

**ARAB BANKING CORPORATION (JORDAN)**

**A PUBLIC SHAREHOLDING COMPANY**

**CONSOLIDATED FINANCIAL STATEMENTS**

**31 DECEMBER 2025**

**INDEPENDENT AUDITOR'S REPORT**  
**To the Shareholders of Arab Banking Corporation (Jordan)**  
**Amman – Jordan**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the consolidated financial statements of Arab Banking Corporation (Jordan) (the Bank), and its subsidiary (the Group) which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy 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 2025, 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.

## 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 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 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.

<b>Adequacy of the expected credit losses provision for credit facilities</b> <b>Refer to note (8) in the consolidated financial statements.</b>	
<b>Key Audit matter</b>	<b>How the key audit matter was addressed in the audit</b>
<p>This is considered as a key audit matter as the Group exercises significant judgement to determine when and how much to record as expected credit losses.</p> <p>Expected credit losses provision is recognized based on the Bank's provisioning and impairment policy which complies with the requirements of IFRS 9.</p> <p>Credit facilities form a major portion of the Group's assets, there is a risk that inappropriate expected credit losses provisions are booked, whether from the use of inaccurate underlying data, or the use of unreasonable assumptions. Due to the significance of the judgments used in classifying credit facilities into various stages stipulated in IFRS 9 and determining related provision requirements, this audit area is considered a key audit risk.</p> <p>As at 31 December 2025, the Group's gross credit facilities amounted to JD 914,425,086 and the related expected credit losses provision amounted to JD 61,572,188. The expected credit losses provision policy is presented in the accounting policies in note (2) to the consolidated financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Gained an understanding of the Group's key credit processes comprising granting and booking and tested the operating effectiveness of key controls over these processes.</li> <li>• Read the Group's impairment provisioning policy and compared it with the requirements of the International Financial Reporting Standards as well as relevant regulatory guidelines and pronouncements.</li> <li>• Assessed the Group's expected credit loss model, in particular focusing on its alignment of the expected credit loss model and its underlying methodology with the requirements of IFRS 9.</li> <li>• Tested a sample of exposures, assessed on an individual basis and performed procedures to evaluate the following: <ul style="list-style-type: none"> <li>• Appropriateness of the group's staging.</li> <li>• Appropriateness of determining Exposure at Default, including the consideration of repayments in the</li> </ul> </li> </ul>

	<p>cash flows and the resultant arithmetical calculations</p> <ul style="list-style-type: none"> <li>• Appropriateness of the PD, EAD and LGD for different exposures at different stages.</li> <li>• Appropriateness of the internal rating and the objectivity, competence and independence of the experts involved in this exercise.</li> <li>• Soundness and mathematical integrity of the ECL Model.</li> <li>• For exposures moved between stages we have checked the appropriateness of the Group's determination of significant increase in credit risk and the resultant basis for classification of exposures into various stages. We also checked the timely identification of exposures with a significant deterioration in credit quality.</li> <li>• For exposures determined to be individually impaired we re-performed the ECL calculation we also obtained an understanding of the latest developments in the counterparty's situation of the latest developments in estimate of future cash flows, current financial position any rescheduling or restructuring agreements.</li> <li>• For forward looking assumptions used by the Group in its Expected Credit Loss ("ECL") calculations, we held discussions with management and corroborated the assumptions using publicly available information.</li> </ul> <p>We assessed the financial statements disclosures to ensure compliance with IFRS 9. Refer to the accounting policies, critical accounting estimates and judgments, disclosures of credit facilities and on ECL in notes (2), (4), (8) and (40) to the consolidated financial statements.</p>
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### **Other information included in the Group's 2025 annual report**

Other information consists of the information included in the Group's 2025 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2025 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 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 Shakhathreh; license number 1079.

Amman – Jordan  
8 February 2026

**ERNST & YOUNG**  
Amman - Jordan

**ARAB BANKING CORPORATION (JORDAN)**  
**A PUBLIC SHAREHOLDING LIMITED COMPANY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As At 31 DECEMBER 2025**

	Notes	2025 JD	2024 JD
<b><u>Assets</u></b>			
Cash and balances at the Central Bank of Jordan	5	200,007,585	119,404,557
Balances at banks and financial institutions - net	6	146,126,075	143,338,747
Deposits at banks and financial institutions - net	7	-	-
Financial assets at fair value through other comprehensive income	9	68,817,576	70,632,542
Direct credit facilities - net	8	831,338,484	766,651,701
Financial assets at amortized cost - net	10	212,595,063	183,515,077
Financial assets at amortized cost mortgaged	11	-	32,001,543
Property and equipment - net	12	30,419,139	32,771,221
Intangible assets - net	13	892,483	1,133,688
Right of use assets	14- A	3,411,970	2,816,379
Deferred tax assets	21- C	6,720,436	7,780,912
Other assets	15	20,313,698	22,978,035
<b>Total Assets</b>		<b>1,520,642,509</b>	<b>1,383,024,402</b>
<b><u>Liabilities and Equity</u></b>			
<b>Liabilities:</b>			
Banks and financial institutions' deposits	16	111,265,324	127,613,456
Customers' deposits	17	1,097,369,463	911,659,999
Cash margins	18	53,548,291	47,212,202
Borrowed funds	19	48,907,894	94,526,865
Sundry provisions	20	297,077	84,377
Income tax provision	21- A	841,461	355,324
Lease liabilities	14- B	3,320,792	2,766,171
Deferred tax liabilities	21- D	618,064	355,103
Other liabilities	22	37,031,293	34,131,283
<b>Total Liabilities</b>		<b>1,353,199,659</b>	<b>1,218,704,780</b>
<b>Equity:</b>			
Paid-in capital	23	110,000,000	110,000,000
Share premium		66,943	66,943
Statutory reserve	24	32,315,670	31,669,695
Voluntary reserve	24	197,281	197,281
Fair value reserve - net	25	543,537	303,556
Retained earnings	26	24,319,419	22,082,147
<b>Total Equity</b>		<b>167,442,850</b>	<b>164,319,622</b>
<b>Total Liabilities and shareholders' Equity</b>		<b>1,520,642,509</b>	<b>1,383,024,402</b>

The accompanying notes from (1) to (48) constitute an integral part of these consolidated financial statements and should be read with them.



**ARAB BANKING CORPORATION (JORDAN)**  
**A PUBLIC SHAREHOLDING LIMITED COMPANY**  
**CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	2025 JD	2024 JD
Interest income	28	97,156,666	100,471,512
Interest expense	29	(61,083,565)	(64,211,931)
<b>Net interest income</b>		<b>36,073,101</b>	<b>36,259,581</b>
Net commissions income	30	2,970,085	2,597,975
<b>Net interest and commissions income</b>		<b>39,043,186</b>	<b>38,857,556</b>
Foreign currencies income	31	1,513,262	1,315,738
Cash dividends from financial assets at fair value through other comprehensive income	32	43,871	40,150
Other income	33	3,437,206	3,140,983
<b>Gross income</b>		<b>44,037,525</b>	<b>43,354,427</b>
Employees expenses	34	17,250,422	16,756,293
Depreciation and amortization	12, 13, 14	3,429,184	3,693,525
Other expenses	35	13,423,341	11,173,835
Expected credit losses provision	27	4,917,828	8,821,857
Seized assets provision	15	-	152,246
Provision (recovered from) sundry provisions	20	212,700	(90,000)
<b>Total expenses</b>		<b>39,233,475</b>	<b>40,507,756</b>
<b>Profit for the year before income tax</b>		<b>4,804,050</b>	<b>2,846,671</b>
Income tax expense	21- B	(1,920,803)	(984,974)
<b>Profit for the year</b>		<b>2,883,247</b>	<b>1,861,697</b>
		<b>JD / Share</b>	<b>JD / Share</b>
<b>Basic and diluted earnings per share from profit for the year (JD/ Share)</b>	36	<b>0.026</b>	<b>0.017</b>

The accompanying notes from (1) to (48) constitute an integral part of these consolidated financial statements and should be read with them.

**ARAB BANKING CORPORATION (JORDAN)**  
**A PUBLIC SHAREHOLDING LIMITED COMPANY**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	2025 JD	2024 JD
<b>Profit for the year</b>		2,883,247	1,861,697
<b><u>Comprehensive income items:</u></b>			
<b>Items which will be reclassified to consolidated statement of income in future periods:</b>			
Net change in fair value of financial assets through other comprehensive income after tax - bonds	25	163,894	555,915
Net change in fair value of derivatives after tax	25	(60,793)	(177,327)
<b>Items which will not be reclassified to consolidated statement of income in future periods:</b>			
Net change in fair value of financial assets through other comprehensive income after tax - shares	25	136,880	47,788
<b>Total other comprehensive income items for the year after tax</b>		239,981	426,376
<b>Total comprehensive income for the year</b>		<u>3,123,228</u>	<u>2,288,073</u>

The accompanying notes from (1) to (48) constitute an integral part of these consolidated financial statements and should be read with them.

**ARAB BANKING CORPORATION (JORDAN)**  
**A PUBLIC SHAREHOLDING LIMITED COMPANY**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Reserves					Total equity
	Paid-in Capital	Share premium	Statutory reserve	Voluntary reserve	Fair value reserve - net	
	JD	JD	JD	JD	JD	JD
<u>For the year ended 31 December 2025</u>						
Balance at the beginning of the year	110,000,000	66,943	31,669,695	197,281	303,556	164,319,622
Total comprehensive income for the year	-	-	-	-	239,981	3,123,228
Transferred to statutory reserve	-	-	645,975	-	-	(645,975)
Balance at the end of the year	110,000,000	66,943	32,315,670	197,281	543,537	167,442,850
<u>For the year ended 31 December 2024</u>						
Balance at the beginning of the year	110,000,000	66,943	31,385,324	197,281	(122,820)	165,331,549
Total comprehensive income for the year	-	-	-	-	426,376	2,288,073
Transferred to statutory reserve	-	-	284,371	-	-	(284,371)
Profit distributed to shareholders (Note 23)	-	-	-	-	-	(3,300,000)
Balance at the end of the year	110,000,000	66,943	31,669,695	197,281	303,556	164,319,622

In accordance with monitoring authorities' instructions:

- \* Retained earnings include an amount of JD 6,720,436 restricted as of 31 December 2025, against deferred tax benefits (7,780,912 JD as of 31 December 2024, including the capitalization or distribution unless actually realized, according to the Central Bank of Jordan instructions.
- \* The retained earnings balance include an amount of JD 2,761 restricted as of 31 December 2025 (2,761 JD as of 31 December 2024), which represents the effect of the early adoption of IFRS 9, unless actually realized through sale transactions.

The accompanying notes from (1) to (48) constitute an integral part of these consolidated financial statements and should be read with them.

**ARAB BANKING CORPORATION (JORDAN)**  
**A PUBLIC SHAREHOLDING LIMITED COMPANY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	2025 JD	2024 JD
<b><u>Operating activities</u></b>			
Profit for the year before income tax		4,804,050	2,846,671
<b>Adjustments for non-cash items:</b>			
Depreciation and amortization	12,13,14	3,429,184	3,693,525
Expected credit losses provision	27	4,917,828	8,821,857
Cash dividends from financial assets at fair value through other comprehensive income	32	(43,871)	(40,150)
Losses (gains) from sale of property and equipment		54,351	(52,210)
(Gains) losses from sale of seized assets		(54,627)	59,286
Seized assets provision	15	-	152,246
Provision (recovered) from sundry provisions	20	212,700	(90,000)
Accrued interest		(5,347,296)	(84,896)
Lease liabilities - finance cost	14 - B	178,971	190,943
Gains from canceled lease contracts		(37,797)	(1,657)
Recovery from impairment loss on land held for sale		-	(69,536)
Effect of exchange rate fluctuations in cash and cash equivalents	31	(258,547)	143,999
<b>Cash profit before changes in assets and liabilities</b>		<b>7,854,946</b>	<b>15,570,078</b>
<b>Changes in assets and liabilities:</b>			
Deposits with banks and other financial institutions (maturing after more than three months)		-	17,752,650
Direct credit facilities - net		(69,690,565)	(11,945,476)
Other assets		3,651,761	(2,738,303)
Banks and financial institutions deposits (maturing after more than three months)		1,900,000	(3,545,000)
Customers' deposits		185,709,464	35,036,524
Cash margins		6,336,089	2,230,889
Other liabilities		7,285,862	2,322,156
<b>Net change in assets and liabilities</b>		<b>135,192,611</b>	<b>39,113,440</b>
<b>Net cash flows from operating activities before income tax paid</b>		<b>143,047,557</b>	<b>54,683,518</b>
Income tax paid	21 - A	(320,591)	(3,688,023)
<b>Net cash flows from operating activities</b>		<b>142,726,966</b>	<b>50,995,495</b>
<b><u>Investing activities:</u></b>			
Purchase of financial assets at amortized cost - net		(101,351,652)	(67,044,415)
Maturity of financial assets at amortized cost - net		104,280,924	63,945,318
Cash dividends from financial assets at fair value through other comprehensive income	32	43,871	40,150
Purchase of property and equipment	12	(233,518)	(2,542,680)
Purchase of intangible assets	13	(146,692)	(444,441)
Proceeds from sale of property and equipment		8,384	68,725
Purchase of financial assets at fair value through other comprehensive income - net		(24,165,284)	(10,124,378)
Sale and maturity of financial assets at fair value through other comprehensive income - net		26,533,650	34,729,897
<b>Net cash flows from investing activities</b>		<b>4,969,683</b>	<b>18,628,176</b>
<b><u>Financing activities:</u></b>			
Dividends distributed to shareholders		(9,811)	(3,339,984)
Paid lease liabilities	14 - B	(700,566)	(749,560)
Borrowed funds		(45,618,971)	(8,394,532)
<b>Net cash flows used in financing activities</b>		<b>(46,329,348)</b>	<b>(12,484,076)</b>
<b>Net increase in cash and cash equivalents</b>		<b>101,367,301</b>	<b>57,139,595</b>
Effect of exchange rate fluctuations on cash and cash equivalents		258,547	(143,999)
<b>Cash and cash equivalent at the beginning of the year</b>		<b>170,603,699</b>	<b>113,608,103</b>
<b>Cash and cash equivalent at the end of the year</b>	37	<b>272,229,547</b>	<b>170,603,699</b>

The accompanying notes from (1) to (48) constitute an integral part of these consolidated financial statements and should be read with them.

## **1. General**

Arab Banking Corporation (Jordan) was established as a public shareholding company on 21 January 1990 in accordance with the Companies Law No (1) of 1989 with headquarter in Amman - Jordan.

The Bank provides banking, and financial services through its head office, and branches in kingdom and its 18 branches and an office and the subsidiary Company (Arab Co-Operation for Financial Investments Company).

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

The financial statements of the Bank and its subsidiary "the Bank" are consolidated in the Arab Banking Corporation – Bahrain financial statements (The Parent Company).

The consolidated financial statements have been approved by the Board of Directors of the Bank on 3 February 2026, and it is subject to the approval of shareholders general assembly, and the Central Bank of Jordan.

## **2. Material accounting policies**

### **Basis of preparation of the financial statements**

The accompanying consolidated financial statements of the Bank and its subsidiary are prepared in accordance with the International Accounting Standards Board (IASB), the interpretations issued by the International Financial Reporting Interpretation Committee of the IASB

The Arab Banking Corporation (Jordan) adheres to the local regulations and instructions of the Central Bank of Jordan.

The consolidated financial statements are prepared on the historical cost basis except for financial assets at fair value through other comprehensive income and financial derivatives which have been measured at fair value at the date of the consolidated financial statements. Moreover, fair value hedged assets and liabilities are stated at fair value.

The consolidated financial statements are presented in Jordanian Dinar (JD) which is the functional currency of the Bank.

### Basis of consolidation

The consolidated financial statements include the financial statements of the bank and its subsidiary, which is under its control. Control is established when the bank 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. Control over the investee is achieved only when the following conditions are met:

- The Bank has control over the investee (existing rights that give the bank the ability to direct the relevant activities of the investee).
- The Bank is exposed to, or has rights to, variable returns from its involvement with the investee.
- The ability to exercise control over the investee and influence its returns.

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

- Contractual arrangements with other voting rights holders in the investee.
- Rights arising from other contractual arrangements.
- The bank's current and potential voting rights.

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

The subsidiary's financial statements are consolidated from the date control is obtained until control ceases. The subsidiary's revenues and expenses are included in the consolidated statement of comprehensive income from the date the Bank gains control until control is lost.

Profits, losses, and each component of other comprehensive income are attributed to the equity holders of the parent and non-controlling interests, even if this results in a deficit in the non-controlling interests' balance. If necessary, the subsidiary's financial statements are adjusted to align its accounting policies with those of the Bank. Assets, liabilities, equity, revenues, expenses, and gains or losses related to transactions between the bank and its subsidiary are eliminated.

Changes in ownership interest in a subsidiary that do not result in a loss of control are recorded in equity. When control over a subsidiary is lost, the Group derecognizes the subsidiary's assets, liabilities, non-controlling interests, and other equity components while recognizing the resulting gain or loss in the income statement. The retained investment is recognized at fair value.

Below are details of the subsidiary:

Company Name	Ownership Percentage	Paid In capital JD	Nature of the company's business	Acquistion date	Location
Arab Co-Operation For Financial Investments Company	100%	15,600,000	Financial Brokerage	25 January 1990	Jordan



**ARAB BANKING CORPORATION (JORDAN)**  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2025**

Arab Co-Operation For Financial Investments Company			
2025		2024	
JD		JD	
Total assets	47,455,890		41,720,561
Total liabilities	23,552,605		16,616,415
Equity	23,903,285		25,104,146

  

For the year ending 31 December			
2025		2024	
JD		JD	
Total revenue	4,357,827		4,198,671
Total expenses	3,902,992		3,903,554

The financial statements of the subsidiary is prepared for the same financial year of the Bank and by using the same accounting policies adopted by the Bank. If the accounting policies adopted by the subsidiary are different from those used by the Bank the necessary adjustments to the financial statements of the subsidiary are made to comply with the accounting policies used by the Bank.

The results of operations of subsidiary are included in the consolidated statement of income effective from the acquisition date. which is the date of transfer of control over the subsidiary to the Group. The results of operations of subsidiary disposed are included in the consolidated statement of income up to the effective date of disposal. which is the date of loss of control over the subsidiary.

### **Recognition of interest income**

The effective interest rate method In accordance with IFRS 9, interest income is recognized using the effective interest rate method for all financial instruments at amortized cost and financial instruments at fair value through the income statement or through other comprehensive income. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial instrument, or, shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortized cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognizes the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the consolidated statement of financial position with an increase or reduction in interest income. The adjustment is subsequently amortized through interest and similar income in the consolidated statement of income.

### **Interest and similar income and expense**

For all financial instruments measured at amortized cost, financial instruments designated at fair value through other comprehensive income and fair value through profit or loss, interest income or expense is recorded using the EIR. The calculation takes into account all of the contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

When the recorded value of a financial asset or a group of similar financial assets has been reduced by an impairment loss, interest income continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The Bank also holds investments in assets of countries with negative interest rates. The Bank discloses interest paid on these assets as interest expense.

### **Fee and commission income**

Fee income can be divided into the following two categories:

A. Fee income earned from services that are provided over a certain period of time.

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and private wealth and asset management fees, custody and other management fees.

B. Fee income forming an integral part of the corresponding financial instrument.

Fees that the Bank considers to be an integral part of the corresponding financial instruments include: loan origination fees, loan commitment fees for loans that are likely to be drawn down and other credit related fees.

### **Financial guarantees, letters of credit and undrawn loan commitments**

The Group issues financial guarantees, letters of credit and loan commitments.

Financial guarantees are initially recognized in the consolidated financial statements (within other liabilities) at fair value, being the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially. Recognized less cumulative amortization recognized in the consolidated statement of income and an expected credit losses provision.

The premium received is recognized in the consolidated statement of income net of fees and commission income on a straight line basis over the life of the guarantee.

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements.

The nominal contractual value of financial guarantees, letters of credit and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded on in the consolidated statement of financial position.

The Group occasionally issues loan commitments at below market interest rates drawdown. Such commitments are subsequently measured at the higher of the amount of the ECL and the amount initially recognized less, when appropriate, the cumulative amount of income recognized.

### **Segmental information**

Business sector represents a group of assets and operations that jointly provide products or services subject to risks and returns different from those of other business segments. which were measured according to the reports used by the General Manager and the Bank's decision maker.

Geographical sector relates to providing products or services in an economic environment subject to specific risks and returns different from those operating in other sectors of other economic environments.

### **Direct credit facilities**

Direct credit facilities are financial assets with fixed or determinable payments which are provided basically by the Bank or have been acquired and has no market price in the active markets. which are measured at amortized cost.

A provision for the impairment in direct credit facilities is recognized through the calculation of the expected credit loss in accordance with International Financial Reporting Standard 9.

Interest and commission earned on non-performing granted credit facilities are suspended in accordance with the instructions of the Central Bank of Jordan and in accordance with the instructions of the regulatory authorities whichever is more conservative in countries where the bank has its branches or subsidiaries.

When direct credit facilities are uncollectible they are written off against the provision account. any surplus in the provision is reversed through the consolidated statement of income. and subsequent recoveries of amounts previously written off are credited to revenue.

### **Fair value**

Fair value represents the closing market price (Assets Purchasing/ Liabilities Selling) of financial assets and derivatives on the date of the consolidated financial statements in active markets. In case declared market prices do not exist active trading of some financial assets and derivatives is not available or the market is inactive fair value is estimated by one of several methods including the following:

- Comparison with the fair value of another financial asset with similar terms and conditions.
- Analysis of the present value of expected future cash flows for similar instruments.
- Adoption of the option pricing models.
- Evaluation of long-term assets and liabilities that bear no interest through discounting cash flows and amortizing premium/ discount using the effective interest rate method within interest revenue / expense in the consolidated statement of income.

The valuation methods aim to provide a fair value reflecting the market's expectations taking into consideration the market expected risks and expected benefits when the value of the financial assets. When the financial assets fair value can't be reliably measured, they are stated at cost less any impairment.

### **Financial assets at amortized cost**

Are the assets that the bank's management intends to hold for the purpose of collecting the contractual cash flows which represents the cash flows that are solely payments of principal and interest on the outstanding principal.

