2,061,391,571
Saving accounts	386,594,193	11,160,985	396,687	-	398,151,865
Time and at notice deposits	1,848,147,268	672,673,921	229,730,126	662,124,585	3,412,675,900
Certificates of deposits	6,848,561	-	-	-	6,848,561
Total	2,587,656,948	1,949,025,223	419,824,020	922,561,706	5,879,067,897

2023	Retail JD	Corporate JD	Small medium enterprises JD	Government and Public Sectors JD	Total JD
Current and demand deposits	285,355,809	1,284,734,531	146,513,678	165,199,610	1,881,803,628
Saving accounts	405,703,931	4,300,098	244,661	-	410,248,690
Time and at notice deposits	1,686,045,309	719,163,028	76,289,872	668,471,447	3,149,969,656
Certificates of deposits	8,653,948	2,435,496	-	-	11,089,444
Total	2,385,758,997	2,010,633,153	223,048,211	833,671,057	5,453,111,418

- Jordanian government and Jordanian public sector deposits amounted to JD 782,322,932 representing 13.31% of the total deposits as at 31 December 2024 against JD 766,421,603 representing 14.05 % as at 31 December 2023.
- Iraqi government and Iraqi, public sector deposits amounted to JD 140,238,774 representing 2.39 % of the total deposits as at 31 December 2024 against 67,249,454 representing 1.23 % as at 31 December 2023.
- Non-interest bearing deposits amounted to JD 2,165,789,347 representing 36.84 % of total deposits as at 31 December 2024 against JD 1,940,991,412 representing 35.59 % of the total deposits as at 31 December 2023.
- Reserved deposits (restricted) amounted JD 243,967 as at 31 December 2024, against JD 13,576,026 as at 31 December 2023.
- Time deposits and at notice include an amount of JOD 166,880,000 as at 31 December 2024 against JOD 166,900,000 as at 31 December 2023 which represents the financial liabilities against pledged financial assets that belong to the Social Security Corporation deposits. (Note 10)
- Dormant deposits amounted to JD 33,918,807 as at 31 December 2024 against JD 35,499,059 as at 31 December 2023.

(16) Margin Accounts

	2024 JD	2023 JD
Margins on direct credit facilities	180,925,912	191,430,628
Margins on indirect credit facilities	409,462,419	187,824,739
Margin dealings	833,982	1,149,656
Other Margins	59,849,481	102,134,726
Total	651,071,794	482,539,749

(17) Right to use leased assets and leased assets contracts obligations

The Group has various lease agreements for certain branches, buildings, and other assets used in its operations. The lease terms range from 3 to 12 years. The group's lease obligations are guaranteed as the ownership of the leased assets remains with the lessor. In general, the Group is not entitled to allocate or sublease these leased assets.

The Group also has lease agreements with lease terms of 12 months or less, which the Group considers as short-term leases. The Group has applied the exemption related to short-term lease contracts to these agreements. The table below shows the carrying amount of the right-of-use assets and the movements during the year.

Right of use leased assets	2024 JD	2023 JD
Balance at the beginning of the year	17,566,480	14,517,014
Add: new contracts during the year	5,834,110	8,067,441
Add: modification on leased contract due to acquisition	413,699	-
Less: terminated contracts	(787,691)	(2,169,678)
Less: depreciation for the year	(4,494,706)	(3,548,288)
Adjustments due to change in exchange rates	-	699,991
Total balance at the end of the year	18,531,892	17,566,480

The lease liabilities related to the right-of-use assets are discounted in accordance with the Group's policies. The liabilities are discounted at rates ranging from 4.4% to 7.56%, depending on the contract duration, which ranges from 3 to 12 years. The table below shows the carrying amount of the lease liabilities and the movements during the year:

Obligations on leased assets contracts	2024 JD	2023 JD
Balance at the beginning of the year	17,428,553	15,804,949
Add: new contracts during the year	5,834,110	8,067,441
Add: modifications on leased contracts	401,829	-
Add: interest expense during the year	1,057,393	1,037,825
Less: terminated contracts	(719,655)	(2,215,125)
Less: obligations paid during the year	(5,122,360)	(5,588,148)
Adjustments due to change in exchange rates	-	321,611
Total balance at the end of the year	18,879,870	17,428,553

The Group recognised rent expense from short-term leases through consolidated statement of profit or loss of JD 718,272 for the year ended 31 December 2024 (2023: JD 1,508,265).

The following is an analysis on the maturity of lease obligations as of 31 December 2024:

	Less than one year	From 1 year to 5 years	More than 5 years	Total
Right-of-use leased assets	1,614,234	10,902,058	6,015,600	18,531,892
Leased liabilities	1,377,242	10,037,003	7,465,625	18,879,870

(18) Loans and Borrowings

2024	Amount		Number of Installments		Frequency of Instalments	Collaterals (note 11) JD	Interest rate %	Re-financed Interest rate
	JD	Total	Outstanding	JD				
Amounts borrowed from central banks	210,727,724	23,050	12,528		Monthly, quarterly, semi annual and at maturity	-	0.00% to 6.79%	0.00% to 4.75%
Amounts borrowed from local banks and financial institutions	107,765,199	7	7		One payment at maturity	-	4.9% to 8.25%	4.00% to 11.74%
Amounts borrowed from foreign banks and financial institutions	181,039,179	131	105		semi annual and at maturity	-	1.453% to 9.5%	3.75% to 16%
Total	499,532,102					-		

2023	Amount		Number of Installments		Frequency of Instalments	Collaterals (note 11) JD	Interest rate %	Re-financed Interest rate
	JD	Total	Outstanding	JD				
Amounts borrowed from central banks	260,237,528	32,017	20,992		Monthly and semi annual payment and payment at maturity	-	0.00% to 7.16%	0.00% to 5.10%
Amounts borrowed from local banks and financial institutions	150,362,969	77	77		Monthly and semi annual payment and payment at maturity	-	4.55% to 7.85%	4.00% to 12.00%
Amounts borrowed from foreign banks and financial institutions	175,166,567	101	64		Monthly and semi annual payment and payment at maturity	-	1.453% to 8.25%	1.6% to 12.75%
Total	585,767,064					-		

- Borrowed money from the Central Bank includes JD 210,727,724 that represents amounts borrowed to refinance customers' loans under the medium term financing programs. These loans mature during the years 2025 - 2039.
- The amounts borrowed from local institutions are all borrowed from the Jordan Mortgage Refinance Company with a total amount of JD 75,000,000 that mature during the years 2025- 2028 and an overdraft amounting to JOD 32,765,199.
- Loans bearing fixed - interest rates amounted to JD 479,023,511 and loans bearing floating - interest rates amounted to JD 20,508,591 as at 31 December 2024 against JD 572,673,096 and JD 13,093,968 respectively as at 31 December 2023.
- Based on the most recent covenant assessment we are complying with all contingent rules and conditions with our financial institution leaders.

The below table shows the movement on the loans and borrowings during the year is as follows :

	2024 JD	2023 JD
Balance at the beginning of the year	585,767,064	739,692,023
Additions during the year	102,325,667	170,052,313
Settled balances	(188,560,629)	(332,337,788)
Adjustments due to change in exchange rates	-	8,360,516
Total balance at the end of the year	499,532,102	585,767,064

(19) Subordinated Loans

2024	Amount JD	Frequency of instalments	Collaterals JD	Interest Rate %
Subordinated Loan	15,172,600	One payment maturing on 15 March 2026	-	7.00%

2024	Amount JD	Frequency of instalments	Collaterals JD	Interest Rate %
Subordinated Loan	15,172,600	One payment maturing on 15 March 2026	-	7.00%

On March 15, 2020, the Bank completed the issuance of \$40 million loan bonds, which fall within the second tranche according to the requirements of the Basel Standard. The bank exercised the right to purchase the previous issue of bonds, amounting to 25 million dollars, on March 1, 2020

During the first quarter of 2022, a number of bonds were purchased by the bank after obtaining the approval of the regulatory authorities, so that the number of traded bonds was reduced to 214 bonds with a nominal value of \$100,000.

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(20) Sundry Provisions

2024	Balance at the beginning of the year JD	Adjustments due to change in exchange rates JD	Provided during the year JD	Utilized during the year JD	Transferred to income JD	Balance at the end of the year JD
Provision for lawsuits raised against the bank	179,528	-	4,992,972	(4,900,000)	(26,000)	246,500
Other provisions*	1,015,817	-	8,759,911	(9,164,241)	-	611,487
Total	1,195,345	-	13,752,883	(14,064,241)	(26,000)	857,987

2023	Balance at the beginning of the year JD	Adjustments due to change in exchange rates JD	Provided during the year JD	Utilized during the year JD	Transferred to income JD	Balance at the end of the year JD
Provision for lawsuits raised against the bank	328,332	-	-	(148,804)	-	179,528
Other provisions*	3,599,613	406,971	170,160	(3,160,927)	-	1,015,817
Total	3,927,945	406,971	170,160	(3,309,731)	-	1,195,345

- The bank has fully hedged against the differences resulting from the currency auctions as requested by the Central Bank of Iraq from the National Bank of Iraq during the year 2018, by which the National Bank of Iraq claimed these amounts from its customers according to the Central Bank of Iraq, in addition to the recourse of the judiciary to collect these amounts. A total amount of JD 243,304 was collected during the year ended 31 December 2024 compared to JD 882,701 during the year ended 31 December 2023. Those amounts are shown within the other income on the consolidated statement of income.

(21) Income Tax**A- The movement of income tax provision during the year is as follows :**

	2024 JD	2023 JD
Balance at the beginning of the year	21,321,909	4,341,637
Income tax paid	(24,693,467)	(14,039,143)
Income tax charge for the year	28,684,152	31,993,391
Income tax on perpetual bonds	(1,544,908)	(1,885,940)
Income tax charge on previous years	-	545,422
Adjustments due to change in exchange rates	-	366,542
Total balance at the end of the year	23,767,686	21,321,909

Income tax expense presented in consolidated income statement is as follows :

	2024 JD	2023 JD
Income tax charges on previous years	28,684,152	31,993,391
Prior year income tax charges	194,261	546,886
Deferred tax assets for the year	(3,402,214)	(11,645,371)
Total balance at the end of the year	25,476,199	20,894,906

- The statutory income tax rates on bank profits in Jordan is 38% and on financial brokerage firms 28% and on leasing companies 28%.
- Legal income tax rate on the Bank's profits in Iraq is 15%.
- Legal income tax rate on the Bank's profits in Saudi Arabia is 20%.
- A final settlement has been made with the Income and Sales tax department regarding the income tax of (Capital Bank of Jordan) - Jordan Branches till the end of year 2020.
- A final settlement has been made with the Income Tax Department regarding the income tax of Capital Investment and Brokerage Company until the end of 2020.
- A final settlement has been made with the Income Tax Department of the National Bank of Iraq until the end of year 2023.
- A final settlement was made with the Income Tax Department regarding the Bank's tax of Capital leasing Company until the end of year 2022.
- In the opinion of management and tax advisors, the withholding income tax provision is sufficient to meet the tax liabilities as at 31 December 2024.

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B- Deferred tax assets / liabilities

Items Included	Balance at the beginning of the year		2024		Balance at the end of the year		Deferred Tax		2023	
	JD	JD	Amounts released	Amounts added	JD	JD	JD	JD	JD	JD
a) Deferred tax assets										
Provision for lawsuits held against the bank	328,332		(82,332)	-	246,000		93,480		124,766	
Impairment loss on seized shares	7,191,841		-	-	7,191,841		2,732,900		2,732,900	
Expected Credit Losses - IFRS 9 / Impairment on investments and watchlist provisions	105,958,230		(41,063,934)	14,087,387	78,981,683		29,688,243		39,852,344	
Losses from revaluation of financial assets through other comprehensive income	2,976,078		(2,974,623)	3,744,856	3,746,311		1,172,902		1,079,118	
Impairment losses on seized assets	7,126,759		-	2,013,505	9,140,264		3,473,300		2,791,552	
Provision against risks in Iraq									-	
Deferred tax assets and other provisions	3,578,275		(3,532,869)	41,272,888	41,318,294		14,715,885		1,801,917	
Total	127,159,515		(47,653,758)	61,118,636	140,624,393		51,876,710		48,382,597	
b) Deferred tax liabilities										
Unrealized gains – financial assets at fair value through other comprehensive income	9,781,490		(9,781,490)	10,085,280	10,085,280		3,751,165		3,674,761	
Total	9,781,490		(9,781,490)	10,085,280	10,085,280		3,751,165		3,674,761	

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

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance at the beginning of the year	48,382,597	3,674,761	36,915,178	2,748,976
Additions	13,689,500	76,404	11,649,846	925,785
Released	(10,195,387)	-	(182,427)	-
Total balance at the end of the year	51,876,710	3,751,165	48,382,597	3,674,761

- The Income tax rates on deferred tax assets and liabilities ranged between 28% - 38% in accordance to the newly issued Income Tax Law number 38, effective 1 January 2019.

Reconciliation between taxable profit and the accounting profit is as follows:

	2024	2023
	JD	JD
Accounting profit	185,612,362	127,487,226
Non-taxable income	(96,824,510)	(50,204,416)
Non-deductible expenses	27,540,395	47,186,297
Taxable profit	116,328,247	124,469,107
Effective rate of income tax	13.73%	16.39%

The statutory income tax rate on bank profits in Jordan is 38%, financial institutions is 28% and the statutory income tax rate in the countries in which the bank has investments ranges between 15% - 24%.

(22) Other Liabilities

	2024	2023
	JD	JD
Accrued interest expense	55,575,200	46,280,306
Accrued expenses	20,935,682	16,548,935
Certified cheques	6,793,005	6,737,742
Cheques payable	3,827,901	4,227,271
Board of directors' remuneration	65,000	65,000
Brokerage payables	22,054,863	19,274,848
Liabilities / derivatives unrealized gain (Note 41,43)	62,084	-
Guarantees	912,605	453,716
Capital leasing Company contract commitment	6,401,260	13,309,241
Other liabilities	34,023,618	20,997,946
Total	150,651,218	127,895,005

(23) Perpetual bonds

On February 24, 2022, the Bank issued tier 1 non convertible and secured bonds at 7% interest rate, total value of issuance was 100 \$ million , where the nominal value of each bond was 1000 dollars, for a total number of 100,000 bonds . These bonds were listed on the Nasdaq Dubai Stock Exchange. These bonds fall within AT1, as per Basel requirements.

Interest expense on these bonds is recorded directly to the retained earnings as they are considered (ATI) bonds, interest expense on these bonds amounted to JD 3,206,386 for the year ended 31 December 2024 compared to JD 3,138,548 for the year ended 31 December 2023. The bonds constitute direct, unconditional and unsecured obligation of the Bank and are classified in accordance with IAS 32: Financial instruments classification. These bonds do not have a fixed or final maturity date and are redeemable by the Bank at its sole discretions.

(24) Authorized, issued and paid in capital and additional paid in capital

The authorized, issued and paid-in-capital as of 31 December 2024 and 2023 amounted to JD 263,037,122 and is divided into 263,037,122 shares at a par value of JD 1 per share.

During the month of June 2022, the bank signed an agreement with the Saudi Investment Fund (a strategic partner) through which the bank listed it as one of the bank's shareholders by paying an amount of JD 131,200,000 , which were distributed as an increase in the capital by issuing new shares with a value of JD 63,037,122 at a price of one Jordanian Dinar per share. The authorized, subscribed and paid-up capital became JD 263,037,121, and the difference is an issuance premium of JD 68,162,878 .

(25) Cash Dividends and Proposed Cash Dividends

The Board of Directors approved in its meeting No. 12025/ held on 13 February 2025 the issuance of the consolidated financial statements and the distribution of 15% cash dividends of the Bank's authorized and paid in capital which are subject to the Central Bank and general assembly approvals.

The Bank's ordinary General Assembly approved in its meeting held on 27 March 2024 the distribution of cash dividends of 15% of the Bank's authorized and paid in capital which amounted to JOD 39,455,568.

The Bank's ordinary General Assembly approved in its meeting held on 22 March 2024 the distribution of cash dividends of 17% of the Bank's authorized and paid in capital JOD 44,716,311.

The National Bank of Iraq ordinary General Assembly approved in its meeting held on 8 April 2024 the distribution of cash dividends of 20% of the Bank's authorized and paid in capital which amounts to 32,473,282, in which the non-controlling interest portion amounted to JOD 12,388,557.

(26) Reserves

Statutory Reserve

Inside Jordan: As required by the Law, 10% of the profit before tax is transferred to the statutory reserve. This reserve is not available for distribution to shareholders according to the banking and company laws.

Iraq: According to the Iraqi Companies Law, a minimum of 5% is deducted from the income of the year after taxes.

The use of the following reserves is restricted by law:

Description	Amount JD	Restriction Law
Statutory reserve - 31 December 2024	81,157,605	Companies and Banks law
Statutory reserve - 31 December 2023	69,714,499	Companies and Banks law

(27) Foreign currency translation adjustments

The foreign currency translation differences represents the exchange differences resulted from translation of the operations of the National Bank of Iraq upon the consolidation of the financial statements. The movement of this account is as follows:

	2024 JD	2023 JD
Balance as at the beginning of the year	(4,397,422)	(16,540,837)
Net movement	-	12,143,415
Balance as at year end	(4,397,422)	(4,397,422)

(28) Fair value reserve

Financial assets at fair value through other comprehensive income

31 December 2024	JD
Balance as at the beginning of the year	4,388,724
Group's portion of unrealized gain from debt instruments	142,083
Gain on sale of debt instruments at fair value through other comprehensive income transferred to income statement (note 7)	(30,285)
Group's portion unrealized loss from equity instruments	(805,449)
Loss from sale of equity instruments through other comprehensive income transferred to retained earnings (note 7,30)	255,153
Deferred tax assets	93,784
Deferred tax liabilities	(76,403)
Total balance as at year end	3,967,607

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31 December 2023	JD
Balance as at the beginning of the year	1,780,249
Unrealized gain from debt instruments	726,409
Gain on sale of debt instruments at fair value through other comprehensive income transferred to income statement (note 7)	(28,160)
Unrealized gain from equity instruments	2,634,479
Loss from sale of equity instruments through other comprehensive income transferred to retained earnings (note 7,30)	430,991
Deferred tax assets	(182,428)
Deferred tax liabilities	(941,801)
Adjustments due to change in exchange rates	(31,015)
Total balance as at year end	4,388,724

(29) Significant subsidiaries and partially owned by the bank

First: Proportion of equity interest held by non-controlling interests is as follows:

31 December 2024	Country	Nature of activity	Non-controlling interest ownership percentage	Non controlling interest share of dividends distributed
National Bank of Iraq	Iraq	Banking	38.15%	12,388,557

31 December 2024	Country	Nature of activity	Non-controlling interest ownership percentage	Non controlling interest share of dividends distributed
National Bank of Iraq	Iraq	Banking	38.15%	-

Second: The following is the summarized financial information of these subsidiaries including the non-controlling interests

A. Summarized statement of financial position before elimination entries as of :

	2024	2023
	National Bank of Iraq JD	National Bank of Iraq JD
Cash, balances and deposits	1,150,724,687	1,115,656,126
Financial assets through other comprehensive income	2,659,176	2,547,049
Credit facilities, net	964,081,254	708,971,843
Financial assets at amortized cost	498,302,206	197,077,863
Other assets	160,471,081	133,728,940
Total assets	2,776,238,404	2,157,981,821
Banks, customers deposits' and margin accounts	2,248,396,783	1,763,118,224
Loans & borrowings	87,407,346	63,485,469
Provisions and other liabilities	74,624,298	64,266,416
Total liabilities	2,410,428,427	1,890,870,109
Shareholders' equity	365,809,977	267,111,712
Total liabilities and shareholders' equity	2,776,238,404	2,157,981,821
Non-Controlling interest *	107,961,175	70,928,966

- The financial statements of the National Bank of Iraq includes a Goodwill of JD 56.3 million resulting from the acquisition of Bank Audi's branches business in Iraq, which resulted using the fair value acquisition method.
- During the consolidation of the financial statements of the National Bank of Iraq with the bank, this goodwill was reversed along with the value of the outcome of the acquisition in Jordan which resulted from the acquisition of the business of Bank Audi branches in Jordan, as it was considered as a single transaction.
- The effect of reversing the resulted goodwill in the National Bank of Iraq has been allocated between the non-controlling interests and shareholders equity.

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B. Summarized statement of comprehensive income before elimination entries as of:

	2024	2023
	National Bank of Iraq JD	National Bank of Iraq JD
Interest and commission income, net	247,499,595	179,691,779
Other income	4,971,233	6,203,818
Total Income	252,470,828	185,895,597
General and administrative expenses	70,939,490	50,503,634
Provisions	27,552,692	27,827,161
Total expenses	98,492,182	78,330,795
Profit before tax	153,978,646	107,564,802
Income tax	22,491,257	20,834,940
Profit after tax	131,487,389	86,729,862
Other comprehensive income	34,680	517,621
Total comprehensive income for the year	131,522,069	87,247,483
Non-Controlling interest	52,189,261	34,739,725

C. Summarized cash flow for National Bank of Iraq:

	2024	2023
	National Bank of Iraq JD	National Bank of Iraq JD
Cash flows		
Operating	339,242,034	541,205,477
Investing	(314,497,523)	(116,498,283)
Financing	(9,728,382)	(21,499,303)
Net increase	15,016,129	403,207,891

(30) Retained Earnings

	2024 JD
Balance at the beginning of the year	185,054,830
Group portion from profit of the year	107,946,902
Loss on sale of financial assets through other comprehensive income (equity instruments) transferred to retained earnings (Note 7,28)	(255,153)
Perpetual bond interest and its related expenses, net of tax (Note 23)	(3,206,386)
Expenses related to subsidiaries' capital increase	(231,315)
Transferred to reserves	(8,804,402)
Distributed dividends (Note 25)	(39,455,568)
Total balance as at year end	241,048,908

	2023 JD
Balance at the beginning of the year	166,923,467
profit of the year	71,852,595
Loss on sale of financial assets through other comprehensive income (equity instruments) transferred to retained earnings (Note 7 & 28)	(430,991)
Perpetual bond interest	(3,138,548)
Expenses related to capital increase	(79,896)
Transferred to reserves	(5,355,486)
Distributed dividends (Note 25)	(44,716,311)
Total balance as at year end	185,054,830

- Retained earnings include JD 51,876,710 which represents deferred tax assets balance as at 31 December 2024 against JD 48,382,597 as at 31 December 2023, according to the Central Bank of Jordan's and security exchange commission regulations these balances are restricted.
- Retained earnings balance as at 31 December 2024 and 31 December 2023 includes an amount of JD 958,330 which represents the effect of the early adoption of IFRS 9 which is related to the measurement and classification. This amount is not available for distribution according to the Securities and Exchange Commission regulations until the amount becomes realized .
- An amount equals to the negative balance of fair value reserve is restricted within retained earnings and cannot be utilized according to the Central Bank of Jordan's and security exchange commission regulations.

The Central Bank of Jordan issued Circular No. 10/1/1359 on 25 January 2018 which states the regulations related to IFRS 9 adoption which allowed the Banks to transfer the general banking risks reserve balance to the retained earnings to offset the effect of applying IFRS (9) on the opening balance of the retained earning as of 1 January 2018. The circular also stated that the unutilized balance from the general banking risks reserve cannot be distributed to shareholders and / or used for other purposes except with the approval of the Central Bank of Jordan. The unutilized balance amounted to JD 8,840,593.

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(31) Interest Income

	2024 JD	2023 JD
Direct Credit Facilities:-		
Retail		
Overdrafts	1,769,927	2,951,607
Loans and Notes	97,026,836	84,582,376
Credit cards	6,799,506	4,833,319
Real estate mortgages	21,054,113	22,042,894
Corporate		
Overdrafts	20,058,226	21,510,113
Loans and bills	112,415,019	112,463,271
Small and medium enterprises (SMEs)		
Overdrafts	4,000,873	4,753,102
Loans and Notes	20,529,651	23,500,596
Government and public sectors	27,493,294	24,037,798
Balances at central banks	13,532,341	14,937,220
Balances at banks and financial institutions	5,749,346	4,895,001
Financial assets at fair value through other comprehensive income - debt instruments	443,027	963,416
Pledged financial assets	12,867,059	12,944,425
Financial assets at amortized cost	130,984,037	93,033,339
Total	474,723,255	427,448,477

(32) Interest Expense

	2024 JD	2023 JD
Banks and financial institutions deposits	5,018,017	8,400,857
Customers' deposits :		
Current accounts and demand deposits accounts	14,197,783	9,371,472
Saving accounts	4,188,979	2,723,921
Time and at notice deposits	204,464,917	189,798,128
Certificates of deposits	643,944	966,871
Interest on leased asset obligations	1,057,393	1,037,825
Margin accounts	12,745,260	10,064,396
Loans and borrowings	18,585,501	22,587,524
Deposits guarantee fees	3,773,922	4,221,480
Total	264,675,716	249,172,474

(33) Net Commission Income

	2024 JD	2023 JD
Commission income :		
Direct credit facilities	16,472,437	16,335,985
Indirect credit facilities	27,635,543	25,939,321
Transfers commission	105,185,060	89,384,383
Other commission	50,327,449	34,431,379
Less: Commission expense	(27,669,476)	(23,913,218)
Net Commission Income	171,951,013	142,177,850

(34) Gain From Foreign Currencies

	2024 JD	2023 JD
Revaluation of foreign currencies	8,105,400	9,774,000
Revaluation trading in foreign currencies	4,687,895	670,966
Total	12,793,295	10,444,966

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(35) Other Income

	2024 JD	2023 JD
Amount received from written of debts	918,240	7,023,024
Income and commission from investments and securities	4,673,737	5,756,661
Collection against auction price swaps *	243,204	882,701
Others	856,238	578,578
Total	6,691,419	14,240,964

- Based on the instructions of the Central Bank of Iraq, an amount of JD 243,204 during 2024 was collected from National Bank of Iraq customers which represents the differences imposed by the Central Bank of Iraq, compared to JD 882,701 during 2023.

(36) Employees' Expenses

	2024 JD	2023 JD
Salaries and benefits	58,356,549	46,393,932
Bank's contribution in social security	4,519,621	4,185,614
Medical expenses	2,703,387	2,466,150
Employees' training	826,071	716,845
Bank's contribution to social activities fund	82,832	49,167
Paid vacations	201,739	241,694
Others	170,575	217,611
Total	66,860,774	54,271,013

(37) Other Expenses

	2024	2023
	JD	JD
Rent and building services	4,256,746	3,907,511
Advertisement	9,756,613	10,711,165
Computer expenses	12,153,338	9,302,345
Consulting and professional fees	7,885,550	9,795,765
Internet	2,265,643	1,737,064
Subscriptions	233,333	367,706
Board of Directors' transportation	1,557,872	1,591,487
Maintenance	3,787,179	3,316,346
Post, telephone, swift	948,150	1,254,193
Travel and transportation	1,431,222	1,648,832
Donations	1,004,739	2,171,496
Subscriptions, fees and licenses	2,725,224	2,410,408
Security services	1,541,756	1,454,948
Operational Loss	1,148,640	133,165
Insurance	1,142,630	1,530,129
Stationary and printing	1,048,397	1,026,700
Cash transportation services	872,547	947,952
Reuters' and Bloomberg subscription fees	414,201	540,270
Hospitality	596,815	353,492
Others	2,828,457	3,151,775
Total	57,599,052	57,352,749

(38) Basic and diluted earnings per share attributable to the Banks' shareholders

	2024	2023
Profit for the year attributable to Bank's shareholders (JD)	107,946,902	71,852,595
Weighted average number of shares during the year (Shares)	263,037,122	263,037,122
Basic earnings per share	JD / Fils	JD / Fils
Basic and diluted earnings per share attributable to the Banks' shareholders	0.410	0.273

- The basic earning per share is equivalent to the diluted earning per share, since the bank did not issue any convertible financial instruments.

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(39) Fair Value of Financial Assets not Presented at Fair Value in the consolidated Financial Statements

	31 December 2024			31 December 2023	
	Book value	Fair value	Level	Book value	Fair value
	JD	JD		JD	JD
Financial assets at amortized cost	2,115,702,468	2,110,719,172	One & two	1,891,018,558	1,868,402,665
Direct credit facilities at amortized cost	3,429,168,025	3,464,848,196	Two & Three	3,431,013,881	3,465,094,937
Pledged financial assets	226,054,164	220,514,893	Two	227,607,943	216,237,355

(40) Cash and Cash Equivalents

	2024	2023
	JD	JD
Cash and balances with central banks maturing within 3 months	1,352,008,312	1,051,863,167
Balances at banks and financial institutions maturing within 3 months	221,777,278	165,385,494
Banks and financial institutions' deposits maturing within 3 months	(152,901,755)	(146,132,126)
Brokerage payables	(22,054,863)	(19,274,848)
Restricted balances at Banks and Financial institutions (Note 6)	(6,830,527)	(14,999,582)
Total	1,391,998,445	1,036,842,105

(41) Derivative financial instruments

2024	Positive fair value	Negative fair value	Par (nominal) value maturity		
	(note 13 & 22)	(note 13 & 22)	Total nominal amount	Within 3 months	3-12 months
	JD	JD	JD	JD	JD
Currency sale contract	-	(3,927)	22,758,091	22,758,091	-
Currency purchases contract	-	(1,011,636)	104,561,011	41,751,768	62,809,243
Currency swaps contracts	953,479	-	28,729,678	28,729,678	-

2023	Positive fair value	Negative fair value	Par (nominal) value maturity		
	(note 13 & 22)	(note 13 & 22)	Total nominal amount	Within 3 months	3-12 months
	JD	JD	JD	JD	JD
Currency sale contract	3,606	-	6,019,690	6,019,690	-
Currency purchases contract	281,785	-	25,784,306	20,889,546	4,894,760
Currency swaps contracts	66,247	-	15,497,821	14,886,851	610,970

- The par (nominal) value indicates the value of the outstanding transactions at year end and does not indicate market risk or credit risk.

(42) Related Parties Transactions

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

Company Name	Ownership		Paid in capital	
	2024	2023	2024	2023
	%	%	JD	JD
Capital Investment and Brokerage Company	100 %	100 %	10,000,000	10,000,000
National Bank of Iraq	61.85 %	61.85%	86,739,855	86,739,855
Capital Investment (DIFC) Limited	100 %	100 %	177,250	177,250
Capital Leasing company	100 %	100 %	8,037,481	8,009,481

- Related parties are shareholders, senior management of the Group, and companies of which they are principal owners. Pricing policies and terms of these transactions are approved by the Group's management.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

The table below summarizes the balances with related parties included in the consolidated statement of financial position as at the year end and transactions with related parties included in the consolidated statement of profit or loss during the year.

	Related party				Total	
	BOD members	Executive management	Subsidiaries *	Major Shareholders	2024	2023
	JD	JD	JD	JD	JD	JD
Statement of financial position items:						
Bank deposits with related parties	-	-	37,443,643	-	37,443,643	59,800,524
Balances and deposits at Banks	316,315,941	2,848,050	6,924,076	51,421	326,139,488	353,053,343
Margin accounts	4,101,305	66,993	107,312,975	28,735	111,510,008	101,176,846
Direct credit facilities	47,160,691	4,135,861	187	8,817,042	60,113,781	61,678,974
Off-balance sheet items:						
Indirect credit facilities	1,016,338	11,000	72,174,597	2,000	73,203,935	75,675,226
Expected credit losses stage 1	181,960	1,994	-	12,046	196,000	143,368
Statement of income items:						
Interest and commission income	4,386,451	163,197	4,334,337	554,309	9,438,294	11,747,245
Interest and commission expense	22,342,034	131,670	29,201	3,084	22,505,989	20,888,455

- The effect of balances and movements with affiliate companies for purposes of consolidating financial statements.
- Interest rates on credit facilities in Jordanian Dinar range between 2.00% - 17.0%.
- Interest rates on credit facilities in foreign currency range between 7.1% -17.0%.
- Interest rates on deposits in Jordanian Dinar range between 0.00% - 6.85%.
- Interest rates on deposits in foreign currency between 0.00% - 5.37%.

Compensation of the key management personnel benefits for the bank and its subsidiaries as follows:

	2024	2023
	JD	JD
Benefits (Salaries, wages, and bonuses) of executive management for the Group	5,928,688	6,586,938
Benefits (Salaries, wages, and bonuses) of board of directors for the Group	2,109,575	2,518,063
Total	8,038,262	9,105,001

(43) Fair Value of Financial Instruments

Financial instruments include cash balances, deposits at banks and the Central Bank of Jordan, direct credit facilities, other financial assets, customers' deposits, banks deposits and other financial liabilities. There are no material differences between the fair value of financial instruments and their book value. (except for the financial assets as per note 39).

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1:	Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2:	Other techniques by which all inputs significantly effect the recorded fair value may be observed, either directly or indirectly from market information.
Level 3:	Other techniques using inputs significantly effecting the recorded fair values; which are not based on observable market data.

The following table shows the breakdown of the financial instruments at fair value and according to the above hierarchy:

2024	Level 1	Level 2	Total
	JD	JD	JD
Financial assets-			
Financial assets at fair value through other comprehensive income	8,921,222	68,996,353	77,917,575
Financial Liabilities-			
Derivative instruments (Note 22)	-	62,084	62,084

2023	Level 1	Level 2	Total
	JD	JD	JD
Financial assets-			
Financial assets at fair value through other comprehensive income	14,517,998	64,077,163	78,595,161
Derivative instruments (Note 13)	-	351,638	351,638

(44) Risk Management Policies

The Bank has followed a comprehensive strategy within the best practices in managing the risks that it may be exposed to (credit risk, operational risk, market risk, liquidity risk, interest rate risk, concentration risk, information security, and any other risks) in order to preserve the Bank's financial position and profitability.

The general framework of risk management in the bank, its follow-up and mitigation, and compliance with the instructions of the regulatory authorities and the Basel Committee is a comprehensive and joint responsibility through multiple bodies in the bank, starting with the Board of Directors and its committees such as the Risk Committee, the Audit Committee and the Compliance Committee, in addition to the various internal committees in the bank such as the Internal Risk Management Committee Asset and liability management, facilities committees, in addition to all bank departments and branches.

The Risk Management Department, which is an independent and specialized department in the Bank, which operates according to the approved risk management policies and credit policies in identifying and measure existing and potential risks (financial and non-financial) and raising the necessary reporting on a periodic basis, in addition to adopting and implementing the requirements of Basel Committee, the Central Bank of Jordan and the best practices in the field of risk management. The risk management participates in evaluating the bank's ability and the adequacy and distribution of its capital in achieving its strategic objectives and determining the requirements necessary to manage and control the associated risks, control and the complexity of its operations. These principles are as follows:

1. The Board of Directors and its risk committee both review and approve the Bank's Risk Appetite for potential losses associated with the various risk factors, as well as review and approve the Risk Management Policies in order to ensure that these policies keep up with all developments in the banking industry in terms of growing its operations and expansion of its services. In addition the Board of Directors ensures that the Bank's strategies are being implemented in relation to the bank's risk management.
2. The Chief Executive Officer is considered the primary responsible person for implementing risk management recommendations in accordance to the principles of Board of Directors and the Risk Committee . He is also the head of the Internal Risk Management Committee.
3. The Chief Risk Officer is responsible for managing risks and the associated practices within the bank's activities structure, and submitting periodic reports to the risk management committee emanating from the Board of Directors.
4. The risk management philosophy at the Bank is based on knowledge, experience ,the judgment capability of the supervisory management , and the availability of a clear authority matrix set by the Board of Directors.
5. Continuously developing the risk management systems and taking on the necessary steps and measures needed to make sure that the Bank is in compliance with the new international standards, namely the requirements of Basel III and IFRS 9.

6. The Risk Department manages the Bank's risks according to a comprehensive centralized methodology, with the presence of systems that assist in managing these risks, and by providing various business units at the Bank with the methodologies and tools that are necessary for achieving an efficient and proper management of all types of risks. The Risk Department, which is headed by the Chief Risk Officer, is linked to the Board's Risk Management Committee. There is also a direct link that connects the Chief Risk Officer with the Chief Executive Officer.
7. Risk management is the responsibility of all employees.
8. The role of the Assets and Liabilities Committee is in planning the optimal deployment and allocation of capital, assets and liabilities and the continuous monitoring of liquidity and market risks.
9. The Internal Audit Department provides an independent assurance on the compliance of the Bank's business units with the risk management policies and procedures, and the effectiveness of the Bank's risk management framework.
10. The Chief Financial Officer (CFO) is responsible for identifying the financial risks, as well as monitoring and maintaining the quality and soundness of financial information, and ensuring the accuracy and integrity of the disclosed financial statements.
11. The Chief Compliance Officer is responsible for ensuring that the Bank complies with all the relevant regulations, legislation and laws, especially those issued by the regulatory authorities.

Throughout 2024, the bank focused on several key pillars in the field of risk management including:

1. Preparing the internal capital adequacy assessment process (ICAAP) and stress testing.
2. Update the limits of acceptable risks in the bank (Risk Appetite).
3. Updating the staging criteria and expected credit loss calculations.
4. Maintaining the required maturity level in accordance with COBIT 2019 framework for Information Security Management, Operational Risk, and Business Continuity.
5. Updating all risk management policies, procedures and plans
6. Obtaining the PCI DSS certificate for the bank's seventh year.
7. Apply security controls related to the SWIFT system according to standards and requirements.
8. Establish an automated information security Risk assessment, treatment plan and Key Risk/performance Indicators process.
9. Automate data mapping collection exercise with the departments
10. Developing a security and fraud awareness program for customers and employees, complemented by tailored training sessions for staff to enhance their understanding of operational risk management and business continuity.
11. Review and update the Risk and Controls Self-Assessment (CRSA) for all bank's functions.
12. Analyzing the business impact for all bank departments, projects, and new products based on the approved methodology, and conducting a comprehensive analysis of business continuity risks that the bank may face, while establishing the necessary controls to mitigate and manage these risks.
13. Operating most of the critical and high-priority systems from the Disaster Recovery site for five consecutive business days.

14. Conducting all tests related to ensuring business continuity, such as testing the call tree for critical departments of the bank, testing generators, and conducting high availability (HA) tests for several critical systems in collaboration IT Department.
15. Ensuring the implementation of mock evacuation drills for most of the bank's buildings and branches.
16. Conduct a high level gap analysis with regulatory guidelines for fraud management,
17. Introducing the concept of KFIs (Key Fraud Indicators) to monitor fraud on the banks and its customers.
18. Establish a clear workflow to collect and process fraud cases data comply with CBJ / Fincert operation fraud monthly reporting requirements.

In 2025, the bank plans to focus on a number of other key aspects in the field of risk management, including:

1. Update the limits of acceptable risks in the bank (Risk Appetite).
2. Updating the staging criteria and expected credit loss calculations.
3. Preparing the internal capital adequacy assessment process (ICAAP) and stress testing.
4. Continuing to update risk management policies, procedures and plans to ensure alignment with best practices, relevant international standards, and compliance with regulatory requirements.
5. Updating the information security and cybersecurity strategy and program in line with regulatory instructions and international best practices.
6. Establish an automated process to classify data based on data confidentiality labiling.
7. Update the matrix of authorities for critical and important classified systems.
8. Enhance security awareness activities in the bank for employees and customers
9. Obtaining the PCI DSS version 4 certificate for the bank.
10. Implementation of automated cyber security compliance check through GRC tool
11. Apply security controls related to the SWIFT system according to standards and requirements.
12. Monitoring the implementation of COBIT 2019 framework for information security, operational risk management, and business continuity, ensuring the required maturity level is maintained.
13. Review and update of the risk matrix for the bank's entities based on the Risk and Controls Self-Assessment (CRSA).
14. Review the policies and procedures at the bank level according to the procedures classification list.
15. Developing employees' skills and enhancing their awareness of the operational risk management culture and the importance of business continuity plans to ensure their readiness to effectively handle challenges.
16. Managing all insurance-related risks, whether related to the bank's assets, properties, or its clients, in accordance with the bank's policies. This includes determining the appropriate type of insurance, selecting the best insurance offers based on cost and coverage, and ensuring continuous updates and renewals of policies. The responsibilities also involve managing insurance claims to ensure prompt and fair compensation in the event of incidents, ensuring risk coverage, and preventing financial losses.

17. Integrate fraud management in the bank's overall risk strategy.
18. Create a clear fraud incident response plan.

(44-1) Credit risk management

Credit risk is the risk of suffering financial loss, should any of the Group's customers fail to fulfil their contractual obligations to the Group. Credit risk arises mainly from loan and advances, loan commitments arising from such lending activities, trade finance and treasury activities but can also arise from financial guarantees, letter of credit, endorsements and acceptances. The Group is also exposed to other credit risks arising from investments in debts instruments, derivatives as well as settlement balances with market counterparties.

Credit risk is the single largest risk from the Group's business of extending Loans and Advances (including loan commitments, LCs and LGs) and carrying out investment in securities and debts; management therefore carefully manages its exposure to credit risk. The credit risk management and control are centralized in a risk management department which reports regularly to the Risk Management Committee.

The Bank generally manages Credit Risk through:

- A clear and comprehensive policy for managing credit risk in addition to approved credit policies.
- Setting clear and specific limits for credit risks level that are set by the Board of Directors and then circulated to the different business units.
- Adopting the concept of credit committees to ensure that the credit decisions are not made on individual or subjective basis.
- Having a clear criteria for selecting clients, the target market and the acceptable level of credit.
- A comprehensive and thorough financial and credit analysis covering the various aspects of risk for each clients and/or credit processes.
- The results of Moody's Credit Rating System in determining each client's risk classification.
- Reviewing and analyzing the quality of the credit portfolio periodically, according to specific performance indicators.
- Evaluating and monitoring constantly to avoid high credit concentration, and implementing the required remedial actions.
- Adopting early warning indicators and recognition of possible risks in the credit portfolio while revising them on a regular basis.
- Effective management and follow up of the preservation of the legal documentation process and collateral administration to ensure that there are no negative indicators or regress that may necessitate the undertaking of pre-emptive or safety actions.
- Periodical revision, or when necessary, of all extended credit facilities on individual basis to ensure that there are no negative indicators or regress that necessitate the undertaking of pre-emptive or safety actions.

Key Credit Risk Management Methods:**1- Loans and advances**

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Group measures credit risk using the concept of Expected Loss which requires the following measures:

- Probability of Default (PD)
- Loss Given Default (LGD)
- Exposure at Default (EAD)

Under IFRS 9 expected loss is replaced by expected Credit Loss (ECL), which is based on macro adjusted PD, LGD & EAD measures. Additionally it also captures deterioration and lifetime likelihood of defaults.

2- Credit risk grading

In accordance with the Credit Risk Management Principle, the availability of an internal credit rating system for customers is an essential element in the process of measuring credit risk, assessing the quality of the credit portfolio and determining its credit risk structure.

The international credit rating system "Moody's" has been applied to the Bank and its subsidiaries since 2013, 2017 and 2018 respectively. The system has assisted the Bank with Measuring customer risk scores, and improved the process of collecting and evaluating quantitative and qualitative information that can be relied upon in the risk measurement methodology.

Collecting and analyzing historical and projected financial data in order to analyze the historical and expected financial performance and cash flows of customers, in addition to performing Sensitivity Analysis based on many factors and expected strategies.

The process of monitoring the terms and financial covenants is contained in loan agreements

Conducting analysis of the economic sectors and comparisons of the financial statements of clients of similar companies in the same sector based on the available system database

The system is based on two dimensions (two dimensions) first: the customer risk (Obligor Risk Rating), which reflects the degree of credit capacity of the customer independently of the guarantees provided, and is linked to the probability of default (PD%), the second: Facility risk and calculation of loss upon default (LGD%) and credit exposure upon default (EAD), using a set of rating models that reflect the nature and activities of the bank's customers, as follows:

Country Scorecard Model	SMEs Programmed Lending Model	Corporate Rating Model
High Net Worth Individual Model	Retail Scorecard Model	SMEs Financial Model
Project Finance Model	Financial Institutions Scorecard Model	SMEs Non-Financial Model

The output of the (Moody's) rating system are translated into various grades of risk that distinguish between customers on the basis of their credit risk. Institutional customer have 10 risk scores / 20 sub-grades, retail customers have 6 risk scores, while financial institutions and countries have 8 scores.

For corporate customer, the model evaluates from a financial and non-financial aspect as follows:

- Financial evaluation: which is based on an analysis of clients' financial statements, and includes:
- Financial Ratios relating to Operations
- Liquidity ratios
- Financial ratios related to the capital structure
- Debt Service Ratios

Non-financial evaluation: which depends on qualitative factors about the customer, and includes:

- Industry risks
- Management quality
- Experience and customer experience in his activity and dealing with banks (Company Standing).

On the other hand, the system uses the Scorecard methodology in some of the classification models used, such as the classification models for individual customers, financial institutions, countries and governments, which include evaluation of various financial and non-financial factors in line with the nature of each of them.

The Group use specific internal rating models tailored to the various industry segments/counterparty. Borrower and loan specific information collected at the time of application (such as disposable income, and level of collateral for retail exposures; and turnover and industry type for wholesale exposures) is fed into this rating model. This is supplemented with external data input into the model.

The credit grades are calibrated such that risk of default increases exponentially at each higher risk grade. For example, this means that the difference in the PD between a 6 and 8 rating grade is higher than the difference in the PD between a 3 and 5 rating grade.

The Risk Rating system for performing assets ranges from 1 to 10, each grade being associated with a Probability of Default ("PD"). Non-performing clients are rated 6, 7, 8, 9, and 10 corresponding to NAUR (Non-accrual under Restructuring), Substandard, Doubtful, Loss classifications and Write-off.

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These risk ratings have been mapped into 8 Grades which are defined below:

Stage	Internal credit rating	Description
1	1	Financial institutions rated 1, 2, 3, and 4 possess superior intrinsic financial strength. Typically, they will be institutions with highly valuable and defensible business franchises, strong financial fundamentals, and a very predictable and stable operating environment.
	2	
	3	
	4	
	5	Financial institutions rated 5 possess strong intrinsic financial strength. Typically, they will be institutions with valuable and defensible business franchises, good financial fundamentals, and a predictable and stable operating environment.
2	6	Financial institutions rated 6 possess adequate intrinsic financial strength. Typically, they will be institutions with more limited but still valuable business franchises. These FI will display either acceptable financial fundamentals within a predictable and stable operating environment, or good financial fundamentals within a less predictable and stable operating environment.
	7	Financial institutions rated 7 display modest intrinsic financial strength, potentially requiring some outside support at times. Such institutions may be limited by one or more of the following factors: a weak business franchise; financial fundamentals that are deficient in one or more respects; or an unpredictable and unstable operating environment.
3	8	Financial institutions rated 8 display very modest intrinsic financial strength, with a higher likelihood of periodic outside support or an eventual need for outside assistance. Such institutions may be limited by one or more of the following factors: a weak and limited business franchise; financial fundamentals that are materially deficient in one or more respects; or a highly unpredictable or unstable operating environment.

Internal Credit rating for corporate and SMEs:

Stage	Internal credit rating	Description
1	1	Obligations rated 1 are judged to be of the highest quality, and carry the lowest level of credit risk.
	2	Obligations rated 2 are judged to be of high quality and very low credit risk.
	3	Obligations rated 3 are judged to be upper-medium grade and carry a low credit risk.
	4	Obligations rated 4 are judged to be medium-grade and carry a Low to moderate credit risk and as such may possess certain speculative characteristics.
	5	Obligations rated 5 are judged to be speculative and carry a moderate credit risk.
2	6	Obligations rated 6 are considered speculative with a moderate to High credit risk.
	7	Obligations rated 7 are judged to be speculative of poor standing and carry a very high credit risk.
	8	Obligations rated 8 are highly speculative and are likely for PDs, with some prospect of recovery of principal and interest/yield.
	9	Obligations rated 9 are the lowest rated and are typically in default, with no prospect for recovery of principal or interest/yield.
3	10	Obligations rated 10 are in default, with little prospect for full recovery of principal or interest/ yield.

Internal credit rating for retail and real estate:

Stage	Internal credit rating	Description
1	A	Obligations rated A are judged to be of the highest quality, and carry the lowest level of credit risk.
	B	Obligations rated B are judged to be of high quality and low credit risk.
	C	Obligations rated C are judged to be upper-medium grade and carry a low credit risk.
	D	Obligations rated D are judged to be speculative and carry a moderate credit risk.
	E	Obligations rated E are judged to be speculative of poor standing and carry a very high credit risk.
2 and 3 based on Days past dues	F	Obligations rated F are in default, with little prospect for full recovery of principal or interest/ yield.

3- Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition of a facility as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. The identification of SICR is measured via a change in one year probability of default between the date of inception of facility and the date of IFRS 9 ECL run.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring the ECL in accordance with IFRS 9 is that it should consider forward-looking information.
- Purchased or originated credit impaired financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).
- All government and government-guaranteed financial instruments have been taken into account in the calculation of total expected credit losses.

4- Significant increase in credit risk (SICR)

The Group considers a financial asset to have experienced a significant increase in credit risk when a significant change in one year probability of default occurs between the origination date of a specific facility and the IFRS 9 ECL run date.

Quantitative criteria

Corporate loans:

For corporate loans, if the borrower experiences a significant increase in probability of default which can be triggered by the following quantitative factors:

- Operating Performance
- Operating Efficiency
- Debt Service
- Liquidity Assessment
- Capital structure

Retail:

For Retail portfolio, if the borrowers meet one or more of the following criteria:

- Adverse findings for an account/ borrower as per credit department data;
- Loan rescheduling before 30 Days Past Due (DPD);
- Accounts overdue between 30 and 90 days

Treasury:

- Significant increase in probability of default of the underlying treasury instrument;
- Significant change in the investment's expected performance & behavior of borrower (collateral value, payment holiday, payment to income ratio etc.).

Qualitative criteria:

Corporate Loans

For corporate loans, if the borrower experiences a significant increase in probability of default, which can be triggered by the following Default Risk Indicator's (DRI):

- Past Due
- Net Worth Erosion
- Fraudulent Activity
- Mandatory Restructure
- Financial Covenants Breach
- Significant Operations Disruption

For corporate loans, if the borrower experiences a significant increase in probability of default which can be triggered by the following qualitative factors:

- Management
- Industry Outlook
- Financial Conduct
- Income Stability
- Lifecycle Stage
- Auditor Information

Backstop:

If the borrower is more than 30 days past due on its contractual payments a backstop is applied and the financial asset is considered to have experienced a significant increase in credit risk.

5- Definition of default and credit-impaired assets

The Group defines a financial corporate, retail and investment instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria:

According to the Basel definition, default is considered to have occurred with regard to particular obligors when either one of the following events have taken place:

- The Bank considers that the obligor is unlikely to pay its credit obligation to the Group in full without recourse by the Bank to actions like realizing security (if held).
- The Bank puts the credit obligation on a non-accrued status.
- The Bank makes a charge-off or account-specific provision resulting from a perceived decline in credit quality subsequent to the Bank taking on the exposure.
- The Bank sells the credit obligation at a material credit-related economic loss.
- The Bank consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness or postponement of principal, interest and other fees.
- The Bank has filed for the obligor's bankruptcy or similar order in respect of the obligor's credit obligation to the Banking Group.
- The obligor is past due more than 90 days on any material credit obligation to the Banking Group.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD) throughout the Group's expected loss calculations.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of twelve months. This period of twelve months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different cure definitions.

The Bank applies a three-stage approach to measuring ECL on financial instruments accounted for at amortized cost and FVOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition:

i) Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

ii) Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised.

iii) Stage 3: Lifetime ECL – credit impaired

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. This uses the same criteria as under IAS 39, the Bank's methodology for specific provisions remains unchanged. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated on the total defaulted balance from stage 3, with interest suspended and not calculated as income in the consolidated income statement.

6- Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since the initial recognition of a specific facility or whether an asset is considered credit-impaired. The Group has adopted a forward exposure method for computing the ECL for each facility. The bank has opted for a monthly granular computation of PD, EAD and LGD.

Probability of default (PD):

PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between ratings classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

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The mechanism for distributing the percentages of the probability of default is shown below according to the degree of risk for the sectors of large companies and small and medium enterprises.

Risk classification	Low risk	Low to medium risk	medium risk	Medium to high risk	high risk
1	0.02%	0.03%	0.03%	0.04%	0.06%
2+	0.03%	0.04%	0.05%	0.06%	0.08%
2	0.05%	0.06%	0.07%	0.08%	0.12%
2-	0.07%	0.08%	0.10%	0.12%	0.17%
3+	0.09%	0.11%	0.14%	0.17%	0.25%
3	0.13%	0.16%	0.20%	0.24%	0.36%
3-	0.19%	0.23%	0.28%	0.34%	0.51%
4+	0.28%	0.33%	0.41%	0.49%	0.73%
4	0.39%	0.48%	0.58%	0.71%	1.04%
4-	0.57%	0.69%	0.83%	1.01%	1.49%
5+	0.81%	0.98%	1.19%	1.45%	2.12%
5	1.16%	1.41%	1.70%	2.06%	3.02%
5-	1.65%	2.00%	2.43%	2.93%	4.28%
6+	2.36%	2.85%	3.45%	4.16%	6.03%
6	3.35%	4.04%	4.87%	5.86%	8.43%
6-	4.73%	5.70%	6.84%	8.20%	11.66%
7	6.66%	7.98%	9.53%	11.36%	15.92%
8	9.28%	11.06%	13.13%	15.53%	21.36%
9	12.80%	15.14%	17.82%	20.86%	28.03%
10	17.39%	20.38%	23.73%	27.44%	35.84%

The mechanism for distributing the percentages of the probability of default according to the degree of risk is shown below for the sectors of individuals and real estate loans.

Risk classification	PD Upside	PD Base case	PD down side	WA (adjusted) PD
A	0.19%	0.20%	0.22%	0.21%
B	0.50%	0.54%	0.59%	0.56%
C	1.31%	1.42%	1.56%	1.47%
D	3.43%	3.71%	4.06%	3.85%
E	8.64%	9.33%	10.22%	12.11%
F	19.97%	21.57%	23.63%	33.59%

The mechanism for distributing the percentages of the probability of default according to the degree of risk for financial assets at amortized cost and other comprehensive income is shown below.

classification	medium risk
AAA	0.03%
AA+	0.05%
AA	0.07%
AA-	0.10%
A+	0.14%
A	0.20%
A-	0.28%
BBB+	0.41%
BBB	0.58%
BBB-	0.83%
BB+	1.19%
BB	1.70%
BB-	2.43%
B+	3.45%
B	4.87%
B-	6.84%
CCC	9.53%
CC	13.13%
C	17.82%
D	23.73%

Loss given default (LGD):

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by retail property, LTV ratios are a key parameter in determining LGD. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

The Bank estimates the following haircuts for its main collaterals:

Collateral Type	LGD%
Cash Margin, Government Guaranteed, Qualified Banking Guarantees, Other external qualified guarantors	0%
Stocks and financial Assets	25%
Real Estate	30%
Cars	52%
Machines	61%

Exposure at default (EAD):

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount. As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Bank measures ECL considering the risk of default over the maximum contractual period over which it is exposed to credit risk. The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance or terminate a loan commitment or guarantee.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the effective interest rate or an approximation thereof.

Lifetime expected credit losses are expected credit loss resulting from all probable default events over the expected lifetime of the financial instrument. Expected credit losses are the probability-weighted average of credit losses and the weighing factor is the Probability of Default (PD) for a lifetime.

The Group has implemented a risk rating model since 2014 which has enabled the Bank to collect historical risk ratings since 2014 and build point in time credit transition matrices for the last years from the date of the consolidated financial statements.

This has enabled the bank to derive a credit index using the historical transition matrices. The credit index correlates with specific macro-economic factors, which have been statistically established through regression models.

These models were used to forecast future credit transitions using Moody's research macro-economic forecast under the IFRS 9 scenarios i.e. upwards and downwards.

- The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.
- For amortizing products and bullet repayments loans, this is based on the contractual repayments owed by the borrower over a 12 month period or lifetime basis.
- For revolving products (overdraft, revolving and credit cards), the exposure at default is predicted by taking current withdrawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining committed limit by the time of default.

The Group has adopted a workout methodology for LGD computation. For the Corporate segment, the Bank has developed the LGD framework using more than 10 years of data.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGDs are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGDs are influenced by collection strategies, including contracted debt sales and prices.
- Forward-looking economic information is also included in determining the 12-month and lifetime PD.
- There have been no significant changes in estimation techniques or significant assumptions made during the year.

7- Importance of staging criteria

- Staging is based on the assessment of relative movement in the credit quality of the loans from the time of initial recording.
- Loans in stage 3 are those loans for which the bank has objective evidence of impairment. Accordingly, specific provision is recorded for such exposures.
- Stage transfer is triggered by assessing the relative change in credit risk (measured using lifetime risk of default) and not by the absolute credit risk at the reporting date.
- 30 days past due is the last resort It is the maximum period allowed during the year 2023.

Bank management's main definition and criteria for significant increase in credit risk (stage 2) includes the following parameters:

For exposures (credit facilities) to corporate customers

- 30 days past due on installment
- Downgrade by 7 notches of the risk rating scale of 20 points.
- Customer rating (7,8,9).
- Customer is classified under watchlist, restructured, rescheduled.

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For exposures (credit facilities) to retail customers

- Customer is classified under watchlist, restructured, rescheduled.
- 30 days past dues on installments
- Customer rating F with more than 20 days past due and less than 60 days

For exposures (Deposits balances) with banks and financial institutions

- Current risk rate is 6 or 7

For exposures to (Financial assets) at amortized cost and at fair value through the statement of comprehensive income

- Current risk rate ranges from CCC to C

The Bank's definition and criteria for the significant increase in credit risk (stage 3) include the following criteria:

For exposures (credit facilities) to corporate customers

- 90 days past due.
- Customer is classified as (10).
- The customer is facing liquidity difficulties
- Customer is classified under non-performing.

For exposures (credit facilities) to retail customers

- 90 days past due.
- Customer is classified under non-performing
- Customer rating (F) and has more than 60 days past due

For exposures (Deposits balances) with banks and financial institutions

- Current risk rate is 8

For exposures to (Financial assets) at amortized cost and at fair value through the statement of comprehensive income

- Current risk rate ranges from D

8- Forward looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgement has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are provided by the Group's Economics team on a quarterly basis and provide the best estimate view of the economy over the next five years. After five years, to project the economic variables out of the full remaining lifetime of each instrument, a mean reversion approach has been used, which means that economic variables tend to either a long run average rate (e.g. for unemployment or a long run average growth rate (e.g. GDP) over a period of two to five year). The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

9- Sensitivity analysis

The Group has calculated ECL at an individual financial instrument level, hence does not require any grouping of financial instruments in the process of loss calculation.

The most significant assumptions affecting the ECL allowance in respect of retail and wholesale credit portfolios are as follows:

- Interest rate
- Unemployment
- Inflation»

The Group has performed a sensitivity analysis on how ECL on the credit portfolio will change if the key assumptions used to calculate ECL change by a certain percentage. The impact on ECL due to a relative change in the forecasted Gross Domestic Product (GDP) and Gross Fixed Investment Growth (GFIG) rate by +10% / -10% in each of the base, upside and downside scenarios would result respectively in an ECL reduction by JD (13,040,003) and an ECL increase of JD 13,040,003. These changes are applied simultaneously to each probability weighted scenarios used to compute the expected credit losses. In reality there will be interdependencies between the various economic inputs and the exposure to sensitivity will vary across the economic scenarios.

10- IFRS 9 Governance

This section describes the roles and responsibilities of the Committees and groups, specific to the IFRS 9 process at the Bank.

BOARD OF DIRECTORS (“BOARD” or “BoD”)

The Board will be responsible for:

- Approving the IFRS 9 Framework, that has been recommended by RMC
- Maintaining ECL allowances at an appropriate level and to oversee that CBJ has appropriate credit risk practices for assessment and measurement processes, including internal controls in place to consistently determine allowances in accordance with the stated policies and procedures, the applicable accounting framework and relevant supervisory guidance.
- The BOD may delegate the responsibility of reviewing the detailed IFRS 9 related policies to the RMC.

RISK MANAGEMENT COMMITTEE (“RMC”)

The Risk Management Committee will be responsible for:

- Reviewing and recommending the IFRS 9 framework to the BoD.
- Reviewing the implementation of IFRS 9 and ensuring the appropriate steps for compliance.
- Overlooking and recommending the periodic internal reporting.
- Recommending adjustments to the business models, framework, methodology and policies and procedures .

INTERNAL AUDIT DEPARTMENT (“IAD”)

Internal Audit Department will be responsible for independently:

- Ensure the Bank’s overall compliance with the Standard.
- Reviewing the methodology and assumptions to ensure compliance.
- Ensure appropriate levels of expected credit losses relative to the Bank’s profile.

INTERNAL RISK MANAGEMENT COMMITTEE (“IRMC”)

The Internal Risk Management Committee will be responsible for:

- Overlooking and approving the periodic reporting’s according to the standards.
- Recommending adjustments to the business models, framework, methodology and policies and procedures to the RMC.

RISK MANAGEMENT DEPARTMENT (“RMD”)

The Chief Risk Officer and his/her respective personnel in the RMD will be responsible for:

- Coordinate between the different departments and units to manage the implementation of IFRS 9.
- Assist in creating and reviewing the framework and methodology to be implemented by the Bank.
- Creating and updating the expected credit loss models and methodologies in compliance with the standard.

FINANCIAL CONTROL DEPARTMENT (“FCD”)

FCD will be responsible for:

- Creating the business models
- Classifying and measuring the financial assets .
- Reflecting the IFRS 9 impact on the Bank’s financials.

CREDIT CONTROL DEPARTMENT

- Identify, review and monitor the determined stage is in compliance with the framework.
- Reflect any changes or signals that present a significant change in the credit risk of the customer in their determined stage.
- Run the ECL calculation
- Preparing and issuing the regulatory reports.

BUISNESS DEPARTMENT

- Identifying the stages of each customer based on the criteria
- Reflect any changes or signals that present a significant change in the credit risk of the customer in their determined stage.

STAGING COMMITTEE

- Review and approve the customers staging
- Staging override with reasonable justification.