Financial assets are recorded at cost upon purchase plus acquisition expenses. Moreover the issue premium\ discount is amortized using the effective interest associated with the decline in value of these investments leading to the in ability to recover the investment or parts thereof are deducted. any impairment is registered in the consolidated statement of income and should be presented subsequently at amortized cost less any impairment losses.

The amount of impairment loss recognised at amortized cost is the expected credit loss of the financial assets at amortized cost.

It is not allowed to reclassify any financial assets from/to this category except for certain cases that are specified by the International Financial Reporting Standards (And if in any cases these assets are sold before the maturity date the result of sale will be recorded in the consolidated statement of income in a separated disclosure and caption in according to the International Financial Reporting Standards in specific).

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Bank commits to purchase or sell the asset.

**Financial assets at fair value through other comprehensive income**

These financial assets represents the investments in equity instruments held for the long term.

These financial assets are recognized at fair value plus transaction costs at purchase date and are subsequently measured at fair value in the consolidated statement of comprehensive income and within owner's equity including the changes in fair value resulting from translation of non-monetary assets stated in foreign currency. Gain or loss from the sale of these investments or part of them should be recognized in the consolidated statement of comprehensive income and within owner's equity and the balance of the revaluation reserve for these assets should be transferred directly to the retained earnings not to the consolidated statement of income.

No impairment testing is required for these assets. Unless classified debt instrument as financial assets at fair value through other comprehensive income. in that case. the impairment is calculated through the expected credit loss model.

Dividends are recorded in the consolidated statement of income.

Upon initial recognition, the Bank occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument by instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

### Impairment in financial assets

#### Overview of the expected credit losses principles

The adoption of IFRS 9 has fundamentally changed the Group's loan loss impairment method by replacing IAS 39's incurred loss approach with a forward-looking ECL approach as of 1 January 2019.

The Group records the allowance for expected credit losses for all loans and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments (shares) are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The 12 months is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

ECL is calculated for the full period of credit exposure and for the probability of default during the 12 months period on an individual basis or collective based on the financial instrument portfolio and the nature of these financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group groups its loans into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1: When loans are first recognized, the Group recognizes an ECL allowance based on the probability of default during 12 months period. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: Loans that are considered credit-impaired. The Group records an allowance for the LTECLs.



### **The calculation of expected credit losses**

The Group calculates the expected credit losses in accordance with the International Financial Reporting Standard Number 9 which is disclosed in Note 4.

### **Collateral repossessed**

The Bank's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Bank's policy.

In its normal course of business, the Bank engages external agents to recover funds from the repossessed assets, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the consolidated balance sheet.

### **Property and equipment**

Property and equipment are stated at cost net of accumulated depreciation and any impairment loss in its value. Moreover Property and Equipment (except for land) are depreciated according to the straight-line method over the estimated useful lives when ready for use of these assets using the following annual rates.

	<u>%</u>
Buildings	2-15
Equipment furniture and fixtures	9-20
Vehicles	15
Computer	9-25
Decorations	9-10

When the carrying amount of property and equipment exceeds their recoverable value. assets are written down and impairment loss is recorded in the consolidated statement of income.

The useful lives of property and equipment are reviewed at the end of each year. in case the expected useful life is different from what was determined before the change in estimate is recorded in the following years being a change in estimates.

Property and equipment are derecognized when disposed or when there is no expected future benefit from their use or disposal.

### **Leases**

The Bank assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### **Right-of-use assets**

The Bank recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease obligations recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Bank is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right-of-use assets are subject to impairment.

### **Lease liabilities**

At the commencement date of the lease, the Bank recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating a lease, if the lease term reflects the Bank exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

### Impairment of non-financial assets

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Bank makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

### Intangible assets

Intangible assets are to be classified on the basis of either definite or indefinite useful life. Intangible assets with definite useful economic lives are amortized over their useful lives and recorded as an expense in the consolidated statement of income. Intangible assets with indefinite lives are reviewed for impairment as of the consolidated financial statements date, and impairment loss is recorded in the consolidated statement of income.

No capitalization of intangible assets resulting from the banks' operations is made. They are rather recorded as an expense in the consolidated statement of income in the same year.

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

The Bank made upfront payments to acquire patents and licences. The patents have been granted for a period of 10 years by the relevant government agency with the option of renewal at the end of this period. Licences for the use of intellectual property are granted for periods ranging between five and ten years depending on the specific licences. The licences may be renewed at little or no cost to the Group. As a result, those licences are assessed as having an indefinite useful life.

The intangible assets with a specified useful life appears of cost after deducting the annual amortization. These assets were amortized by using the straight-line method on the useful life using the following percentages:

	%
Software	20

### **Provisions**

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

### **Provision for employees' end-of-service indemnity**

Provision for end of service indemnity is established by the Bank to fare any legal or contractual obligations at the end of employees' services and is calculated based on the service terms as of the consolidated financial statements date.

### **Income tax**

Income tax expenses represent accrued tax and deferred tax.

Income tax expenses are accounted for on the basis of taxable income. Moreover taxable income differs from income declared in the consolidated financial statements because the latter includes non-taxable revenues or taxable expenses disallowed in the current year but deductible in subsequent years accumulated losses acceptable by the tax law and items not accepted for tax purposes or subject to tax.

Tax are calculated on the basis of the tax rates according to the prevailing laws regulations and instructions of the countries where the bank operates.

Deferred tax are tax expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the consolidated financial statements and the value of the taxable amount. Deferred tax is calculated on the basis of the liability method in the consolidated statement of financial position according to the rates expected to be applied when the tax liability is settled or tax assets are recognized.

Deferred tax assets and liabilities are reviewed as of the date of the consolidated financial statements and reduced in case it is expected that no benefit will arise from payment or the elimination of the need for deferred tax liabilities partially or totally.

### **Capital cost of issuing or buying the bank's shares**

Cost arising from the issuance or purchase of the bank's shares are charged to retained earnings (net of the tax effect of these costs if any). If the shares issuance or purchase process is incomplete these costs are recorded as expenses in the consolidated statement of income.

### **Accounts managed on behalf of customers**

These represent the accounts managed by the bank on behalf of its customers but do not represent part of the bank's assets. The fees and commissions on such accounts are shown in the consolidated statement of Income. A provision against the impairment in the capital-guaranteed portfolios managed on behalf of customers is taken.

### **Offsetting**

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

### **Realization of income and recognition of expenses**

Interest income is realized by using the effective interest method except for interest and commissions from non-performing credit facilities which are not recognized as income and are recorded in the interest and commissions in suspense account.

Expenses are recognised according to the accrual basis.

Commission is recorded as revenue when the related services are provided. moreover dividends are recorded when realized (decided upon by the General Assembly of Shareholders).

### **Date of recognizing financial assets**

Purchases and sales of financial assets are recognized on the trading date (which is the date on which the bank commits itself to purchase or sell the asset).

### **Hedge accounting and financial derivatives**

#### **Fair value hedges:**

A fair value hedge is a hedge against the exposure to changes in the fair value of the bank's recognised assets or liabilities.

When the conditions of an effective fair value hedge are met the resulting gains and losses from the valuation of the fair value hedge and the change in the fair value of the hedged assets or liabilities is recognised in the consolidated statement of income.

When the conditions of an effective portfolio hedge are met the gain or loss resulting from the revaluation of the hedging instrument at fair value as well as the change in the fair value of the assets or liabilities portfolio are recorded in the consolidated income statement for the same year.

**Cash flow hedges:**

Hedge for the change in the current and expected cash flows exposures of the Bank's assets and liabilities.

When the conditions of an effective cash flow hedge are met the gain or loss of the hedging instruments is recognized in the statement of comprehensive income and owner's equity. such gain or loss is transferred to the consolidated statement of income in the period in which the hedge transaction impacts the consolidated statement of income.

When the condition of the effective hedge do not apply the gain or loss resulting from the change in the fair value of the hedging instrument is recorded in the consolidated statement of income the same year.

**Financial derivatives for trading:**

The fair value of financial derivative instruments held for trading purposes (such as foreign exchange forward contracts, interest rate futures, swaps, and foreign exchange options) is recognized in the consolidated statement of financial position. The fair value is determined based on prevailing market prices, and if such prices are unavailable, the valuation method is disclosed. Changes in fair value are recorded in the consolidated income statement.

**Assets seized by the bank against due debts**

Assets that have been the subject of foreclosure by the bank are shown under "other assets" at the acquisition value or fair value whichever is lower. As of the consolidated statement of financial position date these assets are revalued individually at fair value. any decline in their market value is taken to the consolidated statement of income as a loss whereas any such increase is not recognized. Subsequent increase is taken to the income statement to the extent it does not exceed the previously recorded impairment.

**Repurchase and resale agreements**

Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) will continue to be recognised in the bank's consolidated financial statements due to the bank's continuing exposure to the risks and rewards of these assets using the same accounting policies. (The buyer has the right to control such assets (by sale or pledge as collateral) which are reclassified as financial assets pledged as collateral). The proceeds of the sale are recorded under loans and borrowings. The difference between the sale and repurchase price is recognised 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 recognised in the bank's consolidated financial statements since the bank is not able to control these assets and since any risks and benefits do not accrue to the bank when they occur. The related payments are recognised as part of deposits at banks and financial institutions or direct credit facilities as applicable. Moreover the difference between the purchase and resale price is recognised in the consolidated statement of income over the agreement term using the effective interest method.



### **Foreign currencies**

Transactions in foreign currencies during the year are recorded at the exchange rates prevailing at the date of the transactions. Moreover, financial assets and financial liabilities are translated to Jordanian Dinar based on the average exchange rates declared by the Central Bank of Jordan on the date of the consolidated financial statements.

Non-monetary assets and liabilities denominated in foreign currencies and recorded at fair value are translated on the date when their fair value is determined.

Gains or losses resulting from foreign currency translation are recorded in the consolidated statement of income.

Translation differences for non-monetary assets and liabilities denominated in foreign currencies (such as equity securities) are recorded as part of the change in fair value.

When consolidating the financial statements assets and liabilities of the branches and subsidiaries abroad are translated from the primary currency to the currency used in the financial statements using the average exchange rates prevailing on the consolidated statement of financial position date and declared by the Central Bank of Jordan. Revenue and expense items are translated using the average exchange rates during the year and exchange differences are shown in a separate item within the consolidated statement of other comprehensive income equity. In case of selling one of the subsidiaries or branches the related amount of exchange difference is booked in revenues/expenses in the consolidated statement of income.

Profit or loss resulting from the foreign exchange of interest-bearing debt instruments and within financial assets at fair value through other comprehensive income is included in the consolidated statement of income. Differences in the foreign currency translation of equity instruments are included in the cumulative change in fair value reserve within owner's equity in the consolidated statement of financial position.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances with central banks and balances with banks and financial institutions maturing within three months less balances due to banks and financial institutions maturing within three months and restricted funds.

### **3. 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 2024 except for the adoption of new amendments on the standards effective as of 1 January 2025 shown below:

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

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position, and cash flows.

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

### **4. Significant judgments and estimates used**

#### **Use of estimate:**

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions as well as fair value changes reported in equity. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

The management believes that their estimates are reasonable' and are as follows:

#### **A. Expected credit loss for direct credit facilities**

In determining provision for expected credit loss for direct credit facilities, important judgement is required from the bank's management in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

The bank recognizes a provision for expected credit losses on the following financial instruments that are not measured at fair value through the consolidated income statement:

- Balances and deposits with banks and financial institutions.
- Direct credit facilities, including loans and advances to customers.
- Financial assets measured at amortized cost, such as debt instruments.
- Financial assets measured at fair value through other comprehensive income.
- Off-balance sheet exposures subject to credit risk, including issued financial guarantee contracts.

Expected credit losses are not recognized for equity instruments.

With the exception of purchased or originated financial assets with low credit risk (which are considered separately below), expected credit losses must be measured through a loss provision equal to:

- Expected credit losses over a (12) month period, representing the credit losses that may result from default events on financial instruments that could occur within (12) months after the reporting date. This is referred to as Stage 1; or
- Expected credit losses over the lifetime of the financial instrument, representing the credit losses arising from all possible default events over the instrument's remaining life. This is referred to as Stage 2 and Stage 3.

A provision for lifetime expected credit losses must be recognized if the credit risk of a financial instrument has increased significantly since initial recognition. For all other financial instruments, the expected credit loss is measured as the (12) month expected credit loss.

Expected credit losses are an estimate of the present value of credit losses, calculated as the present value of the difference between the contractual cash flows due to the bank under the financial instrument and the cash flows the bank expects to receive. This estimation is derived from weighting multiple future economic scenarios and discounting them using the effective interest rate of the asset.

For unused credit limits, expected credit losses are measured as the present value of the difference between the contractual cash flows due to the bank if the borrower fully utilizes the facility and the cash flows the bank expects to receive if the facility is drawn down.

For financial guarantee contracts, expected credit losses are measured as the difference between the expected payments to reimburse the holder of the guaranteed debt instrument and any amounts the bank expects to recover from the holder, the customer, or any other party.

The bank measures expected credit losses either on an individual basis or on a portfolio basis for loans that share similar credit risk characteristics. The loss provision is based on the present value of expected cash flows, discounted using the financial asset's original effective interest rate, regardless of whether the measurement is performed individually or on a portfolio basis.

#### Credit-impaired financial assets

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

- Significant financial difficulty of the borrower or issuer;
- Breach of contract, such as default or delinquency in payments;
- The Bank granting a concession to the borrower for economic or contractual reasons related to the borrower's financial difficulty;
- The disappearance of an active market for the financial asset due to financial difficulties; or
- The purchase of a financial asset at a significant discount that reflects incurred credit losses.

If a single event cannot be identified, the combined effect of multiple events may result in a financial asset becoming credit-impaired. The bank assesses whether credit impairment has occurred for debt instruments classified as financial assets measured at amortized cost or fair value through other comprehensive income at each reporting date. To evaluate whether there is credit impairment in sovereign and corporate debt instruments, the bank considers various factors, including bond yields, credit ratings, and the borrower's ability to obtain additional financing.

A loan is considered credit-impaired when the borrower is granted a concession due to the deterioration of their financial condition, unless there is evidence that, as a result of the concession, the risk of not receiving the contractual cash flows has significantly decreased and there are no other indicators of expected credit losses. For financial assets where concessions are being considered but not granted, the asset is deemed credit-impaired when clear evidence of credit impairment exists, including meeting the definition of default. The definition of default includes indicators of a high probability of non-payment and delinquency, particularly when amounts are past due for 90 days or more. However, cases where impairment is not recognized after 90 days past due must be supported by reasonable and justifiable information.

#### Purchased or originated credit-impaired financial assets

Purchased or originated financial assets that are credit-impaired are treated differently because the asset has a low credit quality at initial recognition. For these assets, the bank recognizes all changes in lifetime expected credit losses since initial recognition as a loss provision, and any changes are recorded in the consolidated income statement. A positive change in such assets results in a gain in expected credit losses.

#### Definition of default

The definition of default is critical in determining expected credit losses. It is used to measure expected credit losses and to determine whether the loss provision should be based on expected credit losses over (12) months or over the instrument's lifetime. This is because default is a key component of the Probability of Default, which affects both the measurement of expected credit losses and the assessment of a significant increase in credit risk.

The Bank considers the following as indicators of default:

- The borrower has been past due for more than (90) days on a significant credit obligation to the bank; or
- The borrower is unlikely to fully meet its credit obligations to the bank.

The definition of default is appropriately designed to reflect the different characteristics of various asset types. Overdrafts become due immediately when the customer exceeds a specified limit or is notified of a lower limit than the current outstanding balance.

When assessing whether the borrower is unlikely to meet its credit obligations, the bank considers both qualitative and quantitative indicators. The assessment varies based on the asset type. For example, in corporate lending, a qualitative indicator such as covenant breaches is used, whereas it is not applicable for retail lending. Quantitative indicators, such as payment delinquencies and defaults on other obligations by the counterparty, are key inputs in this analysis. The bank also uses various internally developed and externally sourced data to assess default risk.

### **Assessment of significant increase in credit risk:**

The assessment of a significant increase in credit risk is performed on a relative basis. The bank evaluates whether there has been a significant increase in credit risk since the date of origination by comparing the expected lifetime probability of default of the financial instrument at each reporting date with its probability of default at origination. This evaluation is based on the bank's available risk management processes. This assessment is used to classify exposures into credit risk stages: Stage 1 (Initial recognition), Stage 2 (Credit quality deterioration), and Stage 3 (Credit impairment)

The Bank does not consider financial assets with "low credit risk" at the reporting date to have experienced a significant increase in credit risk. Consequently, the bank monitors all financial assets, issued loan commitments, and financial guarantee contracts subject to impairment for any significant increase in credit risk.

When evaluating whether the credit risk of a financial instrument has increased significantly since initial recognition, the bank compares the probability of default at the reporting date based on the remaining maturity of the instrument with the probability of default that was expected for the remaining maturity at initial recognition. This assessment considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, provided that obtaining such information does not require undue cost or effort.

Qualitative factors that indicate a significant increase in credit risk are reflected in probability of default models. However, the bank also separately evaluates certain qualitative factors to assess whether credit risk has significantly increased.

For corporate lending, special attention is given to exposures on the watch list, where exposures are added to the list when concerns arise regarding the counterparty's creditworthiness deterioration. For retail lending, the bank considers indicators such as expected periods of non-payment, credit behavior signals, and major life events such as unemployment, bankruptcy, divorce, or death.

Since a significant increase in credit risk is a relative measure, a given change in the probability of default may have a greater impact on financial instruments with a lower initial probability of default than on those with a higher initial probability of default.

As a backstop, if a financial asset becomes more than (30) days past due, the bank considers that a significant increase in credit risk has occurred, and the asset moves to Stage 2 under the impairment model. This means the loss provision is measured based on lifetime expected credit losses.

- **Macroeconomic factors, forward looking information (FLI) and multiple scenarios**

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

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

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

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

- The bank uses the following macroeconomic indicators when performing futuristic forecasts for the countries that it operates in:
  - 1- Gross Domestic Product
  - 2- Stock market index price
- The bank uses 3 scenarios to reach a probable value when to estimate the expected credit losses as follows:
  - 1- Main scenario(Baseline) weighted 40%
  - 2- Best scenario(Optimistic) weighted 30%
  - 3- Worst case scenario 1 (Pessimistic) weighted 30%

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

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

#### Definition of default:

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

#### Expected life:

When measuring ECL, the Bank must consider the maximum contractual period over which the Bank is exposed to credit risk. All contractual terms should be considered when determining the expected life, including prepayment options and extension and rollover options. For certain revolving credit facilities that do not have a fixed maturity, the expected life is estimated based on the period over which the Bank is exposed to credit risk and where the credit losses would not be mitigated by management.

## **B. INCOME TAX**

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

## **C. FAIR VALUE**

Fair value represents the closing market price (Assets Purchasing / Liabilities Selling) of financial assets and derivatives on the date of the consolidated financial statements in active markets, In case declared market prices do not exist active trading of some financial assets and derivatives is not available or the market is inactive fair value is estimated by one of several methods including the following:

- Comparison with the fair value of another financial asset with similar terms and conditions.
- Analysis of the present value of expected future cash flows for similar instruments.
- Adoption of the option pricing models.
- Evaluation of long-term assets and liabilities that bear no interest through discounting cash flows and amortizing premium/ discount using the effective interest rate method within interest revenue/ expense in the consolidated statement of income.

The valuation methods aim to provide a fair value reflecting the market's expectations taking into consideration the market expected risks and expected benefits when the value of the financial assets, When the financial assets fair value can't be reliably measured, they are stated at cost less any impairment.

## **D. THE USEFUL LIFE OF PROPERTIES, MACHINES, EQUIPMENT, AND INTANGIBLE ASSETS**

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

## **E. DETERMINING THE DURATION OF LEASE CONTRACTS**

The Bank defines the duration of a lease contract as an uncancelable period, taking into consideration the periods covered by an option to extend the lease if it's certain that such an option will be exercised, or any periods associated with an option to terminate the lease, if it's certain that the bank will not exercise this option.

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**5. Cash and balances at Central Bank of Jordan**

This item consists of the following:

	2025	2024
	JD	JD
Cash in vaults	17,200,514	7,012,636
<b>Balances at Central Bank of Jordan:</b>		
Current accounts and demand deposits	13,590,840	9,497,792
Statutory cash reserve	36,116,231	38,694,129
Time and notice deposits	99,000,000	35,000,000
Certificates of deposits	34,100,000	29,200,000
Total balances at Central Bank of Jordan	182,807,071	112,391,921
Total	200,007,585	119,404,557

The statutory cash reserve amounted to JD 36,116,231 as of 31 December 2025 (JD 38,694,129 as of 31 December 2024).

Except for the statutory cash reserve there are no restricted balances at the Central Bank of Jordan as of 31 December 2025 and 2024.

There are no certificates of deposits maturing in the period exceeding three months as of 31 December 2025 and 2024.

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

	2025				2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balances as of 1 January	112,391,921	-	-	112,391,921	74,399,802
New balances	70,415,150	-	-	70,415,150	37,992,119
Total balances as of 31 December	182,807,071	-	-	182,807,071	112,391,921



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**6. Balances at banks and financial institutions- net**

Description	Local banks and financial institutions		Foreign banks and financial institutions		Total	
	2025	2024	2025	2024	2025	2024
	JD	JD	JD	JD	JD	JD
Current and call accounts	13,814	179	20,339,788	31,358,785	20,353,602	31,358,964
Deposits maturing within 3 months or less	46,275,178	12,666,868	79,508,506	99,336,766	125,783,684	112,003,634
	46,288,992	12,667,047	99,848,294	130,695,551	146,137,286	143,362,598
Less: expected credit losses provision	(3,607)	(7,518)	(7,604)	(16,333)	(11,211)	(23,851)
Total	46,285,385	12,659,529	99,840,690	130,679,218	146,126,075	143,338,747

The balances at banks and financial institutions that bears no interest amounted to JD 4,462,632 as of 31 December 2025 (JD 7,025,317 as of 31 December 2024).

There are no restricted balances at banks and financial institutions as of 31 December 2025 and 2024.