IFRS9 COMMITTEE

- Review and recommend changes in methodology (Stages criteria and Parameters (PD, LGD and EAD))

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(-44A1-) Expected credit losses (net (recovered) expenses)

31 December 2024	Stage one JD	Stage two JD	Stage three JD	Total JD
Balances with banks and financial institutions (Note 6)	139,704	36	1,394	141,134
Debt instruments at fair value through other comprehensive income (Note 7)	1,519	-	-	1,519
Direct credit facilities at amortized cost (Note 8)	(16,955,118)	(1,041,348)	61,198,854	43,202,388
Financial assets at amortized cost - Debt instruments (Note 9)	170,345	-	-	170,345
Other assets (Note 13)	8,754	286,805	9,174	304,733
Letters of guarantee (Note 49)	64,821	197,499	(421,920)	(159,600)
Unutilized direct credit facilities limits (Note 49)	218,469	10,100	(156)	228,413
Letters of credit (Note 49)	646,995	4,498	-	651,493
Acceptances (Note 49)	(306,127)	7,004	-	(299,123)
Total	(16,010,638)	(535,406)	60,787,346	44,241,302

31 December 2023	Stage one JD	Stage two JD	Stage three JD	Total JD
Balances with banks and financial institutions (Note 6)	-	(7,938)	-	(7,938)
Debt instruments at fair value through other comprehensive income (Note 7)	(103)	-	-	(103)
Direct credit facilities at amortized cost (note 8)	(578,914)	22,022,306	50,935,734	72,379,126
Financial assets at amortized cost - Debt instruments (Note 9)	12,632	-	-	12,632
Other assets (Note 13)	(137,280)	-	-	(137,280)
Letters of guarantee (Note 49)	477,098	41,442	(8,139)	510,401
Unutilized direct credit facilities limits (Note 49)	(399,353)	(166,700)	14,608	(551,445)
Letters of credit (Note 49)	29,058	1,143,654	-	1,172,712
Acceptances (Note 49)	267,832	(179,052)	-	88,780
Total	(329,030)	22,853,712	50,942,203	73,466,885

(-44A2-) Credit Risk Exposures (after impairment provisions and suspended interest and before collateral held or other mitigation factors):

	2024 JD	2023 JD
Statement of financial position items:		
Balances at Central Banks	1,374,100,960	983,874,702
Balances and deposits at banks and financial institutions	222,022,897	165,766,227
Direct credit facilities at amortized cost		
Retail	1,086,406,769	937,929,538
Real estate	239,143,807	274,634,616
Corporate		
Corporate	1,423,100,613	1,542,288,501
Small and medium enterprises (SMEs)	304,679,388	331,980,015
Governmental and public sector	411,517,619	378,262,267
Bonds and treasury bills:		
Financial assets at fair value through other comprehensive income statement	7,126,190	10,935,802
Financial assets at amortized cost	2,147,092,786	1,916,589,965
Pledged financial assets	230,528,208	232,081,986
Other assets	28,110,672	20,630,380
Total statement of financial position Items	7,473,829,909	6,794,973,999
Off - balance sheet items		
Letters of guarantee	446,715,714	400,903,719
Export Letters of credit	465,512,875	242,779,018
Confirmed Import Letters of credit	33,975,734	41,503,680
Issued acceptances	161,502,753	184,862,177
Unutilized credit facilities limits	594,860,214	586,665,227
Forward purchase contracts	142,266,180	43,473,102
Total off balance sheet items	1,844,833,470	1,500,186,923
Total on and off balance sheet items - statement of financial position items	9,318,663,379	8,295,160,922

The table above represents the maximum limit of the Bank's credit risk exposure as of 31 December 2024 and 2023, without taking into consideration the collateral and the other factors which will decrease the Bank's credit risk.

For the statement of financial position items, the exposure in the above table is based on the balances as appeared on the consolidated statement of financial position, in addition to the related accrued interests.

(-44A3-) Credit risk management disclosure

1) Distribution of credit exposure

Internal credit rating	Classification According to instruction number (200947/)	Total Exposures	Expected credit loss (ECL)	Probability of Default (PD)	Classification by external classification institutions	Exposure at default (EAD)	Loss given default (LGD) %
Performing Exposures							
Balances at Central Banks							
	Low risk	870,356,685	-	0%	-	870,357	45.00%
	Acceptable risk	783,848,128	-	0%	-	783,848	45.00%
Balances and deposits at banks and financial institutions							
	Low risk	221,451,266	139,704	0.15%	-	221,451	45.00%
	Acceptable risk	326,012	70,379	48.20%	-	326	45.00%
Direct credit facilities- amortized cost:							
Corporate companies							
	Low risk	352,487,967	3,815,632	0.14%	Unrated	352,488	33.08%
	Acceptable risk	1,071,482,535	45,723,297	7.17%	Unrated	1,071,483	31.02%
Small and medium entities							
	Low risk	83,170,739	221,502	0.18%	Unrated	83,171	18.67%
	Acceptable risk	199,649,549	6,192,002	8.47%	Unrated	199,650	19.94%
Retail							
	Low risk	706,918,186	3,733,182	0.35%	Unrated	706,918	34.91%
	Acceptable risk	370,620,121	4,317,937	1.83%	Unrated	370,620	39.12%
Real estate							
	Low risk	56,580,371	35,246	0.20%	Unrated	56,580	20.22%
	Acceptable risk	172,795,016	878,904	1.83%	Unrated	172,795	18.27%

Internal credit rating	Classification According to instruction number (200947)	Total Exposures	Expected credit loss (ECL)	Probability of Default (PD)	Classification by external classification institutions	Exposure at default (EAD)	Loss given default (LGD) %
Government and public sector							
Financial Assets At Amortized Cost - Debt instruments	Low risk	408,087,507	-	0%	Unrated	408,088	45.00%
	Low risk	1,561,336,013	-	0%	BB- / B+ / A	1,561,336	45.00%
Financial Assets at Fair Value through Other Comprehensive Income - Debt instruments	Acceptable risk	549,996,557	217,982	0.10%	BB- / B+ / A	549,997	45.00%
	Low risk	3,607,723	-		BB-	3,608	45.00%
	Acceptable risk	3,411,175	1,519	0.10%	AA/BBB-	3,411	45.00%
Letters of guarantee							
	Low risk	131,115,043	109,672	0.43%	Unrated	131,115	35.35%
Unutilized direct credit limits	Acceptable risk	320,235,656	4,543,784	5.85%	Unrated	320,236	26.01%
	Low risk	115,751,288	149,581	0.31%	Unrated	115,751	45.00%
Letters of credit	Acceptable risk	479,739,181	501,472	0.43%	Unrated	479,739	45.00%
	Low risk	190,864,698	236,554	0.80%	Unrated	190,865	20.45%
Issued Acceptances	Acceptable risk	312,342,750	3,482,285	4.03%	Unrated	312,343	21.43%
	Low risk	101,880,724	178,445	0.09%	Unrated	101,881	43.31%
Bank acceptances and claims of purchased financial receivables	Acceptable risk	60,757,357	956,883	1.42%	Unrated	60,757	35.39%
	Low risk	-	-	0%	Unrated	-	45.00%
	Acceptable risk	28,108,255	351,829	0.85%	Unrated	28,108	42.55%

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Internal credit rating	Classification According to instruction number (200947)	Total Exposures	Expected credit loss (ECL)	Probability of Default (PD)	Classification by external classification institutions	Exposure at default (EAD)	Loss given default (LGD) %
Non-performing exposures							
Direct credit facilities - amortized cost:							
Corporate companies							
	Substandard	8,316,538	3,054,047	100%	Unrated	8,317	44.45%
	Doubtful	27,806,137	15,971,644	100%	Unrated	27,806	58.17%
	Loss	123,452,996	70,566,933	100%	Unrated	123,453	60.32%
Small and medium enterprises							
	Substandard	2,501,457	327,829	100%	Unrated	2,501	63.23%
	Doubtful	8,706,603	2,875,896	100%	Unrated	8,707	56.06%
	Loss	52,919,906	30,818,895	100%	Unrated	52,920	48.13%
Retail							
	Substandard	8,490,353	3,702,707	100%	Unrated	8,490	57.93%
	Doubtful	16,371,295	12,865,377	100%	Unrated	16,371	47.68%
	Loss	60,421,461	47,482,101	100%	Unrated	60,421	59.06%
Real estate							
	Substandard	867,968	80,965	100%	Unrated	868	25.16%
	Doubtful	5,714,421	1,110,308	100%	Unrated	5,714	25.05%
	Loss	18,309,122	11,431,781	100%	Unrated	18,309	33.08%
Financial Assets At Amortized Cost - Debt instruments							
Letters of guarantee							
	Loss	6,660,000	2,072,120	100%	Unrated	6,660	31.11%
Limits of credit facilities							
	Loss	28,050	9,579	100%	Unrated	28	34.15%
Limits of credit facilities							
	Substandard	3,117	1,403	100%	Unrated	3	45.00%
	Doubtful	26,489	10,663	100%	Unrated	26	40.25%
	Loss	5,886	2,628	100%	Unrated	6	44.65%

2- Concentration in credit exposures based on economic sectors is as follows:

a) Total distribution of exposures according to financial instruments subject to impairment losses

2024	Financial		Industrial		Commercial		Real estate		Agriculture		Shares		Retail		Governmental and Public Sector		Other		Total		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
Balance sheet items																					
Balances at Central Banks	-		-		-		-		-		-		-		1,374,100,960		-				1,374,100,960
Balances and deposits at banks and financial institutions	222,022,897		-		-		-		-		-		-		-		-				222,022,897
Direct Credit facilities at amortized cost	58,214,613		444,560,378		473,084,456		496,385,003		45,648,011		96,973,493		1,123,740,357		411,517,620		314,724,265				3,464,848,196
Bonds and treasury bills:																					
Financial assets at fair value through other comprehensive income	351,406		1,450,394		-		671,065		-		-		-		3,682,757		970,568				7,126,190
Financial assets at Amortized cost	550,292,878		11,616,031		-		2,023,410		-		-		-		1,583,160,467		-				2,147,092,786
Pledged financial assets - debt instruments	-		-		-		-		-		-		-		230,528,208		-				230,528,208
Other assets	27,013,976		-		-		1,082,979		-		-		13,717		-		-				28,110,672
Total	857,895,770		457,626,803		473,084,456		500,162,457		45,648,011		96,973,493		1,123,754,074		3,602,990,012		315,694,833				7,473,829,909
Off - balance sheet items																					
Letter of guarantee	86,658,088		49,400,854		97,339,643		114,088,302		477,959		12,922,651		15,060,800		-		70,767,417				446,715,714
Letter of credit	83,781,621		31,758,581		235,832,938		67,410,676		98,103		-		-		-		80,606,690				499,488,609
Other commitments	34,439,205		153,510,806		184,296,998		34,812,426		5,635,481		9,330,526		214,743,410		35,265,909		84,328,206				756,362,967
Total	1,062,774,684		692,297,044		990,554,035		716,473,861		51,859,554		119,226,670		1,353,558,284		3,638,255,921		551,397,146				9,176,397,199

2023	Financial		Industrial		Commercial		Real estate		Agriculture		Shares		Retail		Governmental and Public Sector			Total			
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD		
Balance sheet items																					
Balances at Central Banks	714,536,228	-	-	-	-	-	-	-	-	-	-	-	-	-	269,338,474	-	-	-	-	983,874,702	
Balances at banks and financial institutions	165,766,227	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	165,766,227	
Direct Credit facilities at amortized cost	54,078,249	512,872,663	480,026,685	561,748,837	43,219,395	122,046,204	946,713,622	368,324,599	3,465,094,937												
Bonds and treasury bills:																					
Financial assets at fair value through other comprehensive income	808,928	3,451,707	-	636,480	-	-	-	-	-	-	-	-	-	-	5,910,758	127,929	-	-	-	10,935,802	
Financial assets at Amortized cost	272,750,994	-	-	-	-	-	-	-	-	-	-	-	-	-	1,643,838,971	-	-	-	-	1,916,589,965	
Pledged financial assets - debt instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	232,081,986	-	-	-	-	232,081,986	
Other assets	20,585,729	44,651	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,630,380	
Total	1,228,526,355	516,369,021	480,026,685	562,385,317	43,219,395	122,046,204	946,713,622	368,452,528	6,794,973,999												
Off - balance sheet items																					
Letter of guarantee	74,316,750	38,545,663	113,421,501	102,717,125	1,414,113	3,058,126	-	60,722,816	400,903,719												
Letter of credit	43,821,670	27,114,933	181,326,244	15,327,952	-	-	-	16,691,900	284,282,699												
Other commitments	29,240,254	166,953,961	275,792,098	45,366,144	33,071,676	2,746,980	129,665,272	47,315,838	771,527,403												
Total	1,375,905,029	748,983,578	1,050,566,528	725,796,538	77,705,184	127,851,310	1,076,378,894	493,183,082	8,251,687,820												

b) Total distribution of exposures according to financial instruments subject to impairment losses

2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Financial	850,623,288	1,472,628	5,799,854	857,895,770
Industrial	334,517,208	103,583,013	19,526,582	457,626,803
Commercial	362,997,063	79,667,246	30,420,147	473,084,456
Real estate	405,856,812	59,251,485	35,054,160	500,162,457
Agriculture	38,613,492	3,607,844	3,426,675	45,648,011
Shares	76,095,963	15,123,637	5,753,893	96,973,493
Retail	1,050,266,497	55,018,839	18,468,738	1,123,754,074
Governmental and Public Sector	3,602,990,012	-	-	3,602,990,012
Other	268,279,294	41,275,578	6,139,961	315,694,833
Total	6,990,239,629	359,000,270	124,590,010	7,473,829,909

2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Financial	1,222,595,689	716,185	5,214,481	1,228,526,355
Industrial	426,086,535	78,491,088	11,791,398	516,369,021
Commercial	379,262,102	78,043,466	22,721,117	480,026,685
Real estate	473,288,913	56,739,904	32,356,500	562,385,317
Agriculture	30,334,824	2,526,733	10,357,838	43,219,395
Shares	94,892,897	24,568,251	2,585,056	122,046,204
Retail	870,112,969	55,114,568	21,486,085	946,713,622
Governmental and Public Sector	2,527,234,872	-	-	2,527,234,872
Other	324,289,733	35,735,640	8,427,155	368,452,528
Total	6,348,098,534	331,935,835	114,939,630	6,794,973,999

3) Credit Concentration based on geographic distribution is as follows:

a) Total distribution of exposures according to geographic region

2024	Inside Jordan		Other Middle Eastern countries		Europe		Asia		Africa		America		Other Countries		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at Central Banks	590,252,832	783,848,128	-	-	-	-	-	-	-	-	-	-	-	-	-	1,374,100,960
Balances at banks and financial institutions	100,457	75,233,623	102,477,970	6,534,331	5,457	37,671,059	-	-	-	-	-	-	-	-	-	222,022,897
Direct Credit facilities at amortized cost	2,441,412,759	1,016,498,297	2,123,401	7,590	205,236	4,600,913	-	-	-	-	-	-	-	-	-	3,464,848,196
Bonds and bills:																
Financial assets at fair value through other comprehensive income	4,002,623	1,341,897	133,502	-	485,971	1,162,197	-	-	-	-	-	-	-	-	-	7,126,190
Financial assets at Amortized cost	1,634,378,125	512,714,661	-	-	-	-	-	-	-	-	-	-	-	-	-	2,147,092,786
Pledged financial assets - debt instruments	230,528,208	-	-	-	-	-	-	-	-	-	-	-	-	-	-	230,528,208
Other assets	6,399,340	21,711,332	-	-	-	-	-	-	-	-	-	-	-	-	-	28,110,672
Total	4,907,074,344	2,411,347,938	104,734,873	6,541,921	696,664	43,434,169	-	-	-	-	-	-	-	-	-	7,473,829,909
Letter of guarantee	248,590,353	173,561,210	23,369,927	645,796	332,054	216,374	-	-	-	-	-	-	-	-	-	446,715,714
Letter of Credit	76,334,562	347,796,590	75,209,235	-	148,222	-	-	-	-	-	-	-	-	-	-	499,488,609
Other Commitments	581,267,304	173,114,907	1,020,369	449,357	155,650	355,380	-	-	-	-	-	-	-	-	-	756,362,967
Total	5,813,266,563	3,105,820,645	204,334,404	7,637,074	1,332,590	44,005,923	-	-	-	-	-	-	-	-	-	9,176,397,199

2023	Inside Jordan		Other Middle Eastern countries			Europe			Asia			Africa			America			Other Countries			Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
Balances at Central Banks	269,338,474	714,536,228	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	983,874,702	
Balances at banks and financial institutions	27,303,997	21,802,060	68,384,149	15,039,467	23,217	33,213,337	165,766,227														165,766,227	
Direct Credit facilities at amortized cost	2,754,809,742	710,285,195	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,465,094,937	
Bonds and bills:																						
Financial assets at fair value through other comprehensive income	3,901,416	3,486,397	904,888	821,797	481,813	1,339,491	10,935,802														10,935,802	
Financial assets at Amortized cost	1,703,650,420	212,939,545	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,916,589,965	
Pledged financial assets - debt instruments	232,081,986	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	232,081,986	
Other assets	20,404,038	226,342	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,630,380	
Total	5,011,490,073	1,663,275,767	69,289,037	15,861,264	505,030	34,552,828	6,794,973,999														6,794,973,999	
Letter of guarantee	251,324,758	135,926,686	13,113,394	-	332,054	206,827	400,903,719														400,903,719	
Letter of Credit	156,264,635	128,018,063	-	-	-	-	284,282,698														284,282,698	
Other Commitments	618,925,106	152,602,298	-	-	-	-	771,527,404														771,527,404	
Total	6,038,004,572	2,079,822,814	82,402,431	15,861,264	837,084	34,759,655	8,251,687,820														8,251,687,820	

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b) Distribution of exposures according to geographic region on stages according to IFRS 9

2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Inside Jordan	4,464,053,363	331,856,130	111,164,851	4,907,074,344
Other Middle Eastern countries	2,370,778,639	27,144,140	13,425,159	2,411,347,938
Europe	104,734,873	-	-	104,734,873
Asia	6,541,921	-	-	6,541,921
Africa	696,664	-	-	696,664
America	43,434,169	-	-	43,434,169
Total	6,990,239,629	359,000,270	124,590,010	7,473,829,909
2023				
Inside Jordan	4,623,615,403	292,999,085	94,875,585	5,011,490,073
Other Middle Eastern countries	1,604,274,972	38,936,750	20,064,045	1,663,275,767
Europe	69,289,037	-	-	69,289,037
Asia	15,861,264	-	-	15,861,264
Africa	505,030	-	-	505,030
America	34,552,828	-	-	34,552,828
Total	6,348,098,534	331,935,835	114,939,630	6,794,973,999

4- The fair value distribution of collateral against credit exposure (for total credit exposures) is as follows:

2024	Fair value of Collaterals														Expected credit loss (ECL) JD						
	Total Exposure		Interest In Suspense		Cash Collaterals		Listed stocks		Accepted guarantees		Real estate		Cars and equipment			Others		Total Collaterals		Net exposures after collateral	
	JD		JD		JD		JD		JD		JD		JD			JD		JD		JD	
Balances at central banks	1,374,100,960		-		-		-		-		-		-		-		-		1,374,100,960		-
Balances and deposits at banks and financial institutions	222,232,980		-		-		-		-		-		-		-		-		222,232,980		210,083
Direct credit facilities:																					
Retail	1,167,358,939		8,850,866		79,250,675		48,172,638		-		62,619,334		97,108,606		-		-		880,207,686		72,101,304
Real estate Mortgages	256,229,208		3,548,197		4,670,065		-		-		372,400,869		4,387,905		-		-		(125,229,631)		13,537,204
Corporate and SMEs																					
Large Corporate	1,601,273,209		39,041,043		89,721,918		125,021,176		-		544,025,919		69,228,139		-		-		773,276,057		139,131,553
Small and medium enterprises "SMEs"	354,971,444		9,855,932		18,096,463		13,965,444		-		176,426,912		16,870,071		465,880		-		129,146,674		40,436,124
Government and public sector lending	411,517,619		-		-		-		-		-		-		-		-		411,517,619		-
Bonds, bills and securities																					
Financial assets at fair value through other comprehensive income	7,127,709		-		-		-		-		-		-		-		-		7,127,709		1,519
Financial assets at amortized cost	2,149,382,888		-		-		-		-		5,760,000		-		-		-		2,143,622,888		2,290,102
Pledged financial assets (debt instruments)	230,528,208		-		-		-		-		-		-		-		-		230,528,208		-
Other assets	28,462,501		-		-		-		-		-		-		-		-		28,462,501		351,829
Total	7,803,185,665		61,296,038		191,739,121		187,159,258		-		1,161,233,034		187,594,721		465,880		-		6,074,993,651		268,059,718
Letters of guarantee	451,378,749		-		120,304,369		-		-		15,100,753		446,500		-		-		315,527,127		4,663,035
Letters of credit	503,207,448		-		350,879,693		-		-		7,133,000		-		-		-		145,194,755		3,718,839
Other commitments	758,164,042		-		3,425,382		-		-		-		-		-		-		754,738,660		1,801,075
Total	9,515,935,904		61,296,038		666,348,565		187,159,258		-		1,183,466,787		188,041,221		465,880		-		7,290,454,193		278,242,667

4- The fair value distribution of collateral against credit exposure (for total credit exposures) is as follows:

2023	Total Exposure	Interest In Suspense		Cash Collaterals		Listed stocks		Accepted guarantees		Real estate		Cars and equipment		Others		Total Collateral		Net exposures after collateral		Expected credit loss (ECL)		
		JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
Cash and balances at central banks	983,874,702	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	983,874,702	-	-	-	
Balances at banks and financial institutions	165,835,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	165,835,176	68,949	68,949	-	
Direct credit facilities:																						
Retail	990,205,670	5,762,312	74,233,206	53,201,587	-	-	-	-	-	114,168,584	93,484,300	1,298,990	-	-	-	-	336,386,667	653,819,004	46,513,820	46,513,820	-	
Real estate Mortgages	290,389,043	3,450,791	3,814,157	19,440	-	-	-	-	-	387,821,797	6,136,499	-	-	-	-	-	397,791,893	(107,402,850)	12,303,636	12,303,636	-	
Corporate																						
Large Corporate	1,704,537,759	30,779,245	82,623,043	93,561,782	6,268,127	641,274,175	69,683,609	2,988,431	-	641,274,175	69,683,609	2,988,431	-	-	-	896,399,167	808,138,593	131,470,013	131,470,013	-	-	
Small and medium enterprises "SMEs"	385,959,935	10,548,023	12,876,375	13,268,571	-	211,020,075	13,192,907	-	-	211,020,075	13,192,907	19,196,092	-	-	-	269,554,019	116,405,916	43,431,897	43,431,897	-	-	
Government and public sector lending	378,262,267	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	378,262,267	-	-	-	-	
Bonds, bills and securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Financial assets at fair value through other comprehensive income	10,935,802	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,935,802	-	-	-	-	
Financial assets at amortized cost	1,918,709,722	-	-	-	-	-	-	-	-	5,760,000	-	-	-	-	-	5,760,000	1,912,949,722	2,119,757	2,119,757	-		
Pledged financial assets (debt instruments)	232,081,986	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	232,081,986	-	-	-	-	
Other assets	20,677,476	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,677,476	47,096	47,096	-	-	
Total	7,081,469,538	50,540,371	173,546,781	160,051,380	6,268,127	1,360,044,631	182,497,315	23,483,513	1,905,891,746	5,175,577,794	235,955,168	-	-	-	-	5,175,577,794	235,955,168	235,955,168	-	-	-	
Letters of guarantee	405,726,354	-	103,152,180	-	3,950,914	24,035,738	7,637,500	-	-	24,035,738	7,637,500	-	-	-	-	138,776,332	266,950,022	4,822,635	4,822,635	-	-	
Letters of credit	287,350,044	-	121,279,611	1,213,979	2,317,212	37,444,910	-	-	-	37,444,910	-	-	-	-	-	162,255,712	125,094,332	3,067,346	3,067,346	-	-	
Other liabilities	816,872,291	-	15,518,079	-	-	-	-	-	-	-	-	-	-	-	-	15,518,079	801,354,212	1,871,785	1,871,785	-	-	
Total	8,591,418,227	50,540,371	413,496,651	161,265,359	12,536,253	1,421,525,279	190,134,815	23,483,513	2,222,441,869	6,368,976,360	245,716,934	-	-	-	-	6,368,976,360	245,716,934	245,716,934	-	-	-	

5 - The fair value distribution of collateral against credit exposure is as follows (for exposures under stage three):

2024	Fair value of Collaterals																				
	Total Exposure		Interest In Suspense		Cash Collaterals		Listed stocks		Real estate		Cars and equipments		Others		Total Collaterals		Net exposures after collateral		Expected credit loss (ECL)		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
Balances at banks and financial institutions	70,343	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	70,343	-	70,343	
Direct credit facilities at amortized cost																					
Retail	90,074,353	8,850,866	540,914	1,083,453	4,528,574	690,092	-	-	-	-	-	-	-	-	-	-	-	83,231,320	-	65,273,629	
Real estate Mortgages	29,658,464	3,548,197	1,303,231	-	22,136,548	82,900	-	-	-	-	-	-	-	-	-	-	-	6,135,785	-	12,086,190	
Corporate																					
Large Corporate	178,791,680	39,041,043	15,908,345	347,825	40,904,382	1,317,273	-	-	-	-	-	-	-	-	-	-	-	120,313,855	-	90,619,172	
Small and medium enterprises - SMEs	80,481,913	9,855,932	3,207,868	-	21,897,968	80,000	-	-	-	-	-	-	-	-	-	-	-	55,147,077	-	38,005,972	
Bonds, bills and securities																					
Financial assets at amortized cost	6,660,000	-	-	-	5,760,000	-	-	-	-	-	-	-	-	-	-	-	-	900,000	-	2,072,120	
Total	385,736,753	61,296,038	20,960,358	1,431,278	95,227,472	2,170,265	149,000	149,000	119,938,373	5,760,000	119,938,373	149,000	149,000	1,700,099	10,000	10,000	265,798,380	-	208,127,426		
Letters of guarantee	13,800,597	-	574,489	-	1,115,000	10,610	-	-	-	-	-	-	-	-	-	-	-	12,100,498	-	1,613,285	
Letters of credit	1,063,500	-	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,053,500	-	1,172,453	
Other Commitments	35,492	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35,492	-	16,800	
Total	400,636,342	61,296,038	21,544,847	1,431,278	96,342,472	2,180,875	149,000	149,000	121,648,472	5,760,000	121,648,472	149,000	149,000	1,700,099	10,000	10,000	278,987,870	-	210,929,964		

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2023	Fair value of Collaterals												Expected credit loss (ECL) JD						
	Total Exposure		Interest In Suspense		Cash Collaterals		Listed stocks		Real estate		Cars and equipment			Others		Total Collateral		Net exposures after collateral	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD		JD	JD	JD	JD	JD	JD
Balances at banks and financial institutions	68,949	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	68,949	68,949	
Direct credit facilities at amortized cost																			
Retail	59,310,197	5,762,312	976,119	911,912	19,386,062	16,500	63,093	21,353,686	37,956,511	35,549,994									
Real estate Mortgages	34,259,888	3,450,791	158,866	-	23,219,144	-	-	23,378,010	10,881,878	10,449,624									
Corporate																			
Large Corporate	137,894,409	30,311,464	16,402,868	211,888	45,515,437	2,634,546	1,499,023	66,263,762	71,630,647	66,870,155									
Small and medium enterprises- SMEs	69,003,373	10,548,023	3,168,918	-	30,588,996	19,200	1,629,274	35,406,388	33,596,985	38,361,512									
Bonds, bills and securities																			
Financial assets at amortized cost	6,660,000	-	-	-	5,760,000	-	-	5,760,000	900,000	2,072,120									
Total	307,196,816	50,072,590	20,706,771	1,123,800	124,469,639	2,670,246	3,191,389	152,161,846	155,034,970	153,372,354									
Letters of guarantee	8,052,376	-	226,381	-	8,134,803	-	-	8,361,184	(308,808)	2,035,205									
Other Commitments	26,525	-	-	-	-	-	-	-	26,525	16,956									
Total	315,275,717	50,072,590	20,933,151	1,123,800	132,604,442	2,670,246	3,191,389	160,523,030	154,752,687	155,424,515									

6) Total credit exposures that have been reclassified

a) Total credit exposures that have been reclassified

2024	Stage Two			Stage Three		Percentage of reclassified exposures
	Net Exposure	Net exposure that has been reclassified	Net Exposure	Net exposure that has been reclassified	Net exposure that has been reclassified	
	JD	JD	JD	JD	JD	
Balances at banks and financial institutions	198,943	189,375	-	1,394	190,769	96%
Direct Credit Facilities at amortized cost	360,797,508	106,804,363	155,380,146	41,941,366	148,745,729	29%
Bonds, bills and securities						
Financial assets at Amortized cost	-	-	4,587,880	-	-	0%
Total	360,996,451	106,993,738	159,968,026	41,942,760	148,936,498	29%
Letters of guarantee	12,856,898	7,141,899	12,187,312	7,090,973	14,232,872	57%
Letters of Credit	1,613,732	6,039	(108,953)	(108,953)	(102,914)	-7%
Unutilized credit facilities limits	6,208,858	2,252,550	18,692	2,899	2,255,449	36%
Total	20,679,488	9,400,488	12,097,051	6,984,919	16,385,407	50%

2023	Stage Two			Stage Three		Percentage of reclassified exposures
	Net Exposure	Net exposure that has been reclassified	Net Exposure	Net exposure that has been reclassified	Net exposure that has been reclassified	
	JD	JD	JD	JD	JD	
Balances at banks and financial institutions	-	-	-	-	-	-
Direct Credit Facilities at amortized cost	319,404,223	88,529,243	149,236,583	46,258,712	134,787,955	29%
Bonds, bills and securities						
Financial assets at Amortized cost	-	-	4,587,880	-	-	0%
Total	319,404,223	88,529,243	153,824,463	46,258,712	134,787,955	28%
Letters of guarantee	10,729,606	3,557,979	6,017,171	500,250	4,058,229	24%
Letters of Credit	569,479	47,416	-	-	47,416	8%
Bank acceptances	41,867	44,523	-	-	44,523	106%
Unutilized credit facilities	4,854,370	3,017,602	9,569	-	3,017,602	62%
Total	16,195,322	6,667,520	6,026,740	500,250	7,167,770	32%

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b) Expected Credit Loss for the reclassified exposures

2024	Exposures that have been classified			Expected Credit Loss for the reclassified exposures		
	Net exposures that were reclassified from stage two	Net exposures that were reclassified from stage three	Net exposure that has been reclassified	Stage Two	Stage Three	Total
	JD	JD	JD	JD	JD	JD
Balances at banks and financial institutions	189,375	1,394	190,769	-	-	-
Direct Credit Facilities - amortized cost	106,804,363	41,941,366	148,745,729	(3,519,640)	(40,903,898)	(44,423,538)
Total	106,993,738	41,942,760	148,936,498	(3,519,640)	(40,903,898)	(44,423,538)
Letters of guarantee	7,141,899	7,090,973	14,232,872	106,323	248,213	354,536
Letters of Credit	6,039	(108,953)	(102,914)	-	1,172,453	1,172,453
Unutilized credit facilities limits	2,252,550	2,899	2,255,449	736	2,373	3,109
Total	9,400,488	6,984,919	16,385,407	107,059	1,423,039	1,530,098

2023	Exposures that have been classified			Expected Credit Loss for the reclassified exposures		
	Net exposures that were reclassified from stage two	Net exposures that were reclassified from stage three	Net exposure that has been reclassified	Stage Two	Stage Three	Total
	JD	JD	JD	JD	JD	JD
Direct Credit Facilities - amortized cost	88,529,243	46,258,712	134,787,955	(9,179,568)	(11,279,743)	(20,459,311)
Total	88,529,243	46,258,712	134,787,955	(9,179,568)	(11,279,743)	(20,459,311)
Letters of guarantee	3,557,979	500,250	4,058,229	(51,276)	(1,043)	(52,319)
Letters of Credit	47,416	-	47,416	-	-	-
Unutilized credit facilities limits	3,017,602	-	3,017,602	(37,617)	-	(37,617)
Total	6,622,997	500,250	7,123,247	(88,893)	(1,043)	(89,936)

7) Credit exposures according to the Central Bank of Jordan instructions number 472009/ are in conformity with IFRS 9

	According to the IFRS 9												
	According to the Central Bank of Jordan instructions number 472009/				Stage one			Stage two			Stage Three		
	Gross Balance	Interest in suspense	Net Balance	Provision	Gross Balance	Expected credit loss	Interest in suspense	Gross Balance	Expected credit loss	Interest in suspense	Gross Balance	Expected credit loss	Interest in suspense
Performing loans	3,091,514,400	-	3,091,514,400	-	2,987,750,779	13,464,370	-	97,086,794	3,059,860	-	6,676,827	4,253,550	227,544
Watch list	330,277,591	-	330,277,591	6,946,999	-	-	309,467,566	42,696,992	5,526,757	-	20,810,025	1,598,078	752,967
Non performing:	333,878,257	54,788,770	279,089,487	200,133,335	-	-	-	-	-	-	333,878,257	200,133,335	54,788,770
-Substandard	20,176,316	241,298	19,935,018	6,924,813	-	-	-	-	-	-	20,176,316	6,924,813	241,298
-Doubtful	58,598,456	1,918,209	56,680,247	32,295,587	-	-	-	-	-	-	58,598,456	32,295,587	1,918,209
-Loss	255,103,485	52,629,263	202,474,222	160,912,935	-	-	-	-	-	-	255,103,485	160,912,935	52,629,263
Total	3,755,670,248	54,788,770	3,700,881,478	207,080,334	2,987,750,779	13,464,370	-	406,554,360	45,756,852	5,526,757	361,365,109	205,984,963	55,769,281

8- Rescheduled loans

«Are defined as loans that were classified as “Non-performing” credit facilities, and subsequently removed and included under “Watch List” based upon a proper rescheduling that complies with the Central Bank of Jordan’s regulations. These loans amounted to JD 59,660,583 as of 31 December 2024, against JD 26,365,234 as of 31 December 2023.