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

	2025				2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balances as of 1 January	143,362,598	-	-	143,362,598	162,404,948
New balances	50,574,942	-	-	50,574,942	40,146,003
Paid balances	(47,800,254)	-	-	(47,800,254)	(59,188,353)
Total balances as of 31 December	146,137,286	-	-	146,137,286	143,362,598

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

	2025				2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balances as of 1 January	23,851	-	-	23,851	19,637
New balances	10,752	-	-	10,752	20,972
Paid balances	(23,392)	-	-	(23,392)	(16,758)
Total balances as of 31 December	11,211	-	-	11,211	23,851

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**7. Deposits at banks and financial institutions - net**

<u>Description</u>	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	2025	2024	2025	2024	2025	2024
	JD	JD	JD	JD	JD	JD
Deposits maturing within 3-6 months	-	-	-	-	-	-
Less: provision for expected credit losses	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

- There are no restricted balances at banks and financial institutions of 31 December 2025 and 2024.
- There are no restricted deposits as of 31 December 2025 and 2024.

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

	2025				2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balances as of 1 January	-	-	-	-	17,752,650
New balances	-	-	-	-	-
Paid balances	-	-	-	-	(17,752,650)
Total balances as of 31 December	-	-	-	-	-

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

	2025				2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balances as of 1 January	-	-	-	-	807
New balances	-	-	-	-	-
Paid balances	-	-	-	-	(807)
Total balances as of 31 December	-	-	-	-	-

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**8. Direct credit facilities - net**

This item consists of the following:

	2025	2024
	JD	JD
<b>Individuals (Retail)</b>		
Overdraft *	29,410,807	25,615,088
Loans **	386,373,206	384,845,602
Credit cards	6,701,248	4,878,043
Housing loans	87,143,095	75,530,585
<b>Large companies</b>		
Overdraft *	63,976,530	73,433,832
Loans **	210,699,641	191,356,143
<b>Small and medium companies</b>		
Overdraft *	4,546,075	5,382,842
Loans **	29,345,993	24,700,693
<b>Government &amp; public sector **</b>	<u>96,228,491</u>	<u>80,580,924</u>
<b>Total</b>	<u>914,425,086</u>	<u>866,323,752</u>
<u>Less: Interest in suspense</u>	(21,514,414)	(26,340,499)
<u>Less: provision for expected credit losses</u>	<u>(61,572,188)</u>	<u>(73,331,552)</u>
<b>Net credit facilities</b>	<u>831,338,484</u>	<u>766,651,701</u>

\* Net after deducting interests and commission received in advance amounting to JD 3,801 as of 31 December 2025 (JD 7,670 as of 31 December 2024).

\*\* Net after deducting interests and commissions received in advance amounting to JD 111,479 as of 31 December 2025 (JD 77,744 as of 31 December 2024).

The non-performing credit facilities amounted to JD 82,814,245 which represents 9.056% of total direct credit facilities as of 31 December 2025 (JD 97,532,048 which represents 11.258% of total direct credit facilities as of 31 December 2024).

The non-performing credit facilities after deducting the suspended interest amounted to JD 61,299,831 which represents 6.865% of total direct credit facilities after deducting the suspended interest as of 31 December 2025 (JD 71,191,549 as of 31 December 2024 which represents 8.475%).

Credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 96,228,491 which represents 10.523% of the total direct credit facilities as of 31 December 2025 (JD 80,580,924 as of 31 December 2024 which represents 9.301%).

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The following is the movement on direct credit facilities:

	2025				
	Stage 1		Stage 2		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Total balance as at 1 January	320,681,114	397,341,907	28,968,676	21,800,007	866,323,752
New facilities through the period	144,357,671	86,226,380	17,034,596	1,693,159	252,242,525
Repaid facilities	(81,682,540)	(71,774,396)	(18,563,265)	(2,383,155)	(176,945,617)
Net transferred to stage 1	913,916	6,162,257	(913,916)	(5,475,400)	-
Net transferred to stage 2	(5,852,709)	(10,891,499)	5,852,709	11,423,173	-
Net transferred to stage 3	-	(4,245,901)	(2,813,998)	(5,765,692)	-
Net effect resulted by changes on categories between the three stages	(147,742)	(302,538)	386,022	(417,995)	(563,697)
Written-off balances	-	-	-	-	(26,631,877)
Total balance as at 31 December	378,269,710	402,516,210	29,950,824	20,874,097	914,425,086

  

	2024				
	Stage 1		Stage 2		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Total balance as at 1 January	292,186,774	413,478,157	34,368,293	25,979,460	854,489,744
New facilities during the year	120,115,594	50,590,816	2,970,826	1,102,534	180,949,011
Repaid facilities	(88,925,893)	(59,819,538)	(4,588,683)	(1,403,129)	(161,255,235)
Transferred to Stage 1	2,287,351	8,951,349	(2,287,351)	(7,915,423)	-
Transferred to Stage 2	(3,483,033)	(10,721,632)	3,483,033	11,455,460	-
Transferred to Stage 3	(1,059,662)	(5,073,641)	(5,293,334)	(5,891,996)	-
Net effect resulted by changes on categories between the three stages	(440,017)	(63,604)	315,892	(1,526,899)	(1,759,805)
Written-off balances	-	-	-	-	(6,099,963)
Total balance as at 31 December	320,681,114	397,341,907	28,968,676	21,800,007	866,323,752

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The following is the movement on the expected credit losses:

	2025				
	Stage 1		Stage 2		
	Individual	Collective	Individual	Collective	Total
	JD	JD	JD	JD	JD
Total balance as at 1 January	688,312	2,358,184	5,862,900	2,083,932	73,331,552
Expected credit losses on new balances through the period	358,438	326,909	1,497,097	254,908	7,531,165
Expected credit losses on repaid balances	(210,970)	(1,299,705)	(4,406,464)	(196,939)	(8,438,483)
Transferred to Stage 1	13,522	41,803	(13,522)	(36,887)	-
Transferred to Stage 2	(117,252)	(1,377,730)	117,252	1,439,452	-
Transferred to Stage 3	-	(2,282,782)	(1,166,433)	(3,470,733)	-
Net effect resulted by changes on categories between the three stages	69,805	3,451,344	1,033,190	2,275,064	5,911,100
Written-off balances	-	-	-	-	(16,763,146)
Total balance as at 31 December	801,855	1,218,023	2,924,020	2,348,797	61,572,188

	2024				
	Stage 1		Stage 2		
	Individual	Collective	Individual	Collective	Total
	JD	JD	JD	JD	JD
Total balance as at 1 January	1,404,099	2,496,581	5,975,396	2,363,337	67,578,786
Expected credit losses on new balances through the year	201,313	463,098	728,566	199,183	7,445,642
Expected credit losses on repaid balances	(810,626)	(512,226)	(377,351)	(152,938)	(6,429,290)
Transferred to Stage 1	7,254	78,880	(7,254)	(71,603)	-
Transferred to Stage 2	(27,739)	(1,241,157)	27,739	1,313,829	-
Transferred to Stage 3	(127,176)	(3,307,090)	(1,956,490)	(4,262,643)	-
Net effect resulted by changes on categories between the three stages	41,187	4,380,098	1,472,294	2,694,767	7,445,478
Written-off balances	-	-	-	-	(2,709,064)
Total balance as at 31 December	688,312	2,358,184	5,862,900	2,083,932	73,331,552

The following is the movement on expected credit losses according to the sectors on collective basis:

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2025

	Individual	Real estate loans	Large companies	Small and medium companies	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
Total balance as at 1 January	36,411,772	641,108	34,415,811	1,860,964	1,897	73,331,552
Expected credit losses on new facilities through the period	2,655,876	138,701	4,035,713	659,363	41,512	7,531,165
Expected credit losses on repaid balances	(2,882,375)	(215,344)	(5,188,550)	(150,569)	(1,645)	(8,438,483)
Transferred to Stage 1	(3,545,621)	(69,907)	(100,478)	12	-	(3,715,994)
Transferred to Stage 2	(1,599,052)	(37,447)	25,678	(1,091,645)	-	(2,702,466)
Transferred to Stage 3	5,144,673	107,354	74,800	1,091,633	-	6,418,460
Net effect resulted by changes on categories between the three stages	4,717,348	85,915	111,225	996,612	-	5,911,100
Written-off balances	(5,945,213)	(3,889)	(10,124,936)	(689,108)	-	(16,763,146)
Total balance as at 31 December	34,957,408	646,491	23,249,263	2,677,262	41,764	61,572,188

2024

	Individual	Real estate loans	Large companies	Small and medium companies	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
Total balance as at 1 January	30,086,935	738,494	34,717,196	2,031,952	4,209	67,578,786
Expected credit losses on new facilities through the year	3,381,656	188,049	3,516,736	359,201	-	7,445,642
Expected credit losses on repaid balances	(1,744,655)	(162,086)	(3,700,064)	(820,173)	(2,312)	(6,429,290)
Transferred to Stage 1	(4,440,743)	(15,367)	(18,784)	(127,022)	-	(4,601,916)
Transferred to Stage 2	(2,898,290)	5,221	(1,665,876)	(270,288)	-	(4,829,233)
Transferred to Stage 3	7,339,033	10,146	1,684,660	397,310	-	9,431,149
Net effect resulted by changes on categories between the three stages	5,885,416	(54,853)	1,324,931	289,984	-	7,445,478
Written-off facilities	(1,197,580)	(68,496)	(1,442,988)	-	-	(2,709,064)
Total balance as at 31 December	36,411,772	641,108	34,415,811	1,860,964	1,897	73,331,552

The amount of provisions no longer needed as a result of the settlement or debts repayments and which were converted to other debts is JD 3,847,038 as of 31 December 2025 (JD 6,513,411 as of 31 December 2024).

The following are the credit exposures in accordance with IFRS 9 (International Financial Reporting Standard 9):

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2025												
	Stage 1			Stage 2			Stage 3			Total		
	Gross balance	Expected credit losses	Interest in suspense	Gross balance	Expected credit losses	Interest in suspense	Gross balance	Expected credit losses	Interest in suspense	Gross balance	Expected credit losses	Interest in suspense
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Retail	359,355,215	(1,188,304)	-	17,400,361	(2,277,204)	-	45,729,685	(31,491,900)	(10,758,910)	422,485,261	(34,957,408)	(10,758,910)
Real estate loans	81,597,949	(84,047)	-	3,731,192	(70,978)	-	1,813,954	(491,466)	(457,204)	87,143,095	(646,491)	(457,204)
Large companies	216,261,997	(603,211)	-	28,051,340	(2,834,207)	-	30,362,834	(19,811,845)	(9,656,634)	274,676,171	(23,249,263)	(9,656,634)
Small and medium companies	27,342,268	(102,552)	-	1,642,028	(90,428)	-	4,907,772	(2,484,282)	(641,666)	33,892,068	(2,677,262)	(641,666)
Government and public sector	96,228,491	(41,764)	-	-	-	-	-	-	-	96,228,491	(41,764)	-
	780,785,920	(2,019,878)	-	50,824,921	(5,272,817)	-	82,814,245	(54,279,493)	(21,514,414)	914,425,086	(61,572,188)	(21,514,414)
2024												
	Stage 1			Stage 2			Stage 3			Total		
	Gross balance	Expected credit losses	Interest in suspense	Gross balance	Expected credit losses	Interest in suspense	Gross balance	Expected credit losses	Interest in suspense	Gross balance	Expected credit losses	Interest in suspense
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Retail	352,356,064	(2,337,926)	-	16,123,435	(1,998,325)	-	46,859,234	(32,075,521)	(12,472,494)	415,338,733	(36,411,772)	(12,472,494)
Real estate loans	68,902,948	(60,294)	-	4,784,813	(76,702)	-	1,842,824	(504,112)	(395,276)	75,530,585	(641,108)	(395,276)
Large companies	195,300,883	(572,507)	-	25,081,768	(5,691,428)	-	44,407,324	(28,151,876)	(12,714,514)	264,789,975	(34,415,811)	(12,714,514)
Small and medium companies	20,882,202	(73,872)	-	4,778,667	(180,377)	-	4,422,666	(1,606,715)	(758,215)	30,083,535	(1,860,964)	(758,215)
Government and public sector	80,580,924	(1,897)	-	-	-	-	-	-	-	80,580,924	(1,897)	-
	718,023,021	(3,046,496)	-	50,768,683	(7,946,832)	-	97,532,048	(62,338,224)	(26,340,499)	866,323,752	(73,331,552)	(26,340,499)

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**Interest in suspense**

The movement on interest in suspense is as follows:

**For the nine months ended on 31 December 2025**

	Retail	Real estate	Companies		Total
	JD	JD	Large companies	Small and medium companies	JD
Balance at the beginning of the year	12,472,494	395,276	12,714,514	758,215	26,340,499
Add: interest suspended during the year	3,129,251	136,585	2,008,587	399,589	5,674,012
Less: interest transferred to revenues	(529,855)	(48,736)	(40,080)	(12,695)	(631,366)
Less: written-off suspended interest	(4,312,980)	(25,921)	(5,026,387)	(503,443)	(9,868,731)
Balance at the end of the year	10,758,910	457,204	9,656,634	641,666	21,514,414

**For the year ended 31 December 2024**

	Retail	Real estate	Large companies	Small and medium companies	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	11,379,104	476,552	11,182,955	704,292	23,742,903
Add: interest suspended during the year	3,194,115	79,454	3,262,214	185,172	6,720,955
Less: interest transferred to revenues	(633,736)	(53,270)	(20,584)	(24,870)	(732,460)
Less: written-off suspended interest	(1,466,989)	(107,460)	(1,710,071)	(106,379)	(3,390,899)
Balance at the end of the year	12,472,494	395,276	12,714,514	758,215	26,340,499



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The following is the distribution of the total credit facilities granted to retail according to the bank's internal credit rating categories:

	2025					2024	
	Stage 1		Stage 2		Total	Total	JD
	Individual	Collective	Individual	Collective			
<u>Credit rating categories based on the bank's internal system:</u>							
1	7,436,711	3,468,414	-	186,414	11,091,539	9,675,727	-
2	-	-	-	-	-	-	547,131
3	-	534,206	-	64,990	599,196	17,707,864	184,230,677
4	492,390	16,200,278	-	307,098	16,999,766	147,678,320	7,496,124
5	10,154,969	194,492,164	-	3,274,147	207,921,280	1,143,656	2,713,908
6	1,242,135	124,787,237	-	5,462,356	131,491,728	4,426,659	39,718,667
7	11,113	427,128	-	7,237,753	7,675,994	422,485,261	415,338,733
8	-	108,470	-	867,603	976,073	-	-
9	-	-	-	-	1,855,635	-	-
10	-	-	-	-	4,871,551	-	-
11	-	-	-	-	39,002,499	-	-
<b>Total Balance</b>	<b>19,337,318</b>	<b>340,017,897</b>	<b>-</b>	<b>17,400,361</b>	<b>45,729,685</b>	<b>422,485,261</b>	<b>415,338,733</b>

The following is the movement in the total credit facilities granted to retail:

	2025					2024	
	Stage 1		Stage 2		Total	Total	JD
	Individual	Collective	Individual	Collective			
Total balance as at 1 January	13,354,717	339,001,347	356,692	15,766,743	415,338,733	426,695,019	50,834,292
New facilities through the period	11,472,384	75,741,682	-	1,635,951	90,779,015	(59,223,872)	-
Repaid facilities	(5,726,426)	(64,954,924)	(120,049)	(1,074,636)	(72,802,156)	-	-
Net transferred to stage 1	236,643	4,830,126	(236,643)	(4,143,269)	-	-	-
Net transferred to stage 2	-	(10,242,799)	-	10,744,812	-	-	-
Net transferred to stage 3	-	(4,079,154)	-	(5,313,266)	-	-	-
Net effect resulted by changes on categories between the three stages	-	(278,381)	-	(215,974)	(572,138)	(302,137)	(2,664,569)
Written-off balances	-	-	-	-	(10,258,193)	(2,664,569)	415,338,733
<b>Total balance as at 31 December</b>	<b>19,337,318</b>	<b>340,017,897</b>	<b>-</b>	<b>17,400,361</b>	<b>422,485,261</b>	<b>415,338,733</b>	<b>415,338,733</b>

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The following is the movement in the expected credit loss provision for retail:

	2025				2024			
	Stage 1		Stage 2		Stage 3		Total	
	Individual JD	Collective JD	Individual JD	Collective JD	Individual JD	Collective JD	Individual JD	Total JD
Total balance as at 1 January	30,041	2,307,885	4,590	1,993,735	32,075,521	36,411,772	30,086,935	
Expected credit losses on new facilities through the year	24,483	312,532	-	242,737	2,076,124	2,655,876	3,381,656	
Expected credit losses on repaid balances	(22,649)	(1,292,127)	(4,559)	(182,450)	(1,380,590)	(2,882,375)	(1,744,655)	
Transferred to Stage 1	31	39,014	(31)	(34,098)	(4,916)	-	-	
Transferred to Stage 2	-	(1,366,295)	-	1,427,605	(61,310)	-	-	
Transferred to Stage 3	-	(2,219,782)	-	(3,425,967)	5,645,749	-	-	
Net effect resulted by changes on categories between the three stages	-	3,375,171	-	2,255,642	(913,465)	4,717,348	5,885,416	
Written-off balances	-	-	-	-	(5,945,213)	(5,945,213)	(1,197,580)	
Total balance as at 31 December	31,906	1,156,398	-	2,277,204	31,491,900	34,957,408	36,411,772	

The following is the distribution of the total credit facilities granted to Real estate according to the bank's internal credit rating categories:

	2025				2024			
	Stage 1		Stage 2		Stage 3		Total	
	Individual JD	Collective JD	Individual JD	Collective JD	Individual JD	Collective JD	Individual JD	Total JD
Credit rating categories based on the bank's internal system:								
1	611,948	856,509	-	68,684	-	1,537,141	1,737,655	
2	-	-	-	-	-	-	-	
3	-	450,617	-	-	-	450,617	560,459	
4	122,391	2,835,004	-	26,278	-	2,983,673	3,444,204	
5	22,764,651	37,127,297	-	902,976	-	60,794,924	45,841,371	
6	2,465,284	14,086,294	818,298	143,953	-	17,513,829	20,385,916	
7	143,598	134,356	156,819	1,437,596	-	1,872,369	1,444,585	
8	-	-	-	176,588	-	176,588	273,571	
9	-	-	-	-	231,238	231,238	540,942	
10	-	-	-	-	367,072	367,072	78,920	
11	-	-	-	-	1,215,644	1,215,644	1,222,962	
Total Balance	26,107,872	55,490,077	975,117	2,756,075	1,813,954	87,143,095	75,530,585	

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The following is the movement in the total credit facilities granted to real estate:

	2025					2024	
	Stage 1		Stage 2		Total	Total	Total
	Individual	Collective	Individual	Collective			
Total balance as at 1 January	17,662,744	51,240,204	334,791	4,450,022	75,530,585	JD	67,512,513
New facilities through the period	10,496,758	9,959,380	580,567	3,306	21,309,252	JD	17,354,324
Repaid facilities	(1,813,884)	(6,405,505)	(177,987)	(191,772)	(854,152)	JD	(8,940,594)
Net transferred to stage 1	-	1,332,131	-	(1,332,131)	-	JD	-
Net transferred to stage 2	(237,746)	(451,436)	237,746	481,097	(29,661)	JD	-
Net transferred to stage 3	-	(166,747)	-	(452,426)	619,173	JD	-
Net effect resulted by changes on categories between the three stages	-	(17,950)	-	(202,021)	(3,661)	JD	(219,702)
Written-off balances	-	-	-	-	(29,810)	JD	(175,956)
Total balance as at 31 December	26,107,872	55,490,077	975,117	2,756,075	87,143,095	JD	75,530,585

The following is the movement in the expected credit loss provision for real estate:

	2025					2024	
	Stage 1		Stage 2		Total	Total	Total
	Individual	Collective	Individual	Collective			
Total balance as at 1 January	16,753	43,541	3,964	72,738	641,108	JD	738,494
Expected credit losses on new facilities through the year	15,532	13,806	8,462	9,859	138,701	JD	188,049
Expected credit losses on repaid balances	-	(7,010)	(2,101)	(3,919)	(202,314)	JD	(162,086)
Transferred to Stage 1	-	2,789	-	(2,789)	-	JD	-
Transferred to Stage 2	(3,295)	(6,401)	3,295	6,813	(412)	JD	-
Transferred to Stage 3	-	(63,000)	-	(44,766)	107,766	JD	-
Net effect resulted by changes on categories between the three stages	-	71,332	-	19,422	(4,839)	JD	(54,853)
Written-off balances	-	-	-	-	(3,889)	JD	(68,496)
Total balance as at 31 December	28,990	55,057	13,620	57,358	646,491	JD	641,108

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The following is the distribution of the total credit facilities granted to large companies and Government and public sector according to the bank's internal credit rating categories:

	2025					2024	
	Stage 1		Stage 2		Total	Total	JD
	Individual	Collective	Individual	Collective			
<u>Credit rating categories based on the bank's internal system:</u>	JD	JD	JD	JD	JD	JD	
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-
5	219,247,807	-	341,068	-	219,588,875	160,808,402	
6	86,234,548	-	-	-	86,234,548	104,159,417	
7	-	7,008,133	21,722,270	717,660	29,448,063	16,500,319	
8	-	-	5,270,342	-	5,270,342	19,495,437	
9	-	-	-	-	-	3,037,666	
10	-	-	-	-	-	2,202,180	
11	-	-	-	-	-	39,167,478	
<b>Total Balance</b>	<b>305,482,355</b>	<b>7,008,133</b>	<b>27,333,680</b>	<b>717,660</b>	<b>370,904,662</b>	<b>345,370,899</b>	

The following is the movement in the total credit facilities granted to large companies and Government and public sector:

	2025					2024	
	Stage 1		Stage 2		Total	Total	JD
	Individual	Collective	Individual	Collective			
<u>Credit rating categories based on the bank's internal system:</u>	JD	JD	JD	JD	JD	JD	
Total balance as at 1 January	268,781,452	7,100,355	23,498,526	1,583,242	345,370,899	336,161,997	
New facilities through the period	106,511,159	525,217	16,075,924	53,901	123,845,651	98,423,001	
Repaid facilities	(64,705,069)	(413,968)	(17,068,535)	(1,116,747)	(83,248,465)	(84,398,348)	
Net transferred to stage 1	647,026	-	(647,026)	-	-	-	
Net transferred to stage 2	(5,610,588)	(197,264)	5,610,588	197,264	-	-	
Net transferred to stage 3	-	-	(371,529)	-	371,529	-	
Net effect resulted by changes on categories between the three stages	(141,625)	-	235,732	-	-	(1,736,819)	
Changes resulting from adjustments	-	(6,207)	-	-	(6,207)	(71,950)	
Written-off balances	-	-	-	-	(15,151,323)	(3,006,982)	
<b>Total balance as at 31 December</b>	<b>305,482,355</b>	<b>7,008,133</b>	<b>27,333,680</b>	<b>717,660</b>	<b>370,904,662</b>	<b>345,370,899</b>	