The rescheduled loans balances represents the scheduled loans either still classified as watch list or transferred to as performing.»

9- Restructured loans

Restructuring is defined as reorganizing credit facilities in terms of installments, extending the term of credit facilities, deferment of installments, or extending the grace period and accordingly are classified as “Watch List” in case of restructuring twice during the year according to the Central Bank of Jordan instructions number 472009/ issued on 10 December 2009 and its amendments. These debts amounted to JD 17,171,448 as of 31 December 2024 against JD 68,104,341 as of 31 December 2023.

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10- Bonds and Treasury Bills

The following table shows the classifications of bonds and treasury bills based on the international credit rating agencies:

Risk Rating Class	2024			
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Pledged financial assets	Total
	JD	JD	JD	JD
Non-rated	56,194,500	-	-	56,194,500
Governmental	2,059,812,870	4,441,366	226,054,164	2,290,308,400
S&P (AA)	-	834,455	-	834,455
S&P (AA-)	-	135,895	-	135,895
S&P (A 3)	-	348,349	-	348,349
S&P (A)	-	277,911	-	277,911
S&P (BBB+)	-	530,976	-	530,976
S&P (BBB)	-	135,005	-	135,005
S&P (B+)	1,985,200	-	-	1,985,200
S&P (BBB-)	-	314,941	-	314,941
Total	2,117,992,570	7,018,898	226,054,164	2,351,065,632

Risk Rating Class	2023			
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Pledged financial assets	Total
	JD	JD	JD	JD
Non-rated	71,965,300	-	-	71,965,300
Governmental	1,819,187,815	5,818,604	227,607,943	2,052,614,362
S&P (AA)	-	126,712	-	126,712
S&P (AA-)	-	1,144,758	-	1,144,758
S&P (A 3)	-	342,256	-	342,256
S&P (A +)	-	472,416	-	472,416
S&P (A)	-	1,197,636	-	1,197,636
S&P (A-)	-	463,213	-	463,213
S&P (BBB+)	-	639,089	-	639,089
S&P (BAA3)	-	130,710	-	130,710
S&P (BBB)	-	159,926	-	159,926
S&P (B+)	1,985,200	-	-	1,985,200
S&P (BBB-)	-	306,661	-	306,661
Total	1,893,138,315	10,801,981	227,607,943	2,131,548,239

(44-2) Market Risk

Market Risk is the risk of fluctuations and changes in the fair value or the cash flow of financial instruments, due to changes in market prices such as interest rates, exchange rates, and stock prices. Market risk arises from open positions in interest rates, currency rates and equity and security investments. These risks are monitored through specific policies and procedures by specialized committees and concerned business units. The risks include the following:

1. Interest Rate Risk
2. Exchange Rate Risk
3. Equity Price Risk

The Bank manages the expected market risk by adopting financial and investment policies within a specific strategy, and through the Assets and Liabilities Committee, which is tasked with the supervision of market risk and providing advice regarding the acceptable risks and the policy that is being followed. The Market Risk Unit has been established and staffed by qualified and trained personnel to manage this type of risk according to the following:

1. Policies and procedures that are approved by the Board of Directors and the Central Bank of Jordan.
2. Market Risk Policy that includes principles of identifying, managing, measuring and monitoring this type of risk and having it approved by the relevant committees.
3. Monitoring reports for managing and monitoring market risk.
4. Developing tools and measures to manage and monitor market risk through:
 - a. Sensitivity Analysis
 - b. Basis Point Analysis
 - c. Stress Testing
 - d. Stop-Loss Limit Reports
 - e. Monitoring the Bank's investment limits
 - f. Monitoring the Bank's investment portfolio at fair value through other comprehensive income and conducting revaluations of the portfolio on a regular basis.
5. The Middle Office Unit is tasked with monitoring, on a daily basis, all the investment limits in the money market and the foreign exchange transactions.

-1 Interest Rate Risk:

Interest rate risk arises from the possible impact of changes in interest rates on the Bank's profits or the fair value of financial instruments. The Bank is exposed to interest rate risk due to the possible interest rate mismatch or gap between assets and liabilities valued at different time intervals, or the revision of the interest rates at a given time interval. The Bank manages these risks by reviewing the interest rates on assets and liabilities on a regular basis.

The Assets and Liabilities Management Policy includes limits for interest rate sensitivity. The Asset and Liability Committee evaluates the interest rate risk through periodic meetings and examines the gaps in the maturities of assets and liabilities and the extent by which it is affected by the current and expected interest rates, while comparing it with the approved limits, and implementing hedging strategies when needed.

The Bank uses hedging instruments such as Interest Rate Swaps to curb the negative impact of fluctuations in interest rates.

Interest Rate Risk Reduction Methods:

The Asset and Liability Committee, through periodic meetings convened for this purpose, evaluates the assets and liabilities maturity gaps, and the extent of their exposure to the impacts of current and expected interest rates are examined. In addition, solutions are proposed to reduce the impact of these risks.

Balancing due dates of assets and liabilities; the management of the Bank seeks to harmonize the impact of interest rates changes within the assets and liabilities maturity categories to mitigate any negative impact that may arise from fluctuations in interest rates.

Interest Rate Gaps:

The Bank mitigates any gaps in interest rates through a circular that adjusts interest rates on its assets and liabilities that links and balances the maturities and interests.

Interest Rate Hedging:

The Bank acquires long-term financing to meet its long-term investments using fixed interest rates as much as possible to avoid interest rate fluctuations. Conversely, the Bank invests in short-term investments to meet any possible fluctuations.

The sensitivity of statement of income is represented by the effect of the possible expected changes in interest rates on the Bank's profits for one year. It is calculated based on the financial assets and liabilities that carry a variable interest rate as at 31 December 2024:

Currency	2024		
	Increase in interest rate	Sensitivity of interest income (profit and loss)	Sensitivity of equity
	%	JD	JD
US Dollar	1	(2,906,223)	-
Euro	1	(79,180)	-
Pound Sterling	1	(7,072)	-
Japanese Yen	1	144,213	-
Other Currencies	1	573,770	-

Currency	2023		
	Increase in interest rate	Sensitivity of interest income (profit and loss)	Sensitivity of equity
	%	JD	JD
US Dollar	1	(1,911,795)	-
Euro	1	23,153	-
Pound Sterling	1	84,890	-
Japanese Yen	1	66,688	-
Other Currencies	1	16,262	-

31 December 2024	Less than 1 month		1 - 3 months		3 - 6 months		6 - 1 year		1 - 3 years		3 years or more		Non-interest bearing		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Assets-																
Cash and balances at Central Banks	363,100,000	-	-	-	-	-	-	-	-	-	-	-	-	1,291,104,813	-	1,654,204,813
Balances and deposits at banks and financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	221,567,195	-	221,567,195
Direct credit facilities at amortized cost	384,600,473	294,973,133	252,661,735	220,104,715	608,930,108	1,342,127,629	4,948,311	70,898,676	325,770,232	3,429,168,025						
Financial assets at fair value through other comprehensive income	-	354,383	707,050	314,941	694,214	789,658,701	4,587,878	226,054,164	105,823,935	67,610,165	51,876,710	18,531,892	269,927,425			
Financial assets at amortized Cost - net	-	36,418,919	230,289,725	334,420,607	720,326,638	1,187,797,970	111,877,970	226,054,164	105,823,935	67,610,165	51,876,710	18,531,892	269,927,425			
Pledged financial assets	-	13,999,894	-	24,994,463	75,181,837	111,877,970	-	226,054,164	105,823,935	67,610,165	51,876,710	18,531,892	269,927,425			
Property and equipment - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leased Assets	123,834	247,669	371,503	743,005	2,835,064	1,928,137	12,282,680	26,442,358	2,203,474,487	5,879,067,897						
Other assets	8,484,948	14,587,322	18,236,951	6,715,265	14,267,999	29,548,509	178,086,431	56,854,944	651,071,794	499,532,102						
Total Assets	756,309,255	360,581,320	502,266,964	587,292,996	1,422,235,860	2,280,089,257	2,329,608,715	2,329,608,715	2,329,608,715	2,329,608,715	8,238,384,367					
Liabilities-																
Banks and financial institution deposits	126,459,397	-	-	-	-	-	-	-	-	-	-	-	-	26,442,358	-	152,901,755
Customers' deposits	1,082,348,222	663,045,446	755,789,279	1,089,700,691	84,709,772	259,837,492	56,854,944	651,071,794	499,532,102	23,767,686	3,751,165	857,987	10,182,949			
Cash Margin accounts	66,297,464	51,257,692	51,188,118	43,947,207	121,688,877	173,258,705	111,797,513	23,767,686	3,751,165	857,987						
Loans and borrowings	1,928,804	30,665,868	21,596,948	43,437,166	116,847,098	173,258,705	111,797,513	23,767,686	3,751,165	857,987						
Income tax provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sundry provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expected credit losses provision against off balance sheet items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Obligations for lease contracts	108,858	217,717	326,575	653,150	2,686,870	1,963,227	12,923,473	10,182,949	18,879,870							
Other liabilities	29,970,168	9,672,606	11,509,667	13,110,223	124,700	3,993,170	82,270,684	150,651,218	15,172,600							
Bond loans	-	-	-	-	15,172,600	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	1,307,112,913	754,859,329	840,410,587	1,190,848,437	341,229,917	439,052,594	2,532,323,246	7,405,837,023	832,547,344							
Interest rate sensitivity gap	(550,803,658)	(394,278,009)	(338,143,623)	(603,555,441)	1,081,005,943	1,841,036,663	(202,714,531)									
31 December 2023																
Total Assets	415,807,340	378,738,095	222,973,837	600,869,117	1,390,621,426	2,485,914,504	2,097,575,045	7,592,499,364								
Total Liabilities	1,220,919,021	751,362,275	696,245,085	1,210,947,823	234,780,803	587,077,397	2,162,667,892	6,864,000,296								
Interest rate sensitivity gap	(805,111,681)	(372,624,180)	(473,271,248)	(610,078,706)	1,155,840,623	1,898,837,107	(65,092,847)									

2- Currency Risks

The currency risk is the risk of change in the value of financial instruments due to change in exchange rates. The Jordanian Dinar is the base currency of the Bank. The Board of Directors imposes limits for the financial position of each currency at the Bank. The foreign currency positions are monitored on a daily basis, and hedging strategies are implemented to ensure the maintenance of foreign currencies' positions within the approved limits.

The Bank's investment policy states that it is possible to hold positions in major foreign currencies, provided that they do not exceed 5% of shareholders' equity for each currency, and that the gross foreign currencies position does not exceed 15% of shareholders equity. Also, the foreign currency positions are monitored on a daily basis. In addition, complex market instruments can be used to hedge against fluctuations in currency exchange rates according to limits that ensure the Bank is not exposed to additional risks.

The following table illustrates the possible effect on the statement of income as a result of fluctuations in exchange rates against the Jordanian Dinar, assuming that all other variables remain constant:

Currency 2024	Change in currency exchange rate %	Effect on profit and loss JD
Euro	5	(32,640)
British Pound Sterling	5	137,950
Japanese Yen	5	85
Other currencies	5	2,033,330

Currency 2023	Change in currency exchange rate %	Effect on profit and loss JD
Euro	5	347,111
British Pound Sterling	5	(38,346)
Japanese Yen	5	(3,416)
Other currencies	5	(1,990)

In the event of negative change in the indicator, the effect will remain constant but with an opposite sign.

3- Equity Price Risk

Equity price risk arises from the change in the fair value of equity investments. The Bank manages this risk by distributing its investments over various geographic and economic sectors. Most of the Bank's equity investments are listed in Amman Stock Exchange.

The following table illustrates the statement of income sensitivity and the cumulative change in fair value as a result of possible reasonable changes in the equity prices, assuming that all other variables remain constant:

Indicator 2024	Change in indicator %	Effect on profit and loss JD	Effect on equity JD
Amman Stock exchange	5	-	344,345
Regional Markets	5	-	51,602

Indicator 2023	Change in indicator %	Effect on profit and loss JD	Effect on equity JD
Amman Stock exchange	5	-	321,129
Regional Markets	5	-	40,410

In the event of negative change in the indicator, the effect will remain constant but with an opposite sign.

(44 - 3) Liquidity Risk

Liquidity risk refers to the risk arising from the probability of the Bank being unable to raise adequate funds in any geographical region, currency and time, to meet its obligations when they are due, or to finance its activities without bearing high costs or incurring losses because of resorting to:

1. Selling Bank assets at low prices; leading to a decrease in the expected returns and the financial profits of the Bank.
2. Acquiring high-cost obligations in order to meet its commitments, which would lead to an increase in the costs and a consequent decrease in the expected profits of the Bank.»

The impact of a liquidity risk is identified by ascertaining the extent of the liquidity of its assets and the ability of the Bank to convert liquid and semi-liquid assets into cash with the least amount of losses if the prices decrease. The Bank should provide the assets that can be sold at a price that is close to its fair value. Accordingly, the liquidity risk which the Bank may be subject to can be divided into the following:

A- Funding Liquidity Risk:

the inability of the Bank to convert assets into cash such as accounts receivable, or obtain financing to meet commitments

B- Market Liquidity Risk:

the inability of the Bank to sell assets in the market or the sale of these assets at a large financial loss due to the poor liquidity or demand in the market.

The treasury and Investment department is responsible for managing the Bank's liquidity, while the Asset and Liability Committee (ALCO) manages, measures and monitors the liquidity risk which are governed by pre-set policies and procedures as well as the Contingency Funding Plan. The Committee is tasked with monitoring and controlling liquidity and ensuring the optimum strategic distribution of the Bank assets and liabilities, whether in the on/off-statement of financial position items of it in coordination with the head of Treasury and Investment Department. The management of liquidity risk is conducted within the following group of inputs:

1. A set of policies and procedures approved by the committees which determine principles, definition, management, measurement and monitoring of liquidity risk.
2. Contingency Funding Plan, which includes:
 - a. Specific procedures for liquidity contingency management.
 - b. A specialized committee for liquidity contingency management.
 - c. Liquidity Contingency Plan.
 - d. Analysis of the liquidity position of the Bank based on the following liquidity reports:
 - Duration gap analysis of assets and liabilities
 - Legal liquidity ratio, liquidity according to maturity ladder (in Jordanian dinar and foreign currencies).
 - Certificate of Deposits (CDs) issued by Capital Bank (in Jordanian dinar and foreign currencies).
 - Customers Deposits (in Jordanian dinar and foreign currencies)
 - Liquidity Indicators Report
 - Stress testing

The Treasury and Investment Department, in coordination with the Market Risk Unit, diversifies funding sources and matches its maturity dates, and maintains sufficient liquid assets, in order to mitigate liquidity risk.

Accordingly, this is accomplished through:

First: The table below summarizes the undiscounted cash flows of the financial liabilities:

31 December 2024	Less than 1 month		1 - 3 months		3 - 6 months		6 - 12 months		1 - 3 years		3 years or more		No fixed maturity		Total			
	JD		JD		JD		JD		JD		JD		JD		JD			
Liabilities-																		
Banks and financial institution deposits	126,459,397		-		-		-		-		-		-		26,442,358		152,901,755	
Customers' deposits	674,343,608	663,045,446	663,045,446	755,789,279	1,089,700,691	84,709,772	84,709,772	84,709,772	84,709,772	84,709,772	84,709,772	84,709,772	84,709,772	2,611,479,101	5,879,067,897	5,879,067,897	5,879,067,897	
Margin accounts	17,638,772	52,810,631	52,810,631	51,886,885	45,696,461	124,941,574	124,941,574	124,941,574	124,941,574	124,941,574	124,941,574	124,941,574	124,941,574	99,130,265	651,071,794	651,071,794	651,071,794	
Loans and borrowings	1,988,561	30,938,715	30,938,715	22,444,297	44,912,968	130,872,196	130,872,196	130,872,196	130,872,196	130,872,196	130,872,196	130,872,196	130,872,196	7,707,680	499,532,102	499,532,102	499,532,102	
Income tax provision	-	-	-	250,835	-	-	-	-	-	-	-	-	-	-	23,516,851	23,516,851	23,516,851	23,516,851
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,751,165	3,751,165	3,751,165	3,751,165
Sundry provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	857,987	857,987	857,987	857,987
Provisions against off - balance sheet items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,182,949	10,182,949	10,182,949	10,182,949
The rights to use leased contracts	108,858	217,717	217,717	326,575	653,150	2,686,870	2,686,870	2,686,870	2,686,870	2,686,870	2,686,870	2,686,870	2,686,870	12,923,473	18,879,870	18,879,870	18,879,870	
Other liabilities	51,415,118	11,010,597	11,010,597	13,063,502	15,410,622	233,176	233,176	233,176	233,176	233,176	233,176	233,176	233,176	55,322,739	150,651,218	150,651,218	150,651,218	
Subordinated loans	-	-	-	-	-	15,172,600	15,172,600	15,172,600	15,172,600	15,172,600	15,172,600	15,172,600	15,172,600	-	15,172,600	15,172,600	15,172,600	
Total Liabilities	871,954,314	758,023,106	758,023,106	843,761,373	1,196,373,892	358,616,188	358,616,188	358,616,188	358,616,188	358,616,188	358,616,188	358,616,188	358,616,188	2,851,314,568	7,405,837,023	7,405,837,023	7,405,837,023	
Total Assets	469,637,896	374,304,846	374,304,846	507,796,872	594,823,346	1,445,134,384	1,445,134,384	1,445,134,384	1,445,134,384	1,445,134,384	1,445,134,384	1,445,134,384	1,445,134,384	2,561,452,084	8,238,384,367	8,238,384,367	8,238,384,367	

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	Less than 1 month		1 - 3 months		3 - 6 months		6 - 12 months		1 - 3 years		3 years or more		No fixed maturity		Total		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
Liabilities-																	
Banks and financial institution deposits	120,166,139	-	-	-	-	-	-	-	-	-	-	-	-	25,965,987	-	146,132,126	
Customers' deposits	524,608,847	690,017,638	637,174,078	1,119,648,890	89,240,505	219,766	2,392,201,694	5453,111,418									
Margin accounts	14,987,731	48,554,686	32,098,994	41,636,087	104,104,405	187,358,585	53,799,261	482,539,749									
Loans and borrowings	110,581	2,670,088	18,890,238	40,770,652	117,222,766	402,479,012	3,623,727	585,767,064									
Income tax provision	-	-	224,612	-	-	-	21,097,297	21,321,909									
Deferred tax liabilities	-	-	-	-	-	-	3,674,761	3,674,761									
Sundry provisions	-	-	-	-	-	-	1,195,345	1,195,345									
Provisions against off - balance sheet items	-	-	-	-	-	-	9,761,766	9,761,766									
The rights to use leased contracts	-	-	-	-	-	-	17,428,553	17,428,553									
Other liabilities	36,927,984	12,226,957	11,485,443	18,614,367	686,512	6,908,971	41,044,771	127,895,005									
Subordinated loans	-	-	-	-	-	15,172,600	-	15,172,600									
Total Liabilities	696,801,282	753,469,369	699,873,365	1,220,669,996	311,254,188	612,138,934	2,569,793,162	6,864,000,296									
Total Assets	213,624,673	394,103,517	234,928,568	602,209,289	1,391,079,505	2,514,767,919	2,241,785,893	7,592,499,364									

Second: The table below summarizes the maturities of financial derivatives as of the date of the consolidated financial statements:

Financial derivatives / liabilities which are settled in net include: foreign currency derivatives, off balance sheet items market currency options, currency futures, and on-statement of financial position foreign currency swap contracts:

Foreign Currency Derivatives

2024	Up to 1 month JD	1 - 3 months JD	3 - 6 months JD	6 - 12 months JD	Total JD
Derivatives held for trading					
Foreign Currency Derivatives					
Outflows	28,636,118	50,767,128	56,478,187	6,384,747	142,266,180
Inflows	35,236,027	58,003,510	56,431,237	6,378,005	156,048,779

2023	Up to 1 month JD	1 - 3 months JD	3 - 6 months JD	6 - 12 months JD	Total JD
Derivatives held for trading					
Foreign Currency Derivatives					
Outflows	19,630,806	15,737,556	1,373,584	4,255,156	40,997,102
Inflows	24,367,405	17,428,683	1,353,095	4,152,636	47,301,819

(44-4) Operational risk:

Operational Risk is defined as the risk of loss caused by failure or inadequacy of internal procedures, human elements, systems or external events. Management has considered that this definition includes legal risks, strategic risks and reputation risks in order to manage this type of risk.

Due to the comprehensive definition of operational risk and the Bank's keenness to keep abreast of continuous changes in the work environment and technology, and to introduce all new banking services and products, an operational risk policy has been designed and developed to cover all Bank's departments, branches and subsidiaries by including the basic principles and aligning the objectives of Risk management policy with the Bank's key strategic objectives.

Moreover, several methodologies have been adopted and implemented to activate the role of operational risk management, which requires identifying, evaluating, following up and mitigating the operational risks of each department / unit / branch according to the following Basel Committee's instructions :

1. Holding "Workshops" based on analyzing the related procedures, events and audit reports thus identifying risks, controls, and determine gaps which will be self tested by entities' managers.
2. Create and update the master and sub Business Continuity Plans for the bank and ensure updating such for subsidiaries.

Therefore, Operational Risk and Business Continuity Management efficiency is a joint responsibility with all departments from all levels, as it is part of their responsibilities through:

1. Conducting CRSA testing on time and without delay.
2. Provide Operational Risk with accurate data transparently.
3. Reporting and disclosing any losses or operating events without delay or hesitation.
4. Implement "Remedial Actions/ Recommendations / Mitigations" by Operational Risk department, that would mitigate the risks which were identified through workshops / reporting of events or losses /CRSA.
5. Updating the bank's Business Continuity Plan, including manual procedures, response plans, and overseeing their development within subsidiaries.
6. Board of Directors, related committees and top management have a major role in supporting Operational Risk activities and methodology.

To ensure that the above is implemented, Operational Risk Department is keen on spreading knowledge and increasing awareness about Operational Risk and Business Continuity Management by conducting training courses and workshops for all Bank departments and by creating an effective work environment. In addition, the Operational Risk Department is responsible for raising reports to Risk Committee concerning any short comings or violations. This will ultimately lead to the development of risk profile at each department / unit level and the Bank level as a whole.

In addition to the above, Operational Risk Department is responsible for:

1. Reviewing the Bank's internal policies and procedures to highlight risks and work on mitigating such prior to implementation.
2. Conducting stress testing and observing the results.
3. Ensure updating and upgrading Operational Risk system.
4. Conduct all necessary tests to ensure business continuity, including testing the call tree for critical departments, testing generators, as well as testing the disaster recovery site and high availability for several critical systems (High Availability) in collaboration with IT Department.
5. Manage all insurance-related risks, whether related to the bank's assets, properties, or its clients, in accordance with the bank's established policies.
6. Oversee fraud risk management, encompassing fraud risk assessment, monitoring, case management, reporting, and awareness initiatives.

Information Security :

The responsibility of the Information Security / Risk management unit lies in ensuring security, availability and accuracy of the Banks information through the following:-

1. Developing an Information security Strategy & program based on leading International standards (ISO 27k, PCI DSS), that is in line with the Bank's strategy.
2. Providing the tools and means necessary to reduce Information security risks.
3. Developing security policies related to Information systems and resources.
4. Developing a security awareness program for Bank's employees & Customers.
5. Managing security incidents related to Information management systems and raising recommendations to Top Management.
6. Developing security standards for various Information systems.
7. Participating in the business continuity plan to ensure business continuity in the event of any disaster.
8. Identifying the appropriate controls to mitigate the risks faced by the bank through analyzing various Information security risks.
9. Preparing and developing security measures related to Information systems security incidents.
10. Managing Information systems security incidents and raising relevant recommendations to Top Management.
11. Ensuring the security and Integrity of hardware, software and various applications through risk analysis and periodic testing to ensure safe use of these resources.

(45) Segment Information**1. Information about bank Activities:**

For management purposes the Bank is organized into four major segments that are measured according to the reports used by the main decision maker at the Bank:

- Retail banking: Includes handling individual customers' deposits, credit facilities, credit card, and other services.
- Corporate banking: Includes monitoring deposits, credit facilities, and other banking facilities provided to corporate customers.
- Corporate finance: Principally arranging structured financing, and providing services relating to privatizations, IPOs, and mergers and acquisitions.
- Treasury: Principally providing money market, trading and treasury services, as well as the management of the Bank's funding operations.

These segments are the basis on which the Bank reports its segment information:

	Retail Banking		Corporate Banking		Corporate Finance		Treasury		Other		Total	
	JD		JD		JD		JD		JD		2024	2023
Total revenue	190,986,882		311,872,856		75,000		184,074,393		8,221,213		695,230,344	619,991,563
provision on financial assets of expected credit losses	(26,865,217)		(17,579,435)		-		(312,998)		516,348		(44,241,302)	(73,466,885)
Segment results	65,546,271		137,513,769		75,000		147,076,080		8,432,730		358,643,850	273,438,986
Unallocated expenses											(173,031,488)	(145,951,760)
Profit before tax											185,612,362	127,487,226
Income tax											(25,476,199)	(20,894,906)
Net income											160,136,163	106,592,320
Other information											-	-
Segmental assets	1,292,098,805		2,067,137,555		104,954,586		3,707,774,118		1,066,419,303		8,238,384,367	7,592,499,364
Segmental liabilities	2,604,000,539		4,057,216,577		-		564,231,495		180,388,412		7,405,837,023	6,864,000,296
Capital expenditure											(25,633,743)	(28,051,922)
Depreciation and amortization											(31,211,155)	(23,645,753)

2. Geographical Information

This segment represents the geographical operations of the bank. The bank operates primarily in Jordan and also operates internationally in the Middle East, Europe, Asia, America and the Far-East.»

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

	Inside Jordan		Outside Jordan		Total	
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
Total revenue	385,953,845	393,741,262	309,276,499	226,250,301	695,230,344	619,991,563
Total assets	5,460,882,962	5,434,517,543	2,777,501,405	2,157,981,821	8,238,384,367	7,592,499,364
Capital expenditure	13,294,270	15,249,450	12,339,473	12,802,472	25,633,743	28,051,922

(46) Capital Management

The Bank maintains an appropriate paid-in-capital in order to meet its operational risk, and it regularly monitors its capital adequacy in accordance with BASEL to comply with the Central Bank of Jordan's regulations.

According to Central Bank of Jordan regulations (52/2010), the minimum paid-in-capital of Jordanian banks should be JD 100 million before the end of 2011 and the capital for the foreign banks in Jordan should not be less than half of the capital for the Jordanian banks in accordance to article (12) and article (8) from the Law and Banks number (28) for the year 2000 and its adjustments. In addition, the regulation requires a minimum leverage ratio of 4% as per article 67/2016 CBJ regulations.

Through its operational years; the Bank maintained a capital adequacy ratio in excess of 12%, being the minimum capital adequacy rate required by the Central Bank of Jordan (8% as per Basel). Furthermore, the Bank regularly reviews and complies with the concentration ratios using regulatory capital as an indicator; noting that the instructions impose a ratio of no less than 14%. During year 2022 the bank was classified as D-SIBs accordingly it requires an additional Buffer of (0.5%) to be added in a gradual, cumulative manner over a period of 4 years.

The Bank manages and restructures its capital in light of the changes in the business environment. There has been no change on the Bank's capital structure during this year and previous years.

Description of paid-in-capital

According to CBJ regulations regarding Basel III, regulatory capital comprises of:

1- Tier 1 capital, which refers to the Bank's core capital, and consists of:

- Common Equity Tier 1 (CET1) which includes the following: (paid in capital, retained earnings, statutory and voluntary reserves, cumulative change in fair value, foreign currency translation adjustment, minority interest (recognizable under CET1)), it also includes the following deductions (year/period losses, goodwill and intangible assets, deferred tax assets, treasury stocks, shortage in required provisions, shortages in tier 2 capital, restricted balances, gross insignificant investments (<10%) and significant investments (>10%) in other banks, financial institutions, insurance companies and unconsolidated subsidiaries.
- Additional Tier 1 (AT1), Additional Tier 1 capital consists of the sum of the following elements: (convertible bonds, preferred stocks, financial instruments issued by the bank and holds the characteristics of additional capital, minority interest (recognizable under AT1), it also includes the following deductions (gross insignificant investments (<10%) and significant investments (>10%) in other banks, financial institutions, insurance companies, and unconsolidated subsidiaries. «

2- Tier 2 capital, which is the supplementary capital, consists of the following elements; subordinated debt, general banking risk reserve and minority interest, and deducts the following; insignificant investments (<10%) and significant investments (>10%) in other banks, financial institution, insurance companies and unconsolidated subsidiaries.

Central Bank of Jordan emphasized on the importance of complying with Basel III regulation in building up addition capital as a percentage of risk weighted assets, which restricts cash dividends, through the following buffers:

1. Conservation Buffer
2. Countercyclical Buffer
3. D-SIBs

Regulatory Requirements for paid in capital

Capital adequacy ratio is calculated based on the simplified approach (standardized approach) in accordance with the regulations of the Central Bank of Jordan, which in turn are based on the verdicts of the Basel committee. Below are the comparative figures of the capital adequacy ratio:

	2024	2023
	JD	JD
Primary capital-		
Authorised, issued and paid-in capital	263,037,122	263,037,122
Statutory reserves	81,157,605	69,714,499
Additional paid in capital	68,872,349	68,872,349
Retained earning	240,090,578	184,096,500
Total cumulative change in fair value	3,967,607	4,388,724
Changes due to Foreign Currency translations	(4,397,422)	(4,397,422)
Non-controlling interest	71,999,481	48,815,497
Proposed cash dividends	(39,455,568)	(39,455,568)
Less-		
Intangible assets	67,610,165	67,616,131
Deferred tax assets	48,125,545	44,710,482
Investments at other financial institutions (banks, financial institutions and insurance companies)	27,484	47,603
Total Primary capital	569,508,558	482,697,485
Additional Capital -		
Perpetual bonds	70,900,000	70,900,000
Total additional capital	70,900,000	70,900,000
Supplementary Capital		
Stage 1 expected credit losses	20,525,087	36,535,726
Non-controlling interest	2,972,524	2,861,162
Subordinated loans	3,034,520	6,069,040
Total Subordinated Capital	26,532,131	45,465,928
Net Supplementary Capital Tier 2	26,532,131	45,465,928
Total Regulatory Capital	666,940,689	599,063,413
Total Risk weighted assets	4,297,912,480	3,901,342,003
Capital adequacy (%)	15.52%	15.36%
Primary Capital (%)	14.89%	14.19%

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Liquidity Coverage Ratio (LCR)

The average liquidity coverage ratio as of December 31, 2024 230.58%. The liquidity coverage ratio as at December 31, 2023 218.8%.

Net Stable Funding Ratio (NSFR)

The Net Stable Funding Ratio as of December 31, 2024 141.43%. the Net Stable Funding Ratio as of December 31, 2023 136.19%.

(47) Fiduciary Accounts

Investment custody accounts amounted to JD 581,331,271 as of 31 December 2024 compared to JD 454,884,119 in 31 December 2023 and its not included in the capital.

(48) Maturity analysis of assets and liabilities

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

2024	Up to 1 year JD	More than 1 year JD	Total JD
Assets			
Cash and balances at Central Banks	363,100,000	1,291,104,813	1,654,204,813
Balances at banks and financial institutions	221,567,195	-	221,567,195
Direct credit facilities at amortized cost, net	1,152,340,056	2,276,827,969	3,429,168,025
Financial assets at fair value through other comprehensive income	1,376,374	76,541,201	77,917,575
Financial assets at amortized cost - net	601,129,251	1,514,573,217	2,115,702,468
Pledged Financial Assets	38,994,357	187,059,807	226,054,164
Property plants and equipment -net	-	105,823,935	105,823,935
Intangible assets -net	-	67,610,165	67,610,165
Deferred tax assets	-	51,876,710	51,876,710
The right to use leased contracts	-	18,531,892	18,531,892
Other assets	48,024,486	221,902,939	269,927,425
Total Assets	2,426,531,719	5,811,852,648	8,238,384,367
Liabilities			
Banks and financial institution deposits	152,901,755	-	152,901,755
Customers' deposits	3,590,883,638	2,288,184,259	5,879,067,897
Margin accounts	212,690,481	438,381,313	651,071,794
Loans and borrowings	97,628,786	401,903,316	499,532,102
Income tax provision	23,767,686	-	23,767,686
Deferred tax liabilities	-	3,751,165	3,751,165
Sundry provisions	857,987	-	857,987
Provision against off-balance sheet items	10,182,949	-	10,182,949
Obligations for lease contracts	1,306,300	17,573,570	18,879,870
Other liabilities	64,262,664	86,388,554	150,651,218
Subordinated loans	-	15,172,600	15,172,600
Total Liabilities	4,154,482,246	3,251,354,777	7,405,837,023
Net	(1,727,950,527)	2,560,497,871	832,547,344

2023	Up to 1 year JD	More than 1 year JD	Total JD
Assets			
Cash and balances at Central Banks	70,000,000	1,248,639,618	1,318,639,618
Balances at banks and financial institutions	165,316,545	-	165,316,545
Direct credit facilities at amortized cost,	1,177,668,634	2,253,345,247	3,431,013,881
Financial assets at fair value through other comprehensive income	1,367,643	77,227,518	78,595,161
Financial assets at amortized cost - net	315,139,545	1,575,879,013	1,891,018,558
Pledged Financial Assets	-	227,607,943	227,607,943
Property plants and equipment -net	-	116,376,443	116,376,443
Intangible assets -net	-	67,616,131	67,616,131
Deferred tax assets	-	48,382,597	48,382,597
The right to use leased contracts	-	17,566,480	17,566,480
Other assets	29,350,458	201,015,549	230,366,007
Total Assets	1,758,842,825	5,833,656,539	7,592,499,364
Liabilities			
Banks and financial institution deposits	146,132,126	-	146,132,126
Customers' deposits	3,485,744,731	1,967,366,687	5,453,111,418
Margin accounts	159,624,163	322,915,586	482,539,749
Loans and borrowings	54,979,382	530,787,682	585,767,064
Income tax provision	21,321,909	-	21,321,909
Deferred tax liabilities	-	3,674,761	3,674,761
Sundry provisions	1,195,345	-	1,195,345
Provision against off-balance sheet items	9,761,766	-	9,761,766
Obligations for lease contracts	31,021	17,397,532	17,428,553
Other liabilities	58,928,768	68,966,237	127,895,005
Subordinated loans	-	15,172,600	15,172,600
Total Liabilities	3,937,719,211	2,926,281,085	6,864,000,296
Net	(2,178,876,386)	2,907,375,454	728,499,068

(49) Contingent Liabilities and Commitments (Off balance sheet items)

	2024	2023
	JD	JD
a) The total outstanding commitments and contingent liabilities are as follows:		
Letters of credit	469,231,714	245,846,369
Confirmed Export Letters of credit	33,975,734	41,503,675
Acceptances	162,638,081	186,296,628
Letters of guarantee :		
- Payments	105,397,705	111,607,195
- Performance	219,438,341	184,836,837
- Others	126,542,703	109,282,322
Foreign currency Forwards	142,266,180	43,473,102
Unutilized direct credit limits	595,525,961	587,102,561
Total	1,855,016,419	1,509,948,689
Less: Expected credit losses	(10,182,949)	(9,761,766)
Contingent Liabilities and Commitments- Net	1,844,833,470	1,500,186,923
b) The contractual commitments of the Bank are as follows:		
Intangible assets contracts	5,319,313	17,384,318
Property, Plant & Equipment contracts	4,677,319	1,611,854
Construction contracts	1,226,310	1,072,102
Total	11,222,942	20,068,274

The Banking Control Department at the Central Bank of Iraq imposed a fine on the National Bank of Iraq in the amount of (JD 16.2 million) regarding the mechanism of calculating the exchange rate for foreign remittances and as a result of the NBI collecting commissions considered by the CBI in excess of the official exchange rate, and the fine was calculated on the basis of a multiplier of the exchange rate difference. NBI's management is in discussions with the CBI in this regard, where the position of NBI was clarified by an official letter sent to the CBI and is waiting for a response.

Impairment loss on Letter of Credit

Distribution of letter of credit by categories of the Bank's internal credit rating:

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Low risk / performing	190,864,698	-	-	190,864,698
Acceptable risk / performing	309,630,735	1,648,515	1,063,500	312,342,750
Total	500,495,433	1,648,515	1,063,500	503,207,448

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Low risk / performing	114,161,008	-	-	114,161,008
Acceptable risk / performing	171,416,819	1,772,217	-	173,189,036
Total	285,577,827	1,772,217	-	287,350,044

The movement of Contingent Liabilities is as follows:-

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance as at the beginning of the year	285,577,827	1,772,217	-	287,350,044
New balances during the year	437,382,600	1,071,735	-	438,454,335
Settled balances	(222,458,955)	(137,976)	-	(222,596,931)
Transferred to stage two	(6,039)	6,039	-	-
Transferred to stage three	-	(1,063,500)	1,063,500	-
Total balance	500,495,433	1,648,515	1,063,500	503,207,448

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance as at the beginning of the year	224,380,199	1,544,380	-	225,924,579
New balances during the year	226,805,749	283,171	-	227,088,920
Settled balances	(171,964,372)	(1,329,798)	-	(173,294,170)
Transferred to stage two	(1,220,239)	1,220,239	-	-
Adjustment due to change in exchange rate	7,576,490	54,225	-	7,630,715
Total balance	285,577,827	1,772,217	-	287,350,044

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The movement of the provision for expected credit losses:

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance as at the beginning of the year	1,864,608	1,202,738	-	3,067,346
Impairment loss on new balances during the year	2,098,623	18,969	-	2,117,592
Impairment loss recovered from settled balances	(1,451,628)	(14,471)	-	(1,466,099)
Transferred to stage three	-	(1,172,453)	1,172,453	-
Total balance as at year end	2,511,603	34,783	1,172,453	3,718,839

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance as at the beginning of the year	1,705,138	57,221	-	1,762,359
Impairment loss on new balances during the year	2,204,853	18,002	-	2,222,855
Impairment loss recovered from settled balances	(1,005,792)	(44,351)	-	(1,050,143)
Transferred to stage one	2,820	(2,820)	-	-
Transferred to stage two	(1,172,823)	1,172,823	-	-
Adjustment due to change in exchange rate	130,412	1,863	-	132,275
Total balance as at year end	1,864,608	1,202,738	-	3,067,346

Impairment loss on Letter of Guarantee

Distribution of letter of guarantee by categories of the Bank's internal credit rating is as follows:

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Low risk / performing	131,115,043	-	-	131,115,043
Acceptable risk / performing	293,060,587	13,402,522	13,772,547	320,235,656
Non- Performing				
Loss	-	-	28,050	28,050
Total	424,175,630	13,402,522	13,800,597	451,378,749

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Low risk / performing	119,333,480	108,000	-	119,441,480
Acceptable risk / performing	267,262,767	10,969,731	5,158,506	283,391,004
Non- Performing				
Doubtful	-	-	16,986	16,986
Loss	-	-	2,876,884	2,876,884
Total	386,596,247	11,077,731	8,052,376	405,726,354

The movement of letters of guarantee is as follows:

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance as at the beginning of the year	386,596,247	11,077,731	8,052,376	405,726,354
New balances during the year	148,699,133	1,036,576	142,800	149,878,509
Settled balances	(100,280,424)	(2,211,925)	(1,733,765)	(104,226,114)
Transferred to stage one	419,552	(419,552)	-	-
Transferred to stage two	(7,248,222)	7,248,222	-	-
Transferred to stage three	(4,010,656)	(3,328,530)	7,339,186	-
Total balance as at year end	424,175,630	13,402,522	13,800,597	451,378,749

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance as at the beginning of the year	349,580,238	13,834,528	8,158,989	371,573,755
New balances during the year	134,438,811	1,550,122	157,790	136,146,723
Settled balances	(102,540,771)	(6,224,609)	(647,458)	(109,412,838)
Transferred to stage one	1,396,469	(1,372,079)	(24,390)	-
Transferred to stage two	(3,493,075)	3,609,255	(116,180)	-
Transferred to stage three	(181,807)	(319,486)	501,293	-
Adjustment due to change in exchange rate	7,396,382	-	22,332	7,418,714
Total balance as at year end	386,596,247	11,077,731	8,052,376	405,726,354

The movement of the provision for expected credit losses (letters of guarantee)

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance as at the beginning of the year	2,439,305	348,125	2,035,205	4,822,635
Impairment loss on new balances during the year	1,462,420	324,416	74,080	1,860,916
Impairment loss recovered from settled balances	(1,180,992)	(95,311)	(744,213)	(2,020,516)
Transferred to stage one	14,595	(14,595)	-	-
Transferred to stage two	(106,323)	106,323	-	-
Transferred to stage three	(124,879)	(123,334)	248,213	-
Total balance as at year end	2,504,126	545,624	1,613,285	4,663,035

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance as at the beginning of the year	1,894,208	306,683	2,041,616	4,242,507
Impairment loss on new balances during the year	1,418,540	177,496	20,744	1,616,780
Impairment loss recovered from settled balances	(912,156)	(171,379)	(22,844)	(1,106,379)
Transferred to stage one	16,488	(15,951)	(537)	-
Transferred to stage two	(44,731)	51,276	(6,545)	-
Transferred to stage three	(1,043)	-	1,043	-
Adjustment due to change in exchange rate	67,999	-	1,728	69,727
Total balance as at year end	2,439,305	348,125	2,035,205	4,822,635

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Impairment loss on Acceptances

Distribution of acceptances by categories of the Bank's internal credit rating is as follows:

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Low risk / performing	101,880,724	-	-	101,880,724
Acceptable risk / performing	60,496,592	260,765	-	60,757,357
Total	162,377,316	260,765	-	162,638,081

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Low risk / performing	89,223,975	-	-	89,223,975
Acceptable risk / performing	97,028,025	44,628	-	97,072,653
Total	186,252,000	44,628	-	186,296,628

The movement of acceptances is as follows:-

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance as at the beginning of the year	186,252,000	44,628	-	186,296,628
New balances during the year	42,317,955	216,137	-	42,534,092
Settled balances	(66,192,639)	-	-	(66,192,639)
Total balance as at year end	162,377,316	260,765	-	162,638,081

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance as at the beginning of the year	146,342,689	203,971	-	146,546,660
New balances during the year	82,592,426	-	-	82,592,426
Settled balances	(43,794,043)	(221,151)	-	(44,015,194)
Transferred to stage two	(44,628)	44,628	-	-
Adjustment due to change in exchange rate	1,155,556	17,180	-	1,172,736
Total balance as at year end	186,252,000	44,628	-	186,296,628

The movement of the provision for impairment losses

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance as at the beginning of the year	1,431,690	2,761	-	1,434,451
Impairment loss on new balances during the year	75,696	7,004	-	82,700
Impairment loss recovered from settled balances	(381,823)	-	-	(381,823)
Total balance as at year end	1,125,563	9,765	-	1,135,328

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance as at the beginning of the year	1,083,547	163,406	-	1,246,953
Impairment loss on new balances during the year	1,043,540	-	-	1,043,540
Impairment loss recovered from settled balances	(781,337)	(173,423)	-	(954,760)
Transferred to stage one	5,734	(5,734)	-	-
Transferred to stage two	(105)	105	-	-
Adjustment due to change in exchange rate	80,311	18,407	-	98,718
Total balance as at year end	1,431,690	2,761	-	1,434,451

Impairment loss on Unutilized direct credit limits

Distribution of unutilized direct credit limits by categories of the Bank's internal credit rating is as follows:

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Low risk / performing	115,706,642	44,646	-	115,751,288
Acceptable risk / performing	473,537,197	6,201,984	-	479,739,181
Non-performing				
Substandard	-	-	3,117	3,117
Doubtful	-	-	26,489	26,489
Loss	-	-	5,886	5,886
Total	589,243,839	6,246,630	35,492	595,525,961

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Low risk / performing	230,276,435	636,141	-	230,912,576
Acceptable risk / performing	351,917,559	4,245,901	26,525	356,189,985
Total	582,193,994	4,882,042	26,525	587,102,561

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The movement of unutilized direct credit limits is as follows:-

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance as at the beginning of the year	582,193,994	4,882,042	26,525	587,102,561
New balances during the year	293,556,024	3,937,575	3,899	297,497,498
Settled balances	(286,090,591)	(2,983,303)	(204)	(289,074,098)
Transferred to stage one	1,840,851	(1,840,851)	-	-
Transferred to stage two	(2,253,286)	2,253,286	-	-
Transferred to stage three	(3,153)	(2,119)	5,272	-
Total balance as at year end	589,243,839	6,246,630	35,492	595,525,961

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance as at the beginning of the year	402,577,722	7,147,040	253,289	409,978,051
New balances during the year	348,020,741	1,539,144	29,954	349,589,839
Settled balances	(167,366,207)	(5,361,233)	(141,439)	(172,868,879)
Transferred to stage one	1,573,804	(1,504,828)	(68,976)	-
Transferred to stage two	(3,008,378)	3,055,219	(46,841)	-
Adjustment due to change in exchange rate	396,312	6,700	538	403,550
Total balance as at year end	582,193,994	4,882,042	26,525	587,102,561

The movement of the provision for expected credit losses

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance as at the beginning of the year	392,706	27,672	16,956	437,334
Impairment loss on new balances during the year	360,132	40,064	1,939	402,135
Impairment loss recovered from settled balances	(141,559)	(27,695)	(4,468)	(173,722)
Transferred to stage one	2,051	(2,051)	-	-
Transferred to stage two	(736)	736	-	-
Transferred to stage three	(1,419)	(954)	2,373	-
Total balance as at year end	611,175	37,772	16,800	665,747

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance as at the beginning of the year	789,766	193,044	2,107	984,917
Impairment loss on new balances during the year	222,641	8,639	27,948	259,228
Impairment loss recovered from settled balances	(599,914)	(210,340)	(419)	(810,673)
Transferred to stage one	2,775	(2,616)	(159)	-
Transferred to stage two	(24,855)	37,617	(12,762)	-
Transferred to stage three	-	-	-	-
Adjustment due to change in exchange rate	2,293	1,328	241	3,862
Total balance as at year end	392,706	27,672	16,956	437,334

Expected credit loss on indirect credit facilities (Off balance sheet items)

Distribution of indirect credit facilities subject to IFRS 9 by categories of the Bank's internal credit rating:

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Low risk / performing	539,567,107	44,646	-	539,611,753
Acceptable risk / performing	1,136,725,111	21,513,786	14,836,047	1,173,074,944
Non- Performing				
Substandard	-	-	3,117	3,117
Doubtful	-	-	26,489	26,489
loss	-	-	33,936	33,936
Total	1,676,292,218	21,558,432	14,899,589	1,712,750,239

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Low risk / performing	552,994,898	744,141	-	553,739,039
Acceptable risk / performing	887,625,170	17,032,477	5,185,031	909,842,678
Non- Performing				
Doubtful	-	-	16,986	16,986
loss	-	-	2,876,884	2,876,884
Total	1,440,620,068	17,776,618	8,078,901	1,466,475,587

The cumulative movement of indirect credit facilities subject to IFRS 9 calculation is as follows:-

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance as at the beginning of the year	1,440,620,068	17,776,618	8,078,901	1,466,475,587
New balances during the year	921,955,712	6,262,023	146,699	928,364,434
Settled balances	(675,022,609)	(5,333,204)	(1,733,969)	(682,089,782)
Transferred to stage one	2,260,403	(2,260,403)	-	-
Transferred to stage two	(9,507,547)	9,507,547	-	-
Transferred to stage three	(4,013,809)	(4,394,149)	8,407,958	-
Total balance as at year end	1,676,292,218	21,558,432	14,899,589	1,712,750,239

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance as at the beginning of the year	1,122,880,848	22,729,919	8,412,278	1,154,023,045
New balances during the year	791,857,727	3,372,437	187,744	795,417,908
Settled balances	(485,665,393)	(13,136,791)	(788,897)	(499,591,081)
Transferred to stage one	2,970,273	(2,876,907)	(93,366)	-
Transferred to stage two	(7,766,320)	7,929,341	(163,021)	-
Transferred to stage three	(181,807)	(319,486)	501,293	-
Adjustment due to change in exchange rate	16,524,740	78,105	22,870	16,625,715
Total balance as at year end	1,440,620,068	17,776,618	8,078,901	1,466,475,587

Consolidated Financial Statements 31 December 2024

The cumulative movement of the provision for impairment losses of indirect credit facilities (Off balance sheet items) is as follows:-

31 December 2024	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance as at the beginning of the year	6,128,309	1,581,296	2,052,161	9,761,766
Impairment loss on new balances during the year	3,996,871	390,453	76,019	4,463,343
Impairment loss recoveries from settled balances	(3,156,002)	(137,477)	(748,681)	(4,042,160)
Transferred to stage one	16,646	(16,646)	-	-
Transferred to stage two	(107,059)	107,059	-	-
Transferred to stage three	(126,298)	(1,296,741)	1,423,039	-
Total balance as at year end	6,752,467	627,944	2,802,538	10,182,949

31 December 2023	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance as at the beginning of the year	5,472,659	720,354	2,043,723	8,236,736
Impairment loss on new balances during the year	4,889,574	204,137	48,692	5,142,403
Impairment loss recoveries from settled balances	(3,299,199)	(599,493)	(23,263)	(3,921,955)
Transferred to stage one	27,817	(27,121)	(696)	-
Transferred to stage two	(1,242,514)	1,261,821	(19,307)	-
Transferred to stage three	(1,043)	-	1,043	-
Adjustment due to change in exchange rate	281,015	21,598	1,969	304,582
Total balance as at year end	6,128,309	1,581,296	2,052,161	9,761,766

(50) Lawsuits against the Bank

The lawsuits raised against the Bank, as part of the ordinary course of business, amounted to JD 96,127,772 as at 31 December 2024 against JD 69,740,067 as at 31 December 2023. According to the Bank's management and legal counselor, the Bank will not be liable in any of these cases except for cases amounting to JD 246,500.

The lawsuits raised against National Bank of Iraq, as part of the ordinary course of business, amounted to JD 7,946,876 as at 31 December 2024 against JD 6,513,493 as at 31 December 2023. According to the Bank's management and legal counselor, the Bank will not be liable in any of these cases.

The lawsuits raised against Capital Investment and Brokerage Company Ltd/Jordan, as part of the ordinary course of business as at 31 December 2024 JD 41,000 and JD 531,000 as at 31 December 2023. According to the Company's management and legal counselor, the Company will not be liable in any of these cases.

There are no cases raised against Capital leasing company as in 31 December 2024 and 31 December 2023.

(51) Comparative figures

Some of the comparative figures in the consolidated financial statements for the year 2023 have been reclassified to be consistent with the year 2024 with no effect on profit and equity for the year 2023.

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Securities Commission Required Data



Securities Commission Required Data

A. Message from the Chairman

Included at the beginning of the annual report.

B. Board of Directors' Report

Included at the beginning of the annual report.

C. Description of the Bank's Main Activities

Capital Bank provides all banking and financial businesses and products and services directed towards all economic sectors in Jordan through its branches in the Hashemite Kingdom of Jordan. In addition, Capital Bank provides all investment and financial brokerage services through its investment and financial brokerage Company, which has a capital of JD12,110,000 and which is fully owned by Capital Bank, and through Capital Leasing Company, which has a capital of JD8,000,000 and is fully owned by Capital Bank. Furthermore, the bank is an investor in the National Bank of Iraq, with a capital of IQD400 billion, 61.85% of which is owned by Capital Bank. The bank is also an investor in Capital Investments (DIFC), specializing in investment and enterprise financing consulting services and that has a capital of US250,000 and is fully owned by Capital Bank.

D. Bank's Locations and Number of Employees

Capital Bank of Jordan and its subsidiaries employ 2646 people distributed over the following geographic locations:

Location	Address	Number of Employees
Headquarters	Amman	1034
Capital Investments & Brokerage	Amman	58
Leasing Company	Amman	9
Private Banking and Wealth Management	Amman	24
Irbid Branch 1	Irbid	8
Irbid Branch 2	Irbid	9
Gardens Branch	Amman	10
New Zarqa Branch	Zarqa	6
Zarqa Free Zone Branch	Zarqa	3
Zarqa Mall Branch	Zarqa	10
Sweifieh Branch 1	Amman	10
Sweifieh Branch 2	Amman	3
Abdali Branch	Amman	13
Aqaba Branch	Aqaba	10
Al-Madina Al-Munawwara Branch	Amman	11
Sports City Branch	Amman	5

Location	Address	Number of Employees
Wehdat Branch	Amman	6
Taj Mall Branch	Amman	15
Jabal Hussein Branch	Amman	5
Dabouq Branch	Amman	8
Khalda Dabouq Bridge Branch	Amman	6
Khalda Branch	Amman	6
Dahyet Al Amir Rashed Branch	Amman	3
Zahran Branch	Amman	13
Shmeisani Branch	Amman	9
Jubeiha Branch	Amman	7
Fuheis Branch	Balqa'	6
Al Salt Branch	Salt	6
Madaba Branch	Madaba	7
Karak Branch	Karak	6
Marj Al-Hamam Branch	Amman	5
Mecca Mall Branch	Amman	15
Wadi Saqra Branch	Amman	6
Capital Investments (DIFC)	Dubai	18
National Bank of Iraq	Iraq	1276
Total		2646

The bank does not operate any branches outside Jordan.

1. Capital Bank's Capital Investment

The bank's capital investment amounted to JD173,434,100, representing the net value of property, equipment, assets, and intangible assets as at the end of 2024.

2. Subsidiary Companies

Name of Subsidiary Company	Company Type	Company Activity	Company Capital
Capital Investments	Limited Liability	Investment and Financial Brokerage	JD12,110,000
National Bank of Iraq	Public Shareholding	Banking	IQD400 billion
Capital Investments (DIFC)	Limited Liability	Consulting	\$250,000
Jordan Capital for Financial Leasing	Limited Liability	Financial Leasing	JD8,000,000

3. Brief Introduction of Chairman and Members of the Board of Directors:



H.E. Mr. Bassem Khalil Salem Al-Salem

Position: Chairman of the Board of Directors

Date of Birth: June 19, 1956

Membership Date: April 20, 2010

Nationality: Jordanian.

Education:

Mr. Al-Salem holds a Bachelor's degree with honors in Chemical Engineering from Imperial College, United Kingdom, 1978.

Current Positions:

He is the chairman of the Board of Directors of Capital Bank of Jordan and chairman of the Board of the Jordanian Association of Banks. He is also chairman of a number of boards of directors of prominent private and public companies, most importantly the Jordanian General Mining Company, Royal Jordanian, and the Jordanian Airports Company.

Experience:

Mr. Al-Salem started his career in the private sector, where he established a number of industrial companies. In 2010, he became the chairman of the Board of Directors of Capital Bank Group and is also one of Capital Bank's founders. He has steered the bank to serve 21st century clients, while focusing on providing innovative commercial and investment banking services to the Jordanian and Iraqi markets.

He held the posts of minister of labor and minister of finance in Jordan (2005-2009). He is credited for putting in place social and economic policies that contributed to the creation of job opportunities in the public and private sectors, in addition to attracting foreign companies and investments to Jordan and contributing to the growth and prosperity of local investments.

Previously, he held the post of the chairman of the board of Kings Academy and the post of chairman of the board of the Social Security Corporation (2005-2009), and he was a member of the Board of Directors of the Central Bank. He was appointed a member of the Jordanian Senate from 2010 to 2011.



H.E. Mr. Said Samih Darwazah

Position: Vice-Chairman of the Board of Directors

Date of Birth: May 25, 1957

Membership date: June 14, 2021

Nationality: Jordanian

Education:

Mr. Darwazah holds a Bachelor’s degree in Industrial Engineering from Purdue University in the United States in 1980 and a Master’s degree in Business Administration of INSEAD university in France in 1984.

Current Positions:

He is currently the chairman of the Executive Board of Directors of Hikma Pharmaceuticals Company, a leading international company listed on the London Stock Exchange and is part of the FTSE100. He has held this position since 2007.

Mr. Darwazah also holds the post of chairman of the Board of Directors of Queen Rania Foundation, which focuses on improving national educational resources in Jordan as a mean to strengthen social development. Mr. Darwazah is the founder of the Health Care Accreditation Council, which is a non-profit organization operating to improve medical standards in all areas of the Middle East and North Africa since 2016. Mr. Darwazah also holds the post of chairman of the Board of Directors of Royal Jordanian, the national carrier.

Experience:

Mr. Darwazah was Jordan’s minister of health between 2003 and 2006 and a member of the Board of Directors of the Central Bank of Jordan from 2012 to 2021.

**Social Security Corporation**

Mr. Saleh Hamdallah Ayes Al-Shubeikat

Position: Representative of the board member Social Security Corporation

Date of Birth: December 24, 1977

Membership Date: August 31, 2009

Nationality: Jordanian

Education:

Mr. Al-Shubeikat holds a Master's degree in Finance, Investment, and Risk from the University of Kent, the United Kingdom (2012-2013) and a Bachelor's degree in Financial and Banking Sciences from Zarqa' University (2004/2006-). He also holds the Jordanian Securities Commission's permit as an investment manager, financial consultant, and investment custodian. He has participated in seminars and training programs on assets, portfolios, financial reporting, and others.

Current Positions:

He is currently the head of Equity Portfolio Management Section-Shares Investment Directorate at the Social Security Investment Fund, a post he has held since January 2020.

Experience:

From 2006 to 2017, Mr. Al-Shubeikat worked as a financial analyst at the Housing Bank for Trade and Finance / Capital Markets Investment Center, where he carried out several tasks, most notably conducting equity research, company evaluation, and strategic analysis; reviewing and analyzing equity portfolios to ensure compliance with the internal investment policy, Central Bank regulations, and any other relevant policies and regulations; monitoring portfolio performance and changes in sector weights on a daily basis; preparing periodic market performance reports for the Amman Stock Exchange; building financial models related to equity valuation; structuring strategic asset allocation methodologies to align the bank's requirements (return, risk tolerance, and constraints) with market expectations; and conducting

Hitaf Investment Company

Mr. "Mohammed Ali" Khaldoun Sati' Al-Husry

Position: Representative of the board member Hitaf Investment Company

Date of Birth: April 20, 1957

Membership Date: August 31, 2009

Nationality: Jordanian

**Education:**

Mr. Al-Husry has a Bachelor's degree in Mechanical Engineering from the University of Southern California in 1981 and an MBA from INSEAD Business School in France in 1985.

Current Positions:

He is a non-executive member of the Board of Directors of Hikma Pharmaceuticals, a member of the Consulting Board for the Middle East at Carnegie Endowment for International Peace, and a member of the Board of Directors of Endeavor-Jordan.

Experience:

Mr. Al-Husry founded Jordan Capital Bank and served as chairman of its Board of Directors since its establishment in 1995 until 2007. He is credited for pioneering investment banking services in Jordan and Iraq during his management of the bank.

Mr. Al-Husry is chairman of Alcazar Energy PJSC, headquartered in the Dubai International Financial Centre (DIFC), and a prominent philanthropist. He led the founding of DASH Ventures, a multi-sector investment firm supporting high-growth startups and SMEs in the Middle East and served as an executive board member. He was also instrumental in launching Endeavor in Jordan in 2008, a global non-profit organization that seeks to stimulate sustainable economic growth by supporting impactful entrepreneurs. He served as chairman of Endeavor Jordan for over seven years.

Mr. Al-Husry has extensive involvement with local and international non-governmental organizations. He recently joined the Middle East Advisory Board of the Carnegie Endowment for International Peace and has served on the boards of the Women's Fund, the Board of Trustees of the Jordan University of Science and Technology, the Jordan Museum, the Association of Banks in Jordan, the Institute of Banking Studies, the Hussein Fund for Excellence, and the Insurance Commission, contributing to the development of policies and strategic direction for these institutions.

Securities Commission Required Data**Al-Khalil Company for Investments**

Mr. Khalil Hatem Khalil Al-Salem

Position: Representative of the board member Al-Khalil Company for Investments

Date of Birth: December 28, 1982

Membership Date: August 31, 2009

Nationality: Jordanian

Education:

Mr. Al-Salem has a Bachelor's degree in Economics from Columbia University in 2004.

Current Positions:

He is currently the deputy general manager of Al-Majal Energy Services and the secretary general of the West Asian Football Federation since 2017. He is a member of the Board of Directors of Sajilni E-Commerce Company since 2009, a member of the Board of Directors of Al Abtal Real Estate Leasing and Management Company since 2021, a member of the Board of Directors of Konn for Learning Speculative Mathematics since 2021, a member of the Board of Directors of Ahya' Amman Real Estate Rehabilitation and Development Company since 2023, and a member of the Bani Obaid Municipality Committee since 2023.

Experience:

Previously, Mr. Al-Salem served as the director of the Office of His Royal Highness Prince Ali Bin Al-Hussein for football matters (2013-2015) and the secretary general of the Jordanian Football Association (2009-2013-). He started his career as a financial analyst at J.P. Morgan in New York (2004-2006-), then as a financial analyst and business development manager at Capital Investment & Brokerage (2006-2009), as well as a financial analyst at Midrar Investments Company and a member of the Board of Directors of the Modern English School (2017-2019-).



Al-Jadara Company for Real Estate Investment

Mr. Sultan Bin Mohammed Bin Musa'ed Elseif

Position: Representative of the board member Al-Jadara for Real Estate Investment

Date of Birth: March 3, 1985

Membership Date: August 31, 2009

Nationality: Saudi Arabian

Education:

Mr. Elseif has a Bachelor's degree in Finance from Roger Williams University in 2007.

Current Positions:

He is the general manager of Elseif Corporation.

Experience:

Mr. Elseif held the post of deputy general manager and office director of the chairman of the Board of Directors in the Saudi Medicare Company in Riyadh. Previously, he worked as a financial analyst at UME Investment and Morgan Stanley.

He held board memberships in UK Property Specialist; Oman Medical Projects Company; Hunters Moor Neurorehabilitation; UME Group LLP; Saudi Medicare Company; UME Diagnostics Management Company.

He is a member of several Boards of Directors of companies, including Elite Construction Real Estate Development Company; ElSeif Operation and Maintenance Holding; ElSeif Commercial Investment Company; and Care Shield Holding Company.

Securities Commission Required Data



Investments and Integrated Industries Co Plc

Mr. Omar Mohammad Ibrahim Shahrour

Position: Representative of the board member Investment and Integrated Industries Co Plc

Date of Birth: April 17, 1967

Membership Date: August 31, 2009

Nationality: Jordanian

Education:

Mr. Shahrour holds a Bachelor's degree in Accounting from the University of Jordan in 1989, a Master's degree in Finance from Wayne State University in Detroit, Michigan, in 1991.

Experience:

Mr. Shahrour has extensive experience in financial management. Previously, he held the post of CFO of Nuqul Group. His responsibilities covered strategic financial leadership and the implementation of financial operations and controls, in addition to financial planning, auditing, and investor relations.