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The following is the movement in the expected credit loss provision for large companies and Government and public sector:

	2025					2024	
	Stage 1		Stage 2		Total	Total	JD
	Individual JD	Collective JD	Individual JD	Collective JD			
Total balance as at 1 January	567,604	6,800	5,673,975	17,453	28,151,876	34,417,708	34,721,405
Expected credit losses on new facilities through the year	245,732	571	1,438,262	2,311	2,390,349	4,077,225	3,516,738
Expected credit losses on repaid balances	(144,345)	(568)	(4,354,469)	(10,569)	(680,244)	(5,190,195)	(3,702,378)
Transferred to Stage 1	13,442	-	(13,442)	-	-	-	-
Transferred to Stage 2	(113,920)	(5,034)	113,920	5,034	-	-	-
Transferred to Stage 3	-	-	(74,800)	-	74,800	-	-
Net effect resulted by changes on categories between the three stages	69,852	4,841	36,532	-	(10,124,936)	111,225	1,324,931
written-off balances on expected credit losses	-	-	-	-	-	(10,124,936)	(1,442,988)
Total balance as at 31 December	638,365	6,610	2,819,978	14,229	19,811,845	23,291,027	34,417,708

The following is the distribution of the total credit facilities granted to small and medium companies according to the bank's internal credit rating categories:

	2025					2024	
	Stage 1		Stage 2		Total	Total	JD
	Individual JD	Collective JD	Individual JD	Collective JD			
Credit rating categories based on the bank's internal system:							
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-
5	8,723,523	-	147,645	-	8,871,168	5,750,705	5,750,705
6	18,618,745	-	351,753	-	18,970,498	16,480,636	16,480,636
7	-	-	599,778	-	599,778	1,183,572	1,183,572
8	-	-	542,852	-	542,852	2,245,956	2,245,956
9	-	-	-	-	977,910	1,747,582	1,747,582
10	-	-	-	-	-	26,338	26,338
11	-	-	-	-	3,929,862	2,648,746	2,648,746
Total Balance	27,342,268	-	1,642,028	-	33,892,068	30,083,535	30,083,535

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The following is the movement in the total credit facilities granted to small and medium companies:

	2025					2024	
	Stage 1		Stage 2				
	Individual JD	Collective JD	Individual JD	Collective JD	Stage 3 JD	Total JD	Total JD
Total balance as at 1 January	20,882,202	-	4,778,667	-	4,422,666	30,083,535	24,120,215
New facilities through the period	15,877,472	-	378,106	-	53,029	16,308,607	14,337,394
Repaid facilities	(9,437,161)	-	(1,196,694)	-	(817,841)	(11,451,696)	(8,692,421)
Net transferred to stage 1	30,247	-	(30,247)	-	-	-	-
Net transferred to stage 2	(4,375)	-	4,375	-	-	-	-
Net transferred to stage 3	-	-	(2,442,469)	-	2,442,469	-	-
Net effect resulted by changes on categories between the three stages	(6,117)	-	150,290	-	-	144,173	424,726
Changes resulting from adjustments	-	-	-	-	(1,192,551)	(1,192,551)	(106,379)
Written-off balances	-	-	-	-	-	-	-
Total balance as at 31 December	27,342,268	-	1,642,028	-	4,907,772	33,892,068	30,083,535

The following is the movement in the expected credit loss provision for small and medium companies:

	2025					2024	
	Stage 1		Stage 2				
	Individual JD	Collective JD	Individual JD	Collective JD	Stage 3 JD	Total JD	Total JD
Total balance as at 1 January	73,872	-	180,377	-	1,606,715	1,860,964	2,031,952
Expected credit losses on new facilities through the year	72,690	-	50,372	-	536,301	659,363	359,201
Expected credit losses on repaid balances	(43,975)	-	(45,335)	-	(61,259)	(150,569)	(820,173)
Transferred to Stage 1	49	-	(49)	-	-	-	-
Transferred to Stage 2	(37)	-	37	-	-	-	-
Transferred to Stage 3	-	-	(1,091,633)	-	1,091,633	-	-
Net effect resulted by changes on categories between the three stages	(47)	-	996,659	-	-	996,612	289,984
Written-off balances	-	-	-	-	(689,108)	(689,108)	-
Total balance as at 31 December	102,552	-	90,428	-	2,484,282	2,677,262	1,860,964

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**9. Financial assets at fair value through other comprehensive income**

	2025	2024
	JD	JD
Quoted shares in active market	2,574,142	2,328,498
Unquoted shares in active market	6,557,487	5,130,971
Governmental bonds and with their guarantee	38,335,649	45,869,201
Other financial bonds	21,364,670	17,324,246
	68,831,948	70,652,916
<u>Less: excepted credit losses (financial bonds)</u>	<u>(14,372)</u>	<u>(20,374)</u>
Total	68,817,576	70,632,542

Cash dividends on the investments above amounted to JD 43,871 for the period ended 31 December 2025 (JD 40,150 for the period ended 31 December 2024).

There are no mortgaged shares as of 31 December 2025, and 31 December 2024.

The movement in the expected credit loss provision for financial assets through other comprehensive income (financial bonds) is as follows:

	2025				2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	20,374	-	-	20,374	8,355
New Investments through the period	2,568	-	-	2,568	13,608
Matured Investments	(8,570)	-	-	(8,570)	(1,589)
Balance at the end of the period	14,372	-	-	14,372	20,374

The movement on the financial assets through other comprehensive income (financial bonds) is as follows:

	2025				2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	63,193,447	-	-	63,193,447	89,616,528
New Investments through the period	22,776,172	-	-	22,776,172	7,410,180
Matured Investments	(26,533,650)	-	-	(26,533,650)	(34,729,897)
Change in fair value	264,350	-	-	264,350	896,636
Balance at the end of the period	59,700,319	-	-	59,700,319	63,193,447

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**10. Financial assets at amortized cost - net**

The details of this item are as follows:

	2025	2024
	JD	JD
<b>Unquoted financial assets:</b>		
Jordanian treasury bills	-	23,755,598
Governmental bonds and with their guarantee	206,954,691	139,126,822
Other financial bonds	5,672,000	20,672,000
	<u>212,626,691</u>	<u>183,554,420</u>
<u>Less: excepted credit losses</u>	<u>(31,628)</u>	<u>(39,343)</u>
<b>Total</b>	<b><u>212,595,063</u></b>	<b><u>183,515,077</u></b>
<b>Debt instruments analysis- net</b>		
	2025	2024
	JD	JD
With fixed return	212,626,691	183,554,420
With variable return	-	-
<b>Total</b>	<b><u>212,626,691</u></b>	<b><u>183,554,420</u></b>

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

	2025				2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance as of 1 January	183,554,420	-	-	183,554,420	181,466,943
New balances during the year	101,351,652	-	-	101,351,652	67,044,415
Paid balances	<u>(72,279,381)</u>	<u>-</u>	<u>-</u>	<u>(72,279,381)</u>	<u>(64,956,938)</u>
Total balance as of 31 December	<u>212,626,691</u>	<u>-</u>	<u>-</u>	<u>212,626,691</u>	<u>183,554,420</u>

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

	2025				2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balances as of 1 January	39,343	-	-	39,343	13,997
New balances	-	-	-	-	31,917
Paid balances	<u>(7,715)</u>	<u>-</u>	<u>-</u>	<u>(7,715)</u>	<u>(6,571)</u>
Total balances as of 31 December	<u>31,628</u>	<u>-</u>	<u>-</u>	<u>31,628</u>	<u>39,343</u>



**11. Financial assets at amortized cost mortgaged**

The details of this item are as follows:

	2025	2024
	JD	JD
Governmental bonds and with their guarantee	-	32,001,543
Total	-	32,001,543

On 4 April 2021, the Bank sold three Jordanian treasury bonds with a nominal value of JD 31,000,000 to Arab Bank. The repurchase agreement value for these bonds was JD 34,455,130 and the amount received of JD 33,766,027 was recorded as borrowed funds at an interest rate of 5.88%. The Bank did not recognize this transaction as a sale transaction since the Bank reserves the right to repurchase these bonds on 3 July 2025.

On 3 September 2025, the bank renewed the agreement by selling four Jordanian treasury bonds with a nominal value of JD 32,000,000 to the Arab Bank. The repurchase agreement value for these bonds was JD 33,153,000 and the amount received of JD 32,489,940 was recorded as borrowed funds with an interest rate of 6.40%. The Bank did not recognize this transaction as a sale transaction since the Bank reserves the right to repurchase these bonds on 5 October 2025.

On 5 October 2025, the Bank repaid the funds borrowed from Arab Bank, and the mortgage on the four bonds pledged to Arab Bank was released, returning their ownership to the Bank.

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**12. Property and equipment - net**

This item consists of the following:

	Land	Buildings	Equipment furniture and fixtures	Vehicles	Computers	Decorations	Payments to acquire property and equipments	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<b>For the year-ended 31 December 2025</b>								
<b>Cost:</b>								
Balance at the beginning of the year	5,473,330	20,052,283	14,365,937	504,600	3,528,098	5,416,249	17,547	49,358,044
Additions	-	-	69,443	-	35,900	36,096	92,079	233,518
Disposals	-	-	(206,773)	-	(48,432)	-	-	(255,205)
Transfers	-	-	-	-	-	-	(17,547)	(17,547)
Balance at the end of the Year	5,473,330	20,052,283	14,228,607	504,600	3,515,566	5,452,345	92,079	49,318,810
<b>Accumulated depreciation:</b>								
Balance at the beginning of the year	-	2,387,332	7,604,849	500,659	2,979,963	3,114,020	-	16,586,823
Depreciation for the year	-	445,771	1,468,188	3,263	348,156	294,241	-	2,559,619
Disposals	-	-	(198,386)	-	(48,385)	-	-	(246,771)
Balance at the end of the year	-	2,833,103	8,874,651	503,922	3,279,734	3,408,261	-	18,899,671
Net property and equipment at the end of the year	5,473,330	17,219,180	5,353,956	678	235,832	2,044,084	92,079	30,419,139
<b>For the year-ended 31 December 2024</b>								
<b>Cost:</b>								
Balance at the beginning of the year	5,473,330	16,315,543	12,568,314	504,600	3,512,244	5,761,178	3,823,759	47,958,968
Additions	-	146,127	1,854,538	-	77,202	464,813	-	2,542,680
Disposals	-	-	(246,721)	-	(61,348)	(835,535)	-	(1,143,604)
Transfers	-	3,590,613	189,806	-	-	25,793	(3,806,212)	-
Balance at the end of the Year	5,473,330	20,052,283	14,365,937	504,600	3,528,098	5,416,249	17,547	49,358,044
<b>Accumulated depreciation:</b>								
Balance at the beginning of the year	-	1,968,065	6,239,447	486,118	2,656,614	3,648,399	-	14,998,643
Depreciation for the year	-	419,267	1,608,738	14,541	384,260	288,462	-	2,715,268
Disposals	-	-	(243,336)	-	(60,911)	(822,841)	-	(1,127,088)
Balance at the end of the year	-	2,387,332	7,604,849	500,659	2,979,963	3,114,020	-	16,586,823
Net property and equipment at the end of the year	5,473,330	17,664,951	6,761,088	3,941	548,135	2,302,229	17,547	32,771,221

- Property and equipment consists of assets that has been fully depreciated amounting to 9,869,890 as of 31 December 2025. (8,495,803 as of 31 December 2024)

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**13. Intangible assets - net**

This item consists of the following:

	2025	2024
	JD	JD
Total balance as at 1 January	1,133,688	1,080,401
Additions	146,692	444,441
Amortization	(351,143)	(391,154)
Transfer	17,547	-
Disposals	(54,301)	-
Total balance as at 31 December	892,483	1,133,688

**14. Right of use assets and lease liabilities**

The details of these items are as follows:

A. Right of use assets:

The Bank leases many assets, including lands and buildings, and the average lease term is 8 years, the following is the movement on the right- of-use assets during the year:

	2025	2024
	JD	JD
Balance at the beginning of the year	2,816,379	2,905,112
Add: additions during the year	1,708,797	1,043,807
Less: depreciation for the year	(518,422)	(587,103)
Less: cancellation of lease contracts for the year	(594,784)	(545,437)
Balance at the end of the year	3,411,970	2,816,379

Amounts recorded on the consolidated income statement

Depreciation for the period	518,422	587,103
Interest for the period	178,971	190,943
	697,393	778,046

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**B. Lease liabilities**

	2025	2024
	JD	JD
Balance at the beginning of the year	2,766,171	2,828,075
Add: additions during the year	1,708,797	1,043,807
Add: interest during the year	178,971	190,943
Less: paid during the year	(700,566)	(749,560)
Less: cancellation of lease contracts	(632,581)	(547,094)
Balance at the end of the year	3,320,792	2,766,171

**15. Other assets**

This item consists of the following:

	2025	2024
	JD	JD
Accrued interest and commissions	8,169,345	7,236,549
Prepaid expenses	1,021,951	872,217
Assets seized by the Bank against due debts *	6,094,032	5,866,952
Assets - unrealized gain of financial derivatives	551	125,853
Other receivables - brokerage company	745,949	108,443
Land held for sale - brokerage company	869,268	869,268
Seized assets sold in installments	-	3,822,675
Other	3,412,602	4,076,078
Total	20,313,698	22,978,035

\* The details of the movement on the assets seized by the bank to against due debts are as follows:

	2025	2024
	JD	JD
Balance at the beginning of the year	5,866,952	2,815,582
Additions	744,433	5,214,245
Disposals	(517,353)	(2,010,629)
Seized assets provision during the year	-	(348,951)
Recovered form seized assets provision	-	196,705
Total	6,094,032	5,866,952

\* The regulations of Central Bank of Jordan require to dispose the assets seized by the Bank by a maximum period of two years from the date of its acquisition. In exceptional cases, the Central Bank may extend this period to a maximum of two consecutive years.

- The provision for the seized assets was JD 4,616 as of 31 December 2025 (JD 4,616 as of 31 December 2024) for assets which have been possessed by the Bank for a period longer than four years.

- The provision for the seized assets was JD 348,951 as of 31 December 2025, and 2024 for assets seized from the Jordanian Cement Manufacturing Company.

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**16. Banks and financial institutions' deposits**

This item consists of the following:

	2025			2024		
	Inside the Kingdom	Outside the Kingdom	Total	Inside the Kingdom	Outside the Kingdom	Total
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	-	2,003,457	2,003,457	-	1,789,556	1,789,556
Time deposits due within three months	-	71,911,867	71,911,867	1,361,438	89,012,462	90,373,900
Time deposits three – six months	-	1,900,000	1,900,000	-	-	-
Time deposits due within more than one year	-	35,450,000	35,450,000	-	35,450,000	35,450,000
Total	-	111,265,324	111,265,324	1,361,438	126,252,018	127,613,456

**17. Customers' deposits**

This item consists of the following:

	Retail	Large companies	Small and medium companies	Government and Public Sector	Total
	JD	JD	JD	JD	JD
<b>31 December 2025</b>					
Current accounts and demand deposits	44,057,069	34,463,089	12,101,688	12,321,842	102,943,688
Saving accounts	59,762,503	54,362	806,049	88	60,623,002
Time deposits	466,879,966	323,807,268	9,022,173	134,093,366	933,802,773
Total	570,699,538	358,324,719	21,929,910	146,415,296	1,097,369,463
<b>31 December 2024</b>					
Current accounts and demand deposits	39,478,935	30,210,841	11,765,715	814,859	82,270,350
Saving accounts	32,447,802	788,220	116,427	87	33,352,536
Time deposits	405,792,329	272,054,717	14,281,447	103,908,620	796,037,113
Total	477,719,066	303,053,778	26,163,589	104,723,566	911,659,999

- Deposits of the Government and the general public sector inside the Kingdom of Jordan amounted to JD 146,415,296 equivalent to 13.342% from the total deposits as of 31 December 2025 (JD 104,723,566 equivalent to 11.487% as of 31 December 2024).
- Non-interest bearing deposits amounted to JD 94,401,111 equivalent to 8.602% of total deposits as of 31 December 2025 (JD 80,221,041 equivalent to 8.799% as of 31 December 2024).
- Restricted deposits amounted to JD 116,093,027 equivalent to 10.579% of total deposits as of 31 December 2025 (JD 107,090,670 equivalent to 11.747% as of 31 December 2024).
- Dormant deposits amounted to JD 7,076,888 as of 31 December 2025 (JD 7,480,776 as of 31 December 2024).

**18. Cash margins**

This item consists of the following:

	2025	2024
	JD	JD
Margins against direct credit facilities	46,024,996	36,427,097
Margins against indirect credit facilities	5,195,216	8,238,175
Other margins	2,328,079	2,546,930
Total	53,548,291	47,212,202

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**19. Borrowed funds**

Borrowed funds consists of the following:

	Amount	Number of payments		Instalments maturity	collaterals	Interest rate
		Total no. of payments	Outstanding payments			
<b>31 December 2025</b>	JD					
European Investment Bank ****	13,535,455	24	20	quarterly	-	4.882%
Borrowing from Central Bank of Jordan	2,146,977	47	47	semi annually	-	2.500%
Borrowing from Central Bank of Jordan**	927,061	24	7	semi annually	-	3.000%
Jordan Mortgage Refinance Company	10,000,000	1	1	7 years	loan portfolio mortgage bonds	4.900%
Borrowing from Central Bank of Jordan	11,397,262	1103	845	monthly	-	0.5% - 1.75%
Borrowing from Central Bank of Jordan ***	1,137,171	192	65	monthly	-	0.000%
Borrowing from Arab Invest Bank*****	2,645,534	1	1	monthly	-	6.750%
Arab Banking corporatin (Bahrain)*****	2,127,000	1	1	2 Weeks	-	5.220%
Cairo Amman Bank*****	4,991,434	1	1	monthly	-	7.000%
Total	48,907,894					
<b>31 December 2024</b>						
Borrowing from Arab Bank*	32,489,940	1	1	36 months	CBJ bonds mortgage	6.150%
European Investment Bank ****	17,402,727	24	22	quarterly	-	5.532%
Borrowing from Central Bank of Jordan**	996,072	24	7	semi annually	-	3.000%
Jordan Mortgage Refinance Company	15,000,000	1	1	24 months	loan portfolio mortgage bonds	5.90%
Jordan Mortgage Refinance Company	10,000,000	1	1	7 years	loan portfolio mortgage bonds	4.900%
Borrowing from Central Bank of Jordan	6,745,477	660	491	monthly	-	0.5% - 1.75%
Borrowing from Central Bank of Jordan ***	3,215,431	827	283	monthly	-	0.000%
Cairo Amman Bank *****	8,677,218	1	1	monthly	-	7.250%
Total	94,526,865					

\* The funds borrowed from the Arab Bank which amounted to JD zero as of 31 December 2025 represent, a repurchase agreement of treasury bonds amounted to nominal value of JD 32M, The bank repaid the funds borrowed from Arab Bank, and the four bonds pledged to Arab Bank were released and their ownership returned to the bank on 5 October 2025 against JD 32,489,940 as of 31 December 2024.

\*\* The funds borrowed from the Central Bank amounted to JD 927,061 as of 31 December 2025 represent the loan agreement of the Arab Fund for Economic and Social Development to finance the sector of micro, small and medium enterprises against JD 996,072 as of 31 December 2024.

\*\*\* The funds borrowed from the Central Bank of Jordan amounting to JD 1,137,171 represent a loan agreement to support companies as a result of the Covid-19 pandemic as of 31 December 2025 against JD 3,215,431 as of 31 December 2024.

\*\*\*\* The fund borrowed from European Investment Bank amounted to JD 13,535,455 as of 31 December 2025 and JD 17,402,727 as of 31 December 2024.

\*\*\*\*\* The fund borrowed from Cairo Amman Bank amounted to JD 4,991,434 represents an agreement to fund the subsidiary (Arab Cooperation Financial Investment Company) as of 31 December 2025 against JD 8,677,218 as of 31 December 2024.

\*\*\*\*\* The borrowed funds from the Arab Invest Bank amounting to 2,645,534 dinars represent a financing agreement for the subsidiary (Arab Cooperation Company) as of 31 December 2025, compared to zero dinars as of 31 December 2024.

\*\*\*\*\* The borrowed funds from the Arab Banking Corporation (Bahrain) amounting to 2,127,000 dinars represent a financing agreement for the subsidiary (Arab Cooperation Company) as of 31 December 2025 compared to zero dinars as of 31 December 2024.