Safety First Investment Company

Mr. Muteb Bin Mohammad Bin Sa'd Al-Shathri

Position: Representative of the board member Safety First Investment Company

Date of Birth: April 4, 1985

Membership Date: September 4, 2022

Nationality: Saudi Arabian

Education:

Mr. Alshathri holds an MBA from Harvard Business School in the United States in 2015 and a Bachelor's degree in Industrial Engineering and Administrative Sciences from Northwestern University in the United States in 2008.

Current Positions:

He is the director of the Private Equity Investments Department in the Securities Investment Department of the General Directorate for Middle East and North African Investments.

Experience:

Mr. Alshathri is a member in Boards of Directors and committees as a representative of the Public Investment Fund in companies traded on the Saudi stock market (Tadawol). He is vice chairman of the board of the Al-Qasim Cement Company and a member of the Saudi Ceramic Company. He is also a member of the board of Depa PLC, which is listed at the Dubai Nasdaq. He was nominated as the representative of the Public Investment Fund in the advanced energy systems company, ADES International Holding. He is also a member of the Board of Directors of the Saudi Jordanian Fund Company.

**Safety First Investment Company**

Ms. Lamya Bint Mohammed Bin Naser Alfozan

Position: Representative of the board member Safety First Investment Company

Date of Birth: January 30, 1981

Membership Date: September 4, 2022

Nationality: Saudi Arabian

Education:

Ms. Alfozan holds a Master's degree from the London Business School (LBS) in 2018 and a Bachelor's degree in business management from the King Saud University in 2004.

Current Positions:

She holds the post of first director in the Saudi Public Investment Fund and has expertise in banking and financial markets.

Experience:

Ms. Alfozan has an experience of nearly 19 years in internal auditing, risk management, compliance, anti-financial crimes, project management, environmental and social governance practices, corporate governance, and institutional transformation, among others.

She was previously a member of the Audit Committee of the Riyadh Financial Company, as well as compliance chief at Riyadh Bank, from 2015 to 2019. Before that, she held posts in Riyadh Bank, including the Internal Audit Department. She was also vice chairperson of the Women Empowerment Committee at the bank's executive level. She also held the post of the secretary of the bank's Investment Committee.

She is a member of several boards of directors and subcommittees, most notably the Audit Committee of the Saudi Industrial Development Fund Board of Directors and a member of the Environmental and Social Governance Practices Committee of Al Mabani General Contractors, the Regional Voluntary Carbon Market.



Mr. Khalid Walid Hussni Nabils

Position: Member of the Board of Directors

Date of Birth: February 20, 1972

Membership Date: May 24, 2017

Nationality: Jordanian

Education:

Mr. Nabils holds a Master’s degree in Business Administration from the University of Hull in the United Kingdom in 2000 and a Bachelor’s degree in Economics and Administrative Sciences from the University of Jordan in 1992, as well as a CPA.

Current Positions:

He is the Chief Financial Sector Department at Hikma Pharmaceuticals Group.

Experience:

Mr. Nabils held strategic administrative posts in Hikma Pharmaceuticals’ financial management. He was a main member in the team that organized the company’s public underwriting in 2005. He obtained experience in mergers and acquisitions when working with Atlas Investment Group - AB Invest.

He also occupied several positions at financial management and accounting, and consultation. He carried out international auditing operations while working with Arthur Andersen – Amman (Ernst & Young).

Securities Commission Required Data**Mr. Mohammad Hasan Subhi AlHaj Hasan**

Position: Member of the Board of Directors

Date of Birth: August 16, 1981

Membership Date: May 24, 2017

Nationality: Jordanian

Education:

Mr. AlHaj Hasan holds a Master's degree in Business Administration and a Master's degree in Education from Stanford Graduate School in 2016. He also holds a Bachelor's degree in Finance and Microeconomics from Massachusetts Institute of Technology (MIT) in 2003.

Current Positions:

He is chairman of the board and CEO of Jawaker and a member of the Board of Directors of Akhtaboot Company.

Experience:

Mr. AlHaj Hasan is a partner and founder of two of the most innovative startup companies in the Middle East and North Africa: Jawaker, which is an electronic social gaming company, particularly focusing on card games; and Akhtaboot, a provider of employment solutions online.

He held the post of deputy general manager for Quantitative Analysis at Rasmala, based in Dubai, in addition to his work as a financial analyst in Dresdner Kleinwort Wasserstein, which is a global financial organization specialized in banking investment in the United States.



Abubaker Seddiq Hussain Al-Khoori

Position: Member of the Board of Directors

Date of Birth: November 13, 1971

Membership Date: April 15, 2021

Nationality: Emirati

Education:

Mr. Al-Khoori holds a Bachelor's degree in Financial Sciences from Linfield College in the United States in 1993. He also holds a CFA.

Current Positions:

He is currently the CEO of Abu Dhabi Capital Group - UAE and has been since 2018.

Experience:

Mr. Al-Khoori has 25 years of experience in the fields of international financing and investment and real estate. He has chaired the boards of directors of many companies, including the National Investor Company, Khidmah, Abu Dhabi Airports, and Aldar Properties. He was first vice chairman for the Board of Directors of Aldar Properties. He held the post of vice chairman of the Board of Directors of the Waha Capital and the Emirates Steel companies.

He was a member in boards of directors of many companies, most prominently Abu Dhabi Ports, Shuaa Capital, Abu Dhabi Securities Exchange, Abu Dhabi Chamber of Commerce and Industry, Khalifa Fund for Enterprise Development, Abu Dhabi Retirement Pensions and Benefits Fund, and Al-Dhabi Investment. He was a delegated member in the Suruh Real Estate Company and an assistant manager in the Abu Dhabi Investment Authority (ADIA).

Securities Commission Required Data



Mr. Yousef Ali Yousef Ensour

Position: Member of the Board of Directors

Date of Birth: January 30, 1970

Membership Date: April 15, 2021

Nationality: Jordanian

Education:

Mr. Ensour holds a Bachelor's degree in Business Administration from University of Jordan in 1991 and a Master's degree in Business Administration from Bowling Green State University in the United States in 1994.

Experience:

Mr. Ensour has had a long career in banking, during which he held many positions that have enriched his banking expertise. Most prominently, he held the post of regional manager (general manager) of Bank Audi – Jordan branches from 2006 to 2021, as well as chief of corporate and enterprise financial services at Standard Chartered Bank from June 2004 to February 2006. He held several positions during his work with HSBC Bank Middle East from June 1997 to May 2004. He also worked in the Amman Investment Bank.

Brief Introduction of Resigned Members of the Board of Directors:

There are no resigned members.

4. Meetings of the Board of Directors and Board Committees in 2024

Included in the Corporate Governance Report

5. Capital Bank Executive Management

Members of the senior executive management team include:



Tamer Mohammad Sulayman Ghazaleh

Position: Chief Executive Officer

Date of Birth: December 12, 1976

Nationality: Jordanian

Membership Date: May 5, 2024

Prior to joining Capital Bank, Mr. Tamer Ghazaleh served as deputy CEO of Bank Audi in Lebanon from 2020 to 2024. He was also the group's Chief Financial Officer from 2015 to 2020 and previously served as the group's deputy chief financial officer.

Mr. Ghazaleh demonstrated his ability and readiness to assume senior executive responsibilities by managing various departments and branches throughout his career. He successfully participated in developing financial strategies and making critical decisions. He also served as a member of several key committees, such as the Investment Committee and the IT Infrastructure Committee, where he led the decision-making process and strategic directions. He has also worked to improve financial control and risk management processes, ensuring compliance with policies and procedures across the institutions he has worked for.

Mr. Ghazaleh holds a Bachelor's degree in Accounting from the University of Jordan and completed the Executive Management Program at Harvard Business School in the United States.



Fraje Farujan Yanuvik Nersesian

Position: Chief Strategy Officer

Date of Birth: February 28, 1976

Nationality: Jordanian

Membership Date: December 3, 2024

Mr. Nersesian has over 25 years of experience in strategy building and operational efficiency in the banking and finance sectors.

Since joining Capital Bank Group in 2018, Mr. Nersesian has led numerous initiatives stemming from the group's ambitious growth strategy. Throughout his career, Fraje has held several leadership positions at prestigious financial institutions, such as CIBC Mellon Bank and TD Bank in Canada, as well as Arab Bank and Maersk Shipping in Jordan. He specialized in strategic planning, financial analysis, and operational transformation, with a focus on enhancing operational efficiency, achieving sustainable growth, and innovating corporate solutions.

Mr. Nersesian is a Certified Public Accountant (CPA) from the United States, and holds a Master's degree with distinction in Business Administration from Lancaster Management School in the United Kingdom, and a Bachelor's degree in Accounting from Yarmouk University.

Securities Commission Required Data



Haya Ibrahim Hanna Abu Ata

Position: Chief Human Resources Officer

Date of Birth: May 19, 1989

Nationality: Jordanian

Membership Date: August 12, 2020

Ms. Abu Ata joined Capital Bank in December 2011. She currently serves as Chief Human Resources Officer, a position she has held since August 2020. In this strategic role, she oversees all aspects of human resources management by developing and delivering world-class talent management solutions that drive business growth and prosperity.

With a focus on maximizing return on investment in human capital, she develops and implements forward-thinking strategies that integrate with business objectives, address talent market challenges, anticipate human capital needs, create a conducive environment that encourages employee engagement, and develop talent and careers that support Capital Group and its employees' competitiveness and long-term growth.

Ms. Abu Ata has 12 years of extensive experience in human resources, complemented by internationally accredited certifications in the field of human resources (SPHRi) and HRBP.

Ms. Abu Ata holds a Bachelor's degree in Human Resource Management, Industrial Relations, and a Bachelor's degree in Culture Communication and Information Technology (CCIT), as well as a minor in Sociology from the University of Toronto, Canada.



Labib Zahi Labib Musallam

Position: Chief Treasury and Investments Officer

Date of Birth: February 8, 1984

Nationality: Jordanian

Membership Date: December 3, 2024

Mr. Musallam has over 15 years of experience in investment and treasury management, specializing in strengthening financial structures and driving sustainable growth in the banking sector. Since joining Capital Bank Group, Mr. Musallam has played a key role in improving investment and treasury operations across the Bank and the Group.

Prior to his current role, he held several leadership positions within Capital Bank and Standard Chartered Bank, where he played a key role in developing treasury sales offices, enhancing asset and liability management and investment strategies, and expanding financial market services tailored to meet client needs.

Mr. Musallam holds a Master's degree in Management Science and Operational Research from Warwick Business School, University of Warwick, the United Kingdom, and a Bachelor's degree in Electronics and Telecommunications Engineering from the University of Warwick.



Manar Mohammad Abdulhalim Al-Nsour

Position: Group Chief Financial Officer

Date of Birth: September 20, 1979

Nationality: Jordanian

Membership Date: July 30, 2016

Ms. Al-Nsour was appointed as the Group Chief Financial Officer at Capital Bank in July 2016. Her responsibilities include managing all strategic financial operations and overseeing all aspects of the bank's financial management, including financial reporting, financial planning and analysis, and financial controls.

Ms. Al-Nsour has over 20 years of extensive experience in banking and financial management, having held a number of management positions at Capital Bank, most recently serving as director of the Financial Control Department until mid-2016.

Ms. Al-Nsour holds a Bachelor's degree in Accounting from the University of Jordan.



Manar Nizar Mahmoud Aabidi

Position: Group Chief Credit Officer

Date of Birth: May 25, 1972

Nationality: Jordanian

Membership Date: August 12, 2020

Ms. Aabadi has served as the group chief credit officer at Capital Bank since August 2020.

Prior to joining Capital Bank, Ms. Aabadi served as the chief of Credit Review for Corporate and SME Banking in Jordan and Iraq. She also served as vice president/head of Business Banking and Trade Facilitation at Citibank Jordan, where she held the rank of Level 2 Credit Officer. Prior to that, Ms. Aabadi also served as director of the Large Corporate Credit Review Center at Housing Bank. She also headed the Corporate Banking Unit at HSBC Bank Middle East in Jordan.

Ms. Aabadi holds a Master of Science in Finance and Investment from the University of Edinburgh, UK, and a Bachelor of Science in Accounting with a minor in Economics from the University of Jordan.

Securities Commission Required Data



Mohammad Hafiz Abdul-Karim Mohammad Hafiz Mu'az

Position: Group Chief Legal Officer – Legal Counsel

Date of Birth: October 27, 1969

Nationality: Jordanian

Membership Date: February 6, 2003

Mr. Mu'az was appointed group chief legal counsel at Capital Bank in February 2003. He also holds the position of director of the Legal Affairs Department.

In this role, he is responsible for the bank's legal operations and legislative affairs, including corporate governance, regulatory aspects, litigation, enforcement, consulting, and documentation.

Mr. Mu'az joined Capital Bank after leaving Arab Bank, where he worked in the international division of the bank's legal department for two years. Prior to that, he worked as a lawyer at Dajani & Partners for five years.

He has been a member of the Jordanian Bar Association since 1997.

Mr. Mu'az holds a Bachelor of Laws degree from the University of Jordan and a Higher Diploma in International Law and a Master of Commercial Law from Staffordshire University in the United Kingdom.



Munis Mamdouh Hanna Haddadin

Position: Group Chief Risk Officer

Date of Birth: October 21, 1977

Nationality: Jordanian

Membership Date: December 23, 2021

Mr. Haddadin assumed the position of group chief risk officer on December 3, 2024. Prior to that, he was group chief compliance officer for Capital Bank in 2021, where he was responsible for managing and monitoring the group's compliance with regulatory requirements and combating financial crime.

Mr. Haddadin is an executive leader with extensive, strategic, and long-standing experience in risk management, compliance, and combating financial crime, with extensive local and international experience in the financial services sector.

Mr. Haddadin has established, developed, and led numerous corporate teams to enable them to successfully implement change and modernization.

He holds an MBA from Lancaster University in England.



Nadeem Jawdat Sulayman Khitan

Position: Chief Consumer Banking Officer

Date of Birth: September 17, 1978

Nationality: Jordanian

Membership Date: January 2, 2024

Mr. Khitan, chief consumer banking officer at Capital Bank, plays a pivotal role in shaping the bank's retail banking strategy, leveraging his expertise in commercial planning, market research, and business development across various consumer industries.

Mr. Khitan has extensive experience in his field, having risen through the ranks at Bank of Jordan, starting as head of Retail, Research, Products, and Marketing, before rising to group executive director - head of consumer Banking in 2022.

In his current role, Mr. Khitan aligns the retail banking department's strategies with the bank's overall vision and core values. His leadership not only supports the bank's core principles but also focuses on enhancing and elevating the overall customer experience. With his commitment to excellence, Khaitan leads the bank's retail banking initiatives forward.



Rami Bishara Shafiq Stephan

Position: Group Chief Internal Audit Officer

Date of Birth: April 13, 1982

Nationality: Jordanian

Membership Date: December 1, 2024

Mr. Stephan has over 20 years of experience in auditing at banks and financial institutions. He currently serves as the head of Internal Audit at Capital Bank Group, where he manages the internal audit functions of the group and its subsidiaries.

Prior to joining Capital Bank Group, Mr. Stephan served as group head of Internal Audit Quality Management at Arab Banking Corporation (ABC). He previously served as executive director and regional head of Audit for the Middle East and North Africa at First Abu Dhabi Bank (FAB). His extensive experience also includes senior positions at Citibank, National Bank of Kuwait, and Arab Bank.

Mr. Stephan is a Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE), and Certified Financial Crime Compliance Specialist (CFCS). He holds advanced professional certifications in risk management, governance, audit quality assurance, and compliance. He also holds a Bachelor's degree in Accounting and Finance from Yarmouk University, Jordan.

Securities Commission Required Data



Shereen Sameer Saliba Nasr

Position: Group Chief Compliance Officer (Acting)

Date of Birth: August 25, 1980

Nationality: Jordanian

Membership Date: December 3, 2024

Ms. Nasr currently serves as the acting group chief compliance officer. With over 18 years of experience in the field, she leads the group's efforts to ensure compliance with international standards and best practices in combating financial crime.

Prior to joining Capital Bank, Ms. Nasr held leadership positions at Bank al-Etihad and Standard Chartered Bank, where she contributed to improving compliance processes, training teams, and designing risk assessment frameworks. Her experience also extends to developing financial crime prevention strategies, managing investigations, and leading regulatory compliance transformation initiatives.

Ms. Nasr holds multiple certifications in compliance, including CAMS, ICA Advanced Sanction Risks, and CCP. She holds a Bachelor's degree from the Applied Science University in Jordan.



Touleen Mohammad Mahmoud Barto

Position: Chief Marketing and Corporate Communications Officer

Date of Birth: August 13, 1976

Nationality: Jordanian

Membership Date: March 1, 2021

Since 2021, Ms. Barto has served as as chief marketing and communications officer at Capital Bank, where she leads the development and implementation of the bank's marketing and communications strategy.

Over her 22-year career, Ms. Barto has held several positions at leading banking institutions and telecommunications companies in Jordan. For eight years, she served as director of Brand and Communications at Orange Jordan, where she was responsible for managing the creative, media, direct marketing, social media, branding, and sponsorship departments.

Prior to joining Orange, Ms. Barto served for two years as head of Marketing, Corporate Communications, and Corporate Sustainability at HSBC Bank Jordan.

Ms. Barto holds a Bachelor's degree in Business Administration from the University of Jordan and a Master's degree in Advertising and Marketing from the University of Leeds Business School in the United Kingdom. She regularly participates in conferences, workshops, and seminars related to her field of expertise, both locally and internationally.

Yasser Ibrahim Mohammad Kleib

Position: Chief Institutional Banking Officer

Date of Birth: October 27, 1974

Nationality: Jordanian

Membership Date: December 30, 2009

Mr. Kleib has over 20 years of experience in commercial and institutional development. He joined Capital Bank in 2004, and began his career in the Banking Services and Credit Facilitations Department. Previously, he worked at the Arab Bank for eight years.

Mr. Kleib has a Bachelor's degree in Business Administration from Yarmouk University and is a Certified Lender Business Banker (CLBB) with the American Bankers Association.



Zain Ammar Khaldoun Malhas

Position: Blink Chief Executive Officer

Date of Birth: July 10, 1985

Nationality: Jordanian

Membership Date: September 19, 2019

Ms. Malhas holds a Master's degree in Business Administration from the Jordan German University and a Bachelor's degree in International Finance and Banking from Franklin College in Switzerland.

Ms. Malhas has over 14 years of experience in the banking sector, having worked for the Housing Bank and Standard Chartered, where her last position at Standard Chartered Bank Jordan was (Global Subsidiaries, Manager Relationship, Director Associate), in addition to being a member of the Board of Directors of Middle East Payment Services (MEPS). She was appointed as chief executive officer of Blink on September 19, 2019.



Securities Commission Required Data

Resigned Members of the Executive Team

Member Name	Position	Date of Resignation
Izzedine Rushdi Abdel Latif Salameh	Group Chief Operations Officer	Last working day 16/2024/7/
Ra'fat Abdullah Ismail Khalil	Group Chief Internal Audit Executive	Last working day 10/2024/12/
Samer Ibrahim Abdel Afou Al-Aloul	Group Chief Banking Officer	Last working day 24/2024/7/
Yousef Saptis	Group Chief Human Resources and Shared Services	Last working day 30/2024/4/

6. Competitive Position

Description	2024	2023
Market Share/Credit Facilities	7.7%	8.6%
Market Share/Deposits	8.6%	8.9%
Market Share/Assets	8.1%	8.5%

7. The bank does not rely on specific local or foreign suppliers or agents who constitute %10 or more of total purchases and/or sales or revenues

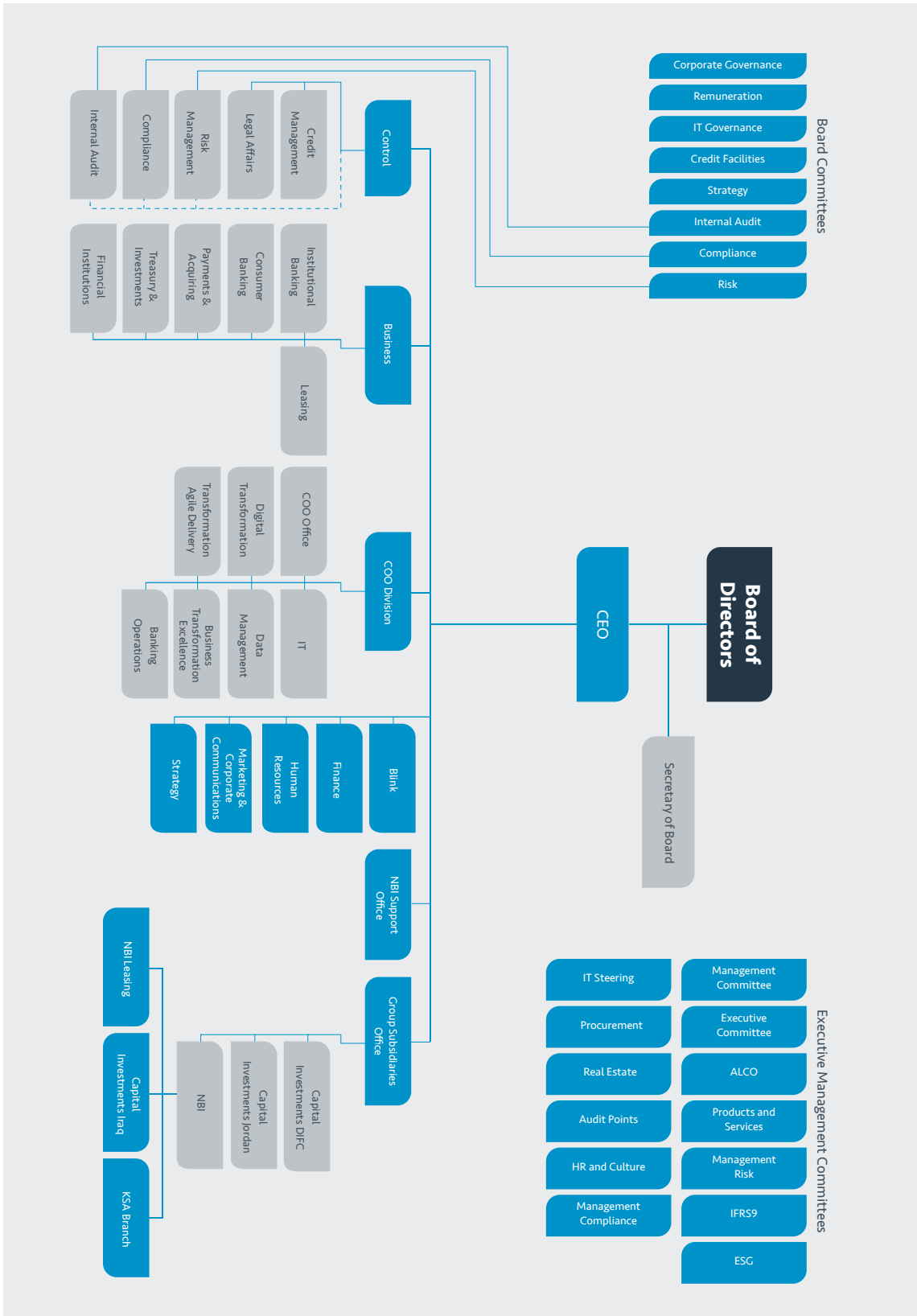
8. The bank and its products do not enjoy any government protection or privileges under laws, regulations, or otherwise.

9. There are no patents or concession rights that the bank has acquired.

10. No decisions issued by the government, international agencies or others have impacted the bank's work, products, or competitive capability. In addition, international standards of quality do not apply to the bank.

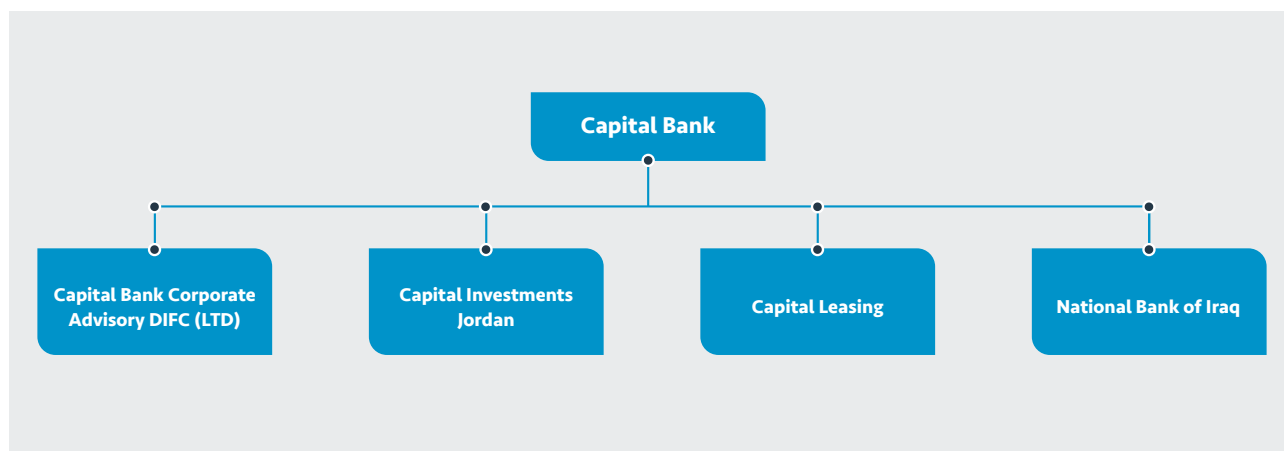
11. Organizational Structures

A. The organizational structure of the bank and its subsidiaries



Securities Commission Required Data

B. The organizational structure of the bank's subsidiaries



C. Academic Credentials of Employees of Capital Bank of Jordan and its subsidiaries.

Education	No. of Employees at Capital Bank	No. of Employees at Capital Investments DIFC	No. of Employees at Capital Investments	No. of Employees at Leasing Company	No. of Employees at National Bank of Iraq
Bachelor's Degree	1094	10	45	6	1155
High School Diploma	31	1	1	-	11
Diploma	38	1	-	2	42
Higher Diploma	3	-	-	-	-
Ph.D.	-	-	-	1	-
Less than Secondary School	31	-	3	-	37
Secretarial	1	-	1	-	-
Master's Degree	87	6	8	-	31
Total	1285	18	58	9	1276

D. Training Programs for Employees of Capital Bank and Capital Investments

Description Type of Training	Capital Bank - Including Blink		Subsidiary Companies CI & Leasing	
	Number of Participants	Number of Workshops	Number of Participants	Number of Workshops
Workshops held by the Bank's Training Centers	533	26	34	4
Local Workshops in Jordan	637	213	29	15
Workshops outside Jordan	9	9	0	0
Specialized Professional Certifications	38	29	6	1
E-Learning Platform	1315	240	65	58

E. Names of training workshops for employees of Capital Bank of Jordan and Capital Investments and Brokerage Jordan:

Description	Number of Courses	Number of Participants from Capital Bank Group
Specialized Banking Courses	48	251
Technical Workshops	82	212
Specialized Courses in Risk Management and Information Security (including courses through e-learning platform)	13	1329
Specialized Courses in Environmental and Social Sustainability	10	17
Specialized Courses in Managing Audits, Control, Compliance, and Anti-Money Laundering	26	1376
Specialized Courses in Artificial Intelligence and Creativity	20	63
Specialized Courses in Behavioral and Qualitative Skills	39	269
Specialized Courses in Leadership Skills	9	255
Specialized Courses in Information Technology and Systems	29	51
Specialized Professional Certificates	30	53
Various Courses through e-Learning Platforms	225	481
Total	531	1376

12. Risks to which the bank is exposed

Capital Bank is exposed to the following risks in the banking sector:

- Credit risks
- Market risks
- Liquidity risks
- Operational risks
- Compliance risks
- Information technology / cyber risks

Specialized departments at the bank manage risk in accordance with the laws and guidelines in effect, as well as international best practices.

* Included in the Board of Directors' report

13. Capital Bank's achievements in 2024

A description of the achievements was detailed and supported by figures in the Board of Directors' report on the bank's achievements.

Securities Commission Required Data

14. The financial impact of non-recurring operations during 2024 that do not fall within the bank's main activities.

There were no nonrecurring transactions during 2024.

15. The timeline of realized profits, losses, dividend distribution and net shareholder equity for the years 2006-2024

Fiscal Year	Shareholder Equity JD	Net Profits	Dividends		Closing Price JD
			Cash Dividends	Free Shares	
2006	156,991,770	18,059,905	-	14,000,000	1.93
2007	172,375,124	13,508,666	-	7,000,000	2.07
2008	203,161,545	15,250,169	7,500,000	-	1.8
2009	208,070,606	1,338,383	-	17,200,000	1.56
2010	214,107,952	5,149,968	-	-	1.54
2011	221,258,745	1,428,331	-	-	1.36
2012	242,807,956	22,036,184	-	-	1.13
2013	324,291,358	37,036,290	-	15,000,000	1.6
2014	344,881,127	36,314,776	16,500,000	16,000,000	1.51
2015	324,350,413	1,068,872	10,890,000	18,500,000	1
2016	334,107,254	16,135,976	-	-	0.83
2017	349,394,463	27,311,646	10,000,000	-	0.79
2018	336,832,327	30,348,276	20,000,000	-	0.92
2019	347,479,046	28,816,777	20,000,000	-	1
2020	355,687,310	30,302,078	-	-	0.98
2021	392,150,636	61,006,824	24,000,000	-	2.03
2022	652,600,455	90,850,127	30,000,000	-	2.44
2023	728,499,068	106,592,320	44,716,311	-	2.04
2024	832,547,344	160,136,163	39,455,568	-	1.94

16. Analysis of the bank's financial position and the results of its operations for the fiscal year:

Financial Percentages	312023-12-	312024-12-
Return on Average Assets	1.5%	2.02%
Return on Average Shareholder Equity	17.2%	22.6%
Return per Share	0.273	0.410
Equity to Assets Ratio	9.59%	10.11%
Capital Sufficiency	15.36%	15.52%
Non-Operational Facilities Ratio (after deducting suspended interest)	4.94%	7.55%
Coverage of Allowances for Inactive Credit (after deducting suspended interest)	79.41%	80.86%
Cash and Semi-Cash Liquidity Ratio	218.8%	230.6%

17. Capital Bank's key goals and strategies for 2025

In 2025, Capital Bank Group will continue to strengthen its presence in the local and regional banking market by offering its customers an even wider variety of banking solutions, each designed to meet their unique needs. The group will also seek to boost the local economy by expanding into economic sectors with growth prospects in deposits, credit facilities, and investment activities.

It will continue to focus on furthering its digital transformation strategies as a means of ensuring the continuous improvement and advancement of its banking services as per global best practices. Furthermore, by adopting effective artificial intelligence tools, the group will continue developing its banking systems, infrastructure, and information security systems.

Capital Bank Group also seeks to further financial inclusion, in line with the Central Bank of Jordan's strategy and the economic modernization vision of the Hashemite Kingdom of Jordan, by enabling individuals and the business sector to access and sustainably use diverse financial services in an appropriate and cost-effective manner that meets their needs and contributes to improving their standards of living. This is achieved through periodic and continuous review of banking service and product pricing, including interest rates on time deposits and bank loans, to serve individual customers, the SME sector, and large corporations, while simultaneously developing services, digital payment systems, and the network of branches and ATMs.

The group places great emphasis on implementing sustainability practices across environmental, social, and governance dimensions in its 2025 objectives, in accordance with global best practices, thereby contributing to environmental and societal preservation and achieving sustainable development goals in line with the Central Bank of Jordan's strategy and the United Nations' objectives. The bank will build on its previous efforts by preparing and publishing its third sustainability report for the public and creating more opportunities for sustainable financing operations.

The group will also strive to cultivate a robust corporate social culture rooted in its inherent values, aiming to understand and manage risks. This approach seeks to connect employees and stakeholders through positive behaviors, values, attitudes, and comprehensive employee health and well-being initiatives.

Securities Commission Required Data

18. Auditing Fees for the Bank and its Subsidiaries

Auditing fees for Messrs. Ernst & Young for the bank and its subsidiaries for 2024 amounted to JD431,995 including taxes as detailed below:

Name	Amount (JD)
Capital Bank	161,444
Capital Investments (subsidiary)	19,720
Jordan Capital for Financial Leasing	17,110
National Bank of Iraq	118,013
National Bank of Iraq-KSA Branch	71,725
Capital Investments (DIFC)	43,983
Total	431,995

19. Statement of Number of Securities

Following is the statement of the number of securities owned by members of the Board of Directors and the executive management team, their relatives, and companies controlled by board members, the executive management team, and their relatives.

A. Number of securities owned by members of the Board of Directors:

Member	Position	Nationality	Number of Shares owned as on December 31, 2023	Number of Shares owned as on December 31, 2024
Bassem Khalil Salem Al-Salem	Chairman of the Board	Jordanian	10,273,801	10,440,709
Said Samih Taleb Darwazah	Vice Chairman of the Board	Jordanian	14,101,018	14,188,433
Social Security Corporation Represented by Mr. Saleh Al-Shubeikat	Member	Jordanian Jordanian	18,920,939 -	18,920,939 -
Investments and Integrated Industries Co Plc Represented by Mr. Omar M. I. Shahrour	Member	Jordanian Jordanian	5,338,007 35,942	5,338,007 35,942
Hitaf Investment Company Represented by Mr. "Mohammed Ali" Khalidoun Sati' Al-Husry	Member	Jordanian Jordanian	8,810,228 3,023,886	8,810,228 3,023,886
Al Khalil Company for Investments Represented by Mr. Khalil Hatem Khalil Al-Salem	Member	Jordanian Jordanian	64,567 -	64,567 -

Member	Position	Nationality	Number of Shares owned as on December 31, 2023	Number of Shares owned as on December 31, 2024
Al-Jadarah Company for Real Estate Investment Represented by Mr. Sultan Mohammed M. Elseif	Member	Jordanian Jordanian	37,796 85,000	37,796 85,000
Safety First Investment company Represented by Mr. Muteb Mohammed S Alshathri	Member	Saudi Saudi	63,037,122 -	63,037,122 -
Safety First Investment company Represented by Ms. Lamya Mohammed N Alfozan	Member	Saudi Saudi	63,037,122 -	63,037,122 -
Khalid Walid Hussni Nabils	Member	Jordanian	275,000	300,000
Mohammad Hassan Subhi ALHaj Hasan	Member	Jordanian	75,000	75,000
Yousef A. Y. Ensour	Member	Jordanian	25,000	25,000
Abubaker Seddiq Mohamed Hussain Alkhoori	Member	Jordanian	25,000	25,000

B. Number of securities owned by relatives of members of the Board of Directors:

Relatives of Members of the Board of Directors	Member Name	Relationship	Nationality	Number of Shares owned as on December 31, 2023	Number of Shares owned as on December 31, 2024
Rudayna Farhan Sa'd Abu Jaber	Bassem Khalil Salem AL- Salem	Wife	Jordanian	394,231	394,231
Mariana Farid Milhem Milhem	Said Samih Taleb Darwazah	Wife	Jordanian	397,039	397,039
Ghalia Charlie Ghaleb Bisharat	Khalil Hatem Khalil Al-Salem representing Al Khalil Company for Investments	Wife	Jordanian	5,000	5,000
Salwa Izzedine Izzat Katkhuda	Mohammad Hasan Subhi ALHaj Hasan	Wife	Jordanian	66,000	66,000

Securities Commission Required Data

C. Number of Securities Owned by Companies Controlled by Members of the Board of Directors

Member	Position	Company Controlled	Company Legal Description	Number of Bank Shares Controlled by the Company	
				312023/12/	312024/12/
Bassem Khalil Salem Al- Salem	Chairman of the Board of Directors – General Manager	Al Khalil Company for Investments	Limited Liability Company	64,567	64,567
	Member	General Mining Company	Public Shareholding Company	41,173	41,173
Said Samih Taleb Darwazah	Member	Darhold Limited	Private	3,537,497	3,537,497
	Member	General Mining Company	Public Shareholding Company	41,173	41,173
“Mohammed Ali” Khaldoun Sati’ AL-Husry representing Hitaf Investment Company	Member	Darhold Limited	Private	3,537,497	3,537,497
Investments and Integrated Industries Co Plc	Member	Modern International Company for Manufacturing Vegetable Oils	Public Shareholding Company	25,825	25,825
Mr. Khalil Hatem Khalil Al-Salem representing Al Khalil Company for Investments	Vice Chairman	Al Salem for Investments	Limited Liability Company	-	20,000

D. Number of Securities Owned by Companies Controlled by Relatives of Members of the Board of Directors

Relatives of Board Members	Member Name	Relationship	Position	Name of Controlled Company	Company Legal Description	Number of Bank Shares Controlled by the Company	
						312023/12/	312024/12/
Rudayna Farhan Sa’d Abu Jaber	Bassem Khalil Salem Al-Salem	Wife	Vice Chairman of the Board	Al Khalil Company for Investments	Limited Liability Company	64,567	64,567
			Chairman of the Board	Al Salem for Investments	Limited Liability Company	-	20,000

E. Number of securities owned by members of the Executive Management Team

Name	Position	Nationality	Number of Shares as on	
			312023/12/	312024/12/
Mr. Tamer Mohammad Sulayman Ghazaleh since 52024/5/	CEO	Jordanian	-	-
Mr. Fraje Farujan Yanuvik Nersesian since 32024/12/	Chief Strategy Officer	Jordanian	-	-
Ms. Haya Ibrahim Hanna Abu-Ata	Chief Human Resources Officer	Jordanian	22,363	2,500
Mr. Labib Zahi Labib Musallam since 32024/12/	Chief Treasury and Investments Officer	Jordanian	2,000	1,500
Ms. Manar Mohammad Abdul Halim Nsour	Group Chief Financial Officer	Jordanian	30,741	41,944
Ms. Manar Nizar Mahmoud AL-Aabidi	Group Chief Credit Management	Jordanian	-	35
Mr. Mohammad Hafiz Abdul-Karim Mohammad Hafiz Mu'az	Group Chief Legal Counsel	Jordanian	16,697	25,900
Mr. Munis Mamdouh Hanna Haddadin since 32024/12/	Group Chief Risk Management Officer	Jordanian	3,000	15,159
Mr. Nadeem Jawdat Sulayman Khitan since 22024/1/	Chief Consumer Banking Officer	Jordanian	-	-
Mr. Rami Bishara Shafiq Stephan since 12024/12/	Group Chief Internal Audit Officer	Jordanian	50	50
Ms. Shereen Sameer Saliba Nasr since 32024/12/	Acting Group Chief Compliance Officer	Jordanian	7,500	12,500
Ms. Toulun Mohammad Mahmoud Barto	Group Chief Marketing and Corporate Communications	Jordanian	14,431	23,766
Mr. Yasser Ibrahim Mohammad Kleib	Group Chief Institutional Banking Officer	Jordanian	35,000	20,000
Mr. Ali Mohammad Dawud Abu Swai	Chief Treasurer	Jordanian	-	-
Ms. Zain Ammar Khaldoun Malhas	Blink CEO	Jordanian	17,591	-

There are no securities owned by relatives of the executive management team.

There are no securities owned by companies controlled by members of the executive management team or their relatives.

Securities Commission Required Data

F. Number of Securities Owned by Resigned Members of the Board of Directors

Name	Position	Nationality	Number of Shares as on	
			312023/12/	312024/12/
Rafat Abdullah Ismail Khalil until 102024/12/	Group Chief Internal Audit Executive	Jordanian	8,000	0
Rami Talal Husni Al Khuffash until 242024/12/	Group Chief Investments & Treasury Officer	Jordanian	16,259	22,518
Samer Ibrahim A. Al Aloul until 242024/7/	Acting CEO	Jordanian	25,955	43,653
Izzedine Rushdi A. Abu Salameh until 162024/7/	Group Chief Operating Officer	Jordanian	-	-
Yousif Saptis until 302024/4/	Chief Human Resources & Shared Services Officer	Greek	-	-

There are no securities owned by relatives of the resigned executive management team.

There are no securities owned by companies controlled by the resigned members of the executive management team or their relatives.

G. Names of major shareholders who own %5 or more and the number of shares owned compared to the previous year

Name	Nationality	Number of Shares as on		Number of Shares as on	
		312023/12/	Percentage	312024/12/	Percentage
Safety First Investment company	Saudi	63,037,122	23.965	63,037,122	23.965
Saad Assim A. Al Janabi	Iraqi	19,524,105	7.423	18,938,105	7.200
Social Security Corporation	Jordanian	18,920,939	7.193	18,920,939	7.193
Said Samih Taleb Darwazah	Jordanian	14,101,018	5.361	14,188,433	5.394

H. Shareholders who own %1 or more of the bank's capital and the statement of mortgaged shares and the ultimate beneficial owners as on 2024/12/31

Shareholder	Nationality	Number of Owned Shares	Percentage of Bank Capital	Ultimate Beneficiary	Number of Mortgaged Shares	Percentage of Mortgaged Shares of Total	Mortgage Party
Safety First Investment company	Saudi	63,037,122	23.965	Saudi Government			
Saad Assim A. AlJanabi	Iraqi	18,938,105	7.200	Same			
Social Security Corporation	Jordanian	18,920,939	7.193	Same			
Said Samih Taleb Darwazah	Jordanian	14,188,433	5.394	Same	8,100,000	57.089	Jordan Kuwait Bank
Abdallah S. A. AlJanabi	Iraqi	11,494,787	4.370	Same			
Asem S. A. AlJanabi	Iraqi	11,494,787	4.370	Same			
Bassem Khalil Salem Al-Salem	Jordanian	10,440,709	3.969	Same	3,803,523	36.430	Housing Bank for Trade and Finance
Sara International Holdings LTD	Cayman Islands	10,064,669	3.826	Mr. Ali Hasan Hussein Koulaghasi	1,858,525	18.466	Cairo Amman Bank
Hitaf Investment Company	Jordanian	8,810,228	3.349	Mr. Mohammad Ali Khalidou Sati' Al-Husry Sharifa Nisreen Zaid Shaker Awn	8,206,144	81.534	Housing Bank for Trade and Finance
Mohammed M. S. ElSeif	Saudi	8,495,472	3.230	Same			
Mazen Samih Taleb Darwazah	Jordanian	7,210,000	2.741	Same			
Investment and Integrated Industries C. Plc	Jordanian	5,338,007	2.029	Mr. Ghassan Elia Nuqul Mr. Marwan Elia Nuqul			
Elia Nuqul and Sons Company	Jordanian	4,735,000	1.800	Mr. Ghassan Elia Nuqul Mr. Marwan Elia Nuqul	3,800,000	80.253	Arab Jordan Investment Bank

Securities Commission Required Data

Shareholder	Nationality	Number of Owned Shares	Percentage of Bank Capital	Ultimate Beneficiary	Number of Mortgaged Shares	Percentage of Mortgaged Shares of Total	Mortgage Party
Darhold Limited	Channel Islands (Jersey)	3,537,497	1.345	Mr. Mazen Samih Taleb Darwazah Mr. Said Samih Taleb Darwazah Mr. Mohammad Mahmoud Mohammad Saffoury Mr. Ghassan Bashir Yousef Mohammad Al-Alami			
Mohammad Ali Khalidoun Sati Al-Husry	Jordanian	3,023,886	1.150	Same	3,000,000	99.210	Jordan Kuwait Bank
Awn Mohammad Yousef Al-Tarawneh	Jordanian	2,769,875	1.053	Same			
Sa'd Abu Jaber and Sons Company	Jordanian	2,727,891	1.037	Mr. Sa'd Farhan Abu Jaber Mr. Kim Fu'ad Abu Jaber Mr. Nimr Fa'eq Sa'd Abu Jaber Mr. Laith Fa'eq Sa'd Abu Jaber Mr. Omar Farouq Sa'd Abu Jaber			

I. Capital Bank's Performance Evaluation and Bonus Policy

Capital Bank is committed to upholding the essence of its corporate identity by fostering a culture of performance and excellence. The bank engages employees at all levels of the organization as partners in order to enhance productivity and achieve strategic objectives.

The bank's approach to formulating policies for employee performance evaluation and incentive programs aligns closely with the corporate governance guidelines set forth by the Central Bank of Jordan. These policies are designed to correlate employee incentives and bonuses to the overall performance of the bank, the prevailing conditions within the banking sector, and an individual employee's contribution to collective success, which ensures that each person is duly rewarded based on their performance throughout the year.

The performance evaluation process at Capital Bank is transparent and offers an open dialogue between employees and their managers; it is an interactive process that provides opportunities for joint review of performance, identification of training and development needs, and discussion of potential areas for improvement. The performance evaluation system encompasses three key components: standard key performance indicators (KPIs), qualitative and behavioral assessment factors, and ongoing training and development initiatives.

At the outset of each year, employees set goals with their managers, after which regular performance reviews are conducted to assess progress toward these goals, identify any challenges, and develop strategies to overcome them. At year-end, employees undergo a comprehensive performance evaluation to determine their overall rating based on goal attainment. Subsequently, bonuses are awarded, taking into consideration the achievement of KPIs established at the bank level by our Board of Directors.

20. Benefits and Bonuses of Members of the Board of Directors and the Upper Management in 2024

A. Members of the Board of Directors

Name	Fixed Remuneration	Fees and Allowances*	Reward**	Total
Board Chairman Bassem Khalil Salem Al-Salem	700,000	533,446	5,000	1,238,446
Board Vice Chairman Said Samih Taleb Darwazah	-	25,080	5,000	30,080
Investments and Integrated Industries Co Plc / Omar M. I. Shahrour	-	28,080	5,000	33,080
Social Security Corporation / Saleh Al-Shubeikat	-	32,080	5,000	37,080
Al Khalil Company for Investments / Khalil Hatem Khalil Al-Salem	-	48,160	5,000	53,160
Hitaf Investment Company / "Mohammed Ali" Khaldoun Sati' Al-Husry	-	28,080	5,000	33,080
Al-Jadarah Company for Real Estate Investment / Sultan Mohammed M. Elseif	-	20,040	5,000	25,040
Safety First Investment Company / Muteb Mohammed S Alshathri	-	25,680	5,000	30,680
Safety First Investment Company / Lamya Mohammed N Alfozan	-	51,760	5,000	56,760
Abubaker Seddiq Mohamed Hussain Alkhoori	-	38,030	5,000	43,030
Yousef A. Y. Ensour	-	52,390	5,000	57,390
Mohammad Hasan Subhi AlHaj Hasan	-	47,510	5,000	52,510
Khalid Walid Hussni Nabils	-	46,720	5,000	51,720
Total	700,000	977,056	65,000	1,742,056

* The Board of Directors decided to distribute a bonus to the chairman of the board for the group's performance in the year 2024 as shares in Capital Bank of Jordan with a total value of JD338,824, equivalent to 166,908 shares.

** Rewards for 2023 were paid in 2024.

B. Benefits and Bonuses of Members of the Executive Management Team in 2024

No.	Name	Benefits and Privileges until 31/2024/12/	Financial Rewards	(Non-Financial Rewards) Shares paid during 2024	Total	Notes
3151	Tamer Mohammad Sulayman Ghazaleh	370,869.113	0.000	0.000	370,869.113	CEO appointed on 5/2024/5/
1604	Fraje Farujan Yanuvik Nersesian	124,000.000	18,000.000	11,370.464	153,370.464	Chief Strategy Officer as of 3/2024/12/
940	Haya Ibrahim Hanna Abu Ata	100,750.000	17,745.000	11,370.464	129,865.464	
1458	Labib Zahi Labib Musallam	68,960.000	16,200.000	11,370.464	96,530.464	Chief Treasury and Investments Officer as of 3/2024/12/
82	Manar Mohammad Abdul Halim Nsour	155,000.000	27,300.000	11,370.464	193,670.464	
1666	Manar Nizar Mahmoud Al-Aabidi	102,300.000	7,722.000	4,221.006	114,243.006	
137	Mohammad Hafiz Abdul-Karim Mohammad Hafiz Mu'az	149,575.000	26,345.000	22,740.929	198,660.929	
2255	Munis Mamdouh Hanna Haddadin	155,000.000	18,000.000	8,442.012	181,442.012	
3094	Nadeem Jawdat Sulayman Khitan	154,567.529	0.000	0.000	154,567.529	Chief Consumer Banking Officer appointed on 2/2024/1/
3267	Rami Bishara Shafiq Stephan	33,569.538	0.000	0.000	33,569.538	Group Chief Internal Audit Officer as on 1/2024/12/
2386	Shereen Sameer Saliba Nasr	59,505.000	13,912.500	0.000	73,417.500	Acting Group Chief Compliance Officer as on 3/2024/12/
1886	Touleen Mohammad Mahmoud Barto	108,500.000	19,110.000	18,950.544	146,560.544	
202	Yasser Ibrahim Mohammad Kleib	78,120.000	50,478.000	17,963.213	146,561.213	
507	Ra'fat Abdullah Khalil	153,785.450	35,396.011	12,014.150	201,195.611	Resigned on 10/2024/12/
1582	Zain Ammar Khaledoun Malhas	139,500.000	24,570.000	24,555.961	188,625.961	
1662	Rawan Jamil Saeed	78,167.000	5,749.000	0.000	83,916.000	Acting Chief Risk Officer until 2/2024/12/
2534	Rami Talal Hosni Al-Khafash	184,586.409	52,026.000	12,705.230	249,317.639	
17	Ali Mohammad Abu Swai	137,175.000	24,161.000	13,426.377	174,762.377	
2251	Izzedine Rushdi Abd Al-Latif Abu Salameh	118,749.684	173,036.000	20,542.790	312,328.474	Resigned on 16/2024/7/
1893	Samer Ibrahim Abdel Afou Al-Aloul	115,693.741	87,500.000	20,450.670	223,644.411	Resigned on 24/2024/7/
2855	Yousif Saptis	63,272.017	30,030.000	0.000	93,302.017	Resigned on 30/2024/4/
	Total	2,651,645.481	647,280.511	221,494.739	3,520,420.731	

The bank's Board of Directors decided to pay a bonus to the group's senior management and the Chairman of the Board for the performance of the year 2022 as shares in Capital Bank of Jordan, with a total value of JD 2,351,774 equivalent to 926,145 shares. According to the benefits and bonuses system approved by the Board of Directors, the bonus is distributed equally over 3 years and is paid at the beginning of each year to employees who are currently working.

The disbursed amount of the 2022 bonus in 2024 valued at JD 465,625, equivalent to 229,372 shares.

The disbursed amount from the 2021 bonus (the third and final part) during the year 2024 valued at JD 399,721, equivalent to 196,907 shares.

21. Most important donations and grants paid by the bank in 2024

Name	Amount
King's Academy	141,800
Tamkeen Fund for Social Initiatives	135,305
Association of Banks in Jordan	107,914
Himmetna Charitable Organization	50,000
Atfaluna for medical coverage	30,000
Mithaq Party	30,000
Queen Rania Foundation	30,000
Waqf Thareed	25,000
Young Muslim Women's Association	16,000
SOS Children's Villages	15,000
Al-Aman Fund for the Future of Orphans	15,000
Jordanian Political Institute	15,000
Fatafeet Al-Sukar Children's Association	13,590
Elia Nuqul Foundation	13,400
Public Security Department	10,000
Himmetna Charitable Organization	8,500
Tkiyet Um Ali	8,000
Miscellaneous Donations	340,230
Total	1,004,739

22. There are no contracts, projects, or commitments concluded by the issuing company with its subsidiaries, sister companies, allied companies, the chairman of the Board of Directors, the members of the board, the chief executive officer, any employee, or their relatives.

23. The bank's contribution to protecting the environment and serving the local community

This was included in the Board of Directors' report

Securities Commission Required Data

C. Declarations:

1. The Board of Directors hereby declares that there are no substantial matters that could affect the bank's sustainability during the upcoming fiscal year.
2. The Board of Directors hereby acknowledges its responsibility in preparing the financial statements and establishing an effective monitoring system at the bank.
3. The Board of Directors hereby declares that none of its members received material or in-kind benefits for them personally or anyone related to them for the fiscal year 2024.
4. The Board of Directors hereby acknowledges the accuracy and sufficiency of the bank's financial statements and the information in the report, as well as the sufficiency of the internal control and monitoring systems.

Chairman of the Board
Mr. Bassem Khalil Salem Al-Salem



Board Member
Investment and Integrated Industries Co Plc
Represented by Mr. Omar M.I. Shahrour




Board Member
Al Khalil Company for Investments
Represented by Mr. Khalil Hatem Khalil Al-Salem



Board Member
The Safety First Investment company
Represented by Ms. Lamyia Mohammed N Alfozan



Board Member
Social Security Corporation
represented by Mr. Saleh Al-Shubeikat



Board Member
Hitaf Investment Company
Represented by Mr. "Mohammed Ali" Khaldoun Sati' Al-Husry



Board Member
Al-Jadarah Company for Real Estate Investment
Represented by Mr. Sultan Mohammed M. Elseif



Board Member
Mr. Abubaker Seddiq Mohamed Hussain Alkhoori



Board Member
Mr. Yousef A. Y. Ensour



Vice Chairman of the Board
Mr. Said Samih Taleb Darwazah



Board Member
The Safety First Investment company
Represented by Mr. Muteb Mohammed S Alshathri



Board Member
Mr. Khalid Walid Hussni Nabils



Board Member
Mr. Mohammad Hasan Subhi ALHaj Hasan



5. We the undersigned do hereby acknowledge the accuracy and completeness of the information and date presented in the annual report.

Chairman of the Board
Mr. Bassem Khalil Salem Al-Salem



Chief Executive Officer
Tamer Mohammad Sulayman Ghazaleh



Group Chief Financial Officer
Ms. Manar Mohammad AL-Nsour



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Governance Report



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1. Introduction

Ladies and Gentlemen,

Capital Bank of Jordan was established in 1995 as a public shareholding company under the name Export and Finance Bank and was officially registered with the Companies Control Department. Since its inception, the bank has had several boards of directors, the most recent of which was elected in April 2021. During the general assembly meeting, 13 board members were selected from among the bank's shareholders, chosen for their expertise, experience, skills, and independence. These qualities enable them to perform their duties efficiently and professionally, ensuring impartial decision-making that prioritizes the interests of the bank, its shareholders, and depositors, free from external influences or conflicts of interest.

The board includes 4 independent members out of 13 members, reflecting our commitment to enhancing independence and professionalism. Independent members contribute an additional layer of impartiality and expertise while mitigating potential conflicts of interest. To ensure the board effectively fulfills its responsibilities, specialized committees were formed, with clearly defined objectives, duties, responsibilities, and authorities outlined in an approved charter. These details are further explained in the Corporate Governance Guide, available on the bank's website (<http://www.capitalbank.jo>). This report also includes details of each board member's qualifications.

In 2014, the Central Bank of Jordan issued corporate governance guidelines, which have undergone several amendments, the most recent in 2023. Additionally, the Jordan Securities Commission introduced governance regulations for listed shareholding companies in 2017. Capital Bank has been a leader in adopting corporate governance practices, ensuring full compliance with these regulatory requirements. In collaboration with Ernst & Young, we developed the bank's Corporate Governance Guide, aligning it with the Central Bank of Jordan's regulations and international best practices. A comprehensive review of the guide was conducted to incorporate legislative and regulatory updates, including the 2017 corporate governance instructions for listed shareholding companies.

As part of our ongoing efforts to institutionalize governance principles, we have adopted a set of policies that promote the best governance practices within the bank.

Capital Bank of Jordan reaffirms its full commitment to the Corporate Governance Instructions issued by the Central Bank of Jordan No. 22023/ and the Corporate Governance Instructions for Listed Shareholding Companies (2017).

Furthermore, the bank has approved and published the Governance and Management of Information and Related Technology Guide on its website. This guide, developed in accordance with Governance and Management of Information, and Related Technology Instructions No. 562016/ issued by the Central Bank of Jordan, reflects the bank's dedication to upholding governance standards and implementing best practices in information management and technology.

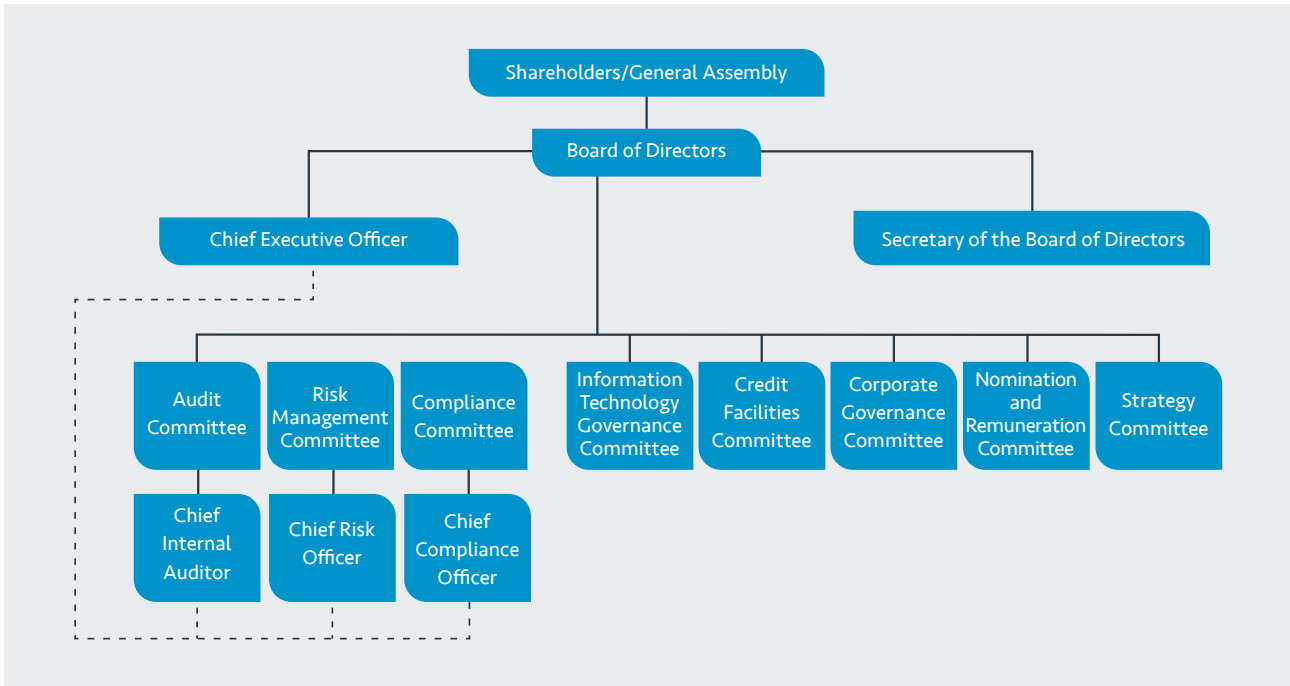
We are pleased to present the Corporate Governance Report, which has been duly approved by the Board of Directors in accordance with Article 17 of the Corporate Governance Instructions.

Chairman of the Board of Directors

Bassem Khalil Al-Salem

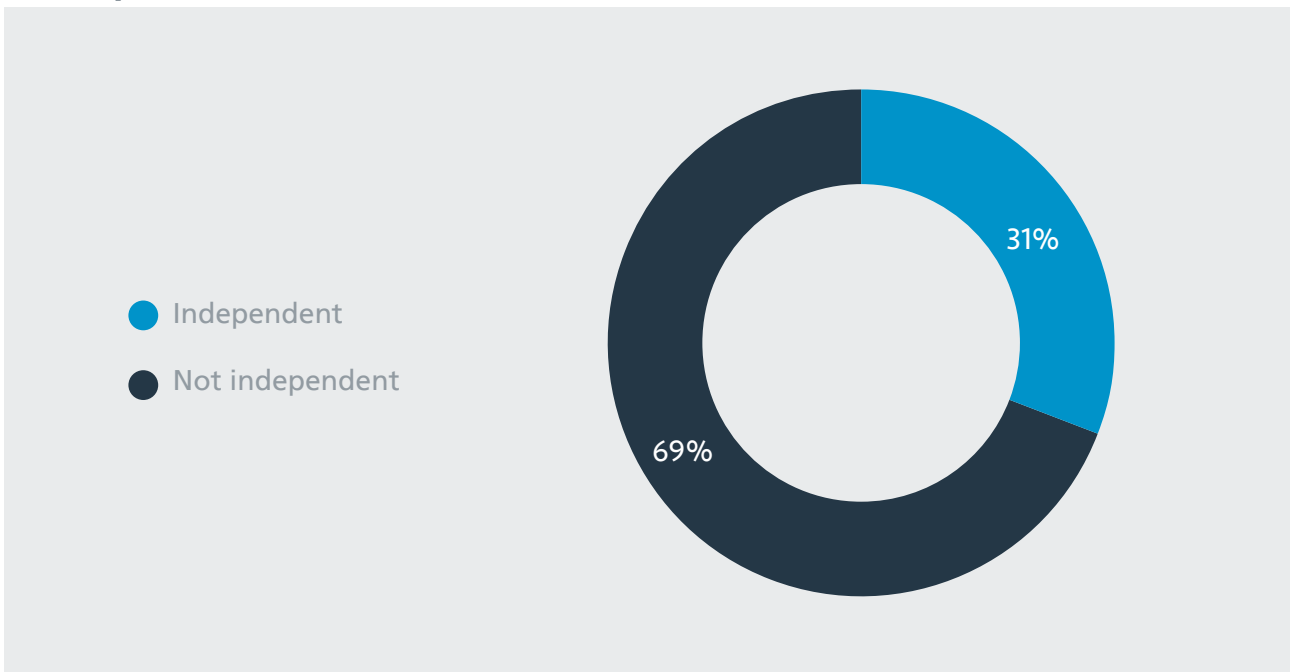


2. General Framework of the Governance System in the Bank



3. Members of the Board of Directors

3.1 Composition of the Board



* All board members are non-executive members

3.2 Names of Board Members and Representatives of Corporate Members

Board Member	Representative	Independence
Mr. Bassem Khalil Salem Al-Salem		Not independent
Mr. Said Samih Taleb Darwazeh		Not independent
Social Security Corporation	Mr. Saleh Hamadallah Ayesh Al-Shbeikat	Not independent
Investment and Integrated Industries Co (Holding)	Mr. Omar M. I. Shahroor	Not independent
Hitaf Investment Company	Mr. "Mohammed Ali" Khaldoun Sati' AL-Husry	Not independent
Al Khalil Company for Investments	Mr. Khalil Hatem Khalil Al-Salem	Not independent
Al-Jadarah Company for Real Estate Investment	Mr. Sultan Mohammed M. Elseif	Not independent
Safety First Investment Company	Mr. Muteb Bin Mohammad Bin Sa'd Al-Shathri	Not independent
Safety First Investment Company	Ms. Lamyia Bint Mohammad Bin Naser Al-Fozan	Not independent
Mr. Khalid Walid Hussni Nabils		Independent
Mr. Mohammad Hasan Subhi ALHaj Hasan		Independent
Mr. Yousef Ali Yousef Ensour		Independent
Mr. Abu Bakr Siddiq Muhammad Hussein Alkhoori		Independent

3.3 Membership of Capital Bank Board Members in Other Public Shareholding Companies in Jordan

Member Name	Membership in Public Shareholding Company
Mr. Bassem Khalil Salem Al-Salem	Board member of General Mining Company. Representative of Government Contributions Investments Management Company on Board of Royal Jordanian.
Mr. Said Samih Taleb Darwazeh	Chairman of the Board of Royal Jordanian. Board member of General Mining Company Chairman of the Board of Hikma Pharmaceuticals.
Mr. Khalid Walid Hussni Nabils	None
Mr. Mohammad Hasan Subhi ALHaj Hasan	None
Mr. Yousef Ali Yousef Ensour	None
Mr. Abu Bakr Siddiq Muhammad Hussein AL-Khoori	None

3.4 Resigned Members of the Board of Directors

No members resigned in 2024, and no representatives of corporate members were changed in 2024.

4. Name of Governance Liaison at the Bank

The Secretary of the Board of Directors is Ms. Orouba Said Ahmad Qarain, the governance liaison Officer.