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**20. Sundry provisions**

	Beginning balance	Provided during the year	Paid during the year	Recovered from the provision	Ending balance
	JD	JD	JD		JD
<b>31 December 2025</b>					
Lawsuits provision raised against the Bank	84,377	-	-	-	84,377
Other Provision	-	212,700	-	-	212,700
Total	84,377	212,700	-	-	297,077
<b>31 December 2024</b>					
Lawsuits provision raised against the Bank	174,377	-	-	(90,000)	84,377
Total	174,377	-	-	(90,000)	84,377

**21. Income tax**

**A- Income tax provision**

The movement on the income tax provision is as follows:

	2025	2024
	JD	JD
Balance at the beginning of the year	355,324	2,979,746
Income tax paid	(320,591)	(3,688,023)
Accrued income tax expense	797,250	1,063,601
Deferred tax	9,478	-
Balance at the end of the year	841,461	355,324

**B - Income tax in the consolidated statement of income represents the following:**

	2025	2024
	JD	JD
Accrued Income tax expense for the year	797,250	1,063,601
Amortization of deferred tax assets	1,114,052	(78,627)
Amortization of deferred tax liabilities	22	-
Previous Deferred Tax Asset Adjustments	9,479	-
Total	1,920,803	984,974

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**C- Deferred tax assets**

The details of this item are as follows:

	2025					2024
	Beginning balance	Released during the year	Additions during the year	Ending balance	Deferred tax	Deferred tax
<u>Deferred tax assets</u>	JD	JD	JD	JD	JD	JD
Provision of non-performing loans from prior years	8,903	-	-	8,903	3,383	3,383
Seized assets provision	348,951	-	-	348,951	132,601	132,601
Difference in credit facilities provision	453,686	-	677,526	1,131,212	429,859	172,401
Unrealized losses on financial assets at fair value through other comprehensive income - shares	60,038	(37,384)	386,122	408,776	115,442	21,534
Unrealized losses on financial assets at fair value through other comprehensive income - bonds	378,321	(106,136)	-	272,185	103,430	143,762
Deferred tax assets on provision for expected credit losses	16,884,425	(3,794,312)	137,260	13,227,373	4,476,467	5,879,873
Employees bonus provision	656,658	(528,205)	582,087	710,540	270,007	249,530
Others	3,099,548	(168,509)	198,556	3,129,595	1,189,247	1,177,828
<b>Total</b>	<b>21,890,530</b>	<b>(4,634,546)</b>	<b>1,981,551</b>	<b>19,237,535</b>	<b>6,720,436</b>	<b>7,780,912</b>

The movement on deferred tax assets is as follows:

	2025	2024
	JD	JD
Balance at the beginning of the year	7,780,912	8,048,059
Addition	700,651	692,967
Released	(1,761,127)	(960,114)
<b>Balance at the end of the year</b>	<b>6,720,436</b>	<b>7,780,912</b>

**D- Deferred tax liabilities**

	2025					2024
	Beginning balance	Released during the year	Additions during the year	Ending Balance	Deferred tax	Deferred tax
<u>Deferred tax liabilities</u>	JD	JD	JD	JD	JD	JD
Unrealized gain of financial assets resulted from the adoption of IFRS (9)	4,453	-	-	4,453	1,692	1,692
Unrealized gain on financial assets (financial derivatives)	98,054	(98,054)	-	-	-	37,261
Unrealized gain on financial assets at fair value through other comprehensive income - bonds	-	-	57	57	22	-
Unrealized losses on financial assets at fair value through other comprehensive income - shares	111,085	-	158,215	269,300	102,333	42,212
Unrealized gains on financial assets at fair value through other comprehensive income – equities	720,890	-	631,786	1,352,676	514,017	273,938
<b>Total</b>	<b>934,482</b>	<b>(98,054)</b>	<b>790,058</b>	<b>1,626,486</b>	<b>618,064</b>	<b>355,103</b>



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The movement on deferred tax liabilities accounts are as follows:

	2025	2024
	JD	JD
Balance at the beginning of the year	355,103	437,484
Additions	300,222	26,303
Released	(37,261)	(108,684)
Balance at the end of the year	618,064	355,103

According to the Income Tax Law No, (34) for the year 2014, and its amendments income tax expense was calculated at tax rate of 35% and 3% social contribution, and for subsidiary (Arab Co-Operation Company for Financial Investments) it is 24%, and 4% as national contribution as of 31 December 2025 and for the year 31 December 2024.

**E- Tax status**

- The Bank has reached a final settlement with the Income and Sales Tax Department for all previous years up to the year 2022.
- The Bank has submitted its tax returns for the years 2023, and 2024 which has not yet been reviewed yet by the Income and Sales Tax Department until the date of the consolidated financial statements.
- Final settlement has been reached with the Income and Sales Tax Department in Jordan for Arab Co-Operation Company for Financial Investments (the subsidiary) up to the year 2024 except for the year 2023, In addition the company has already submitted its tax returns for the year 2023 which has not been reviewed by the Income and Sales Tax Department until the date of the consolidated financial statements.
- The Bank has booked a provision against any expected tax liabilities for the above-mentioned years, in the opinion of the bank's management and its tax consultant the income tax provision booked in the consolidated financial statements is sufficient to cover any future tax liabilities that may arise.

**F- Reconciliation between accounting profit and taxable profit is as follows:**

	2025	2024
	JD	JD
Accounting profit	4,804,050	2,846,671
Non-taxable income	(6,996,923)	(2,549,938)
Non- deductible expenses	1,892,991	2,800,655
Taxable profit	(299,882)	3,097,388
Effective income tax rate	39.98%	34.6%

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**22. Other liabilities**

This item consists of the following:

	2025	2024
	JD	JD
Accrued interest expense	8,116,185	12,530,685
Revenue received in advanced	247,350	308,536
Accounts payable	11,150,322	7,225,482
Accrued and unpaid expenses	2,884,577	2,367,906
Liabilities - unrealized losses of financial derivatives	464,834	54,719
Certified cheques withdrawn by the Bank	1,202,969	878,114
Provision for expected credit losses - indirect facilities*	3,559,203	3,618,800
Board of directors' remunerations	85,550	85,500
Transfers held for payment	984,368	2,057,972
Deferred income	396,244	220,592
Other liabilities	7,939,691	4,782,977
<b>Total</b>	<b>37,031,293</b>	<b>34,131,283</b>

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### The movement on the indirect credit facilities on collective basis:

Description	2025				2024									
	Letters of guarantee			Total	Letters of credit			Unused balance						
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Total			
Balance at the beginning of the year	112,788,009	146,699	4,198,705	117,133,413	34,190,972	-	-	34,190,972	39,970,475	579,630	-	40,550,105	191,874,490	141,880,228
New balances	38,618,987	-	-	38,618,987	27,274,273	-	-	27,274,273	31,800,439	35	-	31,800,474	97,693,734	110,401,063
Paid balances	(55,466,502)	(55,005)	(420,497)	(55,942,004)	(31,296,352)	-	-	(31,296,352)	(19,417,906)	(187,913)	-	(19,605,819)	(106,844,175)	(60,752,453)
Net transferred in stage 1	67,761	(67,761)	-	-	-	-	-	-	274,674	(274,674)	-	-	-	-
Net transferred in stage 2	(35,000)	35,000	-	-	-	-	-	-	(112)	112	-	-	-	-
Net transferred in stage 3	-	(10,000)	10,000	-	-	-	-	-	-	-	-	-	-	-
Total impacts on the balances result from the classification changes between stages	-	566	-	566	-	-	-	-	(902)	(65,894)	-	(66,796)	(66,230)	345,652
Balance at the ending of the year	95,973,255	49,499	3,788,208	99,810,962	30,168,893	-	-	30,168,893	52,626,668	51,296	-	52,677,964	182,657,819	191,874,490

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

Description	2025				2024									
	Letters of guarantee			Total	Letters of credit			Unused balance			Total			
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3				
Balance as of beginning of the year	120,596	785	3,099,547	3,220,928	153,573	-	-	153,573	208,174	36,125	-	244,299	3,618,800	3,299,545
New balances	27,018	3,888	198,555	229,461	90,572	-	-	90,572	93,814	2	-	93,816	413,849	490,955
Paid balances	(3,590)	(8)	(168,509)	(177,107)	(140,370)	-	-	(140,370)	(126,366)	(2,204)	-	(128,570)	(446,047)	(160,844)
Net transferred in stage 1	3	(3)	-	-	-	-	-	-	5,707	(5,707)	-	-	-	-
Net transferred in stage 2	(542)	542	-	-	-	-	-	-	(1)	1	-	-	-	-
Net transferred in stage 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total impacts on the balances result from the classification changes between stages	524	(35)	-	489	-	-	-	-	-	(27,888)	-	(27,888)	(27,399)	(10,856)
Balance at the ending of the year	139,009	5,169	3,129,593	3,273,771	103,775	-	-	103,775	181,328	329	-	181,657	3,559,203	3,618,800

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The movement on the indirect credit facilities is as follows:

Description	2025				2024			
	Letters of guarantee		Letters of credit		Unused balance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
1	16,490	-	-	16,490	1,225,171	-	-	1,225,171
2	-	-	-	-	-	-	-	-
3	-	-	-	-	146,366	-	-	146,366
4	-	-	-	-	284,048	-	-	284,048
5	84,875,318	24,999	-	84,900,317	32,724,501	-	-	32,724,501
6	10,819,326	-	-	10,819,326	18,224,565	33,524	-	18,258,089
7	282,121	24,000	-	286,121	22,017	17,772	-	39,789
8	-	500	-	500	-	-	-	500
9	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-
11	-	-	3,788,208	3,788,208	-	-	-	-
Balance at the ending of the year	95,973,255	49,499	3,788,208	99,810,962	52,626,668	51,296	-	52,677,964
				30,168,893				182,657,819
				30,168,893				191,874,490

## **23. Paid-in capital**

The paid-in capital amounted to JD 110,000,000, divided into 110,000,000 shares at a par value of JD 1 per share as of 31 December 2025 and 31 December 2024.

### **Distributed dividends**

The general assembly decided on 25 April 2024 to distribute cash dividends with an amount of JD 3,300,000 which represent 3% of its paid-in capital.

## **24. Reserves**

### **Statutory Reserve**

The amount accumulated in this account is transferred from the annual income before tax at 10% during the year and previous years according to the Companies Law and the instructions of the Central Bank, it is not distributable to shareholders.

### **Voluntary Reserve**

The total amount in this balance represents what has been transferred from the annual income before tax at a rate of no more than 20% during the period as well as previous years. The voluntary reserve is used in situations specified by the board of directors and the general assembly has the authority to distribute all or part of this reserve as dividends to shareholders.

## **25. Fair value reserve- net**

The details of fair value reserve for financial assets at fair value through other comprehensive income according to IFRS 9 are as follows:

	2025				2024
	Shares	Bonds	Direvativs	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	408,449	(165,686)	60,793	303,556	(122,820)
Unrealized gains	283,048	264,350	(98,054)	449,344	689,768
Deferred tax assets	(240,076)	(60,124)	37,261	(262,939)	82,382
Deferred tax liabilities	93,908	(40,332)	-	53,576	(345,774)
Balance at the end of the year	545,329	(1,792)	-	543,537	303,556

The fair value reserve is shown net after deducting deferred tax assets amounting to JD 218,872 and deferred tax liabilities amounting to JD 616,350.

## **26. Retained earnings**

The movement on retained earnings account as the following:

	2025	2024
	JD	JD
Balance at the beginning of the year	22,082,147	23,804,821
Profit for the year	2,883,247	1,861,697
Transferred to reserves	(645,975)	(284,371)
Distributed dividends to shareholders	-	(3,300,000)
Balance at the end of the year	<u>24,319,419</u>	<u>22,082,147</u>

- An amount of JD 6,720,436 is restricted as of 31 December 2025 against deferred tax assets (JD 7,780,912 as of 31 December 2024), including the capitalization or distribution, except for what is actually realized, according to the Central Bank of Jordan instructions.
- Retained earnings balance included an amount of JD 2,761 restricted as of 31 December 2025 (JD 2,761 as of 31 December 2024), which represents the effect of the early adoption of IFRS 9, except for what is actually realized from the sales transactions.

## **27. Expected credit losses provision**

This item consists of the following:

	2025	2024
	JD	JD
Deposits and balances at banks and financial institutions	(12,640)	3,407
Financial assets at fair value through other comprehensive income	(6,002)	12,019
Financial assets at amortized cost	(7,715)	25,346
Direct credit facilities	5,003,782	8,461,830
Indirect credit facilities	(59,597)	319,255
Total	<u>4,917,828</u>	<u>8,821,857</u>

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**28. Interest income**

This item consists of the following:

	2025 JD	2024 JD
<b>Direct credit facilities</b>		
<b>Individual (Retail)</b>		
Overdrafts	43,572	41,071
Loans and bills	31,942,964	36,752,203
Credit cards	882,130	695,965
<b>Real estate loans</b>	5,404,033	5,077,763
<b>Large companies</b>		
Overdrafts	3,772,269	4,880,607
Loans and bills	13,795,059	14,843,877
<b>Small and medium enterprises lending "SME's"</b>		
Overdrafts	312,080	466,792
Loans and bills	1,527,722	1,512,912
<b>Government and public sector</b>	6,653,240	4,344,519
Balances at Central Banks	5,355,288	3,329,167
Balances at banks and financial institutions	5,882,175	7,644,452
Financial assets at fair value through other comprehensive income	3,616,621	3,766,351
Financial assets at amortized cost	13,431,774	12,806,610
Interest income on margin financing - subsidiary's customers	3,117,283	3,279,548
Interest income on interest rate swap contracts	1,420,456	1,029,675
<b>Total</b>	<b>97,156,666</b>	<b>100,471,512</b>

**29. Interest expense**

This item consists of the following:

	2025 JD	2024 JD
Banks and financial institutions' deposits	5,049,899	7,665,088
<b>Customers' deposits:</b>		
Current accounts and demand deposits	151,902	412,345
Saving accounts	1,175,400	404,026
Time and notice deposits	45,870,443	46,353,313
Cash margins	1,639,897	1,562,449
Borrowed funds	4,280,104	5,635,987
Deposit guarantee fees	863,798	657,573
Interest paid on lease liabilities	178,971	190,943
Interest paid on interest rate swap contracts	1,873,151	1,330,207
<b>Total</b>	<b>61,083,565</b>	<b>64,211,931</b>



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**30. Net commissions income**

This item consists of the following:

	2025 JD	2024 JD
Direct credit facilities – net	785,276	761,911
Indirect credit facilities – net	2,184,809	1,836,064
Net commissions income	<u>2,970,085</u>	<u>2,597,975</u>

**31. Foreign currencies income**

This item consists of the following:

	2025 JD	2024 JD
Resulting from trading	1,254,715	1,459,737
Resulting from revaluation	258,547	(143,999)
	<u>1,513,262</u>	<u>1,315,738</u>

**32. Cash dividends from financial assets at fair value through other comprehensive income**

This item consists of the following:

	2025 JD	2024 JD
Dividends from financial assets - shares	<u>43,871</u>	<u>40,150</u>

**33. Other income**

This item consists of the following:

	2025 JD	2024 JD
Brokerage commissions at financial market	990,090	728,376
Visa income	886,647	634,107
Management and consulting fees	11,310	11,563
Transfers commission	225,184	201,344
Recovery of written-off debts	153,466	210,947
Capital gains	92,375	64,117
Returned checks commission	8,866	12,164
Salaries transfer commission	285,670	308,336
Postal fees	95,355	100,471
Mastercard revenues	345,638	432,047
Others	342,605	437,511
	<u>3,437,206</u>	<u>3,140,983</u>

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**34. Employees expenses**

This item consists of the following:

	2025	2024
	JD	JD
Salaries, benefits and allowances	13,977,980	13,479,651
Employees' bonuses	475,126	281,247
Social security contributions	1,641,083	1,573,923
Medical expenses	801,930	732,443
Employees' training expenses	77,764	65,087
Travel and transportation expenses	26,883	8,190
Other	249,656	615,752
	<u>17,250,422</u>	<u>16,756,293</u>

**35. Other expenses**

This item consists of the following:

	2025	2024
	JD	JD
Tax and fees	1,228,510	1,047,784
Computer expenses	2,744,194	2,436,267
Advertising and marketing expenses	1,187,352	642,964
Travel expense	46,156	41,610
General administration expenses (Bahrain)	167,464	25,622
Telecommunication expenses	968,366	912,480
Building Services and benefits expenses	1,013,750	924,432
Board of Directors' expenses	530,714	459,563
Office supplies expenses	425,489	457,513
Borrowers' transactions fees	1,356,426	1,298,802
Consulting fees	25,620	10,960
Magazines and newspapers subscription	4,972	6,108
Professional and legal expenses	1,173,886	989,727
Board of Directors' bonuses	85,550	81,332
ATM expenses	308,152	216,910
International Visa fees	1,028,002	853,342
Other expenses	1,128,738	768,419
	<u>13,423,341</u>	<u>11,173,835</u>

**36. Basic and diluted earnings per share from profit for the year**

This item consists of the following:	2025	2024
	JD	JD
Income for the year	2,883,247	1,861,697
Weighted average number of shares	110,000,000	110,000,000
	JD/ share	JD/ share
Basic and diluted earnings per share (JD/ share)	0.026	0.017

- The diluted earnings per share for the period is equivalent to the basic earnings per share for the period.

**37. Cash and cash equivalents**

This item consists of the following:

	2025	2024
	JD	JD
Cash and balances at the Central Bank of Jordan maturing within three months	200,007,585	119,404,557
<u>Add:</u> balances at banks and other financial institutions maturing within three months	146,137,286	143,362,598
<u>Less:</u> deposits from banks and financial institutions maturing within three months	(73,915,324)	(92,163,456)
Total	272,229,547	170,603,699

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**38. Derivatives**

The following table shows the positive and negative fair value of financial derivatives, along with the distribution of their nominal value according to their maturities:

	Positive fair value	Negative fair value	Total nominal value	Nominal value maturity according to maturity dates			
				Within 3 months	3 -12 months	1 - 3 Years	More than 3 Years
	Thousand JD	Thousand JD	Thousand JD	Thousand JD	Thousand JD	Thousand JD	Thousand JD
<u>2025</u>							
Foreign currencies derivatives held for trading	1	57	30,380	30,166	214	-	-
Hedge interest rate swap contracts	-	408	35,096	3,545	-	6,736	24,815
	<u>1</u>	<u>465</u>					
<u>2024</u>							
Foreign currencies derivatives held for trading	28	55	24,623	24,623	-	-	-
Hedge interest rate swap contracts	98	-	17,371	-	3,545	3,545	10,281
	<u>126</u>	<u>55</u>					

The nominal value represents the value of the current transaction for the year-end, and it dose not reflect market risk and credit risk.

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**39. Related parties transactions**

The Bank entered into transactions with the parent company, affiliate companies, directors, senior management, and subsidiary company in the ordinary course of business at commercial interest and commission rates.

All credit facilities granted to related parties are performing loans and no provision has been taken.

	Related party				Total	
	Parent and affiliated companies	Senior management	Bank's employees	Board of Directors	31 December 2025	31 December 2024
	JD	JD	JD	JD	JD	JD
<b>Statement of financial position Items:</b>						
Direct credit facilities	-	1,588,288	13,671,034	-	15,259,322	15,300,758
Balance at banks and financial institutions	39,605,745	-	-	-	39,605,745	29,773,075
Deposits at banks and financial institutions	60,269,700	-	-	-	60,269,700	48,472,880
Customers' deposits	-	1,425,073	4,182,734	272,500	5,880,307	5,454,367
Borrowed funds	2,127,000	-	-	-	2,127,000	-
<b>Off statement of financial position Items:</b>						
Letters of guarantee	23,992,869	-	-	-	23,992,869	34,730,344
Letters of credit	1,653,125	-	-	-	1,653,125	9,757,609
Interest rate swap contracts	35,095,500	-	-	-	35,095,500	17,370,500
Transaction rate swap contracts	185,733	-	-	-	185,733	-
<b>Income statements Items:</b>						
Interest and commission income	3,652,601	80,890	608,038	-	4,341,529	3,492,456
Interest and commission expense	(3,495,686)	(80,161)	(115,100)	(13,188)	(3,704,135)	(4,853,353)

\* Interest rates on credit facilities range between 3% to 7,5% while interest rates on customers' deposits range between 0.01% to 5.75%.

\* In addition to what was disclosed in the above table, the total balance of credit facilities provided to related parties in the Bank amounted to JD 5,985,036 with a total of 73 clients. against acceptable guarantees amounted to JD 3,500,505. The interest rates payable on credit facilities range from 3% to 11% Commission rates range from 0.5% to 1%.

The following is a summary of the benefits (salaries, bonuses, and other benefits) for the senior executive management of the Bank.

	2025 JD	2024 JD
Salaries and remunerations	2,486,952	2,882,789

#### **40. Risk management**

Risks are an essential part of banking operations, and the Bank addresses the challenges related to the risks it faces within a comprehensive and general framework. This framework is based on identifying, understanding, and assessing the risks confronting the bank's operations to ensure they remain within limited and acceptable levels while taking necessary actions to reduce risks to achieve the optimal balance between risk and return.

The general risk management framework includes an accepted risk document, which is approved by the Board of Directors and outlines specific levels of acceptable risks and the degree of risk tolerance. The risk management department applies stress testing at the portfolio level to measure the bank's ability to withstand shocks and high risks in line with regulatory requirements. Reports on the results of these tests, along with their impact on capital and profits, are submitted to the Risk Management Committee derived from the Board of Directors. Consequently, a periodic review is conducted to assess the alignment of policies with current conditions.

The Bank's Risk Department is responsible for managing risks based on strategies and policies approved by the Board of Directors and following these principles:

- Periodically updating the bank's risk management policies to identify, analyze, and measure these risks, set risk limits and controls, and monitor risks through the risk information system.
- Reviewing the general framework and risk management systems to reflect any developments in banking practices in accordance with global best practices before they are approved by the Board of Directors.
- Submitting periodic reports to the Risk Committee derived from the Board of Directors, which reviews the Bank's risk management operations and to the Board of Directors to indicate whether the existing risks are in line with the approved policies and levels of acceptable risks.

The Assets and Liabilities Management Committee and the Investment Committee are part of the risk management process in the Bank. Furthermore, all work centers are responsible for identifying the risks associated with their area of work and establishing appropriate controls. The main types of risks include credit risk, liquidity risk, operational risk, and market risk, which encompasses interest rate risk and currency risk.

### **Credit risk**

Credit risk is the risk of loss resulting from the default or inability of the counterparty to fulfill its obligations to the Bank. It is one of the most significant risks facing banking operations; therefore, management carefully oversees exposure to credit risk, which primarily arises in lending activities and investments in debt instruments, in addition to credit risks associated with off-balance-sheet financial instruments, such as unused loan commitments, letters of credit, and guarantees.

Credit risk is managed to keep it within acceptable levels set by the bank through:

- A credit policy that defines the criteria for granting credit and acceptable guarantees, in addition to the bases and procedures for credit monitoring.
- Measuring credit risk: The bank uses an internal assessment system (Credit Lens) from Moody's to measure the credit risk level of corporate clients to assist in credit decisions. It also utilizes external ratings from international rating agencies such as Standard & Poor's and Moody's, or equivalent agencies, to measure credit exposure risks for debt instruments according to specified ratings and regulatory guidelines.
- Credit monitoring: The bank manages limits and monitors concentration risks at the client level (individual or institution) and the size of credit exposure for each sector or geographic area. The bank sets acceptable credit risk levels by establishing limits on the amount of acceptable risk for each borrower or group of borrowers, as well as for each sector or geographic area.
- Credit risk mitigants: The bank relies on various methods and practices to mitigate credit risk, including obtaining guarantees that are accepted based on approved criteria and standards. The most prominent types of guarantees for loans and facilities are:
  - Mortgage liens
  - Pledging financial instruments such as stocks
  - Bank guarantees
  - Cash collateral
  - Government guarantees

Additionally, the Bank employs the following methods to enhance credit quality and mitigate risks:

- Implementing a three-way approval system for credit granting.
- The authority to approve credit varies from one management level to another and depends on the size of the client's portfolio, exposure level, maturity, and the client's risk profile.
- Complete separation between credit marketing departments (business) and credit analysis and monitoring departments.
- Continuous training and development for credit review staff to ensure the presence of credit analysis expertise capable of understanding these risks accurately.