5. Board Committees

5.1 Audit Committee

Members of the Audit Committee and a brief description of their qualifications and experience inclusive of financial and accounting matters:

Mr. Yousef Ali Yousef Ensour – Committee Chairman	
Qualifications	Mr. Ensour holds a Bachelor's degree in business management from the University of Jordan, a Master's degree in business management from Bowling Green State University in the United States.
Experience	Mr. Ensour has a long career in banking, during which he held many positions that enriched his banking expertise. Most prominently, he was Regional Manager of Bank Audi-Jordan branches from 2006 to 2021. He was head of corporate and financial institutions management at Standard Chartered from June 2004 to February 2006. He held various positions at HSBC Middle East from June 1997 to May 2004. He also worked at Amman Investment Bank.
Mr. Mohammad Hasan Subhi ALHaj Hasan - Committee Vice Chairman	
Qualifications	Mr. ALHaj Hasan has a Bachelor's degree in Finance and Microeconomics from Massachusetts Institute of Technology, a Master's of Business Administration, and a Master's in Education from Stanford Graduate School.
Experience	He is currently the CEO of Jawaker. He previously worked as a financial analyst in the corporate purchasing and mergers department of Dresdner Kleinwort Wasserstein. He also served as vice general manager of Rasmala for investments in Dubai. He founded Akhtaboot, an employment and talent acquisition company in the Gulf and the Middle East, he also founded Jawaker, an electronic gaming company.
Al Khalil Company for Investments represented by Mr. Khalil Hatem Khalil Al-Salem – Committee Member	
Qualifications	Mr. Al-Salem has a Bachelor's degree in Economics from Columbia University.
Experience	He is currently the deputy general manager of Al-Majal Energy Services Company. He is the Secretary-General of the West Asian Football Federation since 2017, a Board Member of Sajilni for E-Commerce since 2009, a Board Member of Al-Abtal for Real Estate Leasing and Management since 2021, a Board Member of KUN for Mathematical Reflection Learning since 2021, a Board Member of Ahya Amman for Real Estate Rehabilitation and Development since 2023, and a Member of the Municipal Committee of Bani Obaid since 2023. He previously served as the Office of His Royal Highness Prince Ali Bin AL-Hussein for Football Affairs (20132015-) and as the secretary general of the Jordanian Football Association (2009-2013). He began his professional career as a financial analyst at J.P. Morgan in New York (2004-2006), then worked as a financial analyst and business development manager at Capital Investment and Brokerage Company (20062009-). He also worked as a Financial Analyst at Midrar Investments and was a board member of the Modern English School (20172019-).

Social Security Corporation represented by Mr. Saleh Hamadallah Ayesh Al-Shbeikat – Committee Member	
Qualifications	Mr. Al-Shbeikat holds a Master's degree in Finance, Investment, and Risk from the University of Kent, United Kingdom, and a Bachelor's degree in Banking and Financial Sciences from Zarqa University. He holds a Jordanian Securities Commission license as an investment manager, financial advisor, and investment trustee, and has received many specialized training courses and programs in assets, portfolios, financial reporting preparation, and others.
Experience	He is currently the head of the Public Contribution Portfolio Management Department - Equity Investment Directorate at the Social Security Investment Fund, a position he has held since December 2020. He worked as a financial analyst at the Housing Bank for Trade and Finance/Financial Markets Investment Center between 2006 and 2017, where he carried out many tasks, most notably stock research; company evaluation and strategic analysis; review and analysis of the stock portfolio to ensure its compliance with the internal investment policy, Central Bank regulations and any other relevant policies and regulations; portfolio performance monitoring and changes in sector weights on a daily basis; periodic reports on market performance for the Amman Stock Exchange, and building financial models related to stock valuation, in addition to structuring strategic asset allocation methodologies to match the bank's requirements (return, risk tolerance, and restrictions) and market expectations, and conducting analysis and preparing customized reports. He then worked as a senior financial analyst in the Business Development and Research Unit at the Social Security Fund between 2017 and 2020.

Safety First Investment Company represented by Ms. Lamya Bint Mohammad Bin Naser Al-Fozan – Committee Member	
Qualifications	Ms. Al-Fozan holds a Master's degree in Business Management from London Business School (LBS) - UK, and a Bachelor's degree in Business from King Saud University - KSA.
Experience	Ms. Al-Fozan currently holds the position of first director in the Saudi Public Investment Fund. She has expertise in banking and financial markets and more than 19 years of experience in the fields of internal auditing, risk management, compliance, fighting financial crimes, project management, environmental and social governance practices, corporate governance, institutional transformations, and others. Ms. Al-Fozan is a member of several boards of directors and relevant subcommittees. Most prominently, she is a member of the Review Committee of the Board of Saudi Industrial Development Fund and a member of Environmental Social & Governance Practices Committee of Almbani General Contractors, and Regional Voluntary Carbon Market Company (RVCMC). She was previously a member of the Auditing Committee of the Riyadh Financial Company, as well as compliance chief at Riyadh Bank, from 2015 to 2019. Before that, she held posts in the Riyadh Bank, including in the Internal Auditing Department. She was also vice chairperson of the Women's Empowerment Committee at the bank's executive level and was also the secretary of the bank's Investment Committee.

Mr. Khalid Walid Hussni Nabilsı – Committee Member	
Qualifications	Mr. Nabilsı holds a Master’s degree in Business Management from the University of Hull in the United Kingdom and a Bachelor’s degree in Economics and Administrative Sciences from the University of Jordan. He also holds a CPA.
Experience	Mr. Nabilsı is currently the head of the financial sector for Al-Hikma Companies Group. He has held strategic administrative posts in Al-Hikma financial management and was a leading member of the team that organized the company’s public underwriting in 2005. He acquired expertise in the field of mergers and acquisitions during his work with Atlas Investment Group-AB Invest. He also held several posts in management, financial accounting, and consultations. He carried out international auditing operations during his work with Arthur Andersen-Amman (currently Ernst & Young).

Mr. Abu Bakr Siddiq Muhammad Hussein Al-Khoori – Committee Member	
Qualifications	Mr. Al-Khoori holds a Bachelor’s degree in Financial Sciences from Linfield College in the United States and holds a CFA.
Experience	Mr. Al-Khoori has been an executive officer at Abu Dhabi Capital Group, the UAE, since 2018. He has more than 25 years of experience in the fields of international financing, investment and real estate. He was the chairman of the boards of directors of several companies, including the National Investor, Khidmah, Abu Dhabi Airports Company, and Al-Dar real-estate company. He was first deputy director of Al-Dar company and held the post of vice chairman of the Board of Directors of Al-Waha Capital Company and the UAE Steel Industries company. He also served as a member of boards of directors of several companies, most prominently Abu Dhabi Ports Company, Shuaa Capital, Abu Dhabi Securities Market, Abu Dhabi Chamber of Trade and Industry, Khalifa Fund for Project Development, Abu Dhabi Pension Fund, and Al-Dhabi Investment Company. He was a member in the Suruh real-estate company and an assistant director in Abu Dhabi Investment Authority (ADIA).

5.2 Nomination and Remuneration Committee

Committee members:

Committee Chairman	Mr. Abu Bakr Siddiq Muhammad Hussein Al-Khoori
Committee Vice Chairman	Mr. Said Samih Taleb Darwazeh
Committee Member	Mr. Yousef Ali Yousef Ensour
Committee Member	Mr. Khalid Walid Hussni Nabilsı
Committee Member	Safety First Investment Company represented by Ms. Lamyia Bint Mohammad Bin Naser Al-Fozan

5.3 Corporate Governance Committee

Committee members:

Committee Chairman	Mr. Mohammad Hasan Subhi ALHaj Hasan
Committee Vice Chairman	Mr. Bassem Khalil Salem Al-Salem
Committee Member	Mr. Abu Bakr Siddiq Muhammad Hussein AL-Khoori
Committee Member	Mr. Yousef Ali Yousef Ensour
Committee Member	Safety First Investment Company represented by Ms. Lamyia Bint Mohammad Bin Naser Al-Fozan

5.4 Risk Management Committee

Committee Members

Committee Chairman	Mr. Khalid Walid Hussni Nablsi
Committee Vice Chairman	Al Khalil Company for Investments represented by Mr. Khalil Hatem Khalil Al-Salem
Committee Member	Social Security Corporation represented by Mr. Saleh Hamadallah Ayesheh Al-Shbeikat
Committee Member	Safety First Investment Company represented by Ms. Lamyia Bint Mohammad Bin Naser Al-Fozan
Committee Member	Mr. Yousef Ali Yousef Ensour
Committee Member	Mr. Mohammad Hasan Subhi ALHaj Hasan
Committee Member	Mr. Abu Bakr Siddiq Muhammad Hussein AL-Khoori

5.5 Credit Facilities Committee

Committee Members

Committee Chairman	Mr. Bassem Khalil Salem Al-Salem
Committee Vice Chairman	Mr. Said Samih Taleb Darwazeh
Committee Member	Hitaf Investment Company represented by Mr. "Mohammed Ali" Khaldoun Sati' AL-Husry
Committee Member	Investment and Integrated Industries Co (Holding) represented by Mr. Omar M. I. Shahroor
Committee Member	Safety First Investment Company represented by Mr. Muteb bin Mohammad Bin Sa'd AL-Shathri

5.6 Compliance Committee

Committee Members

Committee Chairman	Safety First Investment Company represented by Ms. Lamyia Bint Mohammad Bin Naser Al-Fozan
Committee Vice Chairman	Mr. Khalid Walid Hussni Nabils
Committee Member	Mr. Yousef Ali Yousef Ensour

5.7 Information Technology Governance Committee

Committee Members

Committee Chairman	Mr. Mohammad Hasan Subhi AlHaj Hasan
Committee Vice Chairman	Al Khalil Company for Investments represented by Mr. Khalil Hatem Khalil Al-Salem
Committee Member	Al-Jadarah Company for Real Estate Investment represented by Mr. Sultan Mohammed M. Elseif
Committee Member	Mr. Abu Bakr Siddiq Muhammad Hussein Al-Khoori

5.8 Strategic Committee

Committee Members

Committee Chairman	Mr. Bassem Khalil Salem Al-Salem
Committee Vice Chairman	Hitaf Investment Company represented by Mr. "Mohammed Ali" Khaldoun Sati' Al-Husry
Committee Member	Al Khalil Company for Investments represented by Mr. Khalil Hatem Khalil Al-Salem
Committee Member	Safety First Investment Company represented by Mr. Muteb bin Mohammad Bin Sa'd Al-Shathri
Committee Member	Investment and Integrated Industries Co (Holding) represented by Mr. Omar M. I. Shahroor
Committee Member	Mr. Abu Bakr Siddiq Muhammad Hussein Al-Khoori

6. Number of Meetings of the Board and Board Committees and List of Attending Members

The Board of Directors held eight (8) meetings during the year. Following are the names of attending members at each meeting:

Member name	1st Mtg 05/02/2024	2nd Mtg 27/03/2024	3rd Mtg 28/04/2024	4th Mtg 05/05/2024	5th Mtg 29/07/2024	6th Mtg 03/10/2024	7th Mtg 24/10/2024	8th Mtg 17/12/2024
Mr. Bassem Khalil Salem Al-Salem	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Said Samih Taleb Darwazeh	Present	Present	Present	Present	Present	Present	Present	Present
Social Security Corporation / Saleh Hamadallah Ayesh Al-Shbeikat	Present	Present	Present	Present	Present	Present	Present	Present
Hitaf Investment Company / Mr. "Mohammed Ali" Khalidoun Sati' Al-Husry	Present	Present	Present	Present	Present	Present	Present	Present
Investment and Integrated Industries Co (Holding) / Mr. Omar M. I. Shahroor	Present	Present	Present	Present	Present	Not Present	Present	Present
Al Khalil Company for Investments / Mr. Khalil Hatem Khalil Al-Salem	Present	Present	Present	Present	Present	Present	Present	Present
Al-Jadarah Company for Real Estate Investment / Mr. Sultan Mohammed M. Elseif	Present	Present	Present	Present	Present	Present	Present	Present
Safety First Investment Company / Ms. Lamya Bint Mohammad Bin Naser Al-Fozan	Present	Present	Present	Present	Present	Not Present	Present	Present
Safety First Investment Company / Mr. Muteb Bin Mohammad Bin Sa'd Al-Shathri	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Khalid Walid Hussni Nabils	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Mohammad Hasan Subhi AlHaj Hasan	Present	Present	Present	Present	Not Present	Present	Present	Present
Mr. Yousef Ali Yousef Ensour	Present	Present	Present	Present	Not Present	Present	Present	Present
Mr. Abu Bakr Siddiq Muhammad Hussein Al-Khoori	Present	Present	Present	Present	Present	Present	Present	Present

The Audit Committee held ten (10) meetings during the year. The following are the names of attending members at each meeting:

Member name	1st Mtg 04/02/2024	2nd Mtg 27/02/2024	3rd Mtg 25/04/2024	4th Mtg 20/05/2024	5th Mtg 28/07/2024	6th Mtg 20/08/2024	7th Mtg 28/08/2024	8th Mtg 30/09/2024	9th Mtg 23/10/2024	10th Mtg 13/11/2024
Mr. Yousef Ali Yousef Ensour (Chairman)	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Mohammad Hasan Subhi AlHaj Hasan (Vice Chairman)	Present	Present	Present	Present	Not Present	Present	Present	Not Present	Present	Present
Al Khalil Company for Investments / Mr. Khalil Hatem Khalil Al-Saleem	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present
Social Security Corporation / Saleh Hamadallah Ayeshe Al-Shbeikat	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Khalid Walid Hussni Nablisi	Present	Present	Present	Present	Present	Present	Present	Not Present	Present	Present
Safety First Investment Company / Ms. Lamya Bint Mohammad Bin Naser Al-Fozan	Not Present	Present	Not Present	Present	Present	Present	Present	Present	Present	Present
Mr. Abu Bakr Siddiq Muhammad Hussein Al-Khoori	Present	Present	Present	Present	Present	Present	Not Present	Present	Present	Present

The Compliance Committee held five (5) meetings during the year. The following are the names of the attending members at each meeting:

Member name	1st Mtg 17/03/2024	2nd Mtg 13/05/2024	3rd Mtg 13/06/2024	4th Mtg 02/09/2024	5th Mtg 29/09/2024
Safety First Investment Company / Ms. Lamya Bint Mohammad Bin Naser Al-Fozan (Chairperson)	Present	Present	Present	Present	Present
Mr. Khalid Walid Hussni Nabils (Vice Chairman)	Present	Present	Present	Present	Present
Mr. Yousef Ali Yousef Ensour	Present	Present	Present	Present	Present

The Risk Management Committee held six (6) meetings during the year. The following are the names of the attending members at each meeting:

Member name	1st Mtg 03/03/2024	2nd Mtg 28/05/2024	3rd Mtg 02/07/2024	4th Mtg 28/08/2024	5th Mtg 29/08/2024	6th Mtg 29/09/2024
Mr. Khalid Walid Hussni Nabils (Chairman)	Present	Present	Present	Present	Present	Present
Al Khalil Company for Investments / Mr. Khalil Hatem Khalil Al-Salem (Vice Chairman)	Present	Present	Present	Present	Present	Present
Social Security Corporation / Saleh Hamadallah Ayesh Al-Shbeikat	Present	Present	Present	Present	Present	Present
Safety First Investment Company / Ms. Lamya Bint Mohammad Bin Naser Al-Fozan	Present	Present	Present	Present	Present	Present
Mr. Abu Bakr Siddiq Muhammad Hussein Al-Khoori	Present	Present	Not Present	Not Present	Not Present	Present
Mr. Mohammad Hasan Subhi AlHaj Hasan	Present	Present	Present	Present	Not Present	Present
Mr. Yousef Ali Yousef Ensour	Present	Present	Present	Present	Present	Present

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Governance Report

The Nominations and Remunerations Committee held five (5) meetings during the year. The following are the names of the attending members at each meeting:

Member name	1st Mtg 042024/02/	2nd Mtg 052024/02/	3rd Mtg 212024/02/	4th Mtg 072024/03/	5th Mtg 292024/09/
Mr. Abu Bakr Siddiq Muhammad Hussein AL-Khoori (Chairman)	Present	Present	Present	Present	Present
Mr. Said Samih Taleb Darwazeh (Vice Chairman)	Present	Present	Present	Present	Present
Safety First Investment Company / Ms. Lamya Bint Mohammad Bin Naser AL-Fozan	Present	Present	Present	Present	Present
Mr. Khalid Walid Hussni Nabils	Present	Present	Present	Present	Present
Mr. Yousef Ali Yousef Ensour	Present	Present	Present	Present	Present

The Corporate Governance Committee held two (2) meetings during the year. The following are the names of the attending members at each meeting:

Member name	1st Mtg 232024/12/	2nd Mtg 302024/12/
Mr. Mohammad Hasan Subhi ALHaj Hasan (Chairman)	Present	Present
Mr. Bassem Khalil Salem AL-Salem (Vice Chairman)	Present	Present
Safety First Investment Company / Ms. Lamya Bint Mohammad Bin Naser AL-Fozan	Present	Present
Mr. Yousef Ali Yousef Ensour	Present	Present
Mr. Abu Bakr Siddiq Muhammad Hussein AL-Khoori	Not Present	Present

The Credit Facilities Committee held five (5) meetings during the year. The following are the names of the attending members at each meeting:

Member name	1st Mtg 132024/10/	2nd Mtg 302024/10/	3rd Mtg 132024/11/	4th Mtg 172024/11/	5th Mtg 242024/12/
Mr. Bassem Khalil Salem AL-Salem (Chairman)	Present	Present	Present	Present	Present
Mr. Said Samih Taleb Darwazeh (Vice Chairman)	Present	Present	Present	Present	Present
Hitaf Investment Company / Mr. "Mohammed Ali" Khaldoun Sati' AL-Husry	Present	Present	Present	Present	Present
Investment and Integrated Industries Co (Holding) / Mr. Omar M. I. Shahroor	Present	Present	Present	Present	Present
Safety First Investment Company / Mr. Muteb Bin Mohammad Bin Sa'd AL-Shathri	Not Present	Present	Not Present	Present	Present

The Information Technology Governance Committee held five (5) meetings during the year. The following are the names of the attending members at each meeting:

Member name	1st Mtg	2nd Mtg	3rd Mtg	4th Mtg	5th Mtg
	202024/03/	062024/06/	182024/07/	102024/10/	152024/12/
Mr. Mohammad Hasan Subhi AlHaj Hasan (Chairman)	Present	Present	Present	Present	Present
Al Khalil Company for Investments / Mr. Khalil Hatem Khalil Al-Salem (Vice Chairman)	Present	Present	Present	Present	Present
Al-Jadarah Company for Real Estate Investment / Mr. Sultan Mohammed M. Elseif	Present	Present	Present	Present	Present
Mr. Abu Bakr Siddiq Muhammad Hussein Al-Khoori	Present	Not Present	Present	Not Present	Present

The Strategic Committee held one (1) meeting during the year. The following are the names of the attending members at the meeting:

Member name	1st Mtg 272024/09/
(Mr. Bassem Khalil Salem Al-Salem (Chairman	Present
Hitaf Investment Company / Mr. "Mohammed Ali" Khaldoun Sati' Al-Husry	Present
Investment and Integrated Industries Co (Holding) / Mr. Omar M. I. Shahroor	Present
Al Khalil Company for Investments / Mr. Khalil Hatem Khalil Al-Salem	Present
Safety First Investment Company / Mr. Muteb Bin Mohammad Bin Sa'd Al-Shathri	Present
Mr. Abu Bakr Siddiq Muhammad Hussein Al-Khoori	Not Present

Number of Audit Committee meetings with the external auditor during 2024

The Audit Committee held one meeting with the external auditor during the year and no one from higher executive management or a representative attended the meeting.

7. Names of Executive Management Members and their Positions

Member Name	Position
Mr. Tamer Mohammad Suleiman Ghazaleh	CEO
Mr. Yasser Ibrahim Mohd Kleib	Group Chief Institutional Banking Officer
Mr. Mohammed Hafez Abdel Karim M. H. Muaz	Group Chief Legal Officer
Ms. Manar Mohammad Abdelhalem Al Nsour	Group Chief Financial Officer
Ms. Zain Ammar Khaldoun Malhas	Blink CEO
Ms. Manar Nizar M. Aabidi	Group Chief Credit Officer
Ms. Haya Ibrahim Hanna Abu-Ata	Chief Human Resources Officer
Ms. Touleen Mohd Mahd Barto	Chief Marketing and Corporate Communications Officer
Mr. Rami Bishara Shafiq Stephan	Group Chief Internal Audit Officer
Mr. Munis Mamdouh Hanna Haddadin	Group Chief Risk Officer
Mr. Labib Zahi Labib Musallam	Chief Treasury and Investments Officer
Ms. Shereen Sameer Saliba Nasr	Acting Group Chief Compliance Officer
Mr. Nadeem Jawdat S. Alkhitan	Chief Consumer Banking Officer
Mr. Fraje Varoujan Yanofek Nersesian	Chief Strategy Officer

8. Reports Issued by Board Committees on their work covering 2024

Audit Committee

Most Important Issues Discussed in 2024:

1. Issues related to the Internal Audit Department:
 - Adopted the risk-based internal audit plan and work methodology for 2025.
 - Adopted of the internal audit charter.
2. Internal Audit Reports
 - Discussed the internal audit reports of the activities of all duty stations at the bank's departments, branches, and subsidiaries, as well as the achievements of the Internal Audit Department in accordance with the 2024 audit plan.
 - Discussed the report of the additional assignments and tasks of the Internal Audit Department outside the scope of the audit plan that took place during 2024.
 - Provided and developed the Internal Audit Department's human resources.
3. Review periodic reports related to the following:
 - Dealing with related parties.
4. Issues related to financial statements:
 - Reviewed the periodic reports that included the financial statements (annual, semi-annual and quarterly), and recommended that the board approve them after ensuring that they are accurate, complete, and conforming to the information and compliant with the appropriate accounting standards and laws for submission to the Board of Directors.
 - Ensured that the provisions are sufficient against suspect debts and securities portfolio allocations and express opinion about the bank's non-performing debts or those proposed to be considered bad debts, and settling or cancelling a number of the accounts.
 - Recommendations of the appointment of the external auditors for the year 2024.
5. Miscellaneous issues:
 - Quality monitoring and development reports.
 - The internal audit report regarding the adopted methodology for assessing risks related to money laundering and terrorism financing.
 - Management letter.
 - Letters issued by the Central Bank of Jordan.
 - The annual report on the control and monitoring systems structure.
 - Meeting with the external auditor, the audit chief, and the compliance chief without the presence of the executive management one time.
 - Recommendation to write off debts and settle accounts
 - Reviewed the policies of the bank and the Group.

Corporate Governance Committee

Most Important Issues Discussed in 2024:

1. Reviewed governance report.
2. Discussed corporate governance guide for the bank.
3. ESG report.

Risk Management Committee

Most Important Issues Discussed in 2024:

1. Reviewed the information and reports prepared by the bank's Risk Management Department such as liquidity risk, the risks and results of credit stress testing, information security risks, business continuity plan, and the updated fraud management.
2. Reviewed the events that may affect the risks faced by the bank (such as political changes and changes in investment policies).
3. Latest financial and non-financial risk developments.
4. Prepared the internal capital adequacy assessment process (ICAAP) report and relevant developments and ensured the capital adequacy for all risks to which the bank is or may be exposed and following up on them, in addition to developments and updates to capital adequacy, the method of its calculation, its impact, and its comparison to similar banks.
5. Updates to credit risks, their indicators, and their impact.
6. Developments related to projects and training.
7. Risk strategy for 2026-2024.
8. Risk management business plan for 2024, the progress of the plan and its achievements.
9. Reviewed the actual risk system for all the bank's activities in contrast with the approved risk document and followed on addressing negative deviations while putting in place a timeline for corrective measures.
10. Business continuity plan.
11. Negative deviations from acceptable risk levels.
12. Central Bank of Jordan's observations.
13. Appointing a chief for Risk Management Department.
14. Concentration limits for economic sectors in Jordan and Iraq.
15. Cybersecurity and cyber risks.
16. The latest evaluation of the DSIBs project plan at the bank's level.
17. Discussed violations and fines and put in place measures to deal with such special cases.
18. Internal auditor's observations.
19. Adopted the risk strategy and framework and the acceptable risk levels.
20. Developments related to risks and results of stress testing.
21. Information security risks evaluation methodology.
22. Letters issued by oversight parties and discussed any violations and fines at the level of the group.
23. Reviewed the policies of the bank and the group.

Nomination and Remuneration Committee

Most Important Issues Discussed in 2024:

- Discussed rewards and increases of the senior executive members.
- Rewards-giving methodology.
- Appointment and resignation of senior executive management members.
- Discussed the organizational structure.
- Reviewed the policies of the bank and the group.

Compliance Committee

1. Most Important Issues Discussed in 2024:
2. Adopted compliance plan for 2025-2024.
3. Reports of investigations and significant events related to compliance at group level.
4. Financial crimes risks and compliance at group level.
5. The progress of compliance plans for 2024 and the most significant activities and accomplishments of the Compliance Department at group level.
6. Observations on compliance management made by independent entities, such as the Internal Audit Department, external advisers, and the corrective plan.
7. Developments related to oversight compliance management projects (Financial Crimes Risk Assessment Methodology and reports. HRC Reviews and Data cleansing projects, Siron Update, Risk appetite statement, reporting strategy and Transformation), as related to the Financial Crimes and Compliance Department.
8. Reviewed high-risk customers.
9. General assessment of the commitment of the bank and its subsidiaries to the instructions of oversight entities and international best standards of compliance and anti-money laundering and terrorism financing.
10. Fines, penalties, or violations imposed by oversight entities and/or contracted entities during the year and resulting from not complying with oversight entities' instructions and requirements.
11. Discovered compliance risks and proposed corrective measures by conducting tests, inspections, and field visits to duty stations.
12. Banking products and services learned about during the year.
13. Outcomes and results issued by the internal and external auditors and the reports of the Central Bank of Jordan's inspectors showing cases of non-compliance.
14. Customer complaints showing cases of non-compliance and corrective measures.
15. Number of cases investigated and reported to the Anti-Money Laundering and Terrorism Financing Unit.
16. Reporting on violations and work ethics.
17. Training courses and support for the bank's branches and departments, in addition to activities in which the Compliance Department participated.
18. Any alerts that might result in cases of non-compliance.
19. The results of the adopted methodology to assess risks related to money laundering and terrorism financing and classification of money laundering and terrorism financing risk levels.
20. The adopted methodology to assess risks related to money laundering and terrorism financing and classification of money laundering and terrorism financing risk levels.
21. A new framework for the regulatory compliance management inclusive of oversight tests.
22. Contracting external parties to carry out an evaluation for the governance framework and the lines of communication within the group.
23. The budget estimate for the Compliance Department.
24. Amendments to the organizational structure of the Compliance Department.
25. Transfers/appointments within the executive management.
26. Reviewed the policies of the group.

Credit Facilities Committee

Most Important Issues Discussed in 2024:

Discussed credit facilities requests according to credit policy and accredited authorities at the bank.

The credit policy and the authorities matrix.

Settled accounts.

Strategic Committee

Most Important Issues Discussed in 2024:

The bank's strategy for 2025-2027.

Chairman of the Board

Bassem Khalil Al-Salem



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Branches



12 Branches

Branch	Branch Manager	Address	Email
Sweifiyeh	Rania Yaghi	Abdulraheem Alhaj Mohammad Street, Yanbou' Complex	Sweifiyeh-2branch@capitalbank.jo
Dabouq	Ruba Ghannam	King Abdullah II Street, Ayla Center Complex	Dabouqbranch@capitalbank.jo
Madina Munawara St.	Lana Al Nimer	Al Madinah Al Munawara Street Building 132	madinehbranch@capitalbank.jo
Aqaba	Rezan Deeb	Nahda Street	Aqababbranch@capitalbank.jo
Irbid-1	Samia Oweis	Wasfi Al Tall Street, Next to Smart Buy	Irbidbranch@capitalbank.jo
Shmeisani	Nada Rasheed	Alshareef Abdulhameed Sharaf Street	Shmeissani-2branch@capitalbank.jo
Zahran	Ghada Petro	Zahran Street Building 213	Zahranbranch@capitalbank.jo
Main Branch	Fawwaz Nimri	Sulaiman Nabulsi Street - Boulevard	main.branch@capitalbank.jo
Gardens	Layal Sweidan	Wasfi Al Tal Street Building 115	Algardenzbranch@capitalbank.jo
Taj Mall	Diala Al Azzeh	Prince Hashem Street	Tajmallbranch@capitalbank.jo
Mecca Mall	Emad Karadsheh	Mecca Street	Meccamallbranch@capitalbank.jo
New Zarqa Branch	Abdullah Yousef	36 Street - Al Kurdi Plaza Complex	zarqanewbranch@capitalbank.jo
Irbid 2	Mahmoud Al Mahmoud	Firas Ajlouni Street, Qubba circle	Irbid-2.branch@capitalbank.jo
Al Zarqa Mall	Abed Habeeb	Bab Almadinah Mall - Alsharq City	Zarqamallbranch@capitalbank.jo
Jabal Al Hussein	Samer Thabet	Khaled Bin Al Waleed Street, Al Hussein Complex, Building No 175	Jabalalhusainbranch@capitalbank.jo
Wadi Saqra	Ala'a Sardi	Arar Street - Saqra Complex Building 238 A	Wadisagrabbranch@capitalbank.jo
Jubeiha	Raed Safadi	Queen Rania Street, Al Aqsa Complex	Jubaihabbranch@capitalbank.jo
Fuhies	Mousa Jreissat	King Abdullah Street, Lafarge Cement Factory building	Fuhaisbranch@capitalbank.jo

Branch	Branch Manager	Address	Email
Abdoun	Khaldoun Ghazwi	Cairo Street Building 105	Abdoun.private@capitalbank.jo
Zarqa Free Zone	Mohammed Al Sala'	Free Zone - Vehicles Licensing Area	freezonebranch@capitalbank.jo
Khalda	Shatha Abu Al Saed	Wasfi Al Tall Street ext., Al Abasi Complex	Khalda.branch@capitalbank.jo
Al Salt	Oudeh Oudeh	Anis Moushaer Street, Al Dababneh Complex	Al-saltbranch@capitalbank.jo
Madaba	Ahmad Al Shofeen	Ghalia Center – Next to Civil Defense	Madaba.branch@capitalbank.jo
Al Karak	Talal Mdanat	Al-Karak - Al-Thaniya - Fayez Al-Amarin Complex - Building No. 221 - Istiklal Street	Karak.branch@capitalbank.jo
Marj Al Hamam	Razan Sahouri	Saeed Abadi Street – Sahara Complex No. 96 – Next to Al Jundi circle	Marjalhamam@capitalbank.jo
Sports City	Murad Awajan	Al Shaheed Street, Magistrates Court Building	Sportcity_branch@capitalbank.jo
Sweifiyeh/Paris St.	Rami Ghanem	Al Rawashdeh Building Paris Street	Swefeih-3.branch@capitalbank.jo
Al Wehdar	Eyad Katkout	Madaba Street	Wehdar-2@capitalbank.jo
Khalda/Dabouq Bridge	Hind Salkham	Khalda In front of Alia Al Markazi	Khalda/dabouq.branch@capitalbank.jo
Um Uthaina	Natasha Al Shiyab	Al Koufeh Street – In front of KHCF	Umuthiana.center@capitalbank.jo
Dabouq	Waleed Ghousheh	Ahl Al Beit Street – Next to Dabouq Secondary School	Dabouq.private.banking@capitalbank.jo
Business Park	Iyhab Matar	Business Park	Umuthiana.center@capitalbank.jo
Al-Ahliyya Amman University Office	Musa Jrisat	Al-Ahliyya Amman University	FuhaisBranch@capitalbank.jo
Middle East University Office	Rania Yagii	Middle East University Office	Sweifiyeh-2Branch@Capitalbank.jo