### **Adjustment of interbank interest rates**

Following global regulatory authorities' decisions to eliminate the use of interbank borrowing rates in favor of alternative benchmarks, the Bank studied the impact that might arise from using alternative benchmarks for borrowing rates. No material impact was observed either on risks or on financial statements due to the absence of significant operations linked to interest rates associated with interbank borrowing benchmarks or hedging contracts.

Based on the importance of managing the various risks that surround the Bank's business activities to which the Bank is or may be exposed in the future, the Bank continues to follow a risk management strategy in line with the direction of the Board of Directors, senior management, legislations, and laws issued by the Central Bank of Jordan, as well as with the policies and procedures of the parent institution in Bahrain, where the best international practices and the latest methods and techniques of risk management are applied. Moreover, risk management at the Bank is directly linked to the risk Management Committee of the Board of Directors.

The risk management process involves identification, measurement, evaluation and monitoring of financial and non-financial risks that can negatively affect the overall performance of the Bank.

It is the responsibility of senior management to determine the main principles of risks and the amount of risks that the Group can accept, as well as their optimal distribution to the Bank's various business activities and sectors. During 2025, the internal capital adequacy assessment process ICAAP, which included an assessment of the level of internal capital adequacy, legal liquidity ratios, was continued on the basis of the expected business strategy for the next three years.

The Bank has been able to maintain a high level of capital adequacy as well as a comfortable liquidity ratio in anticipation of any stressful situations that may occur. It has also been able to maintain the Bank's durability according to ICAAP and Basel III requirements and to keep up with any modifications to the Basel requirements.

The Central Bank of Jordan (CBJ) has released the Stress Testing Instructions, hence the bank has developed a methodology, policy and procedure approved by the Board Risk Committee in order to apply these instructions, where Stress testing is considered a key element in risk management process at various level, as follows:

- Considered a major quantitative tool for understanding the bank's risk profile and the ability of the bank to withstand various types of shocks, and high risks.
- An important part of the capital planning process through Internal Capital Adequacy Assessment Process (ICAAP).
- Help the bank to estimate the size of future capital that must be available in the coming years in accordance with its established strategy.
- An important part of identifying, measuring, and controlling liquidity risks in order to assess the bank's liquidity and the adequacy of liquidity shocks mitigating tools.

These tests are designed to assess the bank's financial situation in stress but possible scenario, where the necessary reports have been made and submitted to the Board Risk Committee, which adopt the assumptions and scenarios used, discuss the results of the tests, and adopt the actions to be taken based on these results.



### **Governance of stress testing**

Stress testing must be a key part of risk governance and risk management culture of the bank in order to enhance the ability of the bank to identify and control risks.

#### **The role of the board of directors:**

The board of directors must ensure the existence of an effective framework for stress testing to evaluate the ability of the bank to withstand shocks and confront high risks. In this regard, the stress testing program at the bank will be the ultimate responsibility of the board of directors, and approve of the related policies and procedures.

The board of directors must verify that the risk management department conducts the stress tests on a periodic basis. The board of directors must have a major role in setting the assumptions and the scenarios used, analyzing the stress testing results, and approving the procedures to be implemented based on the stress testing outcomes.

#### **The role of the senior executive management:**

Executing and monitoring the stress testing program and in line with the methodology adopted by the board of directors which is in line with the determined stress testing based on the Central Bank of Jordan instructions.

Ensuring the availability of a qualified staff at the risk management department to conduct the stress testing and that the department does possess the appropriate tools and means for the tests.

Ensuring the availability of a suitable number of possible scenarios that are related to the business of the bank, given that these scenarios are well- understood and documented.

Using the results of the stress testing in setting and identifying the bank's risk appetite statement, and in planning for capital and liquidity.

**The role of the risk management:**

To adopt the Central Bank of Jordan instructions related to the design of stress testing program and use of forms and methodologies to determine their impact on the bank to cover, but not be limited to, the following aspects:

- Stress testing must encompass scenarios ranging from the lowest impact to the highest impact
- Making sure that the tests cover all the complex financial products as needed
- Taken into consideration the possible changes in the market circumstances that might adversely impact the bank's exposure to concentration risks
- Stress testing shall include scenarios to evaluate the size and impact of the off- balance sheet assets on other types of risks
- including some scenarios that are related to the reputational risks in stress testing, by reflecting the risks outcome which may have an impact of the Bank's reputation and in which it also reflects on the Bank's liquidity, its liquid assets, through withdrawals of deposits by some customers.
- The tests used must be appropriate to the degree of risk appetite that the bank has set for itself so that the scenarios selected by the bank commensurate with the size, nature, and complexity of the bank's business as well as the risks associated with the bank.
- The stress testing program must include both quantitative and qualitative methods to improve the comprehensiveness of these tests and make them supportive and complementary to the patterns and approaches of risk management used in the bank.
- The tests must range from simple sensitivity tests that are based on the change(s) in a single risk factor analysis sensitivity and to scenarios that are based on statistical methods which take into consideration the relationships among the drivers of systemic risks in times of crises, noting that the part related to scenario analysis is annually determined by the Central Bank of Jordan.
- Set a suitable dialogue format among the various related parties in order to obtain their views and opinions regarding the possible shocks and stressful situations in case of its occurrence so that it can then identify the assumptions and scenarios suitable for the internal and external risks that the bank might be exposed to. All concerned parties in the bank, such as Compliance Department, Internal Audit Department, Central Operation Department, Legal Department and Businesses Departments and others involved must participate in this dialogue in order to identify the possible shocks for Operational Risk on an annual basis and according to the instructions of the Central Bank of Jordan.
- The results of the tests should be submitted to the Local Assets and Liability Committee and the local Board Risk Committee, and the Risk Committee stemmed by the Bank's Board of Directors and on an annual basis.

### **The role of the internal audit:**

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

It is noteworthy that the bank undertook a review and update of all risk policies during 2025 in accordance with the specified periodicity, ensuring compliance with all internal and regulatory requirements, with approval from the Board of Directors. The bank is committed to regularly reviewing various policies to effectively address surrounding risks and mitigate their impact.

Additionally, in 2025, the bank continued to implement the requirements of the International Financial Reporting Standard (IFRS) 9 in line with the instructions issued by the Central Bank of Jordan. This was done by applying the methodology adopted by the parent company in Bahrain, with some adjustments made to align with the requirements of the Central Bank of Jordan, as well as the guidance and directives from the Parent Company in Bahrain on this matter.

It should be noted that the bank relies on the outputs of Strategic Solutions for the purpose of preparing the required reports and disclosures within the bank's final financial statements for the year 2025. These results were presented to the Board of Directors, the Risk Committee derived from the Board, and the relevant local committees within the bank. Below is an overview of this methodology:

First: Definition of the Bank's implementation of default and the mechanism of Default Treatment

The Bank follows and applies the Central Bank of Jordan's Instructions No. (2024/8) dated 30 June 2024 for the classification of the non-performing accounts for the outstanding Bank's credit portfolio, where it classifies the non-performing debts and interest in suspense automatically within the used Bank's system, and according to the classifications included in the instructions (sub-standard, doubtful debts, and loss debts).

#### **1- Bank's application of default:**

The Central Bank of Jordan's instructions are applied with regards to the classification of impaired debts and suspension of interest. As for provisions, the Central Bank of Jordan's instructions and the internal Bank's policies are applied, whereby the most conservative results are taken.

#### **2- Mechanism of default treatment:**

- Rescheduling of debts according to the rescheduling principles outlined in the instructions of the Central Bank of Jordan.
- Final payments and deducting part of the debt.
- Following the legal procedures to collect the Bank's rights.
- Manually transferring non-performing accounts to performing accounts.

Taking into consideration the instructions of the Central Bank of Jordan and the internal policy adopted by the Bank, where the more conservative and strict procedures are adopted. The classification of risk ratings for non-performing accounts is adopted as follows:

Classification Segment	Internal Classification for Non-performing Facilities
Sub-standard	9
Doubtful debts	10
Loss debts	11

Second: Detailed explanation of the Bank's internal credit classification system and its working mechanism

The Bank evaluates corporate customers based on Moody's- Credit Lens internal evaluation system. Moreover, the evaluation relies on the evaluation of the financial elements and the non-financial elements where the financial statements relating to the results of corporate clients are entered into the internal rating system when granting, reviewing, or modifying the ceilings of the facilities granted to the client within the ratios and financial indicators specified on the system. In addition, there are standards and non-financial requirements entered into the system to extract the customer's degree of risk classification based on the risk classification degree listed below. This degree is entered through the Bank's system, indicating that the classification degrees 7 & 8 also include watch-list facilities accounts. On the other hand, the classification ratings of (9, 10, and 11) relate to the non-performing facilities accounts based on the Central Bank of Jordan's Instructions No. (8/2024). In this respect, the classification related to the watch list and non-performing accounts are performed automatically in the system.

Internal Risk Grade	Description
1	Exceptional
2	Excellent
3	Superior
4	Good
5	Satisfactory
6	Adequate
7	Marginal/Watch list
8	Special mention
NPLs (9,10 &11)	Sub-Standard, Doubtful and Loss

Third: Mechanism adopted for calculating the expected credit losses (ECL) based on financial instruments for each individual item.

- The expected credit losses are calculated based on financial instruments classified under the amortized cost portfolio or through the other comprehensive income statement based on an individual basis, on debt instruments. The calculation is performed according to the Treasury Department's business model adopted by the Bank's Board of Directors, where these tools are subject to impairment calculation (Expected credit losses) according to IFRS (9) requirements. Meanwhile, loss is recorded in the consolidated statement of Profit or Loss.

- The debt instruments issued or guaranteed by the Government of Jordan are excluded from the expected credit loss.

Fourth: Regulatory requirements for the implementation of International Financial Reporting Standard (9) including the responsibilities of the Board of Directors and Executive Management in ensuring compliance with the said requirements.

- The Bank's Board of Directors shall adopt the policies and documents relating to the standards, methodologies, and the basis for calculating the requirements of IFRS (9) according to the Central Bank of Jordan's instructions, including periodically reviewing the results of the expected credit losses calculation and standing up on the developments and updates related to these results, in addition to the basis and other matters related to the calculation.
- The Credit Committee presents and reviews the list of accounts that need to be monitored closely and under control in order to verify that the size of the provisions calculated are in accordance with the required standard commensurate with the credit risk related to these accounts.
- The requirements of IFRS (9) has been implemented through the Arab Banking Corporation/parent company in Bahrain. Moreover, agreement has been reached to apply this standard at the Group's level through Moody's Company.

Fifth: Definition of the mechanism for calculating and controlling the probability of default (PD), credit exposure at default (EAD), and loss given default (LGD).

- According to IFRS(9), the expected credit loss measurement model has been applied using the following framework:  
$$\text{Expected Credit Losses} = \text{Credit Exposure at Default} * \text{Probability of Default} * \text{Loss Given Default}.$$
- Credit exposure is calculated according to the Central Bank of Jordan's instructions as follows: loans and credit facilities (direct and indirect), debt instruments recorded at amortized cost, debt instruments recorded at fair value through the statement of comprehensive income, financial guarantees, credit exposures to bank and financial institution, the unutilized direct limits, taking into consideration the conversion factor for indirect requirements. A rate of 100% has been adopted for calculating the exposure at default.

- The Probability of Default ratios have been calculated according to the results of the evaluation of the risk degree of the credit portfolio of the customers during the past years. Moreover, the required review has been conducted regarding the customer's risk assessment forms for all corporates and banks through Moody's system according to the following table:

Moody's Rating	Notch	ABC – Rating
Aaa	1	1
Aa1	2	2+
Aa2	3	2
Aa3	4	2-
A1	5	3+
A2	6	3
A3	7	3-
Baa1	8	4+
Baa2	9	4
Baa3	10	4-
Ba1	11	5+
Ba2	12	5
Ba3	13	5-
B1	14	6+
B2	15	6
B3	16	6-
Caa1	17	7+
Caa2	18	7
Caa3	19	7-
Ca	20	8
	Sub-Standard	9
	Doubtful	10
	Loss	11

- The loss given default ratio is calculated using the systems approved by the external supplier of Moody's company, assuming that the default happens after calculating the recoverable amount of the credit exposure and the timing of the recovery, taking into consideration the collaterals provided against the credit exposure and the application of the deduction ratios determined in accordance with the internal standards adopted by the Bank.
- The methodology for calculating the expected credit loss in the stage one and two was adopted on a Collective Basis level for the retail portfolio (personal loans, housing loans, credit cards and auto financing loans) for single credit exposures for any portfolio that don't exceed JD 150K. Moreover, the Roll Rate Approach was adopted. Such portfolios or products carry similar credit risk and share several elements such as (type of product, quality of collateral provided, nature of financing, duration of financing, sector, etc.)

- The stress tests required in accordance with IFRS (9), which is part of the expected credit loss calculation process, were adopted in three scenarios to study the future forecasts and their effect on the variables of the expected credit loss measurement model, represented by a base scenario, downside scenario, and upside scenario, since we have adopted the weighted probability value for these scenarios.
- As for the calculation of the credit loss under Stage 3, we continue to follow the Central Bank of Jordan's Instructions No. (8/2024) for the classification of non-performing debts, suspension of interest, calculation of provisions and acceptable haircut rates for collateral based on these instructions and the volume of credit losses are calculated based on IFRS 9 in which the more conservative is taken.

Sixth: Determinants of the significant change in the credit risk on which the Bank relies for calculating the expected credit losses

- A decrease or deterioration in the actual internal credit rating of the borrower according to the internal rating system applied by the Bank related to comparison with the internal rating of the borrower at the time of granting the loan.
- Accounts with no risk rating degree on the system at the facility granting and their current degree of risk rating 5+ or worse classified in stage two.
- The unpaid accruals on one of the client accounts or the borrower equal to or greater than 30 days.
- Accounts classified as watch list (internal ratings 7 and 8).
- Accounts that need to be actively monitored by the Bank within watchlist accounts.
- Accounts that have restructured the debtor's obligations (restructuring of obligations).
- As for the credit portfolio for retail facilities of all types, the customers' loans with dues for more than or equal to 30 and less than 90 days are classified in the stage two, in addition to the restructured accounts.

Seventh: The Bank's policy in identifying the common elements (characteristics) on which the credit risk and expected loss are based on a collective basis

- The methodology for calculating the expected credit loss in stage one and two was adopted at the Collective Base level for the retail portfolio (personal loans, personal loans against cash margins, housing loans, credit cards, and auto financing loans) for single credit exposures for any portfolio that don't exceed JD 150K. Moreover, the Roll Rate Approach was adopted. Such portfolios or products carry similar credit risks and share several elements such as (type of product, quality of collateral provided, nature of financing, duration of financing, sector, etc.).
- The roll-rate approach was used to calculate the probability of default for retail products for each product based on the reports extracted from the Bank during the past years and monthly to determine the distribution of dues. The loss given default ratio was calculated by reference to the size of the realized recoveries of the NPL portfolio for each type of the retail portfolio, including the overdrawn account during the previous years.

- An independent and more detailed methodology was used in order to calculate the size of the expected credit loss for the credit portfolio granted by the bank's subsidiary "Arab Cooperation for Financial Investments", which is represented in financing shares within the product of margin financing and cash financing for the first stage, the second stage and the third stage, where it was considered The risk score of the operating portfolio clients classified within the first stage is one notch less than the country risk score (Jordan). As for the risk score of the client classified within the second stage, it was considered four notches lower than the country risk score (Jordan). As for the maturity of the facilities, the maturity date was considered based on the type of product and the stage of the exposure's classification and as follows:

Maturity period	Classification stage	Product
	1	
3 Months	2	Cash Financing
Remaining maturity	1	
Contractual maturity or 2		
years from reporting period		
whichever is greatest	2	Margin Financing

As for the Loss Given Default (LGD), reliance was placed on the collateral coverage for the exposures in addition to the staging classification of the exposures, as follows:

Maturity period	Classification stage	Product
LGD Floor 5%	1	Fully covered
LGD Floor 10%	2	exposures by collaterals
	1	
Based on RS 9 Risk Calc		Not fully covered
LGD Model	2	exposures by collaterals

Minimum LGD: This applies when the debt is covered by collateral at 100% or more, meaning that the value of the collateral—after applying the haircut—is equal to or higher than the credit exposure.

As for the classification of accounts of the third stage (defaulters). Therefore, the company adopts the approved internal policy in this regard.

Eighth: Primary economic indicators used by the Bank in calculating the expected credit loss probability of default (PD)

The parent institution in Bahrain used an external supplier Moody's to conduct the calculation of expected credit loss by adopting three scenarios to study the future forecasts and their impact on the variables of the credit loss measurement model. The economic factors used in the calculation were the economic growth ratios in Jordan and the stock price index in regards of the Company's portfolio.



The following are the main banking risks faced by the group and the methods of managing them:

**(40/A) Credit risk**

Credit risk represents the other party's default or inability of the financial instrument to meet its obligations toward the Group which could result in a loss. The Bank divides the direct credit facilities portfolio into four sections comprising credit facilities for governments and financial institutions, including banks and companies, consisting of both corporate and medium size facilities; as well as retail facilities, including personal loans, housing loans and other products such as credit cards and personal car loans. These policies include rules and procedures that must be adhered to when granting or renewing facilities. They also include a special evaluation for each customer through rating, whereby CreditLens is currently used to classify the facilities of corporates and medium companies, and in which is performed automatically. In addition, a Credit Scoring model is adopted to assess customers included in the retail portfolio.

The Bank is also pursuing a policy of diversification at the level of customers, economic sectors and geographical regions, which contributes to reducing the degree of credit risk. In order to control the risks of lending, the Risk Management Committee of the Board of Directors holds periodic meetings to discuss all matters related to credit risk, and is provided with quarterly reports on the distribution of the facility portfolio in terms of economic distribution, credit rating, geographical distribution, tenor for facilities, volume of expected credit losses, review of the results of regulatory and internal capital adequacy ratios, and the results of stress testing and risk appetite limits, which determine the direction of the Bank in the upcoming period. The adequacy of the impairment provision for the credit facilities is reviewed periodically in accordance with the instructions of the Central Bank of Jordan. Moreover, the volume of expected credit losses is reviewed in accordance with IFRS (9).

The details of the direct credit facilities portfolio are stated in Note (8). In addition, the Group's off-balance sheet financial position obligations carrying credit risks are detailed in Note (46).

**(40/B) Operational risks**

Operational risk refers to the risk of potential losses that affect revenues or capital due to insufficient or failed internal processes, information systems, human factors, or as a result of external events that have a significant impact on the bank's operations. This also includes legal risks, excluding reputational risks and strategic risks.

It is noted that reputational risks and other risks, such as strategic risks and qualitative risks associated with liquidity risks, are assessed for the required capital to address them through evaluation according to the approved Scorecard assessment model for that purpose.

The Operational Risk Department continuously works and coordinates closely with all officials of the general management departments to ensure the ongoing effective application of the overall framework for managing operational risks through the implementation of the three lines of defense principle, which defines the tasks and responsibilities of all bank departments, particularly regarding the execution, monitoring, and oversight of daily tasks at the first line of defense.

The department continues to gather data on operational incidents and losses, as well as operational risk indicators, using the Governance, Risk, and Compliance (GRC) Tool, and works on monitoring and updating this data while ensuring that any necessary corrective plans are put in place. The aim of the system is to allow all relevant departments, including business, risk, compliance, and internal audit, to utilize it, thus enabling executive management to be continuously informed about all financial and non-financial risks.

Furthermore, the methodology for the self-assessment of operational risks and the controls established against them is continually followed, involving reviews at the level of departments, branches, products, and processes. Through this process, operational risks and their associated risks are identified.

This year, an assessment was initiated to test the controls identified during the risk and control self-assessment workshops, in accordance with a methodology approved by the bank, to ensure they are being properly implemented.

#### **(40/C) Information technology risk**

These are the risks that the bank may face as a result of owning and using information technology resources to execute the bank's operations, which may lead to financial or legal losses or negatively affect the Bank's reputation or the services provided to customers and stakeholders.

To enable the Risk Management Department of the bank to apply all the requirements stipulated in the Central Bank of Jordan's regulations related to the governance and management of information and the accompanying technology, as well as the guidelines for adapting to cybersecurity risks and the policies and procedures outlined by the bank, the following were accomplished in 2025:

1. Review and Re-approval of the Following Policies and Procedures:
  - Information Technology Risk Policy
  - Information Technology Risk Assessment Methodology
  - Procedures for the Information Technology Risk Unit
2. Review, Update, and Approval of the Information Technology Management Risk Profile.
3. Update of the Document Related to the Overall Framework for Acceptable Risk Limits (Risk Appetite Statement & Framework) and Determining Acceptable Levels of Operational and Cybersecurity Risks, with Approval from the Board of Directors.

4. Preparation of Reports Stipulated in the Governance and Management of Information and Technology Regulations and Sharing Them with Relevant Parties by Presenting Them to the Operational Resilience Committee.
5. To enhance the skills of the Information Technology Risk Management staff, relevant personnel participated in numerous local conferences, training courses, and workshops related to information technology governance and information security.

#### **(40/E) Market Risk**

Market risk arises from losses generated by financial positions, whether on-balance sheet or off-balance sheet, resulting from fluctuations in interest rates, foreign exchange rates, and equity prices. Market risk is monitored and managed by the Market Risk Department within the Risk Management Division, in addition to other committees and supervisory bodies, including the Assets and Liabilities Committee (ALCO) and the Risk Management Committee, which consists of selected members of the Board of Directors and risk management executives.

The Bank manages market risk arising from its investments in bonds and equities, foreign exchange trading, swaps, and certificates of deposit by applying several advanced tools and techniques aimed at achieving comprehensive management of this type of risk. These include the Value at Risk (VaR) methodology, which the Bank calculates daily across all risk-exposed portfolios—interest rate instruments, equity instruments in trading portfolios, and foreign exchange positions—based on the Historical Simulation approach. This method relies on several assumptions, including a one-daytime horizon and a 99% confidence level. VaR results are compared daily with the actual profits and losses of the portfolios.

The Bank also calculates the effect of interest-rate sensitivity on financial instruments whose value is subject to interest-rate fluctuations, as well as the main currencies the Bank deals in, through the Basis Point Value (BPV) method, which is based on estimating the potential loss resulting from a one-basis-point change in interest rates (DV01).

#### **(40/F) Liquidity Risk**

Liquidity risk represents the possibility of being unable to provide the necessary funding to meet obligations as they fall due to the inability to liquidate assets. To mitigate these risks, Bank management diversifies funding sources, manages assets and liabilities and aligns their maturities, and maintains an adequate balance of cash and cash equivalents and marketable securities.

Within the Bank's overall strategy aimed at generating returns on its investments, liquidity is reviewed and managed at several levels, including the Treasury Department, the Financial Control Department, and the Risk Management Division, in addition to the Assets and Liabilities Committee, which specializes in this area. The liquidity review process includes an integrated analysis of the maturity profile of assets and liabilities, examining sources of funds—including customers, correspondent banks, subsidiaries and affiliates, and the Bank's branches in Jordan—and analyzing the distribution and concentration of customer deposits by sector.

The Bank follows a liquidity-management strategy approved by the Board of Directors that aims to apply a comprehensive approach to managing liquidity risks and related dependencies efficiently and effectively, taking into consideration the appropriate diversification between sources and uses of funds.

A contingency funding plan has been established and approved, forming an integral part of the liquidity-risk management policy. This plan is activated when necessary to manage liquidity risks in the event of unexpected customer-deposit withdrawals and if the Bank's regulatory liquidity ratios exceed acceptable risk limits.

Contractual maturity dates of assets are determined based on the remaining period from the statement-of-financial-position date to the contractual maturity date, without taking into consideration the actual maturities reflected in historical patterns of deposit retention and liquidity availability.

The Bank applies the regulatory liquidity requirements according to the instructions of the Central Bank of Jordan, which stipulate that:

- the legal liquidity ratio must not fall below 100% for all currencies combined, and
- must not fall below 70% for the Jordanian Dinar.

The Bank consistently maintains liquidity ratios well above the minimum levels required by the Central Bank of Jordan.

During the past period, the Bank conducted studies to calculate the volume of stable customer deposits (Core Deposits) based on the historical behavior of customer deposits over the past five years, and the results of this study have been incorporated into liquidity-risk management reports.

**Quantitative disclosures:**

**Credit risk**

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

	2025	2024
	JD	JD
Consolidated statement of financial position items:		
Cash and balances at Central Bank of Jordan	182,807,071	112,391,921
Balances at banks and financial institutions - net	146,126,075	143,338,747
Deposits at banks and financial Institutions - net	-	-
Direct credit facilities - net:		
Retail	376,768,943	366,454,467
Real-estate loans	86,039,400	74,494,201
Large companies	241,770,274	217,659,650
Small and medium companies	30,573,140	27,464,356
Government & public sector	96,186,727	80,579,027
Bonds and treasury Bills:		
Financial assets at fair value through other comprehensive income	59,685,947	63,173,073
Financial assets at amortized cost - net	212,595,063	183,515,077
Financial assets at amortized cost mortgaged	-	32,001,543
Other assets	8,485,960	7,495,857
Total	1,441,038,600	1,308,567,919
Off consolidated statement of financial position Items		
Letters of guarantee	96,537,191	113,912,485
Letters of credit	21,440,978	26,379,743
Acceptances	8,624,140	7,657,656
Un-utilized facilities	52,496,307	40,305,806
Grand total	179,098,616	188,255,690
Total	1,620,137,216	1,496,823,609

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**1- Distribution of credit exposure (Direct credit facilities):**

The Bank's internal credit rating	Classification category based on (8/2024) instruction	Net exposure	Expected credit	Probability of default (PD)		Exposure at default	Loss given default (LGD)
		amount	losses (ECL)	%		(EAD)	%
Performing facilities							
1	Performing	13,844,370	9,671	from 0.0003 to 0.0006		13,854,041	from 0.2293 to 0.4434
2	Performing	10,391,007	53	from 0.0003 to 0.0006		10,391,060	from 0.2293 to 0.4434
3	Performing	48,179,366	14,773	from 0.0004 to 0.0022		48,194,139	from 0.2318 to 0.4959
4	Performing	79,671,130	109,696	from 0.0012 to 0.0055		31,799,955	from 0.2388 to 0.5118
5	Performing	1,054,335,248	1,616,366	from 0.0084 to 0.014		1,055,951,614	from 0.02 to 0.5224
6	Performing	363,687,439	1,868,195	from 0.0132 to 0.0493		365,555,627	from 0.02 to 0.5689
7	Performing	38,153,787	1,390,324	from 0.06 to 0.1674		39,544,111	from 0.02 to 0.5421
8	Performing	4,195,916	2,770,438	from 0.1373 to 0.2238		6,966,354	from 0.02 to 0.5503
Total		1,612,458,263	7,779,516			1,572,256,901	
Non performing facilities							
9	Non performing	2,712,740	1,243,093	100%		3,955,833	
10	Non performing	2,185,537	3,617,767	100%		5,803,303	
11	Non performing	2,780,676	52,548,226	100%		52,199,312	
Total		7,678,953	57,409,086			61,958,448	
Gross total		1,620,137,216	65,188,602			1,634,215,349	

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2- Credit risk according to economic sectors:

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

Item	2025												2024							
	Financial		Industrial		Trading		Real estate		Agriculture		Shares		Individually		Government and public sector		Services		Total	
	JD		JD		JD		JD		JD		JD		JD		JD		JD		JD	Total
Balances at Central Bank of Jordan	-		-		-		-		-		-		-		182,807,071		-		182,807,071	112,391,921
Balances at banks and financial institutions -net	146,126,075		-		-		-		-		-		-		-		-		146,126,075	143,338,747
Direct credit facilities - net	38,295,627		100,908,974		67,641,472		95,344,834		5,494,142		33,101,104		351,361,499		96,228,491		42,962,341		831,338,484	766,651,701
Bonds and bills:																				
Financial assets at amortized cost - net	5,640,372		-		-		-		-		-		-		206,954,691		-		212,595,063	183,515,077
Financial assets at fair value through other comprehensive income	21,350,297		-		-		-		-		-		-		38,335,650		-		59,685,947	63,173,073
Financial assets at amortized cost mortgaged	-		-		-		-		-		-		-		-		-		-	32,001,543
Other assets	1,366,033		22,020		303,686		369,015		980		-		727,974		5,283,694		412,558		8,485,960	7,495,857
Total	212,778,404		100,930,994		67,945,158		95,713,849		5,495,122		33,101,104		352,089,473		529,609,597		43,374,899		1,441,038,600	1,308,567,919
Letters of guarantee	32,796,869		21,724,778		11,057,291		2,283,238		134,383		-		-		-		28,540,632		96,537,191	113,912,485
Letters of credit	6,091,456		10,379,006		11,263,642		-		2,000,122		-		-		-		330,892		30,065,118	34,037,399
Un- utilized ceilings	5,191,827		10,569,565		15,463,357		1,248,036		438,552		3,116,093		12,736,648		-		3,732,229		52,496,307	40,305,806
Grand total	256,858,556		143,604,343		105,729,448		99,245,123		8,068,179		36,217,197		364,826,121		529,609,597		75,978,652		1,620,137,216	1,496,823,609

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**B- Distribution of exposures by classification stages in accordance with IFRS 9:**

Item	2025						2024
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Financial	256,846,557	-	-	-	11,999	256,858,556	299,735,714
Industrial	120,103,306	-	22,888,381	-	612,656	143,604,343	131,705,350
Trading	102,672,014	-	1,428,861	-	1,628,573	105,729,448	83,151,413
Real estate	10,723,048	81,513,914	1,422,907	3,660,203	1,925,051	99,245,123	90,069,414
Agriculture	8,058,179	-	-	-	10,000	8,068,179	7,295,024
Shares	-	34,099,111	-	838,844	1,279,242	36,217,197	31,764,286
Individuals	46,121,231	301,528,788	975,117	14,012,788	2,188,197	364,826,121	354,225,437
Government and public sector	529,609,597	-	-	-	-	529,609,597	438,239,366
Services	75,535,108	-	420,309	-	23,235	75,978,652	60,637,605
Total	1,149,669,040	417,141,813	27,135,575	18,511,835	7,678,953	1,620,137,216	1,496,823,609



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**3- Exposure distribution according to geographical**

**A- Total distribution of exposures by geographical regions – net:**

	Inside the Kingdom		Other Middle East Countries		Europe		Asia		Africa		America		Other Countries		Total
	JD		JD		JD		JD		JD		JD		JD		
Balance at Central Bank of Jordan	182,807,071		-		-		-		-		-		-		182,807,071
Balances at banks and financial institutions - net	46,283,853		58,314,848		24,568,037		-		26,095		16,933,242		-		146,126,075
Direct Credit facilities - net:	831,338,484		-		-		-		-		-		-		831,338,484
Bonds and bills:															
Financial assets at amortized cost - net	212,595,063		-		-		-		-		-		-		212,595,063
Financial assets at fair value through other comprehensive income	38,335,649		21,350,298		-		-		-		-		-		59,685,947
Financial assets at amortized cost mortgaged	-		-		-		-		-		-		-		-
Other assets	7,180,892		1,119,438		72,028		-		113,602		-		-		8,485,960
Total current year	1,318,541,012		80,784,584		24,640,065		-		139,697		16,933,242		-		1,441,038,600
Letters of guarantee	64,130,298		3,623,483		23,474,053		3,220,302		35,192		2,053,863		-		96,537,191
Letters of credit	25,128,895		4,094,676		-		-		841,547		-		-		30,065,118
Un-utilized facilities	52,496,307		-		-		-		-		-		-		52,496,307
Grand total	1,460,296,512		88,502,743		48,114,118		3,220,302		1,016,436		18,987,105		-		1,620,137,216

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B- Distribution of exposures by classification stages in accordance with IFRS 9:

	2025						2024
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Inside Jordan	989,828,336	417,141,813	27,135,575	18,511,835	7,678,953	1,460,296,512	1,263,540,901
Other middle east countries	88,502,743	-	-	-	-	88,502,743	99,592,448
Europe	48,114,118	-	-	-	-	48,114,118	66,696,383
Asia	3,220,302	-	-	-	-	3,220,302	9,053,421
Africa	1,016,436	-	-	-	-	1,016,436	26,191,894
America	18,987,105	-	-	-	-	18,987,105	31,748,562
<b>Total</b>	<b>1,149,669,040</b>	<b>417,141,813</b>	<b>27,135,575</b>	<b>18,511,835</b>	<b>7,678,953</b>	<b>1,620,137,216</b>	<b>1,496,823,609</b>

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4- Credit exposures that have been reclassified

A- Total credit exposures that have been reclassified exposures

Item	2025					
	Stage 2		Stage 3		Total	
	Total exposure amount	Reclassified exposures	Total exposure amount	Reclassified exposures	reclassified exposures	Reclassified exposures %
	JD	JD	JD	JD	JD	%
Direct credit facilities	45,552,109	15,724,229	7,020,336	5,526,641	21,250,870	1.67%
Letters of guarantees	44,330	34,458	658,615	10,000	44,458	0.003%
Other liabilities	50,823	-	-	-	-	0.000%
Total exposures	45,647,262	15,758,687	7,678,951	5,536,641	21,295,328	1.67%
Item	2024					
	Stage 2		Stage 3		Total	
	Total exposure amount	Reclassified exposures	Total exposure amount	Reclassified exposures	reclassified exposures	Reclassified exposures %
	JD	JD	JD	JD	JD	%
Direct credit facilities	42,821,852	13,596,925	8,853,327	6,433,849	20,030,774	1.67%
Letters of guarantees	145,914	120,769	1,099,158	263,108	383,877	0.03%
Other liabilities	543,505	105,506	-	-	105,506	0.01%
Total exposures	43,511,271	13,823,200	9,952,485	6,696,957	20,520,157	1.71%

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B- Expected credit loss for exposures that have been reclassified:

	2025					
	Exposures that have been reclassified		Expected credit loss due to reclassified exposures			
	Total reclassified exposures	Total reclassified exposures	Stage 2		Stage 3	
	Stage 2	Stage 3	individual	Collective	individual	Collective
	Jd	Jd	Jd	Jd	Jd	Jd
Direct credit facilities	15,724,229	5,526,641	21,250,870	113,957	6,485,098	434,850
Letters of guarantees	34,458	10,000	44,458	542	-	-
Letters of credit	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total exposures	15,758,687	5,536,641	21,295,328	114,499	6,485,098	434,850
						8,477,194

	2024						
	Exposures that have been reclassified			Expected credit loss due to reclassified exposures			
	Total		Total	Stage 2			Stage 3
	Total reclassified exposures	reclassified exposures	reclassified exposures	individual	Collective	individual	Collective
	Stage 2	Stage 3	Stage 3	individual	Collective	individual	Collective
	JD	JD	JD	JD	JD	JD	JD
Direct credit facilities	13,596,925	6,433,849	20,030,774	27,580	1,313,988	9,511,098	142,301
Letters of guarantees	120,769	263,108	383,877	770	-	-	-
Letters of credit	-	-	-	-	-	-	-
Other liabilities	105,506	-	105,506	46	-	-	-
Total exposures	13,823,200	6,696,957	20,520,157	28,396	1,313,988	9,511,098	142,301
							10,995,783

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**5 – Expected credit losses provision**

31 December 2025

Item	Stage 1		Stage 2		Stage 3		Total
	Individual	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD	
Balances and deposits at banks and financial institutions	11,211	-	-	-	-	-	11,211
Direct credit facilities	801,855	1,218,023	2,924,020	2,348,797	54,279,493	-	61,572,188
Financial assets at amortized cost	31,628	-	-	-	-	-	31,628
Financial assets at fair value through other comprehensive income	14,372	-	-	-	-	-	14,372
Letters of guarantees	139,009	-	5,169	-	3,129,593	-	3,273,771
Un-utilized facilities	166,443	14,885	326	3	-	-	181,657
Letters of credit	103,775	-	-	-	-	-	103,775
Total	1,268,293	1,232,908	2,929,515	2,348,800	57,409,086	-	65,188,602

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31 December 2024

Item	Stage 1		Stage 2		Stage 3		Total
	Individual	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD	
Balances and deposits at banks and financial institutions	23,851	-	-	-	-	-	23,851
Direct credit facilities	641,518	2,404,978	5,854,350	2,092,482	62,338,224	-	73,331,552
Financial assets at amortized cost	39,343	-	-	-	-	-	39,343
Financial assets at fair value through other comprehensive income	20,374	-	-	-	-	-	20,374
Letters of guarantees	120,596	-	785	-	3,099,547	-	3,220,928
Un-utilized facilities	194,840	13,334	36,125	-	-	-	244,299
Letters of credit	153,573	-	-	-	-	-	153,573
Total	1,194,095	2,418,312	5,891,260	2,092,482	65,437,771	-	77,033,920

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

Item	Fair value of collaterals														Expected credit losses (ECL)				
	Gross exposure amount		Cash margins		Quoted shares		Accepted banking guarantees		Real estate		Vehicles and machines		Others			Gross collateral amount		Net exposure after collaterals	
	JD		JD		JD		JD		JD		JD		JD			JD		JD	
2025																			
Balances at central bank	182,807,071		-		-		-		-		-		-		-		182,807,071		-
Balances at banks and financial institutions - net	146,126,075		-		-		-		-		-		-		-		146,126,075		11,211
Direct credit facilities:																			
Retail	376,768,943		19,639,801		26,461,804		-		793,941		2,058,873		2,430		48,956,849		327,812,094		34,957,408
Real estate Loans	86,039,400		566,778		-		-		82,870,563		-		1,148,619		84,585,960		1,453,440		646,491
Large corporate	241,770,274		7,049,039		20,637,825		139,265		16,017,776		2,000,000		1,190,129		47,034,034		194,736,240		23,249,263
Small and medium companies	30,573,140		5,984,924		-		489,473		9,206,327		450,902		3,470,208		19,601,834		10,971,306		2,677,262
Government and public sector	96,186,727		-		-		-		-		-		-		-		96,186,727		41,764
Bonds and bills:																			
Financial assets at fair value through other comprehensive income	59,685,947		-		-		-		-		-		-		-		59,685,947		14,372
Financial assets at amortized cost - net	212,595,063		-		-		-		-		-		-		-		212,595,063		31,628
Financial assets at amortized cost mortgaged	-		-		-		-		-		-		-		-		-		-
Other assets	8,485,960		-		-		-		-		-		-		-		8,485,960		-
Total	1,441,038,600		33,240,542		47,099,629		628,738		108,888,607		4,509,775		5,811,386		200,178,677		1,240,859,923		61,629,399
Letters of guarantee	96,537,191		3,743,437		-		-		3,647,967		-		-		7,391,404		89,145,787		3,273,771
Letters of credit	30,065,118		1,568,099		-		-		-		-		-		1,568,099		28,497,019		103,775
Utilized facilities	52,496,307		-		-		-		-		-		-		-		52,496,307		181,657
Grand total	1,620,137,216		38,552,078		47,099,629		628,738		112,536,574		4,509,775		5,811,386		209,138,180		1,410,999,036		65,188,602
Total comparative figures	1,496,823,609		38,618,990		34,168,434		519,673		93,601,651		9,570,808		8,795,905		185,275,461		1,311,548,148		77,033,920

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

Item	Fair value for collaterals							
	Gross exposure stage 3	Cash margins	Quoted shares	Accepted banking guarantees	Real estate	Vehicles and machines	Gross collateral amount	Net exposure after collaterals
	JD	JD	JD	JD	JD	JD	JD	JD
Credit facilities:								
Retail	3,478,875	-	1,153,791	-	206,250	-	1,360,041	2,118,834
Real Estate Loans	865,284	39,057	-	-	1,247,987	-	1,287,044	(421,760)
Large corporate	894,355	-	-	139,265	1,353,565	-	1,492,830	(598,475)
Small and medium companies	1,781,824	50,358	-	489,473	1,054,999	32,035	1,626,865	154,959
Total	7,020,338	89,415	1,153,791	628,738	3,862,801	32,035	5,766,780	1,253,558
Letters of guarantee	658,615	202,738	-	-	-	-	202,738	455,877
Grand total	7,678,953	292,153	1,153,791	628,738	3,862,801	32,035	5,969,518	1,709,435
Total comparative figures	9,952,482	293,851	554,913	519,673	4,232,578	80,996	5,682,011	4,270,471
								Expected credit losses (ECL)
								JD
								31,491,900
								491,466
								19,811,845
								2,484,282
								54,279,493
								3,129,593
								57,409,086
								65,437,771

**Rescheduled loans:**

These represent loans classified previously as non-performing and reclassified as performing but taken out therefrom according to proper scheduling and classified as watch list loans, these loans amounted to JD 1,350,765 as of 31 December 2025 (JD 704,499 as of 31 December 2024).

The balance of the rescheduled loans represents the loans which were rescheduled either still classified as watch list or transferred to performing.

**Restructured loans:**

Restructuring means to rearrange facilities instalments or by increasing their duration postpone some instalments or increase the grace period....etc, they are classified as a watch-list debt and the restructuring as of 31 December 2025 amounted to JD 13,096,490 (JD 17,715,482 as of 31 December 2024).



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7 – Bonds, bills and debentures:

The table below shows the classifications of bounds and treasury bills according to the external classification ratings (S&P):

2025				
Classification grade	Financial assets at amortized cost mortgaged	Financial assets at fair value through other comprehensive income	Financial assets at amortized cost	Total
	JD	JD	JD	JD
A+	-	3,637,418	-	3,637,418
A	-	3,517,207	-	3,517,207
A-	-	3,687,615	-	3,687,615
BBB	-	6,881,161	-	6,881,161
BB+	-	3,626,897	-	3,626,897
Unclassified	-	-	5,640,372	5,640,372
Governmental or guaranteed from government	-	38,335,649	206,954,691	245,290,340
<b>Total</b>	<b>-</b>	<b>59,685,947</b>	<b>212,595,063</b>	<b>272,281,010</b>

2024				
Classification grade	Financial assets at amortized cost mortgaged	Financial assets at fair value through other comprehensive income	Financial assets at amortized cost	Total
	JD	JD	JD	JD
A+	-	3,620,615	-	3,620,615
A	-	3,417,415	-	3,417,415
A-	-	3,588,852	-	3,588,852
BBB	-	3,096,540	-	3,096,540
BB+	-	3,580,450	-	3,580,450
Unclassified	-	-	20,632,657	20,632,657
Governmental or guaranteed from government	32,001,543	45,869,201	162,882,420	240,753,164
<b>Total</b>	<b>32,001,543</b>	<b>63,173,073</b>	<b>183,515,077</b>	<b>278,689,693</b>

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**Liquidity risk**

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

31 December 2025	Less than 1 month	1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 to 3 years	Over 3 years	Without maturity	Total
	Thousand JD	Thousand JD	Thousand JD	Thousand JD	Thousand JD	Thousand JD	Thousand JD	Thousand JD
<b>Liabilities:</b>								
Banks and financial institution's deposits	34,776	39,534	-	1,960	38,419	-	-	114,689
Customers' deposits	520,820	279,088	150,124	161,295	-	-	-	1,111,327
Cash margins	49,062	517	814	1,161	592	1,782	-	53,928
Borrowed funds	927	1,098	3,620	5,874	23,523	6,556	-	41,598
Sundry provisions	-	-	-	-	-	297	-	297
Income tax provision	628	-	213	-	-	-	-	841
Deferred tax liabilities	-	-	-	618	-	-	-	618
Lease Liabilities	-	-	-	-	195	3,670	-	3,865
Other liabilities	24,373	2,369	1,338	4,972	80	3,899	-	37,031
<b>Total</b>	<b>630,586</b>	<b>322,606</b>	<b>156,109</b>	<b>175,880</b>	<b>62,809</b>	<b>16,204</b>	<b>-</b>	<b>1,364,194</b>
<b>Total assets (according to expected maturities)</b>	<b>396,818</b>	<b>155,788</b>	<b>87,469</b>	<b>159,782</b>	<b>247,498</b>	<b>441,976</b>	<b>31,312</b>	<b>1,520,643</b>

**31 December 2024**

<b>Liabilities:</b>								
Banks and financial institution's deposits	54,011	38,718	-	-	39,135	-	-	131,864
Customers' deposits	377,369	243,309	171,223	133,408	-	-	-	925,309
Cash margins	42,429	3,604	390	630	269	66	-	47,388
Borrowed funds	742	1,048	3,559	54,172	12,395	19,731	-	91,647
Sundry provisions	-	-	-	-	-	84	-	84
Income tax provision	156	-	199	-	-	-	-	355
Deferred tax liabilities	-	-	-	355	-	-	-	355
Lease Liabilities	-	-	-	1	315	2,927	-	3,243
Other liabilities	20,145	2,886	4,096	3,343	108	3,488	-	34,066
<b>Total</b>	<b>494,852</b>	<b>289,565</b>	<b>179,467</b>	<b>191,909</b>	<b>52,222</b>	<b>26,296</b>	<b>-</b>	<b>1,234,311</b>
<b>Total assets (according to expected maturities)</b>	<b>320,225</b>	<b>168,815</b>	<b>81,365</b>	<b>167,991</b>	<b>230,107</b>	<b>380,616</b>	<b>33,905</b>	<b>1,383,024</b>

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**Interest rate sensitivity gap**

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

31 December 2025	From				From 6 months		From 1 to 3 years		Over 3 years		Non - interest bearing		Total
	Less than 1 month		1 to 3 months		3 to 6 months		to 1 year		JD		Items		
	JD		JD		JD		JD		JD		JD		
<b>Assets</b>													
Cash and balances at Central Bank of Jordan	133,100,000	-	-	-	-	-	-	-	-	-	-	66,907,585	200,007,585
Balances at banks and financial institutions - net	104,994,854	36,668,589	-	-	-	-	-	-	-	-	-	4,462,632	146,126,075
Financial assets at fair value through other comprehensive income-net	6,000,187	3,517,910	5,004,112	7,996,102	6,808,169	3,177,546	23,889,036	104,454,789	47,251,538	30,359,467	1,888,539	4,895,208	68,817,576
Direct credit facilities- net	391,135,260	238,032,561	192,209,370	3,177,546	-	-	-	-	-	-	-	-	831,338,484
Financial assets at amortized cost- net	10,000,138	22,000,332	4,999,230	23,889,036	104,454,789	47,251,538	-	-	-	-	-	-	212,595,063
Financial assets at fair amortized cost mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-
Property and equipment - net	-	-	-	-	-	-	-	-	-	-	-	30,419,139	30,419,139
Intangible assets - net	-	-	-	-	-	-	-	-	-	-	-	892,483	892,483
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	6,720,436	6,720,436
Right of use Assets	-	-	-	-	-	-	-	-	-	-	-	3,411,970	3,411,970
Other assets	-	-	-	-	-	-	-	-	-	-	-	20,313,698	20,313,698
Total assets	645,230,439	300,219,392	202,212,712	35,062,684	111,262,958	79,499,544	147,154,780	1,520,642,509					
<b>Liabilities</b>													
Banks and financial institution deposits	-	-	-	1,900,000	35,450,000	-	-	-	-	-	-	-	111,265,324
Customers' deposits	424,102,433	276,621,726	147,171,049	155,073,144	-	-	-	-	-	-	-	94,401,111	1,097,369,463
Cash margins	42,573,359	-	-	-	-	-	-	-	-	-	-	10,974,932	53,548,291
Borrowed funds	10,518,147	931,021	3,332,098	5,362,516	21,609,043	6,017,897	-	-	-	-	-	1,137,172	48,907,894
Sundry provisions	-	-	-	-	-	-	-	-	-	-	-	297,077	297,077
Income tax provision	-	-	-	-	-	-	-	-	-	-	-	841,461	841,461
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	618,064	618,064
Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	3,320,792	3,320,792
Other liabilities	-	-	-	-	175,855	3,144,937	-	-	-	-	-	37,031,293	37,031,293
Total Liabilities	511,849,138	316,812,872	150,503,147	162,335,660	57,234,898	9,162,834	145,301,110	1,353,199,659					
Interest rate sensitivity gap	133,381,301	(16,593,480)	51,709,565	(127,272,976)	54,028,060	70,336,710	1,853,670	167,442,850					
<b>31 December 2024</b>													
Total Assets	509,837,234	322,144,706	197,286,711	63,309,535	129,767,207	17,832,953	142,846,056	1,383,024,402					
Total Liabilities	392,747,868	279,938,340	170,465,686	178,794,257	46,195,788	19,679,833	130,883,008	1,218,704,780					
Interest rate sensitivity gap	117,089,366	42,206,366	26,821,025	(115,484,722)	83,571,419	(1,846,880)	11,963,048	164,319,622					

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Concentration of foreign currency risks:

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Assets:

Cash and balances at Central Bank of Jordan	22,620,223	327,477	92,456	-	56,269	23,096,425
Balances at banks and financial institutions	107,238,975	17,909,336	2,317,144	1,897	650,458	128,117,810
Deposits at banks and financial institutions	-	-	-	-	-	-
Direct credit facilities - net	71,846,760	-	14,990	-	1,834	71,863,584
Financial assets at fair value through comprehensive Income	35,615,570	14,763	-	-	-	35,630,333
Financial securities at amortized cost	23,397,000	-	-	-	-	23,397,000
Other assets	3,490,237	65,428	3,482	-	-	3,559,147
<b>Total Assets</b>	<b>264,208,765</b>	<b>18,317,004</b>	<b>2,428,072</b>	<b>1,897</b>	<b>708,561</b>	<b>285,664,299</b>

Liabilities:

Banks and financial institutions deposits	97,082,369	33,025	-	-	-	97,115,394
Customers' deposits	167,467,580	23,393,837	1,405,204	689	100,413	192,367,723
Cash margins	5,551,415	1,237,836	-	-	-	6,789,251
Borrowed funds	15,662,455	-	-	-	-	15,662,455
Other liabilities	8,766,058	689,417	929,299	157	779,040	11,163,971
<b>Total Liabilities</b>	<b>294,529,877</b>	<b>25,354,115</b>	<b>2,334,503</b>	<b>846</b>	<b>879,453</b>	<b>323,098,794</b>
<b>Net concentration on Consolidated Financial position</b>	<b>(30,321,112)</b>	<b>(7,037,111)</b>	<b>93,569</b>	<b>1,051</b>	<b>(170,892)</b>	<b>(37,434,495)</b>
<b>Contingent liabilities off - balance sheet</b>	<b>106,608,945</b>	<b>5,305,672</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>111,914,617</b>

**31 December 2024**

<b>Total Assets</b>	<b>255,570,577</b>	<b>20,228,190</b>	<b>1,901,166</b>	<b>517,679</b>	<b>1,004,273</b>	<b>279,221,885</b>
<b>Total Liabilities</b>	<b>269,941,482</b>	<b>23,878,255</b>	<b>1,980,622</b>	<b>514,435</b>	<b>920,320</b>	<b>297,235,114</b>
<b>Net concentration on Consolidated Financial position</b>	<b>(14,370,905)</b>	<b>(3,650,065)</b>	<b>(79,456)</b>	<b>3,244</b>	<b>83,953</b>	<b>(18,013,229)</b>
<b>Contingent liabilities off - balance sheet</b>	<b>148,507,186</b>	<b>13,118,234</b>	<b>-</b>	<b>2,030,345</b>	<b>524,027</b>	<b>164,179,792</b>

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**41. Segment Analysis**

**a. Information on bank business segment:**

For management purposes, the Bank's operations have been classified into the following major operating segments, measured in accordance with the reports used by the chief executive officer and the main decision maker:

- 1- Individual accounts.
- 2- Corporate accounts.
- 3- Treasury.

A- The following are the information of the bank's business segments:

<u>Description</u>	Retail JD	Corporate JD	Treasury JD	Other JD	Total	
					2025 JD	2024 JD
Gross direct revenue	40,306,800	29,660,361	34,874,291	279,638	105,121,090	107,566,358
Expected credit losses	(3,969,229)	(433,326)	(515,273)	-	(4,917,828)	(8,821,857)
Interest expense	(27,966,847)	(18,510,866)	(14,439,937)	(165,915)	(61,083,565)	(64,211,931)
Business segments results	8,370,724	10,716,169	19,919,081	113,723	39,119,697	34,532,570
Undisturbed segmental expenses					(34,315,647)	(31,685,899)
Profit before tax					4,804,050	2,846,671
Income tax					(1,920,803)	(984,974)
Net profit for the period					2,883,247	1,861,697
Capital expenditures					380,210	2,987,121
Depreciation and amortization					3,429,184	3,693,525
					2025 JD	2024 JD
Segmental assets	463,819,804	367,345,631	649,312,065	-	1,480,477,500	1,339,313,601
Undisturbed segmental assets	-	-	-	40,165,009	40,165,009	43,710,801
Total segmental assets	463,819,804	367,345,631	649,312,065	40,165,009	1,520,642,509	1,383,024,402
Segmental liabilities	880,339,160	313,716,547	150,943,036	-	1,344,998,743	1,211,010,621
Undisturbed segmental liabilities	-	-	-	8,200,916	8,200,916	7,694,159
Total segmental liabilities	880,339,160	313,716,547	150,943,036	8,200,916	1,353,199,659	1,218,704,780

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**B- Geographical distribution information**

This disclosure represents the geographical distribution of the Bank business. The Bank operations are mainly concentrated within the local business.

The following shows the distribution of the Bank's operating income and capital expenditure by geographical segmentation:

	Inside Jordan			Outside Jordan			Total	
	31 December		31 December	31 December		31 December	31 December	
	2025	2024	2025	2024	2025	2024	2025	2024
	JD	JD	JD	JD	JD	JD	JD	JD
Total direct revenues	96,325,399	99,118,470	8,795,691	8,447,888	105,121,090	107,566,358		
Capital expenditures	276,128	309,965	104,082	2,677,156	380,210	2,987,121		
	Inside Jordan			Outside Jordan			Total	
	31 December		31 December	31 December		31 December	31 December	
	2025	2024	2025	2024	2025	2024	2025	2024
	JD	JD	JD	JD	JD	JD	JD	JD
Total assets	1,398,476,933	1,233,687,970	122,165,576	149,336,432	1,520,642,509	1,383,024,402		

#### 42. Capital management:

The Bank seeks to achieve the following goals:

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

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

According to the Central Bank of Jordan instructions the minimum requirements for the capital adequacy ratio is 12%, Moreover, banks are classified into five categories the best one having an average capital adequacy ratio equal to or more than 14%. Additionally the Bank's capital adequacy ratio is 16.51% as of 31 December 2025 (17.16% as of 31 December 2024).

The schedule below shows capital components total risk weighted assets and capital adequacy ratio according to the Central Bank of Jordan instructions in accordance with Basel III 2025 Committee regulations:

	2025 Thousands JD	2024 Thousands JD
<b><u>Common equity shareholder rights</u></b>		
Paid-in Capital	110,000	110,000
Retained earnings less proposed dividends plus profit for the year	24,317	22,079
Cumulative change in fair value of financial assets	544	304
Share premium	67	67
Statutory reserve	32,316	31,670
Voluntary reserve	197	197
<b>Total ordinary shares' capital</b>	<b>167,441</b>	<b>164,317</b>
<b><u>Regulatory amendments (deduction from capital)</u></b>		
Goodwill and intangible assets	(892)	(1,134)
Deferred tax assets	(6,720)	(7,781)
<b>Net ordinary shareholders' equity</b>	<b>159,829</b>	<b>155,402</b>
<b><u>Additional Capital</u></b>		
<b>Total primary capital (Tier1 capital)</b>	<b>159,829</b>	<b>155,402</b>
Tier 2 capital		
Stage 1 IFRS 9 provision/ general banking risk reserve	2,501	3,612
Regulatory amendments (capital offerings) Investments in the capital of subsidiaries		
<b>Total supplementary capital</b>	<b>2,501</b>	<b>3,612</b>
<b>Total regulatory capital</b>	<b>162,330</b>	<b>159,014</b>
Total risk-weighted assets	<b>982,982</b>	<b>926,626</b>
Capital adequacy ratio (%)	16.51%	17.16%
Primary capital adequacy ratio (%)	16.26%	16.77%

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The value of the items related to the liquidity coverage ratio as of 31 December 2025, was as follows:

	31 December 2025
	Thousands JD
<b>Total adjusted high-quality liquid assets</b>	391,904
Net cash outflows for the subsequent 30 days	82,527
Liquidity coverage ratio (LCR)	474.9%

- The flow rates represent the weighting factors for each item related to the liquidity coverage ratio in accordance with Liquidity Coverage Ratio Instructions No. (5/2022) issued by the Central Bank of Jordan.

According to the Central Bank's instructions, the minimum liquidity coverage ratio is set at 100%. Accordingly, the monthly average (from 1 January 2025 to 31 December 2025) for the total currencies of the banking group reached 330%.

The value of the items related to the Net Stable Funding Ratio as of 31 December 2025, was as follows:

	31 December 2025
	Thousands JD
Total available stable funding (after the available stable funding factor)	1,019,840
Funding total required stable	826,234
Net stable funding ratio (NSFR)	123.43%

#### **43. Accounts managed on behalf of customers**

This item represents the accounts managed by the Bank on behalf of its customers but are not considered part of the bank's assets and its balances as of 31 December 2025 was JD 675,440,902 (JD 285,400,424 as of 31 December 2024), The fees and commissions on such accounts are stated in the consolidated statement of Income.



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**44. Assets and liabilities maturity analysis:**

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

	Up to 1 year	Over 1 year	Total
31 December 2025	JD	JD	JD
<b>Assets:</b>			
Cash and balances at Central Bank of Jordan	200,007,585	-	200,007,585
Balances at banks and financial institutions - net	146,126,075	-	146,126,075
Financial assets at fair value through other comprehensive income	31,649,940	37,167,636	68,817,576
Direct Credit facilities – net	347,363,330	483,975,154	831,338,484
Financial assets at amortized cost - net	60,888,735	151,706,328	212,595,063
Property and equipment- net	2,700,000	27,719,139	30,419,139
Intangible assets- net	390,000	502,483	892,483
Deferred tax assets	6,720,436	-	6,720,436
Right of use assets	518,422	2,893,548	3,411,970
Other assets	7,808,273	12,505,425	20,313,698
<b>Total assets</b>	<b>804,172,796</b>	<b>716,469,713</b>	<b>1,520,642,509</b>
<b>Liabilities:</b>			
Banks and financial institutions' deposits	75,815,324	35,450,000	111,265,324
Customers' deposits	1,097,369,463	-	1,097,369,463
Cash margins	51,375,188	2,173,103	53,548,291
Borrowed funds	21,155,684	27,752,210	48,907,894
Sundry provisions	-	297,077	297,077
Income tax provision	841,461	-	841,461
Deferred tax liabilities	618,064	-	618,064
Lease Liabilities	178,972	3,141,820	3,320,792
Other liabilities	32,873,038	4,158,255	37,031,293
<b>Total liabilities</b>	<b>1,280,227,194</b>	<b>72,972,465</b>	<b>1,353,199,659</b>
<b>Net</b>	<b>(476,054,398)</b>	<b>643,497,248</b>	<b>167,442,850</b>

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	Up to 1 year	Over 1 year	Total
31 December 2024	JD	JD	JD
<b>Assets:</b>			
Cash and balances at Central Bank of Jordan	119,404,557	-	119,404,557
Balances at banks and financial institutions - net	143,338,747	-	143,338,747
Financial assets at fair value through other comprehensive income	34,454,490	36,178,052	70,632,542
Direct Credit facilities - net	317,200,214	449,451,487	766,651,701
Financial assets at amortized cost - net	104,295,133	79,219,944	183,515,077
Financial assets at amortized cost mortgaged	-	32,001,543	32,001,543
Property and equipment- net	2,700,000	30,071,221	32,771,221
Intangible assets- net	390,000	743,688	1,133,688
Deferred tax assets	7,780,912	-	7,780,912
Right of use assets	587,103	2,229,276	2,816,379
Other assets	11,921,268	11,056,767	22,978,035
<b>Total assets</b>	<b>742,072,424</b>	<b>640,951,978</b>	<b>1,383,024,402</b>
<b>Liabilities:</b>			
Banks and financial institutions' deposits	92,163,456	35,450,000	127,613,456
Customers' deposits	911,659,999	-	911,659,999
Cash margins	46,899,229	312,973	47,212,202
Borrowed funds	65,839,662	28,687,203	94,526,865
Sundry provisions	-	84,377	84,377
Income tax provision	355,324	-	355,324
Deferred tax liabilities	355,103	-	355,103
Lease Liabilities	190,943	2,575,228	2,766,171
Other liabilities	30,279,614	3,851,669	34,131,283
<b>Total liabilities</b>	<b>1,147,743,330</b>	<b>70,961,450</b>	<b>1,218,704,780</b>
<b>Net</b>	<b>(405,670,906)</b>	<b>569,990,528</b>	<b>164,319,622</b>

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**45. Fair value hierarchy**

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

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

<u>Financial assets</u>	<u>Fair Value</u>		<u>Fair value hierarchy</u>	<u>Valuation techniques and key inputs</u>	<u>Important inputs intangibles</u>	<u>Relationship between important inputs and fair value</u>
	<u>31 December 2025</u>	<u>31 December 2024</u>				
	<u>JD</u>	<u>JD</u>				
<b>Financial assets at fair value through other comprehensive income</b>						
Bonds	38,335,649	45,869,201	Level 2	According to the latest available financial information	Not applicable	Not applicable
Quoted shares and bonds	23,938,812	19,652,744	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
Unquoted shares	6,557,487	5,130,971	Level 2	According to the latest available financial information	Not applicable	Not applicable
<b>Total financial assets at fair value</b>	<b>68,831,948</b>	<b>70,652,916</b>				
Gain of unrealized financial derivatives	551	125,853	Level 2	According to the latest available financial information	Not applicable	Not applicable
<b>Financial Liabilities</b>						
Unrealized derivatives losses	464,834	54,719	Level 2	According to the latest available financial information	Not applicable	Not applicable
<b>Total financial liabilities at fair value</b>	<b>464,834</b>	<b>54,719</b>				

There were no transfers between level 1 and 2 during the year ended 31 December 2025 and the year ended 31 December 2024.

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

Except what is detailed in following table we believe that the carrying amounts of financial assets, and financial liabilities recognized in the Bank's consolidated financial statements approximate their fair values:

	31 December 2025		31 December 2024		Fair value hierarchy
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
<b>Financial assets not measured at fair value</b>					
Cash reserve and time and notice deposits at Central Bank	133,100,000	133,125,662	64,200,000	64,211,193	Level 2
Balances at Banks and financial institutions	146,137,286	146,957,137	143,362,598	144,105,196	Level 2
Direct credit facilities	914,425,086	916,214,109	866,323,752	868,164,535	Level 2
Financial assets at amortized cost and mortgaged	212,626,691	216,808,914	215,555,963	219,077,317	Level 2
	<u>1,406,289,063</u>	<u>1,413,105,822</u>	<u>1,289,442,313</u>	<u>1,295,558,241</u>	
<b>Financial liabilities not measured at fair value</b>					
Banks and financial institution deposits	111,265,324	112,134,858	127,613,456	129,097,095	Level 2
Customer deposits	1,097,369,463	1,104,487,938	911,659,999	922,149,658	Level 2
Cash margins	53,548,291	53,548,691	47,212,202	47,213,795	Level 2
Borrowed funds	48,907,894	49,035,670	94,526,865	95,082,660	Level 2
	<u>1,311,090,972</u>	<u>1,319,207,157</u>	<u>1,181,012,522</u>	<u>1,193,543,208</u>	

**46. Commitments and contingent liabilities (Off-balance sheet)**

A, Contingent liabilities:

	2025	2024
	JD	JD
Letters of credit		
Inward	12,052,412	46,785,212
Outward	20,700,641	21,664,332
Acceptance	8,624,140	7,657,656
Letters of guarantees:		
Payments	34,818,890	27,840,004
Performance	50,154,664	69,096,841
Other	14,837,408	20,196,568
Unutilized credit facilities	52,677,964	40,550,105
Futures contracts in Foreign Currency	30,380,394	24,622,781
Interest swap contracts	35,095,500	17,370,500
Total	259,342,013	275,783,999

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

C. There are no guarantees provided against contractual obligations.

D. Operating and finance lease contracts.

**47. Lawsuits against the Bank**

The total amount of lawsuits filed against the bank amounted to JD 4,600,334 as of 31 December 2025 (JOD 4,917,829 as of 31 December 2024). According to the Bank's management and legal counsel, no obligations exceeding the recorded provision of JD 84,377 as of 31 December 2025 (JOD 84,377 as of 31 December 2024) are expected to arise for the Bank.

#### **48. 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 2025, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

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

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only.

The Bank is working on identifying all the impacts of the amendments on the primary consolidated financial statements and their accompanying disclosures.

#### **Contracts Referencing Nature-dependent Electricity — Amendments to IFRS 9 and IFRS 7**

In December 2025, the IASB issued amendments to IFRS 9 and IFRS 7 to address the accounting and disclosure requirements for contracts referencing nature-dependent electricity, such as wind, solar, and hydro power. These amendments aim to provide clearer guidance on the classification, measurement, and recognition of these contracts, which are inherently variable due to their dependence on natural conditions. The changes seek to improve the consistency and comparability of financial statements by clarifying whether such contracts should be treated as financial instruments or executory contracts and how they should be measured. Additionally, the amendments enhance disclosure requirements to provide greater transparency about the risks and financial impacts associated with these contracts, thereby offering users more relevant and reliable information. This initiative supports the global transition to renewable energy by addressing the unique accounting challenges posed by nature-dependent electricity contracts.

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, but will need to be disclosed. The amendments are not expected to have a material impact on the Bank's consolidated financial statements.

## **IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2025, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

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

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

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

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

## **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

In May 2025, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

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

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

### **Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21**

In November 2025, the Board issued Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21. The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate.

If an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position.

An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29, to the foreign operation's comparative figures.

The amendments also introduce certain additional disclosure requirements.

The amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted.